

**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 May 5, 2012

OR

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)

One Technology Way, Norwood, MA
(Address of principal executive offices)

04-2348234
(I.R.S. Employer
Identification No.)

02062-9106
(Zip Code)

(781) 329-4700

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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 for 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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

As of May 5, 2012 there were 298,337,925 shares of common stock of the registrant, \$0.16 2/3 par value per share, outstanding.

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	
	May 5, 2012	April 30, 2011
Revenue	\$ 675,094	\$ 790,780
Cost of sales (1)	234,639	256,566
Gross margin	440,455	534,214
Operating expenses:		
Research and development (1)	127,537	130,460
Selling, marketing, general and administrative (1)	99,992	105,268
	227,529	235,728
Operating income from continuing operations	212,926	298,486
Nonoperating (income) expense:		
Interest expense	6,890	4,078
Interest income	(3,967)	(2,197)
Other, net	(1,451)	(151)
	1,472	1,730
Income before income taxes	211,454	296,756
Provision for income taxes	48,555	54,930
Net income	\$ 162,899	\$ 241,826
Shares used to compute earnings per share – basic	298,130	299,923
Shares used to compute earnings per share – diluted	305,921	309,619
Basic earnings per share	\$ 0.55	\$ 0.81
Diluted earnings per share	\$ 0.53	\$ 0.78
Dividends declared and paid per share	\$ 0.30	\$ 0.22
(1) Includes stock-based compensation expense as follows:		
Cost of sales	\$ 1,671	\$ 1,900
Research and development	\$ 5,162	\$ 5,794
Selling, marketing, general and administrative	\$ 5,267	\$ 5,199

See accompanying notes.

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

	Six Months Ended	
	May 5, 2012	April 30, 2011
Revenue	\$1,323,152	\$1,519,284
Cost of sales (1)	473,307	502,897
Gross margin	849,845	1,016,387
Operating expenses:		
Research and development (1)	251,915	253,205
Selling, marketing, general and administrative (1)	199,037	205,290
Special charge	2,595	—
	453,547	458,495
Operating income from continuing operations	396,298	557,892
Nonoperating (income) expense:		
Interest expense	13,572	6,908
Interest income	(7,315)	(4,482)
Other, net	(1,499)	(110)
	4,758	2,316
Income from continuing operations before income taxes	391,540	555,576
Provision for income taxes	89,259	98,144
Income from continuing operations, net of tax	302,281	457,432
Gain on sale of discontinued operations, net of tax	—	6,500
Net income	<u>\$ 302,281</u>	<u>\$ 463,932</u>
Shares used to compute earnings per share – basic	<u>297,959</u>	<u>299,570</u>
Shares used to compute earnings per share – diluted	<u>305,726</u>	<u>309,234</u>
Basic earnings per share from continuing operations	<u>\$ 1.01</u>	<u>\$ 1.53</u>
Basic earnings per share	<u>\$ 1.01</u>	<u>\$ 1.55</u>
Diluted earnings per share from continuing operations	<u>\$ 0.99</u>	<u>\$ 1.48</u>
Diluted earnings per share	<u>\$ 0.99</u>	<u>\$ 1.50</u>
Dividends declared and paid per share	<u>\$ 0.55</u>	<u>\$ 0.44</u>
(1) Includes stock-based compensation expense as follows:		
Cost of sales	\$ 3,478	\$ 3,648
Research and development	\$ 11,047	\$ 11,379
Selling, marketing, general and administrative	\$ 10,907	\$ 10,469

See accompanying notes.

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

	May 5, 2012	October 29, 2011
Assets		
Cash and cash equivalents	\$ 695,066	\$ 1,405,100
Short-term investments	3,057,559	2,187,362
Accounts receivable, net	330,282	348,416
Inventory (1):		
Raw materials	25,776	28,085
Work in process	177,808	170,398
Finished goods	100,158	96,598
	<u>303,742</u>	<u>295,081</u>
Deferred tax assets	79,898	82,171
Prepaid income tax	9,125	22,002
Prepaid expenses and other current assets	46,857	46,216
Total current assets	<u>4,522,529</u>	<u>4,386,348</u>
Property, plant and equipment, at cost:		
Land and buildings	438,873	430,453
Machinery and equipment	1,645,834	1,606,150
Office equipment	51,715	51,960
Leasehold improvements	48,232	48,338
	<u>2,184,654</u>	<u>2,136,901</u>
Less accumulated depreciation and amortization	<u>1,705,695</u>	<u>1,658,062</u>
Net property, plant and equipment	<u>478,959</u>	<u>478,839</u>
Deferred compensation plan investments	28,393	26,410
Other investments	1,816	2,951
Goodwill	280,210	275,087
Intangible assets, net	28,882	12,200
Deferred tax assets	35,364	37,645
Other assets	36,337	58,155
Total other assets	<u>411,002</u>	<u>412,448</u>
	<u>\$5,412,490</u>	<u>\$ 5,277,635</u>

(1) Includes \$2,318 and \$2,431 related to stock-based compensation at May 5, 2012 and October 29, 2011, respectively.

See accompanying notes.

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

	<u>May 5, 2012</u>	<u>October 29, 2011</u>
Liabilities and Shareholders' Equity		
Accounts payable	\$ 125,746	\$ 113,056
Deferred income on shipments to distributors, net	244,150	233,249
Income taxes payable	24,991	6,584
Current portion of long-term debt	14,500	14,500
Accrued liabilities	149,187	157,616
Total current liabilities	<u>558,574</u>	<u>525,005</u>
Long-term debt	847,983	871,876
Deferred income taxes	1,547	1,260
Deferred compensation plan liability	28,393	26,428
Other non-current liabilities	50,853	57,653
Total non-current liabilities	<u>928,776</u>	<u>957,217</u>
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, 298,337,925 shares issued and outstanding (297,960,718 on October 29, 2011)	49,724	49,661
Capital in excess of par value	287,840	289,587
Retained earnings	3,620,797	3,482,334
Accumulated other comprehensive loss	(33,221)	(26,169)
Total shareholders' equity	<u>3,925,140</u>	<u>3,795,413</u>
	<u>\$5,412,490</u>	<u>\$ 5,277,635</u>

See accompanying notes.

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

	Six Months Ended	
	May 5, 2012	April 30, 2011
Cash flows from operating activities:		
Net income	\$ 302,281	\$ 463,932
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation	55,114	58,959
Amortization of intangibles	18	732
Stock-based compensation expense	25,432	25,496
Gain on sale of business	—	(6,500)
Gain on sale of investments	(1,231)	—
Excess tax benefit-stock options	(4,498)	(36,014)
Deferred income taxes	(4,139)	(11,639)
Other non-cash activity	(390)	700
Changes in operating assets and liabilities	68,202	(82,277)
Total adjustments	138,508	(50,543)
Net cash provided by operating activities	440,789	413,389
Cash flows from investing activities:		
Purchases of short-term available-for-sale investments	(4,428,475)	(1,658,766)
Maturities of short-term available-for-sale investments	3,295,587	1,480,687
Sales of short-term available-for-sale investments	261,575	259,385
Proceeds from the sale of investments	1,506	—
Proceeds related to sale of businesses	—	10,000
Additions to property, plant and equipment	(55,426)	(59,688)
Payments for acquisitions, net of cash acquired	(24,158)	—
Increase in other assets	(1,323)	(7,519)
Net cash (used for) provided by investing activities	(950,714)	24,099
Cash flows from financing activities:		
Proceeds from long-term debt	—	515,507
Early termination of swap agreements	18,520	—
Term loan repayments	(19,250)	(3,625)
Dividend payments to shareholders	(163,818)	(131,809)
Repurchase of common stock	(122,397)	(181,157)
Net proceeds from employee stock plans	87,399	148,079
Contingent consideration payment	(1,991)	—
(Decrease) increase in other financing activities	(1,989)	2,775
Excess tax benefit-stock options	4,498	36,014
Net cash (used for) provided by financing activities	(199,028)	385,784
Effect of exchange rate changes on cash	(1,081)	1,489
Net (decrease) increase in cash and cash equivalents	(710,034)	824,761
Cash and cash equivalents at beginning of period	1,405,100	1,070,000
Cash and cash equivalents at end of period	<u>\$ 695,066</u>	<u>\$ 1,894,761</u>

See accompanying notes.

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 Analog Devices, Inc.'s (the Company) Annual Report on Form 10-K for the fiscal year ended October 29, 2011 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 November 3, 2012 or any future period.

The Company sold its baseband chipset business and related support operations, or Baseband Chipset Business, to MediaTek Inc., during the first quarter of fiscal 2008. The Company has reflected the financial results of this business as discontinued operations in the condensed consolidated statements of income for all periods presented.

Certain amounts reported in previous years have been reclassified to conform to the fiscal 2012 presentation. Such reclassified amounts are immaterial. The Company has a 52-53 week fiscal year that ends on the Saturday closest to the last day in October. Fiscal 2012 is a 53-week fiscal year and fiscal 2011 was a 52-week fiscal year. The additional week in fiscal 2012 was included in the first quarter ended February 4, 2012. Therefore, the first six months of fiscal 2012 included an additional week of operations as compared to the first six months of fiscal 2011.

Note 2 – Revenue Recognition

Revenue from product sales to customers is generally recognized when title passes, which for shipments to certain foreign countries is subsequent to product shipment. Title for these shipments ordinarily passes within a week of shipment. A reserve for sales returns and allowances for customers is recorded based on historical experience or specific identification of an event necessitating a reserve.

In all regions of the world, the Company defers revenue and the related cost of sales on shipments to distributors until the distributors resell the products to their customers. As a result, the Company's revenue fully reflects end customer purchases and is not impacted by distributor inventory levels. Sales to distributors are made under agreements that allow distributors to receive price-adjustment credits, as discussed below, and to return qualifying products for credit, as determined by the Company, in order to reduce the amounts of slow-moving, discontinued or obsolete product from their inventory. These agreements limit such returns to a certain percentage of the value of the Company's shipments to that distributor during the prior quarter. In addition, distributors are allowed to return unsold products if the Company terminates the relationship with the distributor.

Distributors are granted price-adjustment credits for sales to their customers when the distributor's standard cost (i.e., the Company's sales price to the distributor) does not provide the distributor with an appropriate margin on its sales to its customers. As distributors negotiate selling prices with their customers, the final sales price agreed to with the customer will be influenced by many factors, including the particular product being sold, the quantity ordered, the particular customer, the geographic location of the distributor and the competitive landscape. As a result, the distributor may request and receive a price-adjustment credit from the Company to allow the distributor to earn an appropriate margin on the transaction.

Distributors are also granted price-adjustment credits in the event of a price decrease subsequent to the date the product was shipped and billed to the distributor. Generally, the Company will provide a credit equal to the difference between the price paid by the distributor (less any prior credits on such products) and the new price for the product multiplied by the quantity of such product in the distributor's inventory at the time of the price decrease.

Given the uncertainties associated with the levels of price-adjustment credits to be granted to distributors, the sales price to the distributor is not fixed or determinable until the distributor resells the products to their customers. Therefore, the Company defers revenue recognition from sales to distributors until the distributors have sold the products to their customers.

Title to the inventory transfers to the distributor at the time of shipment or delivery to the distributor, and payment from the distributor is due in accordance with the Company's standard payment terms. These payment terms are not contingent upon the distributors' sale of the products to their customers. Upon title transfer to distributors, inventory is reduced for the cost of goods shipped, the margin (sales less cost of sales) is recorded as "deferred income on shipments to distributors, net" and an account receivable is recorded.

The deferred costs of sales to distributors have historically had very little risk of impairment due to the margins the Company earns on sales of its products and the relatively long life-cycle of the Company's products. Product returns from distributors that are ultimately scrapped have historically been immaterial. In addition, price protection and price-adjustment credits granted to distributors historically have not exceeded the margins the Company earns on sales of its products. The Company continuously monitors the level and nature of product returns and is in continuous contact with the distributors to ensure reserves are established for all known material issues.

As of May 5, 2012 and October 29, 2011, the Company had gross deferred revenue of \$311.6 million and \$309.6 million, respectively, and gross deferred cost of sales of \$67.5 million and \$76.4 million, respectively. Deferred income on shipments to distributors increased by approximately \$10.9 million in the first six months of fiscal 2012 as a result of the Company's shipments to its distributors exceeding the distributors' sales to their customers during the same time period.

Shipping costs are charged to cost of sales as incurred.

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 during the three- and six-month periods ended May 5, 2012 and April 30, 2011 were not material.

Note 3 – Stock-Based Compensation

Grant-Date Fair Value – The Company uses the Black-Scholes valuation model to calculate the grant-date fair value of stock option awards. The grant-date fair value of restricted stock units represents the value of the Company's common stock on the date of grant, reduced by the present value of dividends expected to be paid on the Company's common stock prior to vesting.

Information pertaining to the Company's stock option awards and the related estimated weighted-average assumptions to calculate the fair value of stock options granted during the three- and six-month periods ended May 5, 2012 and April 30, 2011 are as follows:

<u>Stock Options</u>	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>May 5, 2012</u>	<u>April 30, 2011</u>	<u>May 5, 2012</u>	<u>April 30, 2011</u>
Options granted (in thousands)*	2,178	87	2,227	1,960
Weighted-average exercise price	\$ 39.77	\$ 39.27	\$ 39.71	\$ 37.60
Weighted-average grant-date fair value	\$ 7.48	\$ 8.39	\$ 7.50	\$ 8.63
Assumptions:				
Weighted-average expected volatility	28.5%	26.8%	28.6%	29.3%
Weighted-average expected term (in years)	5.3	5.3	5.3	5.3
Weighted-average risk-free interest rate	1.1%	2.2%	1.1%	2.1%
Weighted-average expected dividend yield	3.0%	2.2%	3.0%	2.3%

* Under the Company's equity award grant date policy the grant date of the Company's annual equity awards has been the second business day following January 1st in the Company's first fiscal quarter. In fiscal year 2012, the grant date of the Company's annual equity awards was changed to March 15th, in the Company's second fiscal quarter.

Expected volatility — The Company is responsible for estimating volatility and has considered a number of factors, including third-party estimates, when estimating volatility. The Company currently believes that the exclusive use of implied volatility results in the best estimate of the grant-date fair value of employee stock options because it reflects the market's current expectations of future volatility. In evaluating the appropriateness of exclusively relying on implied volatility, the Company concluded that: (1) options in the Company's common stock are actively traded with sufficient volume on several exchanges; (2) the market prices of both the traded options and the underlying shares are measured at a similar point in time to each other and on a date close to the grant date of the employee share options; (3) the traded options have exercise prices that are both near-the-money and close to the exercise price of the employee share options; and (4) the remaining maturities of the traded options used to estimate volatility are at least one year.

Expected term — The Company uses historical employee exercise and option expiration data to estimate the expected term assumption for the Black-Scholes grant-date valuation. The Company believes that this historical data is currently the best estimate of the expected term of a new option, and that generally its employees exhibit similar exercise behavior.

Risk-free interest rate — The yield on zero-coupon U.S. Treasury securities for a period that is commensurate with the expected term assumption is used as the risk-free interest rate.

Expected dividend yield — Expected dividend yield is calculated by annualizing the cash dividend declared by the Company’s Board of Directors for the current quarter and dividing that result by the closing stock price on the date of grant. Until such time as the Company’s Board of Directors declares a cash dividend for an amount that is different from the current quarter’s cash dividend, the current dividend will be used in deriving this assumption. Cash dividends are not paid on options, restricted stock or restricted stock units.

Stock-Based Compensation Expense

The amount of stock-based compensation expense recognized during a period is based on the value of the awards that are ultimately expected to vest. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The term “forfeitures” is distinct from “cancellations” or “expirations” and represents only the unvested portion of the surrendered stock-based award. Based on an analysis of its historical forfeitures, the Company has applied an annual forfeiture rate of 4.3% to all unvested stock-based awards as of May 5, 2012. The rate of 4.3% represents the portion that is expected to be forfeited each year over the vesting period. This analysis will be re-evaluated quarterly and the forfeiture rate will be adjusted as necessary. Ultimately, the actual expense recognized over the vesting period will only be for those options that vest.

Additional paid-in-capital (APIC) Pool

The APIC pool represents the excess tax benefits related to share-based compensation that are available to absorb future tax deficiencies. If the amount of future tax deficiencies is greater than the available APIC pool, the Company records the excess as income tax expense in its condensed consolidated statements of income. During the three- and six-month periods ended April 30, 2011, the Company had a sufficient APIC pool to provide for any tax deficiencies recorded and as a result, these deficiencies did not affect its results of operations. During the three-month period ended February 4, 2012, the Company recognized \$1.8 million of income tax expense resulting from tax shortfalls related to share-based compensation in its condensed consolidated statement of income. During the three-month period ended May 5, 2012, the Company recorded excess tax benefits of \$0.3 million. The Company applied these excess tax benefits to the income tax expense previously recorded during the three-month period ended February 4, 2012, resulting in \$1.5 million of income tax expense for the six months ended May 5, 2012.

Stock-Based Compensation Activity

A summary of the activity under the Company’s stock option plans as of May 5, 2012 and changes during the three-and six month periods then ended is presented below:

<u>Activity during the Three Months Ended May 5, 2012</u>	<u>Options Outstanding (in thousands)</u>	<u>Weighted-Average Exercise Price Per Share</u>	<u>Weighted-Average Remaining Contractual Term in Years</u>	<u>Aggregate Intrinsic Value</u>
Options outstanding February 4, 2012	29,959	\$ 29.88		
Options granted	2,178	\$ 39.77		
Options exercised	(1,594)	\$ 24.39		
Options forfeited	(99)	\$ 28.10		
Options expired	(6)	\$ 39.56		
Options outstanding at May 5, 2012	<u>30,438</u>	\$ 30.88	4.8	\$ 221,543
Options exercisable at May 5, 2012	<u>19,068</u>	\$ 31.07	3.9	\$ 137,506
Options vested or expected to vest at May 5, 2012 (1)	<u>29,816</u>	\$ 30.81	4.7	\$ 218,788

- (1) In addition to the vested options, the Company expects a portion of the unvested options to vest at some point in the future. Options expected to vest is calculated by applying an estimated forfeiture rate to the unvested options.

<u>Activity during the Six Months Ended May 5, 2012</u>	Options Outstanding (in thousands)	Weighted- Average Exercise Price Per Share
Options outstanding October 29, 2011	34,116	\$ 30.27
Options granted	2,227	\$ 39.71
Options exercised	(3,530)	\$ 24.86
Options forfeited	(288)	\$ 27.65
Options expired	(2,087)	\$ 41.05
Options outstanding at May 5, 2012	<u>30,438</u>	\$ 30.88

During the three and six months ended May 5, 2012, the total intrinsic value of options exercised (i.e. the difference between the market price at exercise and the price paid by the employee to exercise the options) was \$24.4 million and \$49.3 million, respectively, and the total amount of proceeds received by the Company from exercise of these options was \$38.9 million and \$87.8 million, respectively. Proceeds from stock option exercises pursuant to employee stock plans in the Company's statement of cash flows during the six months ended May 5, 2012 of \$87.4 million are net of the value of shares surrendered by employees in certain limited circumstances to satisfy the exercise price of options and employee tax obligations upon vesting of restricted stock units and in connection with the exercise of stock options granted to the Company's employees under the Company's equity compensation plans. The withholding amount is based on the Company's minimum statutory withholding requirement.

During the three and six months ended April 30, 2011, the total intrinsic value of options exercised (i.e. the difference between the market price at exercise and the price paid by the employee to exercise the options) was \$23.0 million and \$69.7 million, respectively, and the total amount of proceeds received by the Company from exercise of these options was \$46.2 million and \$148.2 million, respectively. Proceeds from stock option exercises pursuant to employee stock plans in the Company's statement of cash flows during the six months ended April 30, 2011 of \$148.1 million are net of the value of shares surrendered by employees in certain limited circumstances to satisfy the exercise price of options and employee tax obligations upon vesting of restricted stock units and in connection with the exercise of stock options granted to the Company's employees under the Company's equity compensation plans. The withholding amount is based on the Company's minimum statutory withholding requirement.

A summary of the Company's restricted stock unit award activity as of May 5, 2012 and changes during the three- and six-month periods then ended is presented below:

<u>Activity during the Three Months Ended May 5, 2012</u>	Restricted Stock Units Outstanding (in thousands)	Weighted- Average Grant- Date Fair Value Per Share
Restricted stock units outstanding at February 4, 2012	2,070	\$ 31.20
Units granted	821	\$ 36.26
Restrictions lapsed	(26)	\$ 31.21
Forfeited	(35)	\$ 27.76
Restricted stock units outstanding at May 5, 2012	<u>2,830</u>	\$ 32.71

<u>Activity during the Six Months Ended May 5, 2012</u>	Restricted Stock Units Outstanding (in thousands)	Weighted- Average Grant- Date Fair Value Per Share
Restricted stock units outstanding at October 29, 2011	2,088	\$ 31.10
Units granted	843	\$ 36.19
Restrictions lapsed	(47)	\$ 27.68
Forfeited	(54)	\$ 29.08
Restricted stock units outstanding at May 5, 2012	<u>2,830</u>	\$ 32.71

As of May 5, 2012, there was \$107.5 million of total unrecognized compensation cost related to unvested share-based awards comprised of stock options and restricted stock units. That cost is expected to be recognized over a weighted-average period of 1.5 years. The total grant-date fair value of shares that vested during the three and six months ended May 5, 2012 was approximately \$1.8 million and \$26.8 million, respectively. The total grant-date fair value of shares that vested during the three and six months ended April 30, 2011 was approximately \$1.4 million and \$27.0 million, respectively.

Note 4 – 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 consist of the following:

	Three Months Ended	
	May 5, 2012	April 30, 2011
Net income	\$ 162,899	\$ 241,826
Foreign currency translation adjustments	(1,389)	6,180
Change in unrealized holding losses (net of taxes of \$435 and \$5, respectively) on securities classified as short-term investments	(2,034)	(38)
Change in unrealized holding (losses) gains (net of taxes of \$398 and \$23, respectively) on securities classified as other investments	(740)	43
Change in unrealized gains (net of taxes of \$416 and \$850, respectively) on derivative instruments designated as cash flow hedges	2,635	5,666
Pension plans		
Transition obligation	(2)	(3)
Net actuarial loss	(273)	(3,060)
Other comprehensive (loss) gain	(1,803)	8,788
Comprehensive income	<u>\$ 161,096</u>	<u>\$ 250,614</u>

	Six Months Ended	
	May 5, 2012	April 30, 2011
Income from continuing operations, net of tax	\$ 302,281	\$ 457,432
Foreign currency translation adjustments	(3,641)	6,159
Change in unrealized holding (losses) gains (net of taxes of \$229 and \$18, respectively) on securities classified as short-term investments	(887)	124
Change in unrealized holding (losses) gains (net of taxes of \$300 and \$63, respectively) on securities classified as other investments	(558)	117
Change in unrealized (losses) gains (net of taxes of \$413 and \$449, respectively) on derivative instruments designated as cash flow hedges	(3,106)	2,643
Pension plans		
Transition obligation	(1)	(2)
Net actuarial gain (loss)	1,141	(2,155)
Other comprehensive (loss) gain	(7,052)	6,886
Comprehensive income from continuing operations	295,229	464,318
Gain on sale of discontinued operations, net of tax	—	6,500
Comprehensive income	<u>\$ 295,229</u>	<u>\$ 470,818</u>

The components of accumulated other comprehensive loss, net of tax, at May 5, 2012 and October 29, 2011 consisted of the following:

	May 5, 2012	October 29, 2011
Foreign currency translation adjustment	\$ (5,679)	\$ (2,038)
Unrealized gains on available-for-sale securities	79	695
Unrealized losses on available-for-sale securities	(1,470)	(641)
Unrealized (losses) gains on derivative instruments	(1,419)	1,687
Pension plans		
Transition obligation	(118)	(117)
Net actuarial loss	(24,614)	(25,755)
Total accumulated other comprehensive loss	<u>\$ (33,221)</u>	<u>\$ (26,169)</u>

The aggregate fair value of investments with unrealized losses as of May 5, 2012 and October 29, 2011 was \$1,965.0 million and \$1,899.4 million, respectively. These unrealized losses were primarily related to commercial paper that earns lower interest rates than current market rates. None of these investments have been in a loss position for more than twelve months.

Unrealized gains and losses on available-for-sale securities classified as short-term investments at May 5, 2012 and October 29, 2011 are as follows:

	May 5, 2012	October 29, 2011
Unrealized gains on securities classified as short-term investments	\$ 118	\$ 22
Unrealized losses on securities classified as short-term investments	(1,812)	(600)
Net unrealized losses on securities classified as short-term investments	<u>\$ (1,694)</u>	<u>\$ (578)</u>

Realized gains or losses on investments are determined based on the specific identification basis and are recognized in nonoperating (income) expense. Gross realized gains and losses on sales of available-for-sale investments were approximately \$1.3 million and approximately \$0.1 million, respectively, in the three- and six-month periods ended May 5, 2012. There were no material net realized gains or losses from the sales of available-for-sale investments during any other of the fiscal periods presented.

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 using the treasury stock method. In calculating diluted earnings per share, the dilutive effect of stock options is computed using the average market price for the respective period. In addition, the assumed proceeds under the treasury stock method include the average unrecognized compensation expense of stock options that are in-the-money and restricted stock units. This results in the “assumed” buyback of additional shares, thereby reducing the dilutive impact of in-the-money stock options. Potential shares related to certain of the Company’s outstanding stock options were excluded because they were anti-dilutive. Those potential shares, determined based on the weighted average exercise prices during the respective years, related to the Company’s outstanding stock options could be dilutive in the future.

	Three Months Ended	
	May 5, 2012	April 30, 2011
Net Income	162,899	241,826
Basic shares:		
Weighted-average shares outstanding	298,130	299,923
Earnings per share Basic:	\$ 0.55	\$ 0.81
Diluted shares:		
Weighted-average shares outstanding	298,130	299,923
Assumed exercise of common stock equivalents	7,791	9,696
Weighted-average common and common equivalent shares	305,921	309,619
Earnings per share Diluted:	\$ 0.53	\$ 0.78
Weighted average anti-dilutive shares related to:		
Outstanding stock options	3,954	4,909

	Six Months Ended	
	May 5, 2012	April 30, 2011
Income from continuing operations, net of tax	\$ 302,281	\$ 457,432
Gain on sale of discontinued operations, net of tax	—	6,500
Net income	<u>\$ 302,281</u>	<u>\$ 463,932</u>
Basic shares:		
Weighted-average shares outstanding	<u>297,959</u>	<u>299,570</u>
Earnings per share-basic:		
Income from continuing operations, net of tax	\$ 1.01	\$ 1.53
Gain on sale of discontinued operations, net of tax	—	0.02
Net income	<u>\$ 1.01</u>	<u>\$ 1.55</u>
Diluted shares:		
Weighted-average shares outstanding	297,959	299,570
Assumed exercise of common stock equivalents	7,767	9,664
Weighted-average common and common equivalent shares	<u>305,726</u>	<u>309,234</u>
Earnings per share-diluted:		
Income from continuing operations, net of tax	\$ 0.99	\$ 1.48
Gain on sale of discontinued operations, net of tax	—	0.02
Net income	<u>\$ 0.99</u>	<u>\$ 1.50</u>
Weighted average anti-dilutive shares related to:		
Outstanding stock options	5,433	6,503

Note 6 – Special Charges

The Company monitors global macroeconomic conditions on an ongoing basis, and continues to assess opportunities for improved operational effectiveness and efficiency and better alignment of expenses with revenues. As a result of these assessments, the Company has undertaken various restructuring actions over the past several years. These actions are described below.

The following tables display the special charges taken for ongoing actions and a roll-forward from October 29, 2011 to May 5, 2012 of the employee separation and exit cost accruals established related to these actions.

Statement of Income	Reduction of Operating Costs				
	2008	2009	2010	2011	2012
Workforce reductions	\$1,627	\$26,583	\$10,908	\$2,239	\$2,535
Facility closure costs	—	2,411	—	—	—
Non-cash impairment charge	—	839	487	—	—
Other items	—	500	24	—	60
Total Charges	\$1,627	\$30,333	\$11,419	\$2,239	\$2,595

Accrued Restructuring	Reduction of Operating Costs
Balance at October 29, 2011	\$ 3,876
Fiscal 2012 special charges	2,595
Severance payments	(1,359)
Balance at February 4, 2012	\$ 5,112
Severance payments	(2,760)
Balance at May 5, 2012	\$ 2,352

Reduction of Operating Costs

During fiscal 2008 through fiscal 2010, the Company recorded special charges of approximately \$43.3 million. These special charges included: \$39.1 million for severance and fringe benefit costs in accordance with its ongoing benefit plan or statutory requirements at foreign locations for 245 manufacturing employees and 470 engineering and selling, marketing, general and administrative (SMG&A) employees; \$2.1 million for lease obligation costs for facilities that the Company ceased using during the first quarter of fiscal 2009; \$0.8 million for the write-off of property, plant and equipment; \$0.5 million for contract termination costs and \$0.3 million for clean-up and closure costs that were expensed as incurred; and \$0.5 million related to the impairment of intellectual property. The Company terminated the employment of all employees associated with these actions and is paying amounts owed to them as income continuance.

During fiscal 2011, the Company recorded a special charge of approximately \$2.2 million for severance and fringe benefit costs in accordance with its ongoing benefit plan or statutory requirements at foreign locations for 25 engineering and SMG&A employees. As of May 5, 2012, the Company employed 3 of the 25 employees included in this cost reduction action. These employees must continue to be employed by the Company until their employment is involuntarily terminated in order to receive the severance benefit.

During the first quarter of fiscal 2012, the Company recorded a special charge of approximately \$2.6 million. The special charge included \$2.5 million for severance and fringe benefit costs in accordance with its ongoing benefit plan or statutory requirements at foreign locations for 34 manufacturing, engineering and SMG&A employees and \$0.1 million for contract termination costs. The Company terminated the employment of all employees associated with these actions and is paying amounts owed to them as income continuance.

Note 7 – Segment Information

The Company operates and tracks its results in one reportable segment based on the aggregation of five operating segments. 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.

Revenue Trends by End Market

The following table summarizes revenue by end market. The categorization of revenue by end market is determined using a variety of data points including the technical characteristics of the product, the “sold to” customer information, the “ship to” customer information and the end customer product or application into which the Company’s product will be incorporated. As data systems for capturing and tracking this data evolve and improve, the categorization of products by end market can vary over time. When this occurs, the Company reclassifies revenue by end market for prior periods. Such reclassifications typically do not materially change the sizing of, or the underlying trends of results within, each end market.

	Three Months Ended May 5, 2012			Three Months Ended April 30, 2011	
	Revenue	% of Revenue	Y/Y%	Revenue	% of Revenue
Industrial	\$ 323,441	48%	(16)%	\$ 386,697	49%
Automotive	118,009	17%	10%	107,171	14%
Consumer	107,994	16%	(20)%	135,256	17%
Communications	125,650	19%	(22)%	161,656	20%
Total revenue	\$ 675,094	100%	(15)%	\$ 790,780	100%

	Six Months Ended May 5, 2012			Six Months Ended April 30, 2011	
	Revenue	% of Revenue	Y/Y%	Revenue	% of Revenue*
Industrial	\$ 612,113	46%	(16)%	\$ 726,013	48%
Automotive	238,506	18%	18%	202,399	13%
Consumer	224,880	17%	(20)%	280,562	18%
Communications	247,653	19%	(20)%	310,310	20%
Total revenue	\$1,323,152	100%	(13)%	\$1,519,284	100%

* The sum of the individual percentages does not equal the total due to rounding.

Revenue Trends by Product Type

The following table summarizes revenue by product categories. The categorization of the Company’s 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, the Company reclassifies the amounts in the product categories for all prior periods. Such reclassifications typically do not materially change the sizing of, or the underlying trends of results within, each product category.

	Three Months Ended May 5, 2012			Three Months Ended April 30, 2011	
	Revenue	% of Revenue*	Y/Y%	Revenue	% of Revenue
Converters	\$ 300,040	44%	(14)%	\$ 350,187	44%
Amplifiers / Radio frequency	177,813	26%	(17)%	213,140	27%
Other analog	90,790	13%	(18)%	111,037	14%
Subtotal analog signal processing	568,643	84%	(16)%	674,364	85%
Power management & reference	46,060	7%	(18)%	56,125	7%
Total analog products	\$ 614,703	91%	(16)%	\$ 730,489	92%
Digital signal processing	60,391	9%	0%	60,291	8%
Total revenue	\$ 675,094	100%	(15)%	\$ 790,780	100%

* The sum of the individual percentages does not equal the total due to rounding.

	Six Months Ended May 5, 2012			Six Months Ended April 30, 2011	
	Revenue	% of Revenue	Y/Y%	Revenue	% of Revenue
Converters	\$ 585,173	44%	(14)%	\$ 682,954	45%
Amplifiers / Radio frequency	342,269	26%	(16)%	408,147	27%
Other analog	187,028	14%	(8)%	202,444	13%
Subtotal analog signal processing	1,114,470	84%	(14)%	1,293,545	85%
Power management & reference	90,925	7%	(17)%	109,485	7%
Total analog products	\$1,205,395	91%	(14)%	\$1,403,030	92%
Digital signal processing	117,757	9%	1%	116,254	8%
Total revenue	\$1,323,152	100%	(13)%	\$1,519,284	100%

Revenue Trends by Geographic Region

During the second quarter of fiscal 2012 the Company revised its method for classifying revenue by geographic region to more accurately reflect the primary location of our customers' design activity for our products. Prior periods have been reclassified to align with this definition. In general, the prior classification method reflected the customers' manufacturing location or the distributors' stocking territory. No changes have been made to the Company's revenue recognition policy. Revenue by geographic region for the three- and six-month periods ended May 5, 2012 and April 30, 2011 was as follows:

Region	Three Months Ended		Six Months Ended	
	May 5, 2012	April 30, 2011	May 5, 2012	April 30, 2011
United States	\$ 191,548	\$ 233,181	\$ 388,075	\$ 440,647
Rest of North and South America	30,392	40,927	62,265	78,216
Europe	217,195	267,228	423,293	492,801
Japan	86,687	91,423	167,026	195,280
China	89,405	94,339	164,981	184,128
Rest of Asia	59,867	63,682	117,512	128,212
Total revenue	\$675,094	\$790,780	\$1,323,152	\$1,519,284

In the three- and six-month periods ended May 5, 2012 and April 30, 2011, the predominant countries comprising "Rest of North and South America" are Canada and Mexico; the predominant countries comprising "Europe" are Germany, Sweden, France and the United Kingdom; and the predominant countries comprising "Rest of Asia" are Taiwan and South Korea.

Note 8 – Fair Value

The Company defines fair value as the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Level 1 — Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 — Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Level 3 inputs are unobservable inputs for the asset or liability in which there is little, if any, market activity for the asset or liability at the measurement date.

The tables below set forth by level the Company's financial assets and liabilities, excluding accrued interest components that were accounted for at fair value on a recurring basis as of May 5, 2012 and October 29, 2011. The tables exclude cash on hand and assets and liabilities that are measured at historical cost or any basis other than fair value. As of May 5, 2012 and October 29, 2011, the Company held \$98.6 million and \$31.6 million, respectively, of cash and held-to-maturity investments that were excluded from the tables below.

	May 5, 2012			
	Fair Value measurement at Reporting Date using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total
Assets				
Cash equivalents:				
Available-for-sale:				
Institutional money market funds	\$ 138,414	\$ —	\$ —	\$ 138,414
Corporate obligations (1)	—	518,106	—	518,106
Short — term investments:				
Available-for-sale:				
Securities with one year or less to maturity:				
Corporate obligations (1)	—	2,635,474	—	2,635,474
Floating rate notes, issued at par	—	160,049	—	160,049
Floating rate notes (1)	—	179,424	—	179,424
Securities with greater than one year to maturity:				
Floating rate notes (1)	—	22,608	—	22,608
Other assets:				
Deferred compensation investments	28,445	—	—	28,445
Total assets measured at fair value	<u>\$ 166,859</u>	<u>\$ 3,515,661</u>	<u>\$ —</u>	<u>\$ 3,682,520</u>
Liabilities				
Forward foreign currency exchange contracts (2)	\$ —	\$ 1,972	\$ —	\$ 1,972
Contingent consideration	—	—	12,316	12,316
Total liabilities measured at fair value	<u>\$ —</u>	<u>\$ 1,972</u>	<u>\$ 12,316</u>	<u>\$ 14,288</u>

(1) The amortized cost of the Company's investments classified as available-for-sale as of May 5, 2012 was \$3,359.3 million.

(2) The Company has a master netting arrangement by counterparty with respect to derivative contracts. As of May 5, 2012, contracts in an asset position of \$0.9 million were netted against contracts in a liability position in the condensed consolidated balance sheet.

	October 29, 2011			
	Fair Value measurement at Reporting Date using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total
Assets				
Cash equivalents:				
Available-for-sale:				
Institutional money market funds	\$1,278,121	\$ —	\$ —	\$1,278,121
Corporate obligations (1)	—	95,948	—	95,948
Short — term investments:				
Available-for-sale:				
Securities with one year or less to maturity:				
Corporate obligations (1)	—	2,169,078	—	2,169,078
Floating rate notes (1)	—	17,704	—	17,704
Other assets:				
Forward foreign currency exchange contracts (2)	—	2,472	—	2,472
Deferred compensation investments	26,410	—	—	26,410
Other investments	1,135	—	—	1,135
Interest rate swap agreements	—	22,187	—	22,187
Total assets measured at fair value	<u>\$1,305,666</u>	<u>\$2,307,389</u>	<u>\$ —</u>	<u>\$3,613,055</u>
Liabilities				
\$375 million aggregate principal 5.0% debt (3)	\$ —	\$ 396,337	\$ —	\$ 396,337
Contingent consideration	—	—	13,973	13,973
Total liabilities measured at fair value	<u>\$ —</u>	<u>\$ 396,337</u>	<u>\$ 13,973</u>	<u>\$ 410,310</u>

- (1) The amortized cost of the Company's investments classified as available-for-sale as of October 29, 2011 was \$2,284.9 million.
- (2) The Company has a master netting arrangement by counterparty with respect to derivative contracts. As of October 29, 2011, contracts in a liability position of \$0.8 million were netted against contracts in an asset position in the condensed consolidated balance sheet.
- (3) Equal to the accreted notional value of the debt plus the fair value of the interest rate component of the long-term debt. The fair value of the long-term debt as of October 29, 2011 was \$413.4 million, which is classified as a level 1 measurement according to the fair value hierarchy.

The following methods and assumptions were used by the Company in estimating its fair value disclosures for financial instruments:

Cash equivalents and short-term investments — These investments are adjusted to fair value based on quoted market prices or are determined using a yield curve model based on current market rates.

Deferred compensation plan investments and other investments — The fair value of these mutual fund, money market fund and equity investments are based on quoted market prices.

Long-term debt — The fair value of long-term debt is based on quotes received from third-party banks.

Interest rate swap agreements — The fair value of interest rate swap agreements is based on quotes received from third-party banks. These values represent the estimated amount the Company would receive or pay to terminate the agreements taking into consideration current interest rates as well as the creditworthiness of the counterparty.

Forward foreign currency exchange contracts — The estimated fair value of forward foreign currency exchange contracts, which includes derivatives that are accounted for as cash flow hedges and those that are not designated as cash flow hedges, is based on the estimated amount the Company would receive if it sold these agreements at the reporting date taking into consideration current interest rates as well as the creditworthiness of the counterparty for assets and the Company's creditworthiness for liabilities.

Contingent consideration — The fair value of the contingent consideration was estimated utilizing the income approach and is based upon significant inputs not observable in the market. The income approach is based on two steps. The first step involves a projection of the cash flows which is based on the Company's estimates of the timing and probability of achieving the defined milestones. The second step involves converting the cash flows into a present value equivalent through discounting. The discount rate reflects the Baa costs of debt plus the relevant risk associated with the asset and the time value of money.

The fair value measurement of the contingent consideration encompasses the following significant unobservable inputs:

<u>Unobservable Inputs</u>	<u>Range</u>
Estimated contingent consideration payments	\$13,000
Discount rate	7% - 10%
Timing of cash flows	1 - 16 months
Probability of achievement	100%

Changes in the fair value of the contingent consideration subsequent to the acquisition date that are primarily driven by assumptions pertaining to the achievement of the defined milestones will be recognized in operating income in the period of the estimated fair value change. Significant increases or decreases in any of the inputs in isolation could result in a fluctuation in the fair value measurement.

The following table summarizes the change in the fair value of the contingent consideration measured using significant unobservable inputs (Level 3) as of October 29, 2011 and May 5, 2012:

	<u>Contingent Consideration</u>
Balance as of October 30, 2010	\$ —
Contingent consideration liability recorded	13,790
Fair value adjustment (1)	183
Balance as of October 29, 2011	\$ 13,973
Payment made (2)	(2,000)
Fair value adjustment (1)	343
Balance as of May 5, 2012	\$ 12,316

(1) Recorded in research and development expense in the condensed consolidated statements of income.

(2) The payment is reflected in the statements of cash flows as cash used in financing activities related to the liability recognized at fair value as of the acquisition date and as cash provided by operating activities related to the fair value adjustments previously recognized in earnings.

Financial Instruments Not Recorded at Fair Value on a Recurring Basis

On June 30, 2009, the Company issued \$375 million aggregate principal amount of 5.0% senior unsecured notes due July 1, 2014 (the 5.0% Notes) with semi-annual fixed interest payments due on January 1 and July 1 of each year, commencing January 1, 2010. Based on quotes received from third-party banks, the fair value of the 5.0% Notes as of May 5, 2012 was \$407.9 million and is classified as a Level 1 measurement according to the fair value hierarchy.

On April 4, 2011, the Company issued \$375 million aggregate principal amount of 3.0% senior unsecured notes due April 15, 2016 (the 3.0% Notes) with semi-annual fixed interest payments due on April 15 and October 15 of each year, commencing October 15, 2011. Based on quotes received from third-party banks, the fair value of the 3.0% Notes as of May 5, 2012 and October 29, 2011 was \$398.2 million and \$392.8 million, respectively and is classified as a Level 1 measurement according to the fair value hierarchy.

Note 9 – Derivatives

Foreign Exchange Exposure Management — The Company enters into forward foreign currency exchange contracts to offset certain operational and balance sheet exposures from the impact of changes in foreign currency exchange rates. Such exposures result from the portion of the Company's operations, assets and liabilities that are denominated in currencies other

than the U.S. dollar, primarily the Euro; other significant exposures include the Philippine Peso and the British Pound. These foreign currency exchange contracts are entered into to support transactions made in the normal course of business, and accordingly, are not speculative in nature. The contracts are for periods consistent with the terms of the underlying transactions, generally one year or less. Hedges related to anticipated transactions are designated and documented at the inception of the respective hedges as cash flow hedges and are evaluated for effectiveness monthly. Derivative instruments are employed to eliminate or minimize certain foreign currency exposures that can be confidently identified and quantified. As the terms of the contract and the underlying transaction are matched at inception, forward contract effectiveness is calculated by comparing the change in fair value of the contract to the change in the forward value of the anticipated transaction, with the effective portion of the gain or loss on the derivative instrument reported as a component of accumulated other comprehensive (loss) income (OCI) in shareholders' equity and reclassified into earnings in the same period during which the hedged transaction affects earnings. Any residual change in fair value of the instruments, or ineffectiveness, is recognized immediately in other (income) expense. Additionally, the Company enters into forward foreign currency contracts that economically hedge the gains and losses generated by the re-measurement of certain recorded assets and liabilities in a non-functional currency. Changes in the fair value of these undesignated hedges are recognized in other (income) expense immediately as an offset to the changes in the fair value of the asset or liability being hedged. As of May 5, 2012 and October 29, 2011, the total notional amount of these undesignated hedges was \$26.1 million and \$41.2 million, respectively. The fair value of these hedging instruments in the Company's condensed consolidated balance sheets as of May 5, 2012 and October 29, 2011 was immaterial.

Interest Rate Exposure Management — On June 30, 2009, the Company entered into interest rate swap transactions related to its outstanding 5.0% senior unsecured notes where the Company swapped the notional amount of its \$375 million of fixed rate debt at 5.0% into floating interest rate debt through July 1, 2014. Under the terms of the swaps, the Company will (i) receive on the \$375 million notional amount a 5.0% annual interest payment that is paid in two installments on the 1st of every January and July, commencing January 1, 2010 through and ending on the maturity date; and (ii) pay on the \$375 million notional amount an annual three month LIBOR plus 2.05% interest payment, payable in four installments on the 1st of every January, April, July and October, commencing on October 1, 2009 and ending on the maturity date. The LIBOR-based rate is set quarterly three months prior to the date of the interest payment. The Company designated these swaps as fair value hedges. The fair value of the swaps at inception was zero and subsequent changes in the fair value of the interest rate swaps were reflected in the carrying value of the interest rate swaps on the balance sheet. The carrying value of the debt on the balance sheet was adjusted by an equal and offsetting amount. The gain or loss on the hedged item (that is, the fixed-rate borrowings) attributable to the hedged benchmark interest rate risk and the offsetting gain or loss on the related interest rate swaps for the six-month period ended April 30, 2011 were as follows:

<u>Statement of income classification</u>	<u>April 30, 2011</u>		
	<u>Loss on Swaps</u>	<u>Gain on Note</u>	<u>Net Income Effect</u>
Other income	\$ (8,491)	\$ 8,491	\$ —

The amounts earned and owed under the swap agreements are accrued each period and are reported in interest expense. There was no ineffectiveness recognized in any of the periods presented. In the second quarter of fiscal 2012, the Company terminated the interest rate swap agreement. The Company received \$19.8 million in cash proceeds from the swap termination, which included \$1.3 million in accrued interest. The proceeds, net of interest received, are disclosed in cash flows from financing activities in the consolidated statements of cash flows. As a result of the termination the carrying value of the 5% was adjusted for the change in the fair value of the interest component of the debt up to the date of the termination of the swap in an amount equal to the fair value of the swap, and will be amortized to earnings as a reduction of interest expense over the remaining life of the debt. This amortization is reflected in the consolidated statements of cash flows within operating activities.

The market risk associated with the Company's derivative instruments results from currency exchange rate or interest rate movements that are expected to offset the market risk of the underlying transactions, assets and liabilities being hedged. The counterparties to the agreements relating to the Company's derivative instruments consist of a number of major international financial institutions with high credit ratings. Based on the credit ratings of the Company's counterparties as of May 5, 2012, nonperformance is not perceived to be a significant risk. Furthermore, none of the Company's derivatives are subject to collateral or other security arrangements and none contain provisions that are dependent on the Company's credit ratings from any credit rating agency. While the contract or notional amounts of derivative financial instruments provide one measure of the volume of these transactions, they do not represent the amount of the Company's exposure to credit risk. The amounts potentially subject to credit risk (arising from the possible inability of counterparties to meet the terms of their contracts) are generally limited to the amounts, if any, by which the counterparties' obligations under the contracts exceed the obligations of the Company to the counterparties. As a result of the above considerations, the Company does not consider the risk of counterparty default to be significant.

The Company records the fair value of its derivative financial instruments in the condensed consolidated financial statements in other current assets, other assets or accrued liabilities, depending on their net position, regardless of the purpose or intent for holding the derivative contract. Changes in the fair value of the derivative financial instruments are either recognized periodically in earnings or in shareholders' equity as a component of OCI. Changes in the fair value of cash flow hedges are recorded in OCI and reclassified into earnings when the underlying contract matures. Changes in the fair values of derivatives not qualifying for hedge accounting are reported in earnings as they occur.

The total notional amounts of derivative instruments designated as hedging instruments was \$150.1 million and \$153.7 million, respectively, of cash flow hedges denominated in Euros, British Pounds and Philippine Pesos as of May 5, 2012 and October 29, 2011, respectively. The Company also had \$375 million of interest rate swap agreements accounted for as fair value hedges as of October 29, 2011. The fair values of these hedging instruments in the Company's condensed consolidated balance sheets as of May 5, 2012 and October 29, 2011 were as follows:

	Balance Sheet Location	Fair Value at May 5, 2012	Fair Value at October 29, 2011
Interest rate swap agreements	Other assets	\$ —	\$ 22,187
Forward foreign currency exchange contracts	Prepaid expenses and other current assets	\$ —	\$ 2,038
	Accrued liabilities	\$ 1,685	\$ —

The effect of derivative instruments designated as cash flow hedges on the condensed consolidated statements of income for the three- and six-month periods ended May 5, 2012 and April 30, 2011 were as follows:

	Three Months Ended	
	May 5, 2012	April 30, 2011
Gain recognized in OCI on derivatives (net of tax of \$178 in 2012 and \$1,390 in 2011)	\$ 1,127	\$ 9,266
Loss (gain) reclassified from OCI into income (net of tax of \$238 in 2012 and \$540 in 2011)	\$ 1,508	\$ (3,600)

	Six Months Ended	
	May 5, 2012	April 30, 2011
(Loss) gain recognized in OCI on derivatives (net of tax of \$945 in 2012 and \$1,044 in 2011)	\$ (6,644)	\$ 6,655
Loss (gain) reclassified from OCI into income (net of tax of \$532 in 2012 and \$595 in 2011)	\$ 3,538	\$ (4,012)

The amounts reclassified into earnings before tax are recognized in cost of sales and operating expenses for the three- and six-month periods ended May 5, 2012 and April 30, 2011 were as follows:

	Three Months Ended	
	May 5, 2012	April 30, 2011
Cost of sales	\$ 621	\$ (1,815)
Research and development	\$ 470	\$ (1,167)
Selling, marketing, general and administrative	\$ 655	\$ (1,158)

	Six Months Ended	
	May 5, 2012	April 30, 2011
Cost of sales	\$ 1,522	\$ (2,249)
Research and development	\$ 1,093	\$ (1,196)
Selling, marketing, general and administrative	\$ 1,455	\$ (1,162)

All derivative gains and losses included in OCI will be reclassified into earnings within the next 12 months. There was no ineffectiveness in the three- or six-month periods ended May 5, 2012 and April 30, 2011.

Note 10 – Goodwill and Intangible Assets

Goodwill

The Company annually evaluates goodwill for impairment as well as whenever events or changes in circumstances suggest that the carrying value of goodwill may not be recoverable. The Company tests goodwill for impairment at the reporting unit level (operating segment or one level below an operating segment) on an annual basis on the first day of the fourth quarter (on or about August 1) or more frequently if indicators of impairment exist. For the Company's latest annual impairment

assessment that occurred on July 31, 2011, the Company identified its reporting units to be its five operating segments, which meet the aggregation criteria for one reportable segment. The performance of the test involves a two-step process. The first step of the impairment test involves comparing the fair values of the applicable reporting units with their aggregate carrying values, including goodwill. The Company determines the fair value of its reporting units using the income approach methodology of valuation that includes the discounted cash flow method as well as other generally accepted valuation methodologies. If the carrying amount of a reporting unit exceeds the reporting unit's fair value, the Company performs the second step of the goodwill impairment test to determine the amount of impairment loss. The second step of the goodwill impairment test involves comparing the implied fair value of the affected reporting unit's goodwill with the carrying value of that goodwill. No impairment of goodwill resulted in any of the fiscal years presented. The Company's next annual impairment assessment will be performed as of the first day of the fourth quarter of fiscal 2012 unless indicators arise that would require the Company to reevaluate at an earlier date. The following table presents the changes in goodwill during the first six months of fiscal 2012:

	<u>Six Months Ended May 5, 2012</u>
Balance at beginning of period	\$ 275,087
Acquisition of Multigig (Note 16)	6,969
Foreign currency translation adjustment	(1,846)
Balance at end of period	<u>\$ 280,210</u>

Intangible Assets

The Company reviews finite-lived intangible assets 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 lives. 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 value determined by either a quoted market price, if any, or a value determined by utilizing a discounted cash flow technique. As of October 29, 2011, the Company's finite-lived intangible assets were fully amortized. As of May 5, 2012, the Company's finite-lived intangible assets consisted of the following which related to the acquisition of Multigig (Note 16):

	<u>May 5, 2012</u>	
	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>
Technology-based	\$ 1,100	\$ 18

Amortization expense related to finite-lived intangible assets was immaterial for the three and six months ended May 5, 2012 and was \$0.3 million and \$0.7 million for the three- and six-month periods ended April 30, 2011, respectively. The remaining amortization expense will be recognized over a weighted-average period of approximately 2.6 years.

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

<u>Fiscal Year</u>	<u>Amortization Expense</u>
Remaining of fiscal year 2012	\$ 110
2013	\$ 220
2014	\$ 220
2015	\$ 220
2016	\$ 220
2017	\$ 92

Indefinite-lived intangible assets are tested for impairment on an annual basis on the first day of the fourth quarter (on or about August 1) or more frequently if indicators of impairment exist. The impairment test involves the comparison of the fair value of the intangible asset with its carrying amount. No impairment of intangible assets resulted in any of the fiscal years presented.

Intangible assets, excluding in-process research and development (IPR&D), are amortized on a straight-line basis over their estimated useful lives or on an accelerated method of amortization that is expected to reflect the estimated pattern of economic use. IPR&D assets are considered indefinite-lived intangible assets until completion or abandonment of the associated R&D efforts. Upon completion of the projects, the IPR&D assets will be amortized over their estimated useful lives.

Indefinite-lived intangible assets consisted of \$27.8 million and \$12.2 million of IPR&D as of May 5, 2012 and October 29, 2011, respectively.

Note 11 – 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:

	<u>Three Months Ended</u>	
	<u>May 5, 2012</u>	<u>April 30, 2011</u>
Service cost	\$ 1,997	\$ 2,308
Interest cost	2,773	2,875
Expected return on plan assets	(2,661)	(2,760)
Amortization of initial net obligation	5	4
Amortization of net loss	91	411
Net periodic pension cost	<u>\$ 2,205</u>	<u>\$ 2,838</u>

	<u>Six Months Ended</u>	
	<u>May 5, 2012</u>	<u>April 30, 2011</u>
Service cost	\$ 3,988	\$ 4,532
Interest cost	5,537	5,628
Expected return on plan assets	(5,310)	(5,405)
Amortization of initial net obligation	10	8
Amortization of net loss	180	804
Net periodic pension cost	<u>\$ 4,405</u>	<u>\$ 5,567</u>

Pension contributions of \$3.0 million and \$5.6 million were made by the Company during the three and six months ended May 5, 2012, respectively. The Company presently anticipates contributing an additional \$5.4 million to fund its defined benefit pension plans in fiscal year 2012 for a total of \$11.0 million.

Note 12 – Revolving Credit Facility

As of May 5, 2012, the Company had \$3,752.6 million of cash and cash equivalents and short-term investments, of which \$1,085.9 million was held in the United States. The balance of the Company's cash and cash equivalents and short-term investments was held outside the United States in various foreign subsidiaries. As the Company intends to reinvest certain of its foreign earnings indefinitely, this cash is not available to meet certain of the Company's cash requirements in the United States, including for cash dividends and common stock repurchases. The Company entered into a five-year, \$165 million unsecured revolving credit facility with certain institutional lenders in May 2008. To date, the Company has not borrowed under this credit facility but the Company may borrow in the future and use the proceeds for support of commercial paper issuance, stock repurchases, dividend payments, acquisitions, capital expenditures, working capital and other lawful corporate purposes. Any advances under this credit agreement will accrue interest at rates that are equal to LIBOR plus a margin that is based on the Company's leverage ratio. The terms of the facility impose restrictions on the Company's ability to undertake certain transactions, to create certain liens on assets and to incur certain subsidiary indebtedness. The terms of this facility also include financial covenants that require the Company to maintain a minimum interest coverage ratio and not exceed a maximum leverage ratio. As of May 5, 2012, the Company was compliant with these covenants.

Note 13 –Debt

On June 30, 2009, the Company issued \$375 million aggregate principal amount of 5.0% senior unsecured notes due July 1, 2014 (the 5.0% Notes) with semi-annual fixed interest payments due on January 1 and July 1 of each year, commencing January 1, 2010. The sale of the 5.0% Notes was made pursuant to the terms of an underwriting agreement dated June 25, 2009 between the Company and Credit Suisse Securities (USA) LLC, as representative of the several underwriters named therein. The net proceeds of the offering were \$370.4 million, after issuing at a discount and deducting expenses, underwriting discounts and commissions, which will be amortized over the term of the 5.0% Notes. The indenture governing the 5.0% Notes contains covenants that may limit the Company's ability to: incur, create, assume or guarantee any debt for borrowed money secured by a lien upon a principal property; enter into sale and lease-back transactions with respect to a principal property; and consolidate with or merge into, or transfer or lease all or substantially all of its assets to, any other party. As of May 5, 2012, the Company was compliant with these covenants. The notes are subordinated to any future secured debt and to the other liabilities of the Company's subsidiaries.

On June 30, 2009, the Company entered into interest rate swap transactions where the Company swapped the notional amount of its \$375 million of fixed rate debt at 5.0% into floating interest rate debt through July 1, 2014. Under the terms of the swaps, the Company will (i) receive on the \$375 million notional amount a 5.0% annual interest payment that is paid in two installments on the 1st business day of every January and July, commencing January 1, 2010 through and ending on the maturity date; and (ii) pay on the \$375 million notional amount an annual three month LIBOR plus 2.05% interest payment, payable in four installments on the 1st business day of every January, April, July and October, commencing on October 1, 2009 and ending on the maturity date. The LIBOR-based rate is set quarterly three months prior to the date of the interest payment. The Company designated these swaps as fair value hedges. The changes in the fair value of the interest rate swaps were reflected in the carrying value of the interest rate swaps in other assets on the balance sheet. The carrying value of the debt on the balance sheet was adjusted by an equal and offsetting amount. In the second quarter of fiscal 2012, the Company terminated the interest rate swap agreement. The Company received \$19.8 million in cash proceeds from the swap termination, which included \$1.3 million in accrued interest. The proceeds, net of interest received, are disclosed in cash flows from financing activities in the consolidated statement of cash flows. As a result of the termination the carrying value of the 5% Notes was adjusted for the change in the fair value of the interest component of the debt up to the date of the termination of the swap in an amount equal to the fair value of the swap, and will be amortized to earnings as a reduction of interest expense over the remaining life of the debt. This amortization is reflected in the consolidated statements of cash flows within operating activities.

On December 22, 2010, Analog Devices Holdings B.V., a wholly owned subsidiary of the Company, entered into a credit agreement with Bank of America, N.A., London Branch as administrative agent. The borrower's obligations are guaranteed by the Company. The credit agreement provides for a term loan facility of \$145 million, which matures on December 22, 2013. The terms of the agreement provide for a three year principal amortization schedule with \$3.6 million payable quarterly every March, June, September and December with the balance payable upon the maturity date. During the third quarter of fiscal 2011, the Company made an additional principal payment of \$17.5 million. During the first quarter of fiscal 2012, the Company made an additional principal payment of \$12.0 million. The loan will bear interest at a fluctuating rate for each period equal to the LIBOR rate corresponding with the tenor of the interest period plus a spread of 1.25% (1.72% as of May 5, 2012). The terms of this facility include limitations on subsidiary indebtedness and on liens against the assets of the Company and its subsidiaries, and also include financial covenants that require the Company to maintain a minimum interest coverage ratio and not exceed a maximum leverage ratio. As of May 5, 2012, the Company was compliant with these covenants. As of May 5, 2012, \$14.5 million of this debt was classified as short-term.

On April 4, 2011, the Company issued \$375 million aggregate principal amount of 3.0% senior unsecured notes due April 15, 2016 (the 3.0% Notes) with semi-annual fixed interest payments due on April 15 and October 15 of each year, commencing October 15, 2011. The sale of the 3.0% Notes was made pursuant to the terms of an underwriting agreement dated March 30, 2011 between the Company and Credit Suisse Securities (USA) LLC and Merrill Lynch, Pierce, Fenner and Smith Incorporated, as representative of the several underwriters named therein. The net proceeds of the offering were \$370.5 million, after issuing at a discount and deducting expenses, underwriting discounts and commissions, which will be amortized over the term of the 3.0% Notes. The indenture governing the 3.0% Notes contains covenants that may limit the Company's ability to: incur, create, assume or guarantee any debt for borrowed money secured by a lien upon a principal property; enter into sale and lease-back transactions with respect to a principal property; and consolidate with or merge into, or transfer or lease all or substantially all of its assets to, any other party. As of May 5, 2012, the Company was compliant with these covenants. The notes are subordinated to any future secured debt and to the other liabilities of the Company's subsidiaries.

The Company's principal payments related to its long-term debt obligations are as follows: \$7.3 million remaining in fiscal year 2012; \$14.5 million in fiscal year 2013; \$450.6 million in fiscal year 2014; and \$375 million in fiscal year 2016.

Note 14 – Common Stock Repurchase

The Company's common stock repurchase program has been in place since August 2004. In the aggregate, the Board of Directors has authorized the Company to repurchase \$5 billion of the Company's common stock under the program. Under the 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. As of May 5, 2012, the Company had repurchased a total of approximately 128.2 million shares of its common stock for approximately \$4,400.9 million under this program. An additional \$599.1 million remains available for repurchase of shares under the current authorized program. The repurchased shares are held as authorized but unissued shares of common stock. Any future common stock repurchases will be dependent upon several factors, including the amount of cash available to the Company in the United States and the Company's financial performance, outlook and liquidity. The Company also from time to time repurchases shares in settlement of employee tax withholding obligations due upon the vesting of restricted stock units, or in certain limited circumstances to satisfy the exercise price of options granted to the Company's employees under the Company's equity compensation plans.

Note 15 – Discontinued Operations

In September 2007, the Company entered into a definitive agreement to sell its Baseband Chipset Business to MediaTek Inc. The decision to sell the Baseband Chipset Business was due to the Company's decision to focus its resources in areas where its signal processing expertise can provide unique capabilities and earn superior returns. During fiscal 2008, the Company completed the sale of its Baseband Chipset Business for net cash proceeds of \$269 million. The Company made cash payments of \$1.7 million during fiscal 2009 related to retention payments for employees who transferred to MediaTek Inc. and for the reimbursement of intellectual property license fees incurred by MediaTek. During fiscal 2010, the Company received cash proceeds of \$62 million as a result of the receipt of a refundable withholding tax and also recorded an additional gain on sale of \$0.3 million, or \$0.2 million net of tax, due to the settlement of certain items at less than the amounts accrued. In fiscal 2011, additional proceeds of \$10 million were released from escrow and \$6.5 million, net of tax, was recorded as additional gain from the sale of discontinued operations. The Company does not expect any additional proceeds from this sale.

The following amounts related to the Baseband Chipset Business have been segregated from continuing operations and reported as discontinued operations.

	Six Months Ended April 30, 2011
Gain on sale of discontinued operations before income taxes	\$ 10,000
Provision for income taxes	3,500
Gain on sale of discontinued operations, net of tax	<u>\$ 6,500</u>

Note 16 – Acquisitions

On March 30, 2012, the Company acquired privately-held Multigig, Inc. (Multigig) of San Jose, California. The acquisition of Multigig is expected to enhance the Company's clocking capabilities in stand-alone and embedded applications and strengthen the Company's high speed signal processing solutions. The acquisition-date fair value of the consideration transferred totaled \$26.8 million, which consisted of \$24.2 million in initial cash payments at closing and an additional \$2.6 million subject to an indemnification holdback that is payable within 15 months of the transaction date, which is included in accrued liabilities in the condensed consolidated balance sheet as of May 5, 2012. The Company's assessment of fair value to the tangible and intangible assets acquired and liabilities assumed was based on their estimated fair values at the date of acquisition, resulting in the recognition of \$15.6 million of IPR&D, \$1.1 million of developed technology, \$7.0 million of goodwill and \$3.1 million of net deferred tax assets. The goodwill recognized is attributable to future technologies that have yet to be determined as well as the assembled workforce of Multigig. Future technologies do not meet the criteria for recognition separately from goodwill because they are a part of future development and growth of the business. The goodwill is not expected to be deductible for tax purposes. The acquisition accounting is not complete and adjustments may be recorded to deferred tax assets in future periods due to the evaluation of net operating loss carryforwards. In addition, the Company will be obligated to pay royalties to the Multigig employees on revenue recognized from the sale of certain Multigig products through the earlier of 5 years or the aggregate maximum payment of \$1 million. Royalty payments to Multigig employees require post-acquisition services to be rendered and, as such, the Company will record these amounts as compensation expense in the related periods. As of May 5, 2012, no royalty payments have been made. The Company recognized \$0.5 million of acquisition-related costs that were expensed in the second quarter of fiscal 2012, which were included in operating expenses in the condensed consolidated statement of income.

On June 9, 2011, the Company acquired privately-held Lyric Semiconductor, Inc. (Lyric) of Cambridge, Massachusetts. The acquisition of Lyric gives the Company the potential to achieve an order of magnitude improvement in power efficiency in mixed signal processing. The acquisition-date fair value of the consideration transferred totaled \$27.8 million, which consisted of \$14.0 million in initial cash payments at closing and contingent consideration of up to \$13.8 million. The contingent consideration arrangement requires additional cash payments to the former equity holders of Lyric upon the achievement of certain technological and product development milestones payable during the period from June 2011 through June 2016. The Company estimated the fair value of the contingent consideration arrangement utilizing the income approach. Changes in the fair value of the contingent consideration subsequent to the acquisition date primarily driven by assumptions pertaining to the achievement of the defined milestones will be recognized in operating income in the period of the estimated fair value change. As of May 5, 2012, the Company had paid \$2.0 million in contingent consideration. The payment is reflected in the statements of cash flows as cash used in financing activities related to the liability recognized at fair value as of the acquisition date and cash provided by operating activities related to the fair value adjustments previously recognized in earnings. The fair value of the remaining contingent consideration was approximately \$12.3 million as of May 5, 2012, of which \$9.6 million is included in accrued liabilities and \$2.7 million is included in other non-current liabilities in the condensed consolidated balance sheet. The Company's assessment of fair value to the tangible and intangible assets acquired and liabilities assumed was based on their estimated fair values at the date of acquisition, resulting in the recognition of \$12.2 million of IPR&D, \$18.9 million of goodwill and \$3.3 million of net deferred tax liabilities. The goodwill recognized is attributable to future technologies that have yet to be determined as well as the assembled workforce of Lyric. Future technologies do not meet the criteria for recognition separately from goodwill because they are a part of future development and growth of the business. None of the goodwill is expected to be deductible for tax purposes. In addition, the Company will be obligated to pay royalties to the former equity holders of Lyric on revenue recognized from the sale of Lyric products and licenses through the earlier of 20 years or the accrual of a maximum of \$25 million. Royalty payments to Lyric employees require post-acquisition services to be rendered and, as such, the Company will record these amounts as compensation expense in the related periods. As of May 5, 2012, no royalty payments have been made. The Company recognized \$0.2 million of acquisition-related costs that were expensed in the third quarter of fiscal 2011 which were included in operating expenses in the condensed consolidated statement of income.

The Company has not provided pro forma results of operations for Multigig and Lyric herein as they were not material to the Company on either an individual or an aggregate basis. The Company included the results of operations of each acquisition in its consolidated statement of income from the date of each acquisition.

Note 17 – Income Taxes

The Company has provided for potential tax liabilities due in the various jurisdictions in which the Company operates. Judgment is required in determining the 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 the Company believes its estimates are reasonable, no assurance can be given that the final tax outcome of these matters will not be different from that which is reflected in the historical income tax provisions and accruals. Such differences could have a material impact on the Company's income tax provision and operating results in the period in which such determination is made.

IRS Examination for Fiscal Years 2004 through 2007

The Company expects to file a petition with the Tax Court for one open matter that pertains to Section 965 of the Internal Revenue Code related to the beneficial tax treatment of dividends paid from foreign owned companies under The American Jobs Creation Act. The potential liability for this adjustment is \$36.5 million. The Company has concluded, based on discussions with its tax advisors, that this item is not likely to result in any additional tax liability. Therefore, the Company has not recorded any additional tax liability for this issue. All of the Company's U.S. federal tax returns prior to fiscal year 2008 are no longer subject to examination.

All of the Company's Ireland tax returns prior to fiscal year 2007 are no longer subject to examination.

Unrealized Tax Benefits

The following table summarizes the changes in the total amounts of unrealized tax benefits for the three and six months ended May 5, 2012.

Balance, October 29, 2011	\$ 9,665
Settlements with taxing authorities	(3,488)
Balance, February 4, 2012	\$ 6,177
Settlements with taxing authorities	—
Balance, May 5, 2012	\$ 6,177

Although the Company believes its estimates of income tax payable are reasonable, no assurance can be given that the Company will prevail in the matters raised and that the outcome of these matters will not be different than that which is reflected in the historical income tax provisions and accruals. The Company believes such differences would not have a material impact on the Company's financial condition but could have a material impact on the Company's income tax provision, operating results and operating cash flows in the period in which such matters are resolved as well as for subsequent years.

Note 18 – New Accounting Pronouncements

Standards Implemented

Intangibles – Goodwill and Other

In December 2010, the FASB issued ASU No. 2010-28, *Intangibles - Goodwill and Other (ASC Topic 350)* (ASU No. 2010-28). ASU No. 2010-28 modifies Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test only if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that a goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors indicating that an impairment may exist. ASU No. 2010-28 is effective for fiscal years that begin after December 15, 2010, which is the Company's fiscal year 2012. The adoption of ASU No. 2010-28 in the first quarter of fiscal 2012 did not have a material impact on the Company's financial condition and results of operations.

Standards to be Implemented

Balance Sheet

In December 2011, the FASB issued ASU No. 2011-11, *Disclosures about Offsetting Assets and Liabilities* (ASU No. 2011-11). ASU No. 2011-11 amended ASC 210, *Balance Sheet*, to converge the presentation of offsetting assets and liabilities between U.S GAAP and IFRS. ASU No. 2011-11 requires that entities disclose both gross information and net information about both instruments and transactions eligible for offset in the statement of financial position and instruments and transactions subject to an agreement similar to a master netting arrangement. ASU No. 2011-11 is effective for fiscal years, and interim periods within those years, beginning after January 1, 2013, which is the Company's fiscal year 2014. The adoption of ASU No. 2011-11 will require additional disclosures related to offsetting assets and liabilities but will not impact the Company's financial condition or results of operations.

Comprehensive Income

In June 2011, the FASB issued ASU No. 2011-05, *Presentation of Comprehensive Income* (ASU No. 2011-05). ASU No. 2011-05 amended ASC 220, *Comprehensive Income*, to converge the presentation of comprehensive income between U.S GAAP and IFRS. ASU No. 2011-05 requires that all non-owner changes in stockholders' equity be presented in either a single continuous statement of comprehensive income or in two separate but consecutive statements and requires reclassification adjustments for items that are reclassified from other comprehensive income to net income in the statements where the components of net income and the components of other comprehensive income are presented. ASU No. 2011-05 eliminates the option to present the components of other comprehensive income as part of the statement in changes of stockholders equity. ASU No. 2011-05 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011 which is the Company's fiscal year 2013. Subsequently, in December 2011, the FASB issued ASU No. 2011-12, *Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05* (ASU No. 2011-12), which defers only those changes in ASU No. 2011-05 that relate to the presentation of reclassification adjustments but does not affect all other requirements in ASU No. 2011-05. The adoption of ASU No. 2011-05 and ASU No. 2011-12 will affect the presentation of comprehensive income but will not impact the Company's financial condition or results of operations.

Note 19 – Subsequent Event

On May 21, 2012, the Board of Directors of the Company declared a cash dividend of \$0.30 per outstanding share of common stock. The dividend will be paid on June 12, 2012 to all shareholders of record at the close of business on June 1, 2012.

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 29, 2011.

This Management's Discussion and Analysis of Financial Condition and Results of Operations, including in particular the section entitled "Outlook," contains forward-looking statements regarding future events and our future results that are subject to the safe harbor created under the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations, estimates, forecasts, and projections about the industries in which we operate and the beliefs and assumptions of our management. Words such as "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," "continues," "may," variations of such words and similar expressions are intended to identify such forward-looking statements. In addition, any statements that refer to projections regarding our future financial performance; our anticipated growth and trends in our businesses; our future capital needs and capital expenditures; our future market position and expected competitive changes in the marketplace for our products; our ability to pay dividends or repurchase stock; our ability to service our outstanding debt; our expected tax rate; the effect of new accounting pronouncements; and other characterizations of future events or circumstances are forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict, including those identified in Part II, Item 1A. Risk Factors and elsewhere in our Quarterly Report on Form 10-Q. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update any forward-looking statements except to the extent required by law.

During the first quarter of fiscal 2008, we sold our baseband chipset business and related support operations, or Baseband Chipset Business, to MediaTek Inc. The financial results of this business are presented as discontinued operations in the condensed consolidated statements of income for all periods presented. Unless otherwise noted, this Management's Discussion and Analysis relates only to financial results from continuing operations.

Results of Operations

(all tabular amounts in thousands except per share amounts and percentages)

Overview

	<u>Three Months Ended</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>May 5, 2012</u>	<u>April 30, 2011</u>		
Revenue	\$ 675,094	\$ 790,780	\$ (115,686)	(15)%
Gross margin %	65.2%	67.6%		
Income from continuing operations, net of tax	\$ 162,899	\$ 241,826	\$ (78,927)	(33)%
Income from continuing operations, net of tax, as a % of revenue	24.1%	30.6%		
Diluted EPS from continuing operations	\$ 0.53	\$ 0.78	\$ (0.25)	(32)%
Diluted EPS	\$ 0.53	\$ 0.78	\$ (0.25)	(32)%

	<u>Six Months Ended</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>May 5, 2012</u>	<u>April 30, 2011</u>		
Revenue	\$1,323,152	\$ 1,519,284	\$(196,132)	(13)%
Gross margin %	64.2%	66.9%		
Income from continuing operations, net of tax	\$ 302,281	\$ 457,432	\$(155,151)	(34)%
Income from continuing operations, net of tax, as a % of revenue	22.8%	30.1%		
Diluted EPS from continuing operations	\$ 0.99	\$ 1.48	\$ (0.49)	(33)%
Diluted EPS	\$ 0.99	\$ 1.50	\$ (0.51)	(34)%

Fiscal 2012 is a 53-week year and fiscal 2011 was a 52-week year. The additional week in fiscal 2012 was included in the first quarter ended February 4, 2012. Therefore, the first six months of fiscal 2012 included an additional week of operations as compared to the first six months of fiscal 2011.

The year-to-year revenue changes by end market and product category are more fully outlined below under *Revenue Trends by End Market* and *Revenue Trends by Product Type*.

During the first six months of fiscal 2012, our revenue decreased 13%, compared to the first six months of fiscal 2011. Our diluted earnings per share from continuing operations decreased to \$0.99 in the first six months of fiscal 2012 compared to \$1.48 in the first six months of fiscal 2011. Cash flow from operations in the first six months of fiscal 2012 was \$440.8 million or 33% of revenue. During the first six months of fiscal 2012, we received \$87.4 million in net proceeds from employee stock option exercises, repurchased a total of approximately 3.2 million shares of our common stock for an aggregate of \$122.4 million, distributed \$163.8 million to our shareholders in dividend payments, paid \$19.3 million in principal payments related to our \$145 million term loan facility, paid \$55.4 million for property, plant and equipment additions and paid \$24.2 million for the acquisition of Multigig. In addition, we paid \$871.3 million for the net purchase of available-for-sale short term investments. These factors contributed to the net decrease in cash and cash equivalents of \$710.0 million in the first six months of fiscal 2012.

The year-to-year decrease in revenue and profitability for the three and six months ended May 5, 2012 was primarily attributable to a slowdown in orders as our customers reduced their inventory levels from the levels recorded at the end of the second quarter of fiscal 2011. In the second quarter of fiscal 2011 customers had built inventory in order to reduce the risk of supply disruptions as a result of the March 2011 earthquake and tsunami in Japan. In addition, the ongoing European debt crisis and the global credit and financial crisis caused customers to become more cautious in the first half of fiscal 2012. We believe that our variable cost structure and continued efforts to manage production, inventory levels and expenses helped to mitigate the effect that these lower sales levels had on our earnings.

Revenue Trends by End Market

The following table summarizes revenue by end market. The categorization of revenue by end market is determined using a variety of data points including the technical characteristics of the product, the "sold to" customer information, the "ship to" customer information and the end customer product or application into which our product will be incorporated. As data systems for capturing and tracking this data evolve and improve, the categorization of products by end market can vary over time. When this occurs, we reclassify revenue by end market for prior periods. Such reclassifications typically do not materially change the sizing of, or the underlying trends of results within, each end market.

	<u>Three Months Ended</u>			<u>Three Months Ended</u>	
	<u>May 5, 2012</u>			<u>April 30, 2011</u>	
	<u>Revenue</u>	<u>% of Revenue</u>	<u>Y/Y%</u>	<u>Revenue</u>	<u>% of Revenue</u>
Industrial	\$323,441	48%	(16)%	\$386,697	49%
Automotive	118,009	17%	10%	107,171	14%
Consumer	107,994	16%	(20)%	135,256	17%
Communications	125,650	19%	(22)%	161,656	20%
Total revenue	<u>\$675,094</u>	<u>100%</u>	<u>(15)%</u>	<u>\$790,780</u>	<u>100%</u>

	Six Months Ended May 5, 2012			Six Months Ended April 30, 2011	
	Revenue	% of Revenue	Y/Y%	Revenue	% of Revenue*
Industrial	\$ 612,113	46%	(16)%	\$ 726,013	48%
Automotive	238,506	18%	18%	202,399	13%
Consumer	224,880	17%	(20)%	280,562	18%
Communications	247,653	19%	(20)%	310,310	20%
Total revenue	\$1,323,152	100%	(13)%	\$1,519,284	100%

* The sum of the individual percentages does not equal the total due to rounding.

Industrial – The year-to-year decrease in revenue in the three- and six-month periods ended May 5, 2012 in industrial end market revenue was primarily the result of a broad-based decrease in demand in this end market. The year-to-year decrease was most significant for products sold into the industrial automation and instrumentation sectors.

Automotive – The year-to-year increase in revenue in the three- and six-month periods ended May 5, 2012 in automotive end market revenue was primarily the result of an increase in the electronic content in automobiles, used primarily in infotainment and safety, and a general increase in demand by our customers.

Consumer – The year-to-year decrease in revenue in the three- and six-month periods ended May 5, 2012 in consumer end market revenue was primarily the result of a broad-based decrease in demand for products sold in this end market and to a lesser extent customer production limitations in the first quarter of fiscal 2012 caused by the 2011 floods in Thailand.

Communications – The year-to-year decrease in revenue in the three- and six-month periods ended May 5, 2012 in communications end market revenue was primarily the result of a broad-based decrease in demand in this end market, which was most significant for products sold into the wireless base station end market sector.

Revenue Trends by Product Type

The following table summarizes revenue by product categories. 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 reclassify the amounts in the product categories for all prior periods. Such reclassifications typically do not materially change the sizing of, or the underlying trends of results within, each product category.

	Three Months Ended May 5, 2012			Three Months Ended April 30, 2011	
	Revenue	% of Revenue*	Y/Y%	Revenue	% of Revenue
Converters	\$300,040	44%	(14)%	\$350,187	44%
Amplifiers / Radio frequency	177,813	26%	(17)%	213,140	27%
Other analog	90,790	13%	(18)%	111,037	14%
Subtotal analog signal processing	568,643	84%	(16)%	674,364	85%
Power management & reference	46,060	7%	(18)%	56,125	7%
Total analog products	\$614,703	91%	(16)%	\$730,489	92%
Digital signal processing	60,391	9%	0%	60,291	8%
Total revenue	\$675,094	100%	(15)%	\$790,780	100%

* The sum of the individual percentages does not equal the total due to rounding.

	Six Months Ended May 5, 2012			Six Months Ended April 30, 2011	
	Revenue	% of Revenue	Y/Y%	Revenue	% of Revenue
	Converters	\$ 585,173	44%	(14)%	\$ 682,954
Amplifiers / Radio frequency	342,269	26%	(16)%	408,147	27%
Other analog	187,028	14%	(8)%	202,444	13%
Subtotal analog signal processing	1,114,470	84%	(14)%	1,293,545	85%
Power management & reference	90,925	7%	(17)%	109,485	7%
Total analog products	\$1,205,395	91%	(14)%	\$1,403,030	92%
Digital signal processing	117,757	9%	1%	116,254	8%
Total revenue	\$1,323,152	100%	(13)%	\$1,519,284	100%

The year-to-year decrease in total revenue in the three- and six-month periods ended May 5, 2012 was primarily the result of a broad-based decrease in demand across most product categories.

Revenue Trends by Geographic Region

During the second quarter of fiscal 2012 the Company revised its method for classifying revenue by geographic region to more accurately reflect the primary location of our customers' design activity for our products. Prior periods have been reclassified to align with this definition. In general, the prior classification method reflected the customers' manufacturing location or the distributors' stocking territory. No changes have been made to the Company's revenue recognition policy. Revenue by geographic region for the three- and six-month periods ended May 5, 2012 and April 30, 2011 was as follows:

Region	Three Months Ended		\$ Change	% Change
	May 5, 2012	April 30, 2011		
United States	\$ 191,548	\$ 233,181	\$ (41,633)	(18)%
Rest of North and South America	30,392	40,927	(10,535)	(26)%
Europe	217,195	267,228	(50,033)	(19)%
Japan	86,687	91,423	(4,736)	(5)%
China	89,405	94,339	(4,934)	(5)%
Rest of Asia	59,867	63,682	(3,815)	(6)%
Total revenue	\$ 675,094	\$ 790,780	\$(115,686)	(15)%

Region	Six Months Ended		\$ Change	% Change
	May 5, 2012	April 30, 2011		
United States	\$ 388,075	\$ 440,647	\$ (52,572)	(12)%
Rest of North and South America	62,265	78,216	(15,951)	(20)%
Europe	423,293	492,801	(69,508)	(14)%
Japan	167,026	195,280	(28,254)	(14)%
China	164,981	184,128	(19,147)	(10)%
Rest of Asia	117,512	128,212	(10,700)	(8)%
Total revenue	\$1,323,152	\$1,519,284	\$(196,132)	(13)%

In the three- and six-month periods ended May 5, 2012 and April 30, 2011, the predominant countries comprising "Rest of North and South America" are Canada and Mexico; the predominant countries comprising "Europe" are Germany, Sweden, France and the United Kingdom; and the predominant countries comprising "Rest of Asia" are Taiwan and South Korea.

Sales decreased in all regions in the three and six months ended May 5, 2012 as compared to the same periods of fiscal 2011. The most significant year-to-year decrease in sales by region occurred in Europe and the United States. These decreases were primarily in the communication, consumer and industrial end market sectors in these regions.

Gross Margin

	Three Months Ended				Six Months Ended			
	May 5, 2012	April 30, 2011	\$ Change	% Change	May 5, 2012	April 30, 2011	\$ Change	% Change
Gross margin	\$ 440,455	\$ 534,214	\$(93,759)	(18)%	\$ 849,845	\$ 1,016,387	\$(166,542)	(16)%
Gross margin %	65.2%	67.6%			64.2%	66.9%		

Gross margin percentage was lower by 240 and 270 basis points in the three and six months ended May 5, 2012, respectively, as compared to the three and six months ended April 30, 2011, respectively, primarily as a result of decreased operating levels in our manufacturing facilities as well as a reduced percentage of sales of our products sold into the industrial automation and instrumentation sectors of the industrial end market and the wireless base station sector of the communications end market, which earn higher margins as compared to products sold into our other end market sectors.

Research and Development (R&D)

	Three Months Ended				Six Months Ended			
	May 5, 2012	April 30, 2011	\$ Change	% Change	May 5, 2012	April 30, 2011	\$ Change	% Change
R&D expenses	\$ 127,537	\$ 130,460	\$(2,923)	(2)%	\$ 251,915	\$ 253,205	\$(1,290)	(1)%
R&D expenses as a % of revenue	18.9%	16.5%			19.0%	16.7%		

R&D expenses in the three months ended May 5, 2012 decreased slightly as compared to the same period of fiscal 2011 as lower variable compensation expense, which is a variable expense linked to our overall profitability and revenue growth, was partially offset by annual salary increases that became effective during the latter half of the second quarter of fiscal 2012 and a general increase in spending.

R&D expenses in the six months ended May 5, 2012 remained flat as compared to the same period of fiscal 2011 as lower variable compensation expense, which is a variable expense linked to our overall profitability and revenue growth, was offset by annual salary increases that became effective during the latter half of the second quarter of fiscal 2012 and an additional week of operations in the first quarter of fiscal 2012.

R&D expenses as a percentage of revenue will fluctuate from year-to-year depending on the amount of revenue and the success of new product development efforts, which we view as critical to our future growth. We have hundreds of R&D projects underway, none of which we believe are material on an individual basis. We expect to continue the development of innovative technologies and processes for new products. We believe that a continued commitment to R&D is essential to maintain product leadership with our existing products as well as to provide innovative new product offerings, and therefore, we expect to continue to make significant R&D investments in the future.

Selling, Marketing, General and Administrative (SMG&A)

	Three Months Ended				Six Months Ended			
	May 5, 2012	April 30, 2011	\$ Change	% Change	May 5, 2012	April 30, 2011	\$ Change	% Change
SMG&A expenses	\$ 99,992	\$ 105,268	\$(5,276)	(5)%	\$ 199,037	\$ 205,290	\$(6,253)	(3)%
SMG&A expenses as a % of revenue	14.8%	13.3%			15.0%	13.5%		

SMG&A expenses in the three months ended May 5, 2012 decreased as compared to the same period of fiscal 2011 as lower variable compensation, which is a variable expense linked to our overall profitability and revenue growth, was partially offset by annual salary increases that became effective during the latter half of the second quarter of fiscal 2012.

SMG&A expenses in the six months ended May 5, 2012 decreased slightly as compared to the same period of fiscal 2011 as lower variable compensation, which is a variable expense linked to our overall profitability and revenue growth, was partially offset by annual salary increases that became effective during the latter half of the second quarter of fiscal 2012 and an additional week of operations in the first quarter of fiscal 2012.

Special Charges – Reduction of Operating Costs

We monitor global macroeconomic conditions on an ongoing basis, and continue to assess opportunities for improved operational effectiveness and efficiency and better alignment of expenses with revenues. As a result of these assessments, we have undertaken various restructuring actions over the past several years. These reductions relating to ongoing actions are described below.

During fiscal 2008 through fiscal 2010, we recorded special charges of approximately \$43.3 million. These special charges included: \$39.1 million for severance and fringe benefit costs in accordance with our ongoing benefit plan or statutory requirements at foreign locations for 245 manufacturing employees and 470 engineering and SMG&A employees; \$2.1 million for lease obligation costs for facilities that we ceased using during the first quarter of fiscal 2009; \$0.8 million for the write-off of property, plant and equipment; \$0.5 million for contract termination costs; \$0.3 million for clean-up and closure costs that we expensed as incurred; and \$0.5 million related to the impairment of intellectual property. This action resulted in annual cost savings of approximately \$52 million per year. We have terminated the employment of all employees associated with these actions, and we are paying amounts owed to them as income continuance.

During fiscal 2011, we recorded a special charge of approximately \$2.2 million. This special charge was for severance and fringe benefit costs in accordance with our ongoing benefit plan or statutory requirements at foreign locations for 25 engineering and SMG&A employees. As of May 5, 2012, we employed 3 of the 25 employees included in this cost reduction action. These employees must continue to be employed by us until their employment is involuntarily terminated in order to receive the severance benefit. We estimate this action will result in annual savings in SMG&A expenses of approximately \$4 million once fully implemented.

During the first quarter of fiscal 2012, we recorded a special charge of approximately \$2.6 million. The special charge included \$2.5 million for severance and fringe benefit costs in accordance with our ongoing benefit plan or statutory requirements at foreign locations for 34 manufacturing, engineering and SMG&A employees and \$0.1 million for contract termination costs. We terminated the employment of all employees associated with these actions, and we are paying amounts owed to them as income continuance. We estimate this action will result in annual savings in SMG&A expenses of approximately \$4 million.

Operating Income from Continuing Operations

	Three Months Ended				Six Months Ended			
	May 5, 2012	April 30, 2011	\$ Change	% Change	May 5, 2012	April 30, 2011	\$ Change	% Change
Operating income from continuing operations	\$ 212,926	\$ 298,486	\$(85,560)	(29)%	\$ 396,298	\$ 557,892	\$(161,594)	(29)%
Operating income from continuing operations as a % of revenue	31.5%	37.7%			30.0%	36.7%		

The year-over-year decrease in operating income from continuing operations in the second quarter of fiscal 2012 was primarily the result of a decrease in revenue of \$115.7 million and a 240 basis point decrease in gross margin percentage. This decrease in operating income from continuing operations was partially offset by a decrease in R&D and SMG&A expenses as more fully described above under the headings Research and Development and Selling, Marketing, General and Administrative.

The year-over-year decrease in operating income from continuing operations in the six months ended May 5, 2012 was primarily the result of a decrease in revenue of \$196.1 million, a 270 basis point decrease in gross margin percentage and a \$2.6 million special charge recorded in the first quarter of fiscal 2012 as more fully described above under the heading Special Charges—Reduction of Operating Costs. This decrease in operating income from continuing operations was partially offset by a decrease in R&D and SMG&A expenses as more fully described above under the headings Research and Development and Selling, Marketing, General and Administrative.

Nonoperating (Income) Expense

	Three Months Ended			Six Months Ended		
	May 5, 2012	April 30, 2011	\$ Change	May 5, 2012	April 30, 2011	\$ Change
Interest expense	\$ 6,890	\$ 4,078	\$ 2,812	\$ 13,572	\$ 6,908	\$ 6,664
Interest income	(3,967)	(2,197)	(1,770)	(7,315)	(4,482)	(2,833)
Other, net	(1,451)	(151)	(1,300)	(1,499)	(110)	(1,389)
Total nonoperating (income) expense	\$ 1,472	\$ 1,730	\$ (258)	\$ 4,758	\$ 2,316	\$ 2,442

The year-over-year increase in interest expense in the second quarter of fiscal 2012 was primarily the result of the issuance of \$375 million aggregate principal amount of 3.0% senior unsecured notes on April 4, 2011 and to a lesser extent the impact of the termination of our interest rate swap agreement more fully described below under the heading *Debt*. These increases were partially offset by an increase in interest income due to higher interest rates and the investment of higher cash balances in the second quarter of fiscal 2012 as compared to the second quarter of fiscal 2011 and an increase in other income as a result of the gain from the sale of other investments in the second quarter of fiscal 2012.

The year-over-year increase in interest expense in the six months ended May 5, 2012 was primarily a result of the issuance of \$375 million aggregate principal amount of 3.0% senior unsecured notes on April 4, 2011 and the \$145 million term loan facility we entered into through a wholly owned subsidiary in December 2010 and to a lesser extent the impact of the termination of our interest rate swap agreement more fully described below under the heading *Debt*. These increases were partially offset by an increase in interest income due to higher interest rates and the investment of higher cash balances in the first six months of fiscal 2012 as compared to the first six months of fiscal 2011 and an increase in other income as a result of the gain from the sale of other investments in the second quarter of fiscal 2012.

Provision for Income Taxes

	Three Months Ended			Six Months Ended		
	May 5, 2012	April 30, 2011	\$ Change	May 5, 2012	April 30, 2011	\$ Change
Provision for income taxes	\$ 48,555	\$ 54,930	\$(6,375)	\$ 89,259	\$ 98,144	\$(8,885)
Effective income tax rate	23.0%	18.5%		22.8%	17.7%	

Our effective tax rate reflects the applicable tax rate in effect in the various tax jurisdictions around the world where our income is earned.

The increase in our effective tax rate for the second quarter of fiscal 2012 compared to the second quarter of fiscal 2011 was primarily due to the impact of discrete tax items. The provision for income taxes for the second quarter of fiscal 2011 included favorable discrete tax items related to the settlement with the Appellate Division of the Internal Revenue Service of certain tax matters for the fiscal 2004 through fiscal 2007 tax years which resulted in lowering our effective tax rate by approximately 4%. The provision for income taxes for the second quarter of fiscal 2012 did not include the benefit of these discrete tax items. In addition, our effective tax rate for the second quarter of fiscal 2011 included a benefit related to the application of the U.S. federal research and development tax credit. This credit expired in December 2011 and therefore was not available in the second quarter of fiscal 2012.

The increase in our effective tax rate for the first six months of fiscal 2012 compared to the first six months of fiscal 2011 was primarily due to the impact of discrete tax items. The provision for income taxes for the second quarter of fiscal 2011 included favorable discrete tax items which resulted in lowering our effective tax rate by approximately 4%. These items consisted of \$6 million related to the reinstatement of the federal R&D tax credit in December 2010 retroactive to January 1, 2010, a \$7 million reduction in the state tax credits valuation reserve, a \$0.5 million tax benefit from the increase in Irish deferred taxes as a result of the increase in the Irish manufacturing tax rate from 10% to 12.5% and a net \$10.8 million tax benefit related to the settlement with the Appellate Division of the Internal Revenue Service of certain tax matters for the fiscal 2004 through fiscal 2007 tax years. The provision for income taxes for the second quarter of fiscal 2012 did not include the benefit of these discrete tax items. In addition, our effective tax rate for the first six months of fiscal 2011 included a benefit

related to the application of the U.S. federal research and development tax credit. This credit expired in December 2011 and therefore was only available for two months of the first six months of fiscal 2012. The provision for the first six months of fiscal 2012 included \$1.5 million of tax expense related to the write-off of deferred tax assets for share-based compensation, which consequently increased the effective tax rate by approximately 1%.

We expect our effective tax rate, excluding discrete tax items, to be approximately 22.4% for the remainder of fiscal 2012.

Income from Continuing Operations, net of tax

	Three Months Ended			% Change	Six Months Ended			% Change
	May 5, 2012	April 30, 2011	\$ Change		May 5, 2012	April 30, 2011	\$ Change	
Income from continuing operations, net of tax	\$ 162,899	\$ 241,826	\$(78,927)	(33)%	\$ 302,281	\$ 457,432	\$(155,151)	(34)%
Income from continuing operations, net of tax, as a % of revenue	24.1%	30.6%			22.8%	30.1%		
Diluted EPS from continuing operations	\$ 0.53	\$ 0.78			\$ 0.99	\$ 1.48		

The year-over-year decrease in net income from continuing operations in the second quarter of fiscal 2012 was primarily a result of the \$85.6 million decrease in operating income from continuing operations offset by a lower provision for income taxes in the second quarter of 2012.

The year-over-year decrease in net income from continuing operations in the six months ended May 5, 2012 was primarily a result of the \$161.6 million decrease in operating income from continuing operations offset by lower provision for income taxes in the first six months of fiscal 2012.

Discontinued Operations

	Six Months Ended April 30, 2011
Gain on sale of discontinued operations, net of tax	\$ 6,500
Diluted EPS from discontinued operations	\$ 0.02

We sold our Baseband Chipset Business to MediaTek Inc. during the first quarter of fiscal 2008. Accordingly, we have presented the results of the operations of this business as discontinued operations within our condensed consolidated financial statements. In fiscal 2011, additional proceeds of \$10 million were released from escrow and \$6.5 million net of tax was recorded as additional gain from the sale of discontinued operations. We do not expect any additional proceeds from this sale.

Outlook

The following statements are based on current expectations. These statements are forward-looking and our actual results may differ materially as a result of, among other things, the important factors contained in Item 1A. Risk Factors in this Quarterly Report on Form 10-Q. Unless specifically mentioned, 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 of filing this report. These statements supersede all prior statements regarding our business outlook made by us.

We are planning for revenue in the third quarter of fiscal 2012 to increase by approximately 1% to 4% from the second quarter of fiscal 2012. Our plan is for gross margin for the third quarter of fiscal 2012 to increase by approximately 50 basis points from the second quarter of fiscal 2012 and for operating expenses to be approximately \$231 million. As a result, we are planning for diluted earnings per share from continuing operations to be in the range of \$0.54 to \$0.58 in the third quarter of fiscal 2012.

Liquidity and Capital Resources

At May 5, 2012, our principal source of liquidity was \$3,752.6 million of cash and cash equivalents and short-term investments, of which approximately \$1,085.9 million was held in the United States. The balance of our cash and cash equivalents and short-term investments was held outside the United States in various foreign subsidiaries. As we intend to

reinvest certain of our foreign earnings indefinitely, this cash held outside the United States is not available to meet certain of our cash requirements in the United States, including for cash dividends and common stock repurchases. Our cash and cash equivalents consist of highly liquid investments with maturities of three months or less at the time of acquisition and our short-term investments consist primarily of liquid money market funds and corporate obligations, such as commercial paper and floating rate notes, bonds and bank time deposits. We maintain these balances with high credit quality counterparties, continually monitor the amount of credit exposure to any one issuer and diversify our investments in order to minimize our credit risk.

We believe that our existing sources of liquidity and cash expected to be generated from future operations, together with existing and anticipated available long-term financing, will be sufficient to fund operations, capital expenditures, research and development efforts, dividend payments (if any) and repurchases of our stock (if any) under our stock repurchase program in the immediate future and for at least the next twelve months.

	<u>Six Months Ended</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>May 5, 2012</u>	<u>April 30, 2011</u>		
Net cash provided by operating activities	\$ 440,780	\$ 413,389	\$27,391	7%
Net cash provided by operations as a % of Revenue	33.3%	27.2%		

At May 5, 2012, cash and cash equivalents totaled \$695.1 million. The primary sources of funds for the first six months of fiscal 2012 were net cash generated from operating activities of \$440.8 million. In addition, we received \$87.4 million in net proceeds from employee stock option exercises. The principal uses of funds for the first six months of fiscal 2012 were the repurchase of approximately 3.2 million shares of our common stock for an aggregate of \$122.4 million, dividend payments of \$163.8 million, principal payments of \$19.3 million related to our \$145 million term loan facility, additions to property, plant and equipment of \$55.4 million and payments of \$24.2 million for the acquisition of Multigig. In addition, we paid \$871.3 million for the net purchase of available-for-sale short term investments. These factors contributed to the net decrease in cash and cash equivalents of \$710.0 million in the first six months of fiscal 2012.

Working Capital

	<u>May 5, 2012</u>	<u>October 29, 2011</u>	<u>\$ Change</u>	<u>% Change</u>
Accounts receivable	\$ 330,282	\$ 348,416	\$(18,134)	(5)%
Days sales outstanding	45	44		
Inventory	\$ 303,742	\$ 295,081	\$ 8,661	3%
Days cost of sales in inventory	118	105		

The decrease in accounts receivable was primarily the result of lower revenue in the final month of the second quarter of fiscal 2012 compared to the final month of the fourth quarter of fiscal 2011. Days sales outstanding increased as a result of higher product shipments in the final month of the second quarter of fiscal 2012 compared to the final month of the fourth quarter of fiscal 2011.

Inventory as of May 5, 2012 increased slightly as compared to the end of the fourth quarter of fiscal 2011 as a result of an increase in manufacturing production to support anticipated higher sales demand. Days cost of sales in inventory increased primarily due to lower manufacturing costs as a result of decreased production, which resulted in cost of sales decreasing 8% from the fourth quarter of fiscal 2011 to the second quarter of fiscal 2012 while inventory levels increased by 3% for the same period.

Current liabilities increased to \$558.6 million at May 5, 2012, an increase of \$33.6 million, or 6%, from \$525.0 million at the end of fiscal 2011. This increase was primarily due to an increase in income taxes payable as a result of an increase in our effective tax rate from the fourth quarter of fiscal 2011, an increase in accounts payable and an increase in deferred income on shipments to distributors, net, which is more fully described below. These decreases were partially offset by a decrease in accrued liabilities primarily as a result of lower variable compensation expense.

As of May 5, 2012 and October 29, 2011, we had gross deferred revenue of \$311.6 million and \$309.6 million, respectively, and gross deferred cost of sales of \$67.5 million and \$76.4 million, respectively. Deferred income on shipments to distributors increased by approximately \$10.9 million in the first six months of fiscal 2012 as a result of our shipments to our distributors exceeding the distributors' sales to their customers during the same time period. Sales to distributors are made under agreements that allow distributors to receive price-adjustment credits and to return qualifying products for credit, as determined by us, in order to reduce the amounts of slow-moving, discontinued or obsolete product from their inventory. Given the uncertainties associated with the levels of price-adjustment credits to be granted to distributors, the sales price to the distributors is not fixed or determinable until the distributors resell the products to their customers. Therefore, we defer revenue recognition from sales to distributors until the distributors have sold the products to their customers. The amount of price-adjustments is dependent on future overall market conditions, and therefore the levels of these adjustments could fluctuate significantly from period to period. To the extent that we experience a significant increase in the amount of credits we issue to our distributors, there could be a material impact on the ultimate revenue and gross margin recognized relating to these transactions.

Debt

As of May 5, 2012 we had \$862.5 million in debt outstanding, of which \$14.5 million was current. Our debt obligations consist of the following:

\$375 million aggregate principal amount of 5.0% senior unsecured notes

On June 30, 2009, we issued \$375 million aggregate principal amount of 5.0% senior unsecured notes due July 1, 2014 (the 5.0% Notes) with semi-annual fixed interest payments due on January 1 and July 1 of each year, commencing January 1, 2010. We swapped the fixed interest portion of these notes for a variable interest rate based on the three-month LIBOR plus 2.05%. The variable interest payments based on the variable annual rate are payable quarterly. The LIBOR based rate is set quarterly three months prior to the date of the interest payment. In the second quarter of fiscal 2012, we terminated the interest rate swap agreement. We received \$19.8 million in cash proceeds from the swap termination, which included \$1.3 million in accrued interest. The proceeds, net of interest received, are disclosed in cash flows from financing activities in the consolidated statements of cash flows. As a result of the termination the carrying value of the 5% Notes was adjusted for the change in fair value of the interest component of the debt up to the date of the termination of the swap in an amount equal to the fair value of the swap, and will be amortized to earnings as a reduction of interest expense over the remaining life of the debt. This amortization is reflected in the consolidated statements of cash flows within operating activities

\$145 million term loan facility

On December 22, 2010, Analog Devices Holdings B.V., our wholly owned subsidiary entered into a credit agreement with Bank of America, N.A., London Branch as administrative agent. The credit agreement provides for a \$145 million term loan facility, which matures on December 22, 2013. We have guaranteed the borrower's obligations. The terms of the agreement provide for a three-year principal amortization schedule with \$3.6 million payable quarterly every March, June, September and December with the balance payable upon the maturity date.

\$375 million aggregate principal amount of 3.0% senior unsecured notes

On April 4, 2011, we issued \$375 million aggregate principal amount of 3.0% senior unsecured notes due April 15, 2016 (the 3.0% Notes) with semi-annual fixed interest payments due on April 15 and October 15 of each year, commencing October 15, 2011.

The indenture governing the 5.0% Notes and 3.0% Notes contains covenants that may limit our ability to: incur, create, assume or guarantee any debt for borrowed money secured by a lien upon a principal property; enter into sale and lease-back transactions with respect to a principal property; and consolidate with or merge into, or transfer or lease all or substantially all of our assets to, any other party. As of May 5, 2012, we were compliant with these covenants. The terms of the \$145 million term loan facility include limitations on subsidiary indebtedness and on liens against our assets and the assets of our subsidiaries, and also include financial covenants that require us to maintain a minimum interest coverage ratio and not exceed a maximum leverage ratio. As of May 5, 2012, we were compliant with these covenants. See Note 13, Debt, of the Notes to our Condensed Consolidated Financial Statements contained in Item 1 of this Quarterly Report on Form 10-Q for further information on our outstanding debt.

Revolving Credit Facility

We have a five-year \$165 million unsecured revolving credit facility that expires in May 2013. To date, we have not borrowed under this credit facility but we may borrow in the future and use the proceeds for support of commercial paper issuance, stock repurchases, dividend payments, acquisitions, capital expenditures, working capital and other lawful corporate purposes. The terms of this facility also include financial covenants that require us to maintain a minimum interest coverage ratio and not exceed a maximum leverage ratio. As of May 5, 2012, we were compliant with these covenants.

Stock Repurchase Program

Our common stock repurchase program has been in place since August 2004. In the aggregate, our Board of Directors has authorized us to repurchase \$5 billion of our common stock under the program. Under the 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 under the program. As of May 5, 2012, we had repurchased a total of approximately 128.2 million shares of our common stock for approximately \$4,400.9 million under this program. As of May 5, 2012, an additional \$599.1 million worth of shares remains available for repurchase under the current authorized program. The repurchased shares are held as authorized but unissued shares of common stock. We also from time to time repurchase shares in settlement of employee tax withholding obligations due upon the vesting of restricted stock units or the exercise of stock options, or in certain limited circumstances to satisfy the exercise price of options granted to our employees under our equity compensation plans. Any future common stock repurchases will be based on several factors, including our financial performance, outlook, liquidity and the amount of cash we have available in the United States.

Capital Expenditures

Net additions to property, plant and equipment were \$55.4 million in the first six months of fiscal 2012 and were funded with a combination of cash on hand and cash generated from operations. We expect capital expenditures to be approximately \$140 million in fiscal 2012 to be used primarily in our manufacturing facilities and to be funded with a combination of cash on hand and cash generated from operations.

Dividends

On May 21, 2012, our Board of Directors declared a cash dividend of \$0.30 per outstanding share of common stock. The dividend will be paid on June 12, 2012 to all shareholders of record at the close of business on June 1, 2012 and is expected to total approximately \$89.5 million. We currently expect quarterly dividends to continue at \$0.30 per share, although they remain subject to determination and declaration by our Board of Directors. The payment of future dividends, if any, will be based on several factors, including our financial performance, outlook and liquidity.

Contractual Obligations

In the second quarter of fiscal 2012, we terminated our interest rate swap agreement related to our outstanding 5.0% senior unsecured notes. As a result of the termination, the amounts previously reflected as “payments due under interest rate swap agreements” in the contractual obligations table contained in the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on Form 10-K for the fiscal year ended October 29, 2011 are no longer due.

During the first quarter of fiscal 2012, we entered into non-cancelable license obligations to providers of electronic design automation software and software maintenance used in the development of our products. The following amounts will be due under the agreements and were not previously reflected in the contractual obligations table contained in the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on Form 10-K for the fiscal year ended October 29, 2011:

<u>(thousands)</u>	Payment due by period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Contractual obligations:					
Operating leases	\$44,910	\$12,887	\$25,882	\$ 6,141	\$ —

There have not been any other material changes during the first six months of fiscal 2012 to the amounts presented in the table summarizing our contractual obligations included in our Annual Report on Form 10-K for the fiscal year ended October 29, 2011.

New Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (FASB) that are adopted by us as of the specified effective date. Unless otherwise discussed, management believes that the impact of recently issued standards will not have a material impact on our future financial condition and results of operations. See Note 18, New Accounting Pronouncements, of the Notes to our Condensed Consolidated Financial Statements contained in Item 1 of this Quarterly Report on Form 10-Q for a description of recently issued and adopted accounting pronouncements, including the dates of adoption and impact on our historical financial condition and results of operations.

Critical Accounting Policies and Estimates

There were no material changes in the first six months of fiscal 2012 to the information provided under the heading “Critical Accounting Policies and Estimates” included in our Annual Report on Form 10-K for the fiscal year ended October 29, 2011.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

In the second quarter of fiscal 2012, we terminated our interest rate swap agreement, which converted the 5.0% fixed interest rate on our \$375 million 5.0% senior unsecured notes to a variable interest rate based on the three-month LIBOR plus 2.05%. As a result of the termination, we are no longer exposed to interest rate risk associated with the swap.

There were no other material changes in the first six months of fiscal 2012 to the information provided under Item 7A. “Quantitative and Qualitative Disclosures about Market Risk” set forth in our Annual Report on Form 10-K for the year ended October 29, 2011.

ITEM 4. Controls and Procedures

(a) *Evaluation of Disclosure Controls and Procedures.* Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of May 5, 2012. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of May 5, 2012, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

(b) *Changes in Internal Control over Financial Reporting.* No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the quarter ended May 5, 2012 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1A. Risk Factors

Set forth below and elsewhere in this report and in other documents we file with the SEC are descriptions of the risks and uncertainties that could cause our actual results to differ materially from the results contemplated by the forward-looking statements contained in this report. The description below includes any material changes to and supersedes the description of the risk factors affecting our business previously discussed in Part I, Item 1A “Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended October 29, 2011.

Disruptions in global credit and financial markets could materially and adversely affect our business and results of operations.

There is significant uncertainty regarding the stability of global credit and financial markets, exacerbated by the downgrades of credit ratings of the United States and several European countries and the ongoing European debt crisis. These economic uncertainties make it difficult for us to accurately forecast and plan our future business activities. High unemployment rates, continued weakness in commercial and residential real estate markets and the tightening of credit by financial institutions may lead consumers and businesses to postpone spending, which may cause our customers to cancel, decrease or delay their existing and future orders for our products. The continuing European debt crisis could cause the value of the Euro to deteriorate, thus reducing the purchasing power of our European customers. In addition, financial difficulties experienced by our suppliers or distributors could result in product delays, increased accounts receivable defaults and inventory challenges. During the past few years, many governments adopted stimulus or spending programs designed to ease the economic impact of the crisis. Some of our businesses benefited from these stimulus programs and as these programs conclude, those businesses could be negatively impacted. If economic conditions deteriorate, we may record additional charges relating to restructuring costs or the impairment of assets and our business and results of operations could be materially and adversely affected.

Our future revenue, gross margins, operating results and net income are difficult to predict and may materially fluctuate.

Our future revenue, gross margins, operating results and net income are difficult to predict and may be materially affected by a number of factors, including:

- the effects of adverse economic conditions in the United States and international markets;
- changes in customer demand for our products and for end products that incorporate our products;
- our ability to effectively manage our cost structure in both the short term and over a longer duration;
- the timing of new product announcements or introductions by us, our customers or our competitors;
- competitive pricing pressures;
- fluctuations in manufacturing yields, adequate availability of wafers and other raw materials, and manufacturing, assembly and test capacity;
- the ability of our third-party suppliers, subcontractors and manufacturers to supply us with sufficient quantities of raw materials, products and/or components;
- any significant decline in our backlog;
- the timing, delay or cancellation of significant customer orders and our ability to manage inventory;
- our ability to hire, retain and motivate adequate numbers of engineers and other qualified employees to meet the demands of our customers;
- changes in geographic, product or customer mix;
- our ability to utilize our manufacturing facilities at efficient levels;
- potential significant litigation-related costs;
- the difficulties inherent in forecasting future operating expense levels, including with respect to costs associated with labor, utilities, transportation and raw materials;
- the costs related to compliance with increasing worldwide environmental regulations;
- changes in our effective tax rates in the United States, Ireland or worldwide; and
- the effects of public health emergencies, natural disasters, widespread travel disruptions, security risks, terrorist activities, international conflicts and other events beyond our control.

In addition, the semiconductor market has historically been cyclical and subject to significant economic upturns and downturns. Our business is subject to rapid technological changes and there can be no assurance (i) that products stocked in our inventory will not be rendered obsolete before we ship them, or (ii) that we will be able to produce products in a timely fashion to accommodate changing customer demand. As a result of these and other factors, there can be no assurance that we will not experience material fluctuations in future revenue, gross margins, operating results and net income on a quarterly or annual basis. In addition, if our revenue, gross margins, operating results and net income do not meet the expectations of securities analysts or investors, the market price of our common stock may decline.

Changes in our effective tax rate may impact our results of operations.

A number of factors may increase our future effective tax rate, including: increases in tax rates in various jurisdictions; variation in the jurisdictions in which profits are earned and taxed; the resolution of issues arising from tax audits with various tax authorities; changes in the valuation of our deferred tax assets and liabilities; adjustments to income taxes upon finalization of various tax returns; increases in expenses not deductible for tax purposes, including executive compensation subject to the limitations of Section 162(m) of the Internal Revenue Code and amortization of assets acquired in connection with strategic transactions; the lack of sufficient excess tax benefits (credits) in our additional paid in capital (APIC) pool in situations where our realized tax deductions for certain stock-based compensation awards are less than those originally anticipated; changes in available tax credits; and changes in tax laws or the interpretation of such tax laws. Any significant increase in our future effective tax rates could adversely impact our net income during future periods.

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

We typically do not have long-term sales contracts with our customers. 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. In other instances, we manufacture product based on forecasts of customer demands. As a result, we may incur inventory and manufacturing costs in advance of anticipated sales and are subject to the risk of cancellations of orders, leading to a sharp reduction of sales and backlog. Further, orders or forecasts may be for products that meet the customer's unique requirements so that those cancelled or unrealized orders would, in addition, result in an inventory of unsaleable products, causing potential inventory write-offs. As a result of lengthy manufacturing cycles for certain of the products that are subject to these uncertainties, the amount of unsaleable product could be substantial. Incorrect forecasts, or reductions, cancellations or delays in orders for our products could adversely affect our operating results.

Our future success depends upon our ability to continue to innovate, improve our products, develop and market new products, and identify and enter new markets.

Our success significantly depends on our continued ability to improve our products and develop and market innovative new products. Product development, innovation and enhancement is often a complex, time-consuming and costly process involving significant investment in research and development, with no assurance of return on investment. There can be no assurance that we will be able to develop and introduce new and improved products in a timely or efficient manner or that new and improved products, if developed, will achieve market acceptance. Our products generally must conform to various evolving and sometimes competing industry standards, which may adversely affect our ability to compete in certain markets or require us to incur significant costs. In addition, our customers generally impose very high quality and reliability standards on our products, which often change and may be difficult or costly to satisfy. Any inability to satisfy customer quality standards or comply with industry standards and technical requirements may adversely affect demand for our products and our results of operations. In addition, our growth is dependent on our continued ability to identify and penetrate new markets where we have limited experience and competition is intense. Also, some of our customers in these markets are less established, which could subject us to increased credit risk. 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 price reductions or take market share from us, or that we can achieve or maintain adequate gross margins or 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.

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

We face intense technological and pricing competition in the semiconductor industry, and we expect this competition to increase in the future, including from companies located outside the United States. Many companies have sufficient financial, manufacturing, technical, sales and marketing resources to develop and market products that compete with our products. Some of our competitors may have more advantageous supply or development relationships with our current and potential customers or suppliers. Our competitors also include emerging companies selling specialized products in markets we serve.

Competition is generally based on design and quality of products, product performance, features and functionality, and product pricing, availability and capacity, with the relative importance of these factors varying among products, markets and customers. Existing or new competitors may develop products or technologies that more effectively address the demands of our customers and markets with enhanced performance, features and functionality, lower power requirements, greater levels of integration or lower cost. Increased competition in certain markets has resulted in and may continue to result in declining average selling prices, reduced gross margins and loss of market share in those markets. 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 competition.

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

We rely, and plan to continue to rely, on suppliers, assembly and test subcontractors, and 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 availability, capacity utilization, delivery schedules, manufacturing yields, and costs. We currently source approximately 50% of our wafer requirements annually from third-party wafer fabrication foundries, primarily Taiwan Semiconductor Manufacturing Company, or TSMC. In addition, these suppliers often provide manufacturing services to our competitors and therefore periods of increased industry demand may result in capacity constraints. In certain instances, the third-party supplier is the sole source of highly specialized processing services. If our suppliers are unable or unwilling to manufacture and deliver components to us on the time schedule and of the quality or quantity that we require or provide us with required manufacturing processes, 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. If replacement suppliers or manufacturing processes are not available, we may also experience delays in product development or shipment which could, in turn, result in the temporary or permanent loss of customers.

The markets for semiconductor products are cyclical, and increased production may lead to overcapacity and lower prices, and conversely, we may not be able to satisfy unexpected demand for our products.

The cyclical nature of the semiconductor industry has resulted in periods when demand for our products has increased or decreased rapidly. If we expand our operations and workforce too rapidly or procure excessive resources in anticipation of increased demand for our products, and that demand does not materialize at the pace at which we expect or declines, or if we overbuild inventory in a period of decreased demand, our operating results may be adversely affected as a result of increased operating expenses, reduced margins, underutilization of capacity or asset impairment charges. These capacity expansions by us and other semiconductor manufacturers could also lead to overcapacity in our target markets which could lead to price erosion that would adversely impact our operating results. Conversely, during periods of rapid increases in demand, our available capacity may not be sufficient to satisfy the demand. In addition, we may not be able to expand our workforce and operations in a sufficiently timely manner, procure adequate resources and raw materials, or locate suitable third-party suppliers, to respond effectively to changes in demand for our existing products or to the demand for new products requested by our customers, and our current or future business could be materially and adversely affected.

Our semiconductor products are complex and we may be subject to product warranty and indemnity claims, which could result in significant costs and damage to our reputation and adversely affect the market acceptance of our products.

Semiconductor products are highly complex and may contain defects when they are first introduced or as new versions are developed. We generally warrant our products to our customers for one year from the date title passes from us. We invest significant resources in the testing of our products; however, if any of our products contain defects, we may be required to incur additional development and remediation costs, pursuant to warranty and indemnification provisions in our customer contracts and purchase orders. These problems may divert our technical and other resources from other product development efforts and could result in claims against us by our customers or others, including liability for costs associated with product recalls, which may adversely impact our operating results. We may also be subject to customer indemnity claims. Our customers have on occasion been sued, and may in the future be sued, by third parties alleging infringement of intellectual property rights, or damages resulting from use of our products. Those customers may seek indemnification from us under the terms and conditions of our sales contracts with them. In certain cases, our potential indemnification liability may be significant. If any of our products contains defects, or has reliability, quality or compatibility problems, our reputation may be damaged, which could make it more difficult for us to sell our products to existing and prospective customers and could adversely affect our operating results.

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 operating results.

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

The semiconductor industry is characterized by frequent claims and litigation involving patent and other intellectual property rights, including claims arising under our contractual obligations to indemnify our customers. Other companies or individuals 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 infringing products, if those patents are found to be valid. From time to time, we receive 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. We could be subject to warranty or product liability claims that could lead to significant costs and expenses as we defend those claims or pay damage awards. There can be no assurance that we are adequately insured to protect against all claims and potential liabilities. We may incur costs and expenses relating to a recall of our customers' products due to an alleged failure of components we supply. An adverse outcome in litigation could have a material adverse effect on our financial position or on our operating results or cash flows in the period in which the litigation is resolved.

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

Our success depends, in part, on our ability to protect our intellectual property. We primarily rely on patent, mask work, copyright, trademark and trade secret laws, as well as nondisclosure agreements and other methods, to protect our proprietary technologies and processes. Despite our efforts to protect our intellectual property, it is possible that competitors or other unauthorized third parties may obtain, copy, use or disclose our technologies, products and processes. Moreover, the laws of foreign countries in which we design, manufacture, market and sell our products may afford little or no effective protection of our proprietary intellectual property. We may also be subject to security breaches caused by computer viruses, illegal break-ins or hacking, sabotage, acts of vandalism by third parties or terrorism. Our security measures or those of our third party service providers may not detect or prevent such security breaches. Any such compromise of our information security could result in unauthorized access to our confidential business or proprietary information.

There can be no assurance that the claims allowed in our issued patents will be sufficiently broad to protect our technology. In addition, any of our existing or future patents may be challenged, invalidated or circumvented. As such, any rights granted under these patents may not provide us with meaningful protection. We may not have foreign patents or pending applications corresponding to our U.S. patents and applications. Even if foreign patents are granted, effective enforcement in foreign countries may not be available. If our patents and mask works do not adequately protect our technology, our competitors may be able to offer products similar to ours. Our competitors may also be able to develop similar technology independently or design around our patents.

We generally enter into confidentiality agreements with our employees, consultants and strategic partners. We also try to control access to and distribution of our technologies, documentation and other proprietary information. Despite these efforts, internal or external parties may attempt to copy, disclose, obtain or use our products or technology without our authorization. Also, former employees may seek employment with our business partners, customers or competitors, and there can be no assurance that the confidential nature of our proprietary information will be maintained in the course of such future employment.

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

Our continued success depends to a significant extent upon the recruitment, retention and effective succession of our executive officers and key management and technical personnel, particularly our experienced engineers. 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 our business 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.

To remain competitive, we may need to acquire other companies, purchase or license technology from third parties, or enter into other strategic transactions in order to introduce new products or enhance our existing products.

An element of our business strategy involves expansion through the acquisitions of businesses, assets, products or technologies that allow us to complement our existing product offerings, expand our market coverage, increase our engineering workforce or enhance our technological capabilities. We may not be able to find businesses that have the technology or resources we need and, if we find such businesses, we may not be able to purchase or license the technology or resources on commercially favorable terms or at all. Acquisitions and technology licenses are difficult to identify and complete for a number of reasons, including the cost of potential transactions, competition among prospective buyers and licensees, the need for regulatory approvals, and difficulties related to integration efforts. Both in the U.S. and abroad, governmental regulation of acquisitions has become more complex, increasing the costs and risks of undertaking significant acquisitions. In order to finance a potential transaction, we may need to raise additional funds by issuing securities or borrowing money. We may not be able to find financing on favorable terms, and the sale of our stock may result in the dilution of our existing shareholders or the issuance of securities with rights that are superior to the rights of our common shareholders.

Acquisitions also involve a number of risks, including:

- difficulty integrating acquired technologies, operations and personnel with our existing businesses;
- diversion of management attention in connection with both negotiating the acquisitions and integrating the assets;
- strain on managerial and operational resources as management tries to oversee larger operations;
- the future funding requirements for acquired companies, which may be significant;
- potential loss of key employees;
- exposure to unforeseen liabilities of acquired companies; and
- increased risk of costly and time-consuming litigation.

If we are unable to successfully address these risks, we may not realize some or all of the expected benefits of the acquisition, which may have an adverse effect on our business plans and operating results.

We rely on supplies, services and manufacturing capacity located in geologically unstable areas, which could affect our ability to produce products.

We, like many companies in the semiconductor industry, rely on supplies, services, internal manufacturing capacity, wafer fabrication foundries 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, utilities and equipment and availability of key services, including transport of our products worldwide. For example, in March 2011, a severe earthquake and tsunami hit Japan, which together with resulting damage to certain nuclear power plants created widespread destruction and economic uncertainty in that region. Our fiscal 2011 revenue in Japan decreased by approximately 9% year over year, primarily due to lower sales activity in the consumer end market sector in Japan as a result of the earthquake and tsunami. Any prolonged inability to utilize one of our manufacturing facilities, or those of our subcontractors or third-party wafer fabrication foundries, as a result of fire, flood, natural disaster, unavailability of utilities or otherwise, could result in a temporary or permanent loss of customers for affected products, which could have a material adverse effect on our results of operations and financial condition.

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

We have significant operations and manufacturing facilities outside the United States, including in Ireland and the Philippines. Over 70% of our revenue is 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, 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. At May 5, 2012, our principal source of liquidity was

\$3,752.6 million of cash and cash equivalents and short-term investments, of which approximately \$1,085.9 million was held in the United States and the remaining balance was held outside the United States in various foreign subsidiaries. As we intend to reinvest certain of our foreign earnings indefinitely, this cash held outside the United States is not readily available to meet certain of our cash requirements in the United States. We require a substantial amount of cash in the United States for operating requirements, stock repurchases, cash dividends and acquisitions. If we are unable to address our U.S. cash requirements through operations, through borrowings under our current credit facility, through future debt or equity offerings or from other sources of cash obtained at an acceptable cost, it may be necessary for us to consider repatriation of earnings that are permanently reinvested, and we may be required to pay additional taxes under current tax laws, which could have a material effect on our results of operations and financial condition.

In addition to being exposed to the ongoing economic cycles in the semiconductor industry, we are also subject to the economic, political and legal risks inherent in international operations, including the risks associated with the recent crisis in global credit and financial markets, ongoing uncertainties and political and economic instability in many countries around the world, as well as economic disruption from acts of terrorism and the response to them by the United States and its allies. Other business risks associated with global operations include increased managerial complexities, air transportation disruptions, expropriation, currency controls, currency exchange rate movement, additional costs related to foreign taxes, tariffs and freight rate increases, exposure to different business practices and legal standards, particularly with respect to price protection, competition practices, intellectual property, anti-corruption and environmental compliance, trade and travel restrictions, pandemics, import and export license requirements and restrictions, difficulties in staffing and managing worldwide operations, and accounts receivable collections.

We expect to continue to expand our business and operations in China. Our success in the Chinese markets may be adversely affected by China's continuously evolving laws and regulations, including those relating to taxation, import and export tariffs, currency controls, environmental regulations, indigenous innovation, and intellectual property rights and enforcement of those rights. Enforcement of existing laws or agreements may be inconsistent. In addition, changes in the political environment, governmental policies or U.S.-China relations could result in revisions to laws or regulations or their interpretation and enforcement, exposure of our proprietary intellectual property, increased taxation, restrictions on imports, import duties or currency revaluations, which could have an adverse effect on our business plans and operating results.

Our operating results are dependent on the performance of independent distributors.

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 they could 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 declarations of bankruptcy by these distributors. Our inability to collect open accounts receivable could adversely affect our operating results. Termination of a significant distributor, whether at our initiative or the distributor's initiative or through consolidation in the distribution industry, could disrupt our current business, and if we are unable to find suitable replacements, our operating results could be adversely affected.

We are subject to increasingly strict environmental, health and safety (EHS) regulations, which could increase our expenses and affect our operating results.

Our industry is subject to increasingly strict EHS requirements, particularly those environmental requirements that control and restrict the use, transportation, emission, discharge, storage and disposal of certain chemicals used or produced in the semiconductor manufacturing process. Public attention to environmental concerns continues to increase, and our customers routinely include stringent environmental standards in their contracts with us. Changes in environmental laws or regulations may require us to invest in costly equipment or alter the way our products are made. In addition, we use hazardous and other regulated materials that subject us to risks of strict liability for damages caused by potential or actual releases of such materials. Any failure to control such materials adequately or to comply with statutory or regulatory standards or contractual obligations could result in liability for damages, penalties, and civil and criminal fines, and might damage our reputation, increase our expenses, and adversely affect our operating results.

New climate change laws and regulations could require us to change our manufacturing processes or obtain substitute materials that may cost more or be less available for our manufacturing operations. In addition, new restrictions on emissions of carbon dioxide or other greenhouse gases could result in significant costs for us. The Commonwealth of Massachusetts has adopted greenhouse gas regulations, and the U.S. Congress may pass federal greenhouse gas legislation in the future. The

U.S. Environmental Protection Agency (EPA) has issued greenhouse gas reporting regulations that may apply to certain of our operations. The EPA is developing other climate change-based regulations, as are certain states, that also may increase our expenses and adversely affect our operating results. We expect increased worldwide regulatory activity relating to climate change in the future. Compliance with these laws and regulations has not had a material impact on our capital expenditures, earnings, financial condition or competitive position. There is no assurance that the cost to comply with current or future EHS laws and regulations will not exceed our estimates or adversely affect our financial condition or results of operations. Additionally, any failure by us to comply with applicable EHS requirements or contractual obligations could result in penalties, civil and criminal fines, suspension of or changes to production, legal liability and damage to our reputation.

If we are unable to generate sufficient cash flow, we may not be able to service our debt obligations, including making payments on our two issuances of \$375 million senior unsecured notes or our \$145 million term loan facility.

In fiscal 2009, we issued in a public offering \$375 million aggregate principal amount of 5.0% senior unsecured notes due July 1, 2014. In April 2011, we issued in a public offering \$375 million aggregate principal amount of 3.0% senior unsecured notes due April 15, 2016. In December 2010, Analog Devices Holdings B.V., a wholly owned subsidiary of ours, entered into a \$145 million term loan facility which matures on December 22, 2013. Our ability to make payments of principal and interest on our indebtedness when due depends upon our future performance, which will be subject to general economic conditions, industry cycles and financial, business and other factors affecting our consolidated operations, many of which are beyond our control. If we are unable to generate sufficient cash flow from operations in the future to service our debt, we may be required to, among other things:

- seek additional financing in the debt or equity markets;
- refinance or restructure all or a portion of our indebtedness, including the notes;
- divert funds that would otherwise be invested in our operations;
- sell selected assets; or
- reduce or delay planned capital expenditures or operating expenditures.

Such measures might not be sufficient to enable us to service our debt, including the notes or our term loan facility, which could negatively impact our financial results. In addition, any such financing, refinancing or sale of assets might not be possible on economically favorable terms.

Restrictions in our revolving credit and term loan facilities and outstanding debt instruments may limit our activities.

Our current revolving credit and term loan facilities and our 5.0% and 3.0% senior unsecured notes impose, and future debt instruments to which we may become subject may impose, restrictions that limit our ability to engage in activities that could otherwise benefit our company, including to undertake certain transactions, to create certain liens on our assets and to incur certain subsidiary indebtedness. Our ability to comply with these financial restrictions and covenants is dependent on our future performance, which is subject to prevailing economic conditions and other factors, including factors that are beyond our control such as foreign exchange rates, interest rates, changes in technology and changes in the level of competition. In addition, our credit and term loan facilities require us to maintain compliance with specified financial ratios. If we breach any of the covenants under our credit or term loan facilities or the indenture governing our outstanding notes and do not obtain appropriate waivers, then, subject to applicable cure periods, our outstanding indebtedness thereunder could be declared immediately due and payable.

Our stock price may be volatile.

The market price of our common stock has been volatile in the past and may be volatile in the future, as it may be significantly affected by the following factors:

- crises in global credit, debt and financial markets;
- actual or anticipated fluctuations in our revenue and operating results;
- changes in financial estimates by securities analysts or our failure to perform in line with those estimates or our published guidance;
- changes in market valuations of other semiconductor companies;

- announcements by us or our competitors of significant new products, technical innovations, material transactions, acquisitions or dispositions, litigation or capital commitments;
- departures of key personnel;
- actual or perceived noncompliance with corporate responsibility or ethics standards by us or any of our employees, officers or directors; and
- negative media publicity targeting us or our suppliers, customers or competitors.

The stock market has historically experienced volatility, especially within the semiconductor industry, that often has been unrelated to the performance of particular companies. These market fluctuations may cause our stock price to fall regardless of our operating results.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds**Issuer Purchases of Equity Securities**

Period	Total Number of Shares Purchased (a)	Average Price Paid Per Share (b)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (c)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
February 5, 2012 through March 3, 2012	539,991	\$ 39.50	537,579	\$ 621,802,751
March 4, 2012 through March 31, 2012	367,883	\$ 39.42	367,122	\$ 607,299,099
April 1, 2012 through May 5, 2012	210,417	\$ 38.90	210,417	\$ 599,113,665
Total	<u>1,118,291</u>	<u>\$ 39.36</u>	<u>1,115,118</u>	<u>\$ 599,113,665</u>

- (a) Includes 3,173 shares paid to us by employees to satisfy employee tax obligations upon vesting of restricted stock units granted to our employees under our equity compensation plans.
- (b) The average price paid per share of stock repurchased under the stock repurchase program includes the commissions paid to the brokers.
- (c) Shares repurchased pursuant to the stock repurchase program publicly announced on August 12, 2004. In the aggregate, our Board of Directors has authorized us to repurchase \$5 billion 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

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.

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: May 22, 2012

By: /S/ JERALD G. FISHMAN

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

Date: May 22, 2012

By: /S/ DAVID A. ZINSNER

David A. Zinsner
Vice President, Finance
and Chief Financial Officer
(Principal Financial Officer)

Exhibit Index

Exhibit No.	Description
10.1†	Form of Employee Retention Agreement.
10.2†	Form of Global Non-Qualified Stock Option Agreement for Employees for usage under the Company's 2006 Stock Incentive Plan.
10.3†	Form of Global Restricted Stock Unit Agreement for Employees for usage under the Company's 2006 Stock Incentive Plan.
10.4†	Amended and Restated 2006 Stock Incentive Plan of Analog Devices, Inc.
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).
101.INS	XBRL Instance Document.**
101.SCH	XBRL Schema Document.**
101.CAL	XBRL Calculation Linkbase Document.**
101.LAB	XBRL Labels Linkbase Document.**
101.PRE	XBRL Presentation Linkbase Document.**
101.DEF	XBRL Definition Linkbase Document.**
†	Filed or furnished herewith.
**	Submitted electronically herewith.

Attached as Exhibit 101 to this report are the following formatted in XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Statements of Income for the three and six months ended May 5, 2012 and April 30, 2011, (ii) Condensed Consolidated Balance Sheets at May 5, 2012 and October 29, 2011, (iii) Condensed Consolidated Statements of Cash Flows for the six months ended May 5, 2012 and April 30, 2011 and (iv) Notes to Condensed Consolidated Financial Statements.

ANALOG DEVICES, INC.

Employee Retention Agreement

[Employee Name]
c/o Analog Devices, Inc.
Three Technology Way
Norwood, Massachusetts 02062

Dear []:

Analog Devices, Inc. (the "Company") recognizes that, as is the case with many publicly-held corporations, the possibility of a change in control may exist and that such possibility, and the uncertainty and questions which it may raise among key personnel, may result in the departure or distraction of key personnel to the detriment of the Company, its stockholders and its customers.

The Board of Directors of the Company (the "Board") has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of the Company's key personnel, including yourself, to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a change in control of the Company.

In order to induce you to remain in its employ, the Company agrees that you shall receive the severance benefits set forth in this letter agreement (the "Agreement") in the event your employment with the Company is terminated under the circumstances described below subsequent to a "Change in Control" of the Company (as defined below).

1. Certain Definitions. As used herein, the following terms shall have the following respective meanings:

(a) A "Change in Control" shall occur or be deemed to have occurred only if any of the following events occur: (i) any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportion as their ownership of stock of the Company) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities; (ii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation, other than (A) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 80% of the combined voting

power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no "person" (as hereinabove defined) acquires more than 50% of the combined voting power of the Company's then outstanding securities; or (iii) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

(b) A "Potential Change in Control" shall be deemed to have occurred if:

(A) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company;

(B) any person (including the Company) publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control of the Company; or

(C) the Board of Directors of the Company adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control of the Company has occurred.

(c) An "Approved Change in Control" shall mean any Change in Control that the Board, by resolution adopted prior to the occurrence of any of the events constituting a Change in Control, specifically and expressly declares shall constitute an "Approved Change in Control" for purposes of this Agreement.

(d) A "Hostile Change in Control" shall mean any Change in Control other than an Approved Change in Control.

2. Term of the Agreement. The term of this Agreement (the "Term") shall commence on _____, 20____ and shall continue in effect through September 30, 20____; provided, however, that commencing on September 30, 20____ and each September 30 thereafter, the Term shall be automatically extended for one additional year unless, not later than June 30 of such year, the Company shall have given you written notice that the Term will not be extended; and provided further that, if a Change in Control of the Company shall have occurred during the original or extended Term, this Agreement and the Term shall continue in effect for a period of not less than 24 months beyond the month in which such Change in Control occurred.

3. Change in Control; Potential Change in Control.

(a) No benefits shall be payable under this Agreement unless there has been a Change in Control of the Company during the Term.

(b) You agree that, notwithstanding any provision to the contrary in this Agreement, in the event of a Potential Change in Control of the Company, you will not voluntarily resign as an employee of the Company until the earliest of (A) a date which is six (6) months after the occurrence of such Potential Change in Control of the Company or (B) the termination by you of your employment by reason of Disability as defined in Section 4(b)(i) or for Good Reason as defined in Section 4(b)(iii).

4. Employment Status; Termination Following Change in Control.

(a) You acknowledge that this Agreement does not constitute a contract of employment or impose on the Company any obligation to retain you as an employee and, except as set forth in Section 3(b), this Agreement does not prevent you from terminating your employment at any time. If your employment with the Company terminates for any reason and subsequently a Change in Control shall have occurred, you shall not be entitled to any benefits hereunder. Any termination of your employment by the Company or by you following a Change in Control of the Company during the Term shall be communicated by written notice of termination (“Notice of Termination”) to the other party hereto in accordance with Section 7. The “Date of Termination” shall mean the effective date of such termination as specified in the Notice of Termination (provided that no such Notice of Termination shall specify an effective date more than 180 days after the date of such Notice of Termination).

(b) Notwithstanding anything to the contrary herein, you shall be entitled to the benefits provided in Section 5 only if either (1) an Approved Change in Control shall have occurred during the Term and your employment with the Company is subsequently terminated or terminates within 24 months after such Approved Change in Control, unless such termination is (A) because of your death, (B) by the Company for Disability (as defined in Section 4(b)(i)) or Cause (as defined in Section 4(b)(ii)), or (C) by you other than for Good Reason (as defined in Section 4(b)(iii)), or (2) a Hostile Change in Control shall have occurred during the Term and your employment with the Company is subsequently terminated by either you or the Company within 12 months after such Hostile Change in Control for any reason other than your death or Disability or termination by the Company for Cause.

(i) Disability. If, as a result of incapacity due to physical or mental illness, you shall have been absent from the full-time performance of your duties with the Company for six (6) consecutive months and, within thirty (30) days after written Notice of Termination is given to you, you shall not have returned to the full-time performance of your duties, your employment may be terminated for “Disability.” Any termination for Disability under this Agreement shall not affect any rights you may otherwise have under the Company’s Long-Term Disability Plan.

(ii) Cause. Termination by the Company of your employment for “Cause” shall mean termination (A) upon your willful and continued failure to substantially perform your duties with the Company (other than any such failure resulting from your incapacity due to physical or mental illness or any such actual or anticipated failure after the issuance of a Notice of Termination by you for Good Reason as defined in Section 4(b)(iii)), provided that a written demand for substantial performance has been delivered to you by the Company specifically identifying the manner in which the Company believes that you have not substantially performed your duties and you have not cured such failure within 30 days after such demand, or (B) by reason of your willful engaging in conduct which is demonstrably and materially injurious to the Company. For purposes of this subsection, no act or failure to act on your part shall be deemed “willful” unless done or omitted to be done by you not in good faith and without reasonable belief that your action or omission was in the best interest of the Company.

(iii) Good Reason. For purposes of this Agreement, "Good Reason" shall mean, without your written consent, the occurrence after a Change in Control of the Company of any of the following circumstances unless, in the case of paragraphs (A), (C), (D), (F) or (G), such circumstances are fully corrected prior to the Date of Termination (as defined in Section 4(a)) specified in the Notice of Termination (as defined in Section 4(a)) given in respect thereof:

(A) any significant diminution in your position, duties, responsibilities, power, title or office as in effect immediately prior to a Change in Control;

(B) any reduction in your annual base salary as in effect on the date hereof or as the same may be increased from time to time;

(C) the failure of the Company to continue in effect any material compensation or benefit plan in which you participate immediately prior to the Change in Control, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by the Company to continue your participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of your participation relative to other participants, as existed at the time of the Change in Control or the failure by the Company to award cash bonuses to its executives in amounts substantially consistent with past practice in light of the Company's financial performance;

(D) the failure by the Company to continue to provide you with benefits substantially similar to those enjoyed by you under any of the Company's life insurance, medical, health and accident, or disability plans in which you were participating at the time of the Change in Control, the taking of any action by the Company which would directly or indirectly materially reduce any of such benefits, or the failure by the Company to provide you with the number of paid vacation days to which you are entitled on the basis of years of service with the Company in accordance with the Company's normal vacation policy in effect at the time of the Change in Control;

(E) any requirement by the Company or of any person in control of the Company that the location at which you perform your principal duties for the Company be changed to a new location outside a radius of 50 miles from your principal residence at the time of the Change in Control;

(F) the failure of the Company to obtain a satisfactory agreement from any successor to assume and agree to perform the Agreement, as contemplated in Section 6; or

(G) any purported termination of your employment which is not effected pursuant to a Notice of Termination satisfying the requirements of Section 7, which purported termination shall not be effective for purposes of this Agreement.

5. Compensation Upon Termination. Following a Change in Control of the Company, you shall be entitled to the following benefits during a period of Disability, or upon termination of your employment, as the case may be, provided that such period or termination occurs during the Term:

(a) During any period that you fail to perform your full-time duties with the Company as a result of incapacity due to physical or mental illness, you shall continue to receive base salary and all other earned compensation at the rate in effect at the commencement of any such period (offset by all compensation payable to you under the Company's disability plan or program or other similar plan during such period) until your employment is terminated pursuant to Section 4(b)(i) hereof. Thereafter, or in the event your employment is terminated by reason of death, your benefits shall be determined under the Company's long-term disability, retirement, insurance and other compensation programs then in effect in accordance with the terms of such programs.

(b) If your employment shall be terminated by the Company for Cause or by you other than for Good Reason following an Approved Change in Control, the Company shall pay you your full base salary and all other compensation through the Date of Termination at the rate in effect at the time the Notice of Termination is given, plus all other amounts to which you are entitled under any compensation plan of the Company at the time such payments are due, and the Company shall have no further obligations to you under this Agreement.

(c) If your employment with the Company is terminated by the Company (other than for Cause, Disability or your death) or by you for Good Reason within 24 months after an Approved Change in Control or if your employment with the Company is terminated by you or the Company for any reason (other than your death or Disability or termination by the Company for Cause) within 12 months after a Hostile Change in Control, then you shall be entitled to the benefits below:

(i) the Company shall pay to you your full base salary and all other compensation through the Date of Termination at the rate in effect at the time the Notice of Termination is given, no later than the full fifth day following the Date of Termination, plus all other amounts to which you are entitled under any compensation plan of the Company at the time such payments are due under the terms of such plan;

(ii) in lieu of any further salary payments for periods subsequent to the Date of Termination, the Company will pay as severance to you, at the time specified in Subsection (e) below, a lump sum payment (together with the payments provided in paragraph (iv) below, the "Severance Payments") in an amount equal to the sum of (A) [200%] [299%] of the higher of (i) your annual base salary in effect on the Date of Termination or (ii) your annual base salary in effect immediately prior to the Change in Control, plus (B) [200%] [299%] of the aggregate cash bonuses paid or awarded to you in respect of the four fiscal quarters preceding the Date of Termination;

(iii) the Company shall pay to you all legal fees and expenses incurred by you as a result of such termination (including all such fees and expenses, if any, incurred in contesting or disputing any such termination or in seeking to obtain or enforce any

right or benefit provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") to any payment or benefit provided hereunder); and

(iv) for a twenty-four (24) month period after such termination, the Company shall arrange to provide you with life, disability, dental, accident and group health insurance benefits substantially similar to those which you were receiving immediately prior to the Notice of Termination. Notwithstanding the foregoing, the Company shall not provide any benefit otherwise receivable by you pursuant to this paragraph (iv) if an equivalent benefit is actually received by you during the twenty-four (24) month period following your termination. Any such benefit actually received by you shall be reported by you to the Company.

(d) The payments provided for in Subsections 5(b) and (c) shall be made not later than the fifth day following the Date of Termination; provided, however, that, if the amounts of such payments cannot be finally determined on or before such day, the Company shall pay to you on such day an estimate, as determined in good faith by the Company, of the minimum amount of such payments and shall pay the remainder of such payments (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code) as soon as the amount thereof can be determined but in no event later than the thirtieth day after the Date of Termination. In the event that the amount of the estimated payments exceeds the amount subsequently determined to have been due, such excess shall be payable on the fifth day after demand by the Company (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code).

(e) Except as provided in the second sentence of Subsection 5(c)(iv) hereof, you shall not be required to mitigate the amount of any payment provided for in this Section 5 by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Section 5 be reduced by any compensation earned by you as a result of employment by another employer, by retirement benefits or by offset against any amount claimed to be owed by you to the Company or otherwise.

6. Successors; Binding Agreement.

(a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain an assumption of this Agreement prior to the effectiveness of any succession shall be a breach of this Agreement and shall entitle you to compensation from the Company in the same amount and on the same terms as you would be entitled hereunder if you had terminated your employment for Good Reason immediately after an Approved Change in Control of the Company, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as defined above and any successor to its business or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

(b) This Agreement shall inure to the benefit of and be enforceable by your personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If you should die while any amount would still be payable to you hereunder if you had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to your devisee, legatee or other designee or if there is no such designee, to your estate.

7. Compliance with Code Section 409A. This Agreement is intended to comply with Section 409A so that none of the payments hereunder will be subject to the additional tax imposed by Section 409A, and any ambiguities herein will be interpreted to so comply. The Company shall have no right to accelerate any payment or provision of any benefits under this Agreement or to make or provide any such payment or benefits if such payment or provision of such benefits would, as a result, be subject to tax under Section 409A of the Code. You and the Company agree to work together in good faith to consider amendments to this Agreement and to take such reasonable steps as necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to you under Section 409A.

Notwithstanding anything in this Agreement to the contrary, if you are determined to be a "Specified Employee" (as defined below) at the time of your termination, to the extent this Agreement provides for a "deferral of compensation" within the meaning of Code Section 409A, such benefits shall not be paid to you prior to the earlier of (i) the expiration of the six-month period measured from the date of your termination of employment; or (ii) the date of your death. Upon the occurrence of one of those events, all benefits deferred pursuant to this Section 7 and otherwise due shall be paid to you in a single lump-sum payment as soon as administratively practicable.

For purposes of this Agreement, "Specified Employee" shall mean each officer of the Company and its affiliates, up to a maximum of fifty (50), having annual compensation in excess of \$145,000 (as adjusted), a five percent owner of the Company and a one percent owner of the Company having annual compensation from the Company and its affiliates in excess of \$150,000 (as adjusted), in each case determined pursuant to Section 416(i)(1)(A)(i), (ii), or (iii) of the Code (applied in accordance with the regulations thereunder) any time during the 12-month period ending on December 31st of a calendar year, based on taxable wages as reported in Box 1 of Form W-2 for such period plus amounts that would be included in wages for such period but for pre-tax deferrals to a tax-favored retirement plan or cafeteria plan or for qualified transportation benefits, who performed services for the Company or its affiliates at any time during the 12-month period ending on December 31st of such calendar year.

8. Notice. For the purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be duly given when delivered or when mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed to the President of the Company, at One Technology Way, Norwood, Massachusetts 02062, and to you at the address shown above or to such other address as either the Company or you may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

9. Miscellaneous.

(a) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

(b) The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Massachusetts.

(c) No waiver by you at any time of any breach of, or compliance with, any provision of this Agreement to be performed by the Company shall be deemed a waiver of that or any other provision at any subsequent time.

(d) This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

(e) Any payments provided for hereunder shall be paid net of any applicable withholding required under federal, state or local law.

(f) This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto; and any prior agreement of the parties hereto in respect of the subject matter contained herein is hereby terminated and cancelled.

* * * * *

If this letter sets forth our agreement on the subject matter hereof, kindly sign and return to the Company the enclosed copy of this letter, which will then constitute our agreement on this subject.

Sincerely,

ANALOG DEVICES, INC.

By: _____

Name:

Title:

Agreed to as of this day of 20 .

[Employee Name]

Last update: September 28, 2009



**2006 STOCK INCENTIVE PLAN
GLOBAL NON-QUALIFIED STOCK OPTION AGREEMENT**

Private & Confidential (Addressee Only)

{EMPNAME}

{EMPNUM}

We are pleased to advise the Optionee (the "Optionee") that Analog Devices, Inc., a Massachusetts corporation (the "Company"), has granted to the Optionee an option to purchase that number of shares of Common Stock set forth below (the "Option") subject to the terms and conditions of the Analog Devices, Inc. 2006 Stock Incentive Plan (the "Plan"), and this Global Non-Qualified Stock Option Agreement, including Appendix A, which includes any applicable country-specific provisions (this agreement, together with Appendix A, the "Agreement"). The grant of this Option reflects the Company's confidence in the Optionee's commitment and contributions to the success and continued growth of the Company.

All terms not defined herein shall have the meanings assigned to such terms in the Plan.

1. Grant of Option. Subject to the terms and conditions of the Plan and this Agreement, the Company has granted to the Optionee an Option to purchase that number of shares of the Company's Common Stock (the "Option Shares") effective on the Date of Grant set forth below:

Date of Grant:	{GRANTDATE}
Number of Option Shares Granted:	{SOSHARESGRANTED}
Option Exercise Price Per Share:	{EXERCISEPRICE}

2. Vesting and Exercise of Option. Subject to the Optionee's continued employment with the Company or the Employer (as defined in 3(h) below) and other limitations set forth in this Agreement and the Plan, the Option will vest as to a set number of shares on each of the vesting dates set out in the following schedule:

VEST DATE	NUMBER OF SHARES
{SOVESTDATE1}	{SHARES1}
{SOVESTDATE2}	{SHARES2}
{SOVESTDATE3}	{SHARES3}
{SOVESTDATE4}	{SHARES4}
{SOVESTDATE5}	{SHARES5}

The right of exercise is cumulative, so that an Option, once vested, may be exercised, in whole or in part, at any time up to {EXPDATE}, the expiration date, or such earlier date as provided in Section 3 below or in the country-specific provisions in Appendix A.

3. Term of Option; Termination of Employment.

- (a) The term of the Option is ten (10) years after the Date of Grant, subject, however, to the early termination provisions set forth herein.
- (b) Except as otherwise provided herein, the Option shall be exercisable by the Optionee (or his/her successor in interest) following the termination of the Optionee's employment only to the extent that the Option was vested on or prior to the date of such termination.
- (c) The vesting of the Option shall terminate on the date the Optionee voluntarily terminates employment with the Company or the Employer (as defined in Section 3(h))(except by reason of retirement after attaining age 60 as provided below) or on the date his/her employment is terminated by the Company or the Employer without "Cause" (as defined in paragraph d), but any Option Shares that are vested on the date of such termination shall continue to be exercisable for a period of three (3) months following such termination date.
- (d) The Option shall terminate on the date the Optionee's employment with the Company or the Employer is terminated by the Company or one of its subsidiaries for "Cause", and all Option Shares that are then vested shall forthwith cease to be exercisable. "Cause" for this purpose means unsatisfactory job performance (as determined by the Company), willful misconduct, fraud, gross negligence, disobedience or dishonesty.

- (e) Upon the death of the Optionee while he/she is an employee of the Company or the Employer, the Option shall become immediately vested in full as to all shares on the date of death and shall continue to be exercisable (by the Optionee's successor in interest) over the remaining term of the Option.
 - (f) If the Optionee's employment with the Company or the Employer terminates by reason of the retirement of the Optionee after attaining age 60, the vesting of the Option shall terminate on the date of such retirement, but any Option Shares that are vested on the date of such retirement shall continue to be exercisable over the remaining term of the Option; provided that all then-exercisable Option Shares held by such Optionee shall immediately cease to be exercisable in the event that such Optionee becomes an employee of any competitor of the Company or the Employer (as determined in the sole discretion of the Company).
 - (g) If the Optionee becomes Disabled (as defined below), regardless of whether Optionee terminates employment with the Company or the Employer, the Option Shares that are not vested as of the date of disability shall vest on the date or dates (over the remaining term of the Option) that they otherwise would have vested if the Optionee had not become Disabled. Any Option Shares that are vested upon disability prior to giving effect to this provision shall continue to be vested over the remaining term of the Option. For the purpose of this Agreement, "Disabled" is defined pursuant to Internal Revenue Code Section 22(e)(3) and means the Optionee's inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, as determined by the Company.
 - (h) For purposes of this Agreement, employment shall include being an employee with the Company. Employment shall also include being an employee with any direct or indirect parent or subsidiary of the Company, or any successor to the Company or any such parent or subsidiary of the Company (the "Employer"). Should an Optionee transfer employment to become a director, consultant or advisor to the Company or the Employer following the Date of Grant, he or she will be considered employed for vesting purposes until he or she ceases to provide services to the Company or any direct or indirect parent or subsidiary of the company, or any successor to the Company or any such parent or subsidiary of the Company.
 - (i) Notwithstanding the provisions in this Section 3, if the Company or the Employer develops a good faith belief that any provision in this Section 3 may be found to be unlawful, discriminatory or against public policy in any relevant jurisdiction, then the Company in its sole discretion may choose not to apply such provision to this Option, nor any Option grant in the Optionee's jurisdiction.
4. Payment of Exercise Price. The following payment methods may be used to purchase Option Shares:
- (a) A cashless exercise in a manner described in Section 5(f)(2) of the Plan.
 - (b) Cash or check payable to the Company.
 - (c) Delivery by the Optionee of shares of Common Stock of the Company owned by the Optionee and subject to such other terms and conditions contained in the Plan.
 - (d) Any combination of the above methods.
5. Non-Transferability of Option. Except in the event of death (whether by beneficiary designation or by will or the laws of descent and distribution) or as permitted by the Plan, this Option is personal and no rights granted hereunder shall be transferred, assigned, pledged, or hypothecated in any way (whether by operation of law or otherwise), nor shall any such rights be subject to execution, attachment or similar process.
6. Adjustment. This Option is subject to adjustment (including with respect to vesting of the Option Shares) upon certain changes in the Company's common stock and certain other events, including a Change in Control Event or a Reorganization Event, as provided in Section 11 of the Plan.
7. Withholding Taxes. Regardless of any action the Company or the Employer, if different, takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax related items related to the Optionee's participation in the Plan and legally applicable to the Optionee ("Tax-Related Items"), the Optionee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Optionee's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Optionee further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Option Shares acquired pursuant to such exercise and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Optionee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Optionee has become subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, the Optionee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, the Optionee will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Optionee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (i) withholding from the Optionee's wages or other cash compensation paid to the Optionee by the Company and/or the Employer; or (ii) withholding from proceeds of the sale of Option Shares acquired at exercise of the Option either through a voluntary sale or through a mandatory sale arranged by the Company (on the Optionee's behalf pursuant to this authorization); or (iii) withholding a sufficient number of whole Option Shares otherwise issuable upon the exercise of the Option that have an aggregate Fair Market Value (as defined under the Plan) sufficient to pay the minimum Tax-Related Items required to be withheld with respect to the exercised Option. The cash equivalent of the Option Shares withheld will be used to settle the obligation to withhold the Tax-Related Items (determined by reference to the closing price of the Common Stock on the New York Stock Exchange on the applicable exercise date).

To avoid any negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in whole Option Shares, for tax purposes, the Optionee is deemed to have been issued the full number of Option Shares subject to the exercised Options, notwithstanding that a number of the Option Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Optionee's participation in the Plan. No fractional Option Shares will be withheld or issued pursuant to the grant of the Option and the issuance of Option Shares hereunder.

Finally, the Optionee shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Optionee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares or the proceeds of the sale of Option Shares, if the Optionee fails to comply with the Optionee's obligations in connection with the Tax-Related Items.

8. Nature of Grant. In accepting the Option, the Optionee acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time;
- (b) the grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted repeatedly in the past;
- (c) all decisions with respect to future option grants, if any, will be at the sole discretion of the Company;
- (d) the Optionee's participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate the Optionee's employment or service relationship (if any) at any time;
- (e) the Optionee is voluntarily participating in the Plan;
- (f) the Option and any Option Shares acquired under the Plan are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or the Employer;
- (g) the Option grant and the Optionee's participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company or the Employer;
- (h) the future value of the Option Shares underlying the Option is unknown and cannot be predicted with certainty;
- (i) if the underlying Option Shares do not increase in value, the Option will have no value;
- (j) if the Optionee exercises the Option and acquires Option Shares, the value of such Option Shares may increase or decrease in value, even below the Exercise Price;
- (k) for Optionees who reside outside the U.S., the following additional provisions shall apply:
 - (i) the Option and any Option Shares acquired under the Plan are not intended to replace any pension rights or compensation;

- (ii) the Option and any Option Shares acquired under the Plan are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which is outside the scope of the Optionee's employment or service contract, if any;
- (iii) the Optionee acknowledges and agrees that neither the Company nor the Employer shall be liable for any foreign exchange rate fluctuation between the Optionee's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to the Optionee pursuant to the exercise of the Option or the subsequent sale of any Option Shares acquired upon exercise; and
- (iv) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from termination of the Optionee's employment by the Company or the Employer (for any reason whatsoever and whether or not in breach of local labor laws) and in consideration of the grant of the Option to which the Optionee is otherwise not entitled, the Optionee irrevocably agrees never to institute any claim against the Company or the Employer, waive his or her ability, if any, to bring any such claim, and release the Company and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Optionee shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claims.

9. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Optionee's participation in the Plan, or the Optionee's acquisition or sale of the underlying Option Shares. The Optionee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

10. **Data Privacy.** *This Section 10 applies if the Optionee resides outside the U.S.: The Optionee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Optionee's personal data as described in this Agreement and any other Option grant materials by and among, as applicable, the Employer, the Company and its subsidiaries for the exclusive purpose of implementing, administering and managing the Optionee's participation in the Plan.*

The Optionee understands that the Company and the Employer may hold certain personal information about the Optionee, including, but not limited to, the Optionee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Optionee's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

The Optionee understands that Data will be transferred to such other stock plan service provider as may be selected by the Company that assists the Company with the implementation, administration and management of the Plan. The Optionee understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than the Optionee's country. The Optionee understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting the Optionee's local human resources representative. The Optionee authorizes the Company, the stock plan service provider, and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purpose of implementing, administering and managing his or her participation in the Plan. The Optionee understands that Data will be held only as long as is necessary to implement, administer and manage the Optionee's participation in the Plan. The Optionee understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. The Optionee understands, however, that refusing or withdrawing his or her consent may affect the Optionee's ability to participate in the Plan. For more information on the consequences of the Optionee's refusal to consent or withdrawal of consent, the Optionee understands that he or she may contact his or her local human resources representative.

11. **Governing Law.** This Agreement shall be construed, interpreted and enforced in accordance with the internal laws of the Commonwealth of Massachusetts without regard to any applicable conflicts of laws.

12. **Compliance with Law.** Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Option Shares, the Company shall not be required to deliver any shares issuable upon exercise of the Option prior to the completion of any registration or qualification of the Option Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Optionee understands that the Company is under no obligation to register or qualify the Option Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Option Shares. Further, the Optionee agrees that the Company shall have unilateral authority to amend the Plan and this Agreement without the Optionee's consent to the extent necessary to comply with securities or other laws applicable to issuance of Option Shares.

13. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Optionee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
14. Language. If the Optionee has received this Agreement, or any other document related to the Option and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
15. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.
16. Appendix. The Option shall be subject to any special provisions set forth in the Appendix for the Optionee's country of residence, if any. If the Optionee relocates to one of the countries included in the Appendix during the life of the Option, the special provisions for such country shall apply to the Optionee, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.
17. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Option and the Option Shares purchased upon exercise of the Option, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require the Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

A copy of the Plan prospectus is available on the Company's Intranet at <http://signals.corpnt.analog.com/default.aspx>. (From Signals home page, click Knowledge Centers, HR, Employee Stock Programs. The related documents can be found in the right-hand column.) If the Optionee is unable to access this information via the Intranet, ADI's or the Optionee's regional stock plan administrator can provide the Optionee with copies.

Ray Stata
Chairman of the Board

Jerald G. Fishman
President & Chief Executive Officer



APPENDIX A TO
2006 STOCK INCENTIVE PLAN
GLOBAL NON-QUALIFIED STOCK OPTION AGREEMENT

This Appendix A includes additional terms and conditions that govern the Options granted to the Optionee if the Optionee resides in one of the countries listed herein. These terms and conditions are in addition to, or, if so indicated, in place of, the terms and conditions set forth in the Agreement. Capitalized terms used but not defined shall have the same meanings as set forth in the Plan and/or the Agreement.

This Appendix A also includes certain issues of which the Optionee should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control, income tax and other laws in effect in the respective countries as of January 2012. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Optionee not rely on the information noted herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date when the Optionee exercises the Options or when the Option Shares purchased under the Plan are subsequently sold.

In addition, the information is general in nature and may not apply to the Optionee's particular situation, and the Company is not in a position to assure the Optionee of any particular result. Therefore, the Optionee is advised to seek appropriate professional advice as to how the relevant laws in the Optionee's country may apply to his or her situation.

Finally, the Optionee understands that if he or she is a citizen or resident of a country other than the one in which the Optionee is currently working, transfers employment after the Date of Grant, or is considered a resident of another country for local law purposes, the information contained herein may not apply to the Optionee, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply.

AUSTRIA

There are no country-specific provisions.

BELGIUM

Taxation of Option. The Option must be accepted in writing either (i) within 60 days of the offer (for tax at offer), or (ii) after 60 days of the offer (for tax at exercise). The Optionee has received a separate offer letter, acceptance form and undertaking form in addition to the Agreement. The Optionee should refer to the offer letter for a more detailed description of the tax consequences of choosing to accept the Option. The Optionee should consult with his or her personal tax advisor regarding completion of the additional forms.

CANADA

Data Privacy. This provision supplements Section 10 of the Agreement:

The Optionee hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Optionee further authorizes the Company and the administrator of the Plan to disclose and discuss the Plan with their advisors. The Optionee further authorizes the Company and the Employer to record such information and to keep such information in the Optionee's employee file.

Payment of Exercise Price and Withholding Taxes. Notwithstanding anything in the Agreement or the Plan, the Optionee agrees to pay the Exercise Price and any Tax-Related Items solely by means of (i) cash, which may be paid by check, or other instrument acceptable to the Company or (ii) a broker-assisted cashless exercise, whereby the broker sells some or all of the Option Shares to be issued upon exercise to pay the Exercise Price, brokerage fees and any applicable Tax-Related Items. To the extent that tax regulatory requirements change, the Company reserves the right to permit the Optionee to exercise the Option and pay the Exercise Price and any applicable Tax-Related Items in Option Shares to the extent permitted by the Plan.

CHINA

Payment of Exercise Price. The following supplements Section 4 of the Agreement:

Due to regulatory requirements in the PRC, the Optionee will be required to exercise the Option using a broker assisted cashless sell-all exercise method pursuant to which all Option Shares subject to the exercised Option will be sold immediately upon exercise and the proceeds of sale, less any broker's fees or commissions, will be remitted to the Optionee. The Optionee will not be permitted to hold



Option Shares after exercise. The Optionee understands and agrees that the Tax-Related Items with respect to the exercise of the Options may be taken by Employer from the Optionee's salary or other cash compensation. The Optionee acknowledges that the Company's designated broker is under no obligation to arrange for the sale of the Option Shares pursuant to the cashless sell-all exercise method at any particular price. The Company reserves the right to provide additional methods of exercise depending on the development of local law.

Exchange Control Requirements. Due to exchange control laws in the PRC, if the Optionee is a PRC national he or she will be required to repatriate the proceeds from the cashless sell-all exercise to the PRC. The Optionee understands and agrees that such cash proceeds must be repatriated to the PRC through a special exchange control account established by the Company, the Employer, or a subsidiary of the Company, and the Optionee hereby consents and agrees that any proceeds from the sale of Option Shares may be transferred to such special account prior to being delivered to the Optionee.

Further, notwithstanding Section 3(e) or Section (g) of the Agreement, if the Optionee terminates employment with the Company or the Employer due to death or disability, the vesting of the Option shall terminate on the date of such termination, and the Option Shares that are vested on the date of such termination shall continue to be exercisable for a period of three (3) months following such termination date. If the Optionee or the Optionee's heirs do not exercise the Option within three (3) months of the Optionee's termination due to death or disability, the Option will be forfeited and the Optionee or the Optionee's heirs will not be able to exercise the Option.

The Optionee understands and agrees that there will be a delay between the date the Option Shares are sold and the date the cash proceeds are distributed to the Optionee. The Optionee also understands and agrees that the Company is not responsible for any currency fluctuation that may occur between the date the Option Shares are sold and the date the cash proceeds are distributed to the Optionee. The Optionee further agrees to comply with any other requirements that may be imposed by the Company in the future to facilitate compliance with exchange control requirements in the PRC.

DENMARK

Danish Stock Option Act. By participating in the Plan, the Optionee acknowledges that he or she received an Employer Statement translated into Danish, which is being provided to comply with the Danish Stock Option Act. To the extent more favorable to the Optionee, the terms set forth in the Employer Statement will apply to the Optionee's participation in the Plan.

Notice of Grant. This provision supplements Section 8 in the Agreement:

By accepting the Option, the Optionee acknowledges, understands and agrees that this grant relates to future services to be performed and is not a bonus or compensation for past services.

FINLAND

There are no country-specific provisions.

FRANCE

French Qualified Option. This Option is intended to qualify for favorable tax and social security treatment applicable to stock options granted under Section L.225-177 to L.225-186-1 of the French Commercial Code, as amended and in accordance with the relevant provisions set forth by the French tax and social security laws and the French tax and social security administrations. The Company does not undertake to maintain the qualified status of this Option. The Optionee understands and agrees that he or she will be responsible for paying personal income tax and the Optionee's portion of social security contributions resulting from the exercise of this Option in the event this Option loses its qualified status and the Optionee will not be entitled to any damages if the Option no longer qualifies as French-qualified Option.

Plan Terms. The Options are subject to the terms and conditions of the Plan and the Rules of the Analog Devices, Inc. 2006 Stock Incentive Plan for Grants of Options to Optionees in France (the "French Sub-plan"). To the extent that any term is defined in both the Plan and the French Sub-plan, for purposes of this grant of a French-qualified Option, the definitions in the French Sub-plan shall prevail.

Option Exercise Price Per Share. With respect to Section 1 of the Agreement, the Date of Grant shall be the Effective Grant Date set forth in the French Sub-plan and the Option Exercise Price Per Share as of the Effective Grant Date shall be no less than the minimum amount required under French law as set forth in the French Sub-plan.

Exercise of the Option. This provision replaces Section 2 of the Agreement:

Subject to the Optionee's continued employment, the Option will vest and become exercisable with respect to 100% of the Option Shares on the fourth anniversary of the Effective Grant Date.

Expiration. This provision replaces Section 3(c) of the Agreement:

Notwithstanding Section 3(a) of the Agreement, the Option will expire 9 1/2 years after the Effective Grant Date ({FRENCHEXPDATE}), as defined in the French Sub-plan.

Termination Upon Death. This provision replaces Section 3(e) of the Agreement:

If the Optionee's employment is terminated because of death, the Optionee's the unvested portion of Optionee's Option will immediately vest and become exercisable by the Optionee's estate or heirs on the termination date for a period of six (6) months following the Optionee's death. If the Optionee's heirs do not exercise the Option within six (6) months of the Optionee's death, the Option will be forfeited and the Optionee's heirs will not be able to exercise the Option.

Language Consent. By accepting this Option, the Optionee confirms having read and understood the documents relating to this Option (e.g., the Plan, the French Sub-plan, and the Agreement, including Appendix A) which were provided in the English language. The Optionee accordingly accepts the terms of those documents.

Consentement a la Langue. En signant et renvoyant cet Accord, ou par acceptant autrement l'Accord, le Titulaire de l'Option confirme ainsi avoir lu et compris les documents relatifs à l'Option, (c'est-à-dire, Le Plan, Le Plan pour la France et cet Accord) qui ont été fournis en langue anglaise. Le Titulaire de l'Option accepte les termes de ces documents en connaissance de cause.

GERMANY

There are no country-specific provisions.

HONG KONG

Warning: The Options and Option Shares acquired upon exercise of the Options do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company. The Agreement, including Appendix A, the Plan and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong. Nor have the documents been reviewed by any regulatory authority in Hong Kong. The Options are intended only for the personal use of each eligible employee of the Company and may not be distributed to any other person. If the Optionee is in any doubt about any of the contents of the Agreement, including Appendix A or the Plan, the Optionee should obtain independent professional advice.

Securities Law Information. To facilitate compliance with securities laws in Hong Kong, in the event the Optionee's Options vest and become exercisable within six (6) months of the Date of Grant, the Optionee agrees not to sell the Option Shares issued upon exercise of the Options prior to the six-month anniversary of the Date of Grant.

Nature of Scheme. The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance ("ORSO"). Notwithstanding the foregoing, if the Plan is deemed to constitute an occupational retirement scheme for the purposes of ORSO, then the Optionee's grant shall be void.

INDIA

Payment of Exercise Price. This provision supplements Section 4 of the Agreement:

Notwithstanding anything to the contrary in the Agreement, due to legal restrictions in India, the Optionee will not be permitted to pay the Exercise Price by (i) delivery of shares of Common Stock (as set forth in Section 4(c) of the Agreement) or (ii) a broker assisted partial cashless exercise such that a certain number of Option Shares subject to the exercised Option are sold immediately upon exercise and the proceeds of the sale remitted to the Company to cover the aggregate Exercise Price and any Tax-Related Items. However, payment of the Exercise Price may be made by any of the other methods of payment set forth in Section 4 of the Agreement. The Company reserves the right to provide the Optionee with this method of payment depending on the development of local law.

Exchange Control Notification. If the Optionee remits funds out of India to purchase Option Shares, it is the Optionee's responsibility to comply with applicable exchange control laws. Regardless of the method of exercise used to purchase the Option Shares, the Optionee understands that he or she must repatriate any proceeds from the sale of Option Shares acquired under the Plan and any dividends received in relation to the Option Shares to India and convert the funds into local currency within ninety (90) days of receipt. The Optionee must obtain a foreign inward remittance certificate ("FIRC") from the bank where the Optionee deposits the foreign currency and maintains the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Employer requests proof of repatriation.

IRELAND

Labor Law Acknowledgment. This provision supplements Section 8 of the Agreement:

By accepting the Option, the Optionee acknowledges, understands, and agrees that the benefits received under the Plan will not be taken into account for any redundancy or unfair dismissal claim.

Director Notification. If the Optionee is a director, shadow director¹ or secretary of an Irish subsidiary of the Company, the Optionee is subject to certain notification requirements under Section 53 of the Companies Act, 1990. Among these requirements is an obligation to notify the Irish affiliate in writing within five (5) business days when the Optionee receives an interest (e.g., Options, Option Shares) in the Company and the number and class of shares or rights to which the interest relates. In addition, the Optionee must notify the Irish subsidiary within five (5) business days when the Optionee sells Option Shares acquired under the Plan. This notification requirement also applies to any rights or Option Shares acquired by the Optionee's spouse or children (under the age of 18).

Restriction on Type of Shares Issued to Directors. If the Optionee is a director of an Irish subsidiary of the Company, the Option will be granted over newly issued shares only. In no event will treasury shares be issued pursuant to the exercise of the Option. This restriction also applies to a shadow director of an Irish subsidiary.

ISRAEL

Trust Arrangement. The Optionee understands and agrees that the Options are offered subject to and in accordance with the terms of the Israeli Sub-Plan (the "Sub-Plan") under the 102 Capital Gains Track (as defined in the Sub-Plan), the Trust Agreement among the trustee appointed by Analog Devices (Israel) Ltd. and Analog Development (Israel) 1996 Ltd., and the Agreement. This includes the option exercise price per share and any other requirements set out in the Sub-plan. In the event of any inconsistencies among the Sub-Plan, the Agreement and/or the Plan, the Sub-Plan will govern the Options granted to the Optionee in Israel.

If the Optionee resides in Israel and has not already executed an Israeli Appendix in connection with grants made under the Plan, then the Optionee must print, sign & deliver the signed copy of the Israeli Appendix within 90 days to: Stock Plan Administrator, Treasury Department, Analog Devices, Inc., Norwood, Massachusetts, 02062 USA. If Analog Devices, (Israel) Ltd. or Analog Devices, Inc. does not receive the signed Israeli Appendix within 90 days, the Options shall terminate and will become null and void.

Payment of Exercise Price. This provision supplements Section 4 of the Agreement:

Due to regulatory requirements and notwithstanding any terms or conditions of the Plan or the Agreement to the contrary, the Optionee will be restricted to a broker assisted cashless sell-all method of exercise with respect to the Options. To complete a cashless sell-all exercise, the Optionee should instruct the broker to: (i) sell all of the Option Shares issued upon exercise; (ii) use the proceeds to pay the Exercise Price, brokerage fees and any Tax-Related Items; and (iii) remit the balance in cash to the Optionee. In the event of changes in regulatory requirements, the Company reserves the right to eliminate the cashless sell-all method of exercise requirement and, in its sole discretion, to permit cash exercise or cashless sell-to-cover exercise.

ITALY

Payment of Exercise Price. This provision supplements Section 4 of the Agreement:

Due to regulatory requirements and notwithstanding any terms or conditions of the Plan or the Agreement to the contrary, the Optionee will be restricted to a broker assisted cashless sell-all method of exercise with respect to the Options. To complete a cashless sell-all exercise, the Optionee should instruct the broker to: (i) sell all of the Option Shares issued upon exercise; (ii) use the proceeds to pay the Exercise Price, brokerage fees and any Tax-Related Items; and (iii) remit the balance in cash to the Optionee. In the event of changes in regulatory requirements, the Company reserves the right to eliminate the cashless sell-all method of exercise requirement and, in its sole discretion, to permit cash exercise or cashless sell-to-cover exercise.

Data Privacy. This provision replaces Section 10 of the Agreement:

The Optionee understands that the Employer, the Company and any subsidiary as a data processor of the Company may hold certain personal information about the Optionee, including, but not limited to, the Optionee's name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any Option Shares or directorships held in the Company or any subsidiary, details of all Options, or any other entitlement to Option Shares awarded, canceled, exercised, vested, unvested or outstanding in the Optionee's favor, and that the Company and the Employer will process said data and other data lawfully received from third party ("Data") for the exclusive purpose of implementing, managing and administering the Plan and complying with applicable laws, regulations and community legislation.

¹ A shadow director is an individual who is not on the board of directors of the Irish subsidiary but who has sufficient control so that the board of directors of the Irish subsidiary acts in accordance with the "directions or instructions" of the individual.

The Optionee also understands that providing the Company with Data is mandatory for compliance with laws and is necessary for the performance of the Plan and that the Optionee's refusal to provide such Data would make it impossible for the Company to perform its contractual obligations and may affect the Optionee's ability to participate in the Plan. The Controller of personal data processing is Analog Devices, Inc., with registered offices at Analog Devices, Inc., Three Technology Way, Norwood, Massachusetts, 02062 U.S.A. and, pursuant to Legislative Decree no. 196/2003, its Representative in Italy for privacy purposes is Analog Devices SRL with its registered offices at Centro Direzionale Milano 2, Palazzo Bernini 20090 Segrate, Milan, Italy.

The Optionee understands that Data will not be publicized, but it may be accessible by the Employer as the data processor of the Company and within the Employer's organization by its internal and external personnel in charge of processing. Furthermore, Data may be transferred to banks, other financial institutions, or brokers involved in the management and administration of the Plan. The Optionee understands that Data may also be transferred to the independent registered public accounting firm engaged by the Company, and also to the legitimate addresses under applicable laws. The Optionee further understands that the Company and/or any subsidiary will transfer Data among themselves as necessary for the purpose of implementing, administering and managing the Optionee's participation in the Plan, and that the Company and/or any subsidiary may each further transfer Data to third parties assisting the Company in the implementation, administration, and management of the Plan, including any requisite transfer of Data to a broker or other third party with whom the Optionee may elect to deposit any Option Shares acquired at exercise of the Option. Such recipients may receive, possess, use, retain, and transfer Data in electronic or other form, for the purposes of implementing, administering, and managing the Optionee's participation in the Plan. The Optionee understand that these recipients may be acting as controllers, processors, or persons in charge of processing, as the case may be, according to applicable privacy laws, and that they may be located in or outside the European Economic Area, such as in Japan or the United States or elsewhere, in countries that do not provide an adequate level of data protection as intended under Italian privacy law. Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete Data as soon as it has completed all the necessary legal obligations connected with the management and administration of the Plan.

The Optionee understands that Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data is collected and with confidentiality and security provisions, as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The processing activity, including communication, the transfer of Data abroad, including outside of the European Economic Area, as herein specified and pursuant to applicable laws and regulations, does not require the Optionee's consent thereto, as the processing is necessary to performance of law and contractual obligations related to implementation, administration, and management of the Plan. The Optionee understands that, pursuant to Section 7 of the Legislative Decree no. 196/2003, the Optionee has the right at any moment to, including but not limited to, obtain confirmation that Data exist or not, access, verify their content, origin and accuracy, delete, update, integrate, correct, block or terminate, for legitimate reason, the Data processing. To exercise privacy rights the Optionee should address the Employer.

Furthermore, the Optionee is aware that Data will not be used for direct-marketing purposes. In addition, Data provided can be reviewed and questions or complaints can be addressed by contacting the Optionee's local human resources representative.

Plan Document Acknowledgment. In accepting the Option, the Optionee acknowledges a copy of the Plan was made available to the Optionee, and that the Optionee has reviewed the Plan and the Agreement, including Appendix A, in their entirety and fully understand and accept all provisions of the Plan, the Agreement and Appendix A.

The Optionee further acknowledges that he or she has read and specifically and expressly approves the following provision in the Agreement: Term of Option; Termination of Employment; Withholding Taxes; Nature of Grant; Imposition of Other Requirement; and the Data Privacy provision in this Appendix A.

JAPAN

There are no country-specific provisions.

KOREA

There are no country-specific provisions.

MALAYSIA

Director Notification. If the Optionee is a director of a subsidiary or other related company in Malaysia, then the Optionee is subject to certain notification requirements under the Malaysian Companies Act, 1965. Among these requirements is an obligation to notify the Malaysian subsidiary in writing when the Optionee receives an interest (e.g., Options, Option Shares) in the Company or any related companies. In addition, the Optionee must notify the Malaysian subsidiary when he or she sells Shares of the Company or any related company (including when the Optionee sells Option Shares acquired under the Plan). These notifications must be made within fourteen (14) days of acquiring or disposing of any interest in the Company or any related company.

Securities Law Information. Malaysian insider-trading rules may impact the acquisition or disposal of Option Shares or rights to Option Shares under the Plan. Under such rules, the Optionee is prohibited from acquiring Option Shares or rights to Option Shares (e.g., Options) or selling Option Shares when he or she possesses information that is not generally available and which the Optionee knows or should know will have a material effect on the price of the Option Shares once such information is generally available. By accepting this grant, the Optionee acknowledges that he or she is not in possession of any material, non-publicly disclosed information regarding the Company at the time of grant and will not acquire or sell Option Shares when in possession of any material, non-publicly disclosed information regarding the Company.

NETHERLANDS

Nature of Grant. This provision supplements Section 8 of the Agreement:

By accepting the Option, the Optionee acknowledges that the Option is intended as an incentive for the Optionee to remain employed with the Employer and is not intended as remuneration for labor performed.

Securities Law Acknowledgment. The Optionee should be aware of the Dutch insider-trading rules, which may impact the sale of Option Shares issued upon exercise of the Option. In particular, the Optionee may be prohibited from effectuating certain transactions if he or she has inside information about the Company.

Under Article 5:56 of the Dutch Financial Supervision Act, anyone who has “insider information” related to an issuing company is prohibited from effectuating a transaction in securities in or from the Netherlands. “Inside information” is defined as knowledge of specific information concerning the issuing company to which the securities relate or the trade in securities issued by such company, which has not been made public and which, if published, would reasonably be expected to affect the share price, regardless of the development of the price. The insider could be any employee of any subsidiary in the Netherlands who has inside information as described herein.

Given the broad scope of the definition of inside information, certain employees working at a subsidiary in the Netherlands may have inside information and, thus, would be prohibited from effectuating a transaction in securities in the Netherlands at a time when the employee has such inside information.

If the Optionee is uncertain whether the insider-trading rules apply to him or her, then the Optionee should consult with his or her personal legal advisor.

PHILIPPINES

Securities Law Information. The sale or disposal of Option Shares acquired under the Plan may be subject to certain restrictions under Philippines securities laws. Those restrictions should not apply if the offer and resale of Option Shares takes place outside of the Philippines through the facilities of a stock exchange on which the Option Shares are listed. The Option Shares are currently listed on the New York Stock Exchange (the “NYSE”). The Company’s designated broker should be able to assist the Optionee in the sale of Option Shares on the NYSE. *If the Optionee has questions with regard to the application of Philippines securities laws to the disposal or sale of Option Shares acquired under the Plan the Optionee should consult with his or her legal advisor.*

SINGAPORE

Securities Law Information. The Options were granted to the Optionee pursuant to the “Qualifying Person” exemption under section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) (“SFA”). The Agreement and the Plan have not been lodged or registered as a prospectus with the Monetary Authority of Singapore. The Optionee should note that the Optionee’s Options are subject to section 257 of the SFA and the Optionee will not be able to make any subsequent sale in Singapore, or any offer of such subsequent sale of the Option Shares unless such sale or offer in Singapore is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA (Chapter 289, 2006 Ed.).

Director Notification. If the Optionee is a director, associate director or shadow director of a subsidiary or other related company in Singapore, the Optionee is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is

an obligation to notify the Singapore subsidiary in writing when the Optionee receives an interest (e.g., Options, Option Shares) in the Company or any related company. In addition, the Optionee must notify the Singapore subsidiary when the Optionee sells Option Shares of the Company or any related company (including when the Optionee sells Option Shares acquired under the Plan). These notifications must be made within two (2) business days of acquiring or disposing of any interest in the Company or any related company. In addition, a notification must be made of the Optionee's interests in the Company or any related company within two (2) business days of becoming a director.

SLOVAKIA

There are no country-specific provisions.

SPAIN

No Entitlement for Claims or Compensation. In accepting the Options, the Optionee acknowledges that he or she consents to participation in the Plan and has received a copy of the Plan. The Optionee understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant Options under the Plan to individuals who may be employees of the Company or its subsidiaries throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any Options will not economically or otherwise bind the Company or any of its subsidiaries on an ongoing basis. Consequently, the Optionee understands that the Options are granted on the assumption and condition that the Options and the underlying Option Shares acquired upon exercise shall not become a part of any employment contract (either with the Company or any of its subsidiaries) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Optionee understands that the Option would not have been granted to the Optionee but for the assumptions and conditions referred to above; thus, the Optionee acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any Options shall be null and void.

Further, the vesting of the Option is expressly conditioned on the Optionee's continued rendering of service, such that if the Optionee's employment terminates for any reason whatsoever, the Award may cease vesting immediately, in whole or in part, effective on the date of the Optionee's termination of employment (unless otherwise specifically provided in Section 3 of the Agreement). This will be the case, for example, even if (1) the Optionee is considered to be unfairly dismissed without Cause; (2) the Optionee is dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) the Optionee terminates service due to a change of work location, duties or any other employment or contractual condition; (4) the Optionee terminates service due to a unilateral breach of contract by the Company or the Employer; or (5) the Optionee's employment terminates for any other reason whatsoever. Consequently, upon termination of the Optionee's employment for any of the above reasons, the Optionee may automatically lose any rights to Options that were not vested on the date of the Optionee's termination of employment, as described in the Plan and the Agreement.

The Optionee acknowledges that he or she has read and specifically accepts the conditions referred to in Section 3 of the Agreement.

Securities Law Notification. The grant of Options and the Option Shares issued upon exercise of the Option are considered a private placement outside of the scope of Spanish laws on public offerings and issuances of securities.

SWEDEN

Automatic Cashless Exercise and Sale. This Option grant is conditioned upon the Optionee's consent to the automatic cashless exercise, which the Company will provide to the Optionee. If the Company does not receive the Optionee's signed consent, then the Option will terminate and will become null and void.

TAIWAN

There are no country-specific provisions.

UNITED KINGDOM

Joint Election. As a condition of the Optionee's participation in the Plan and the exercise of the Option, the Optionee agrees to accept any liability for secondary Class 1 National Insurance contributions which may be payable by the Company and/or the Employer in connection with the Option and any event giving rise to Tax-Related Items (the "Employer's Liability"). Without prejudice to the foregoing, the Optionee agrees to enter into a joint election with the Company, the form of such joint election being formally approved by HMRC (the "Joint Election"), and any other required consent or elections. The Optionee further agrees to enter into such other Joint Elections as may be required between the Optionee and any successor to the Company and/or the Employer. The Optionee further agrees that the Company and/or the Employer may collect the Employer's Liability from the Optionee by any of the means set forth in Section 7 of the Agreement.



If the Optionee does not enter into the Joint Election prior to the exercise of the Option, the Optionee will forfeit the Option and any Option Shares that have been issued will be returned to the Company at no cost to the Company, without any liability to the Company and/or the Employer.

If the Optionee has signed a Joint Election in the past with respect to Options granted to him or her by the Company and that Joint Election applies to all grants made under the Plan, the Optionee need not sign another Joint Election in connection with this Option grant.



**2006 STOCK INCENTIVE PLAN
GLOBAL RESTRICTED STOCK UNIT AGREEMENT**

Private & Confidential (Addressee Only)

{EMPNAME}

{EMPNUM}

We are pleased to advise you (the "Participant") that Analog Devices, Inc., a Massachusetts corporation (the "Company"), has granted to the Participant that number of Restricted Stock Units ("RSUs") set forth below, subject to the terms and conditions of the Analog Devices, Inc. 2006 Stock Incentive Plan (the "Plan") and this Global Restricted Stock Unit Agreement, including Appendix A, which includes any applicable country-specific provisions (this agreement, together with Appendix A, the "Agreement"). The grant of RSUs reflects the Company's confidence in the Participant's commitment and contributions to the success and continued growth of the Company. All terms not defined in this Agreement shall have the meaning set forth in the Plan.

1. Restricted Stock Unit.

Subject to the terms and conditions of the Plan and this Agreement, the Company has granted to the Participant that number of RSUs (the "Award") effective on the Date of Grant set forth below:

Date of Grant:	{GRANTDATE}
Number of RSUs:	{RSSHARESGRANTED}
Vesting Schedule:	{RSVESTSCHED}

Each one (1) RSU shall, if and when it vests in accordance with this Agreement, automatically convert into one (1) share of common stock, US\$0.16 2/3 par value, of the Company ("Common Stock") issuable as provided below. The RSUs are subject to the vesting provisions set forth in Section 2, the restrictions on transfer set forth in Section 3 and the right of the Company to retain Shares (as defined below) pursuant to Section 6 and to any special terms and conditions for countries outside the U.S. set forth in Appendix A.

2. Vesting and Conversion.

- (a) Subject to the terms of the Plan and this Agreement, the RSUs shall vest in accordance with the schedule set forth in Section 1. For purposes of this Agreement, RSUs that have not vested as of any particular time in accordance with this Section 2(a) are referred to as "Unvested RSUs." The shares of Common Stock that are issuable upon the vesting and conversion of the RSUs are referred to in this Agreement as "Shares." As soon as administratively practicable after the issuance of any Shares upon the vesting and conversion of RSUs, and subject to the terms and conditions set forth herein, the Company shall deliver or cause to be delivered evidence (which may include a book entry by the Company's transfer agent) of the Shares so issued in the name of the Participant to the brokerage firm designated by the Company to maintain the brokerage account established for the Participant. Notwithstanding the foregoing, the Company shall not be obligated to issue Shares to or in the name of the Participant upon the vesting and conversion of any RSUs unless the issuance of such Shares shall comply with all relevant provisions of law and other legal requirements including, without limitation, any applicable securities laws and the requirements of any stock exchange upon which shares of Common Stock may then be listed.
- (b) In the event the Participant's employment with the Company or the Employer (as defined in Section 2(e)) is terminated either by the Participant, the Company, or the Employer for any reason or no reason (other than due to death or Disability or as otherwise provided in the Plan or below), then in each such case, all of the Unvested RSUs as of the date of termination shall terminate and be cancelled immediately and automatically and the Participant shall have no further rights with respect to such Unvested RSUs.
- (c) In the event the Participant's employment with the Company or the Employer is terminated by reason of the Participant's death, all Unvested RSUs shall vest in full as of the date of the Participant's death.
- (d) In the event the Participant's employment with the Company or the Employer terminates by reason of Disability (as defined below), the Unvested RSUs as of the date of the Participant's termination shall vest in full as of the date of the termination. For the purpose of this Agreement, "Disability" means (i) the Participant's inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, as determined by the Company.
- (e) For purposes of this Agreement, employment shall include being an employee with the Company. Employment shall also include being an employee with any direct or indirect parent or subsidiary of the Company, or any successor to the Company or any such parent or subsidiary of the Company (the "Employer"). Should a Participant transfer employment to become a director, consultant or advisor to the Company or the Employer following the Date of Grant, he or she will still be considered employed for vesting purposes until he or she ceases to provide services to the Company or any direct or indirect parent or subsidiary of the Company, or any successor to the Company or any such parent or subsidiary of the Company.

3. Restrictions on Transfer.

- (a) The Participant shall not sell, assign, transfer, pledge or otherwise encumber any RSUs, either voluntarily or by operation of law.
- (b) The Company shall not be required (i) to transfer on its books any of the RSUs which have been transferred in violation of any of the provisions set forth herein or (ii) to treat as the owner of such RSUs any transferee to whom such RSUs have been transferred in violation of any of the provisions contained herein.

4. Not a Shareholder. The RSUs represent an unfunded, unsecured promise by the Company to deliver Shares upon vesting and conversion of the RSUs, and until vesting of the RSUs and issuance of the Shares, the Participant shall not have any of the rights of a shareholder with respect to the Shares underlying the RSUs. For the avoidance of doubt, the Participant shall have no right to receive any dividends and shall have no voting rights with respect to the Shares underlying the RSUs for which the record date is on or before the date on which the Shares underlying the RSUs are issued to the Participant.

5. Provisions of the Plan. The RSUs and Shares, including the grant and issuance thereof, are subject to the provisions of the Plan. A copy of the Plan prospectus is available on the Company's Intranet at <http://signals.corpnt.analog.com/default.aspx>. (From Signals home page, click Knowledge Centers, HR, Employee Stock Programs. The related documents can be found in the right-hand column).

6. Withholding Taxes.

- (a) Regardless of any action the Company and/or the Employer, if different, takes with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items legally applicable to the Participant is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including the grant of the RSUs, the vesting of the RSUs, the subsequent sale of any Shares acquired pursuant to the RSUs and the receipt of any dividends; and (ii) do not commit to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant becomes subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, the Participant acknowledges that the Company and/or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.
- (b) Prior to any relevant taxable or tax withholding event, as applicable, the Participant will pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the methods set forth below:
 - (i) the Company may withhold a sufficient number of whole Shares otherwise issuable upon the vesting of the RSUs that have an aggregate Fair Market Value (as defined under the Plan) sufficient to pay the minimum Tax-Related Items required to be withheld with respect to the Shares. The cash equivalent of the Shares withheld will be used to settle the obligation to withhold the Tax-Related Items (determined by reference to the closing price of the Common Stock on the New York Stock Exchange on the applicable vesting date).
 - (ii) the Company may, in its discretion, withhold any amount necessary to pay the Tax-Related Items from the Participant's salary or other amounts payable to the Participant; or
 - (iii) the Company may withhold from proceeds of the sale of Shares either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization).

In the event the withholding requirements are not satisfied through the withholding of Shares or through the Participant's salary or other amounts payable to the Participant, no Shares will be issued upon vesting of the RSUs unless and until satisfactory arrangements (as determined by the Compensation Committee of the Board of Directors) have been made by the Participant with respect to the payment of any Tax-Related Items which the Company and/or the Employer determine, in each of its sole discretion, must be withheld or collected with respect to such RSUs. No fractional Shares will be withheld or issued pursuant to the grant of the RSUs and the issuance of Shares hereunder. By accepting this grant of RSUs, the Participant expressly consents to the withholding of Shares and/or cash as provided for hereunder. All other Tax-Related Items related to the RSUs and any Shares delivered in payment thereof are the Participant's sole responsibility.

7. Option of Company to Deliver Cash. Notwithstanding any of the other provisions of this Agreement and except as set forth in Appendix A, where otherwise prohibited under local law or where cash settlement may present adverse tax consequences to the Participant, at the time the RSUs vest, the Company may elect, in the sole discretion of the Compensation Committee of the Board of Directors, to deliver by wire transfer to the Participant in lieu of Shares an equivalent amount of cash (determined by reference to the

closing price of the Common Stock on the New York Stock Exchange on the applicable vesting date). If the Company elects to deliver cash to the Participant, the Company is authorized to retain such amount as is sufficient in the opinion of the Company to satisfy the Tax-Related Items withholding obligations of the Company pursuant to Section 6 herein.

8. Data Privacy. *This Section 8 applies if the Participant resides outside the U.S.: The Company hereby notifies the Participant of the following in relation to the Participant's personal data and the collection, processing and transfer of such data in relation to the grant of the RSUs and the Participant's participation in the Plan, pursuant to applicable personal data protection laws. The collection, processing and transfer of the Participant's personal data is necessary for the Company's administration of the Plan and the Participant's participation in the Plan, and the Participant's denial and/or objection to the collection, processing and transfer of personal data may affect the Participant's ability to participate in the Plan. As such, the Participant voluntarily acknowledges, consents and agrees (where required under applicable law) to the collection, use, processing and transfer of personal data as described herein.*

The Company holds certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all RSUs or any other entitlement to Shares awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Plan ("Data"). The Data may be provided by the Participant or collected, where lawful, from third parties, and the Company will process the Data for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The data processing will take place through electronic and non-electronic means according to logistics and procedures strictly correlated to the purposes for which the Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations in the Participant's country of residence. Data processing operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. The Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for the Participant's participation in the Plan.

The Company will transfer Data as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and the Company may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the United States, the European Economic Area, or elsewhere throughout the world. The Participant hereby authorizes (where required under applicable law) the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any Shares acquired pursuant to the Plan.

The Participant may, at any time, exercise the Participant's rights provided under applicable personal data protection laws, which may include the right to (a) obtain confirmation as to the existence of the Data, (b) verify the content, origin and accuracy of the Data, (c) request the integration, update, amendment, deletion, or blockage (for breach of applicable laws) of the Data, and (d) to oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Plan and the Participant's participation in the Plan. The Participant may seek to exercise these rights by contacting the Participant's local HR manager.

9. Repatriation and Other Legal Requirements. The Participant agrees as a condition of the grant of the RSUs, as applicable, to repatriate all payments attributable to the Shares and/or cash acquired under the Plan (including, but not limited to, dividends and any proceeds derived from the sale of the Shares acquired pursuant to the RSUs) in accordance with all foreign exchange rules and regulations applicable to the Participant. In addition, the Participant also agrees to take any and all actions, and consent to any and all actions taken by the Company and its subsidiaries, as may be required to allow the Company and its subsidiaries to comply with all laws, rules and regulations applicable to the Participant. Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant's personal legal and tax obligations under all laws, rules and regulations applicable to the Participant.

10. Miscellaneous.

- (a) No Rights to Employment. The grant of the RSUs shall not confer upon the Participant any right to continue in the employ of the Company or the Employer, nor limit in any way the right of the Company or the Employer to terminate the Participant's employment at any time. The vesting of the RSUs pursuant to Section 2 hereof is earned only by satisfaction of the performance conditions, if any, and continuing service as an employee at the will of the Company or the Employer (not through the act of being hired or engaged or being granted the RSUs hereunder).
- (b) Discretionary Nature. The Participant acknowledges and agrees that the Plan is discretionary in nature and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The Participant's participation in the Plan is voluntary. The grant of the RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of RSUs or any other award under the Plan or other benefits in lieu thereof in the future. Future grants, if any, will be at the sole discretion of the Company, including, but not limited to, the form and timing of any grant, the number of Shares subject to the grant, and the vesting provisions. Any amendment, modification or termination of the Plan shall not

constitute a change or impairment of the terms and conditions of the Participant's employment with the Company or the Employer. The RSUs and income from such RSUs shall not be included in any calculation of severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension, or retirement benefits or similar payments.

- (c) Exclusion from Termination Indemnities and Other Benefits. This Section 10(c) applies if the Participant resides outside the U.S.: The value of the RSUs and any other awards granted under the Plan is an extraordinary item of compensation outside the scope of the Participant's employment with the Company or the Employer (and the Participant's employment contract, if any). Any grant under the Plan, including the grant of the RSUs, is not part of normal or expected compensation. Further, the RSUs and the Shares are not intended to replace any pension rights or compensation.
- (d) No Entitlement. This Section 10(d) applies if the Participant resides outside the U.S.: In consideration of the grant of RSUs, no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from termination of the Participant's employment with the Company or the Employer (for any reason whatsoever and whether or not in breach of local labor laws), and the Participant irrevocably releases the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim.
- (e) Exchange Rates. This Section 10(e) applies if the Participant resides outside the U.S.: The Participant acknowledges and agrees that neither the Company nor the Employer shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to the Participant pursuant to the vesting and settlement of the RSUs or the subsequent sale of any Shares.
- (f) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.
- (g) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Company and the Participant and their respective heirs, executors, administrators, legal representatives, successors and assigns, subject to the restrictions on transfer set forth in Section 3 of this Agreement.
- (h) Notice. Each notice relating to this Award shall be in writing (which shall include electronic form) and delivered in person, electronically or by first class mail, postage prepaid, to the address as hereinafter provided. Each notice shall be deemed to have been given on the date it is received. Each notice to the Company shall be addressed to it at its offices at Analog Devices, Inc., Three Technology Way, Norwood, Massachusetts, 02062, Attention: Chief Financial Officer. Each notice to the Participant shall be addressed to the Participant at the Participant's last known mailing or email address, as applicable, on the records of the Company.
- (i) Pronouns. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural, and vice versa.
- (j) Entire Agreement. This Agreement and the Plan constitute the entire understanding between the parties, and supersede all prior agreements and understandings, relating to the subject matter of these documents.
- (k) Governing Law. This Agreement shall be construed, interpreted and enforced in accordance with the internal laws of the Commonwealth of Massachusetts without regard to any applicable conflicts of laws.
- (l) Compliance with Laws. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Participant understands that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, the Participant agrees that the Company shall have unilateral authority to amend the Plan and the Agreement without the Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of Shares.
- (m) Interpretation. The interpretation and construction of any terms or conditions of this Agreement or the Plan, or other matters related to the Plan, by the Compensation Committee of the Board of Directors of the Company shall be final and conclusive.
- (n) Participant's Acceptance. The Participant is urged to read this Agreement carefully and to consult with his or her own legal counsel regarding the terms and consequences of this Agreement and the legal and binding effect of this Agreement. By virtue of his or her acceptance of this Award, the Participant is deemed to have accepted and agreed to all of the terms and conditions of this Agreement and the provisions of the Plan.

- (o) Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the RSUs or other awards granted to the Participant under the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
- (p) English Language. The Participant acknowledges and agrees that it is the Participant's express intent that this Agreement, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the RSUs, be drawn up in English. If the Participant has received this Agreement, the Plan or any other documents related to the RSUs translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version shall control.
- (q) Appendix A. Notwithstanding any provisions herein to the contrary, if the Participant transfers the Participant's residence and/or employment to a country other than the United States, the RSUs shall be subject to any special terms and conditions for such country as may be set forth in Appendix A to this Agreement. Moreover, if the Participant relocates to one of the countries included in Appendix A, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Appendix A constitutes part of this Agreement.
- (r) Additional Requirements. The Company reserves the right to impose other requirements on the RSUs, any Shares acquired pursuant to the RSUs, and the Participant's participation in the Plan, to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local law or to facilitate the administration of the Plan. Such requirements may include (but are not limited to) requiring the Participant to sign any agreements or undertakings that may be necessary to accomplish the foregoing.
- (s) Private Placement. The Company has submitted filings in the United States in connection with the stock incentive plan under which this Award was made. The Company has not submitted any registration statement, prospectus or other filings with other local securities authorities (unless otherwise required under such local law), and the grant of the Award is not intended to be a public offering of securities in any other jurisdiction or subject to the supervision of other local securities authorities.
- (t) Changes in Capitalization. In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any non-cash distribution to holders of Common Stock, the number of RSUs, and Shares issuable upon vesting and conversion thereof, shall be appropriately adjusted in such manner as shall be determined by the Compensation Committee of the Board of Directors of the Company.
- (u) No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of Shares. The Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

Ray Stata
Chairman of the Board

Jerald G. Fishman
President & Chief Executive Officer



APPENDIX A TO
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This Appendix A includes additional terms and conditions that govern the RSUs granted to the Participant if the Participant resides in one of the countries listed herein. These terms and conditions are in addition to, or, if so indicated, in place of, the terms and conditions set forth in the Agreement. Capitalized terms used but not defined in this Appendix A shall have the meanings set forth in the Plan and/or the Agreement.

This Appendix A also includes certain issues of which the Participant should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control, income tax and other laws in effect in the respective countries as of February 2012. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information noted herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date when the RSUs vest or Shares acquired under the Plan subsequently are sold.

In addition, the information is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of any particular result. Therefore, the Participant is advised to seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to his or her situation.

Finally, the Participant understands that if he or she is a citizen or resident of a country other than the one in which the Participant is currently working, transfers employment after the Date of Grant, or is considered a resident of another country for local law purposes, the information contained herein may not apply to the Participant, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply.

AUSTRALIA

Additional Documents Pertaining to RSUs. In addition to the Agreement and the Plan, the Participant must review the Australian Offer Document dated {GRANTDATE} and the Australian Addendum to the Plan for additional information pertaining to the RSUs. This document can be accessed via the Company's intranet site at <http://signals.corpnt.analog.com/default.aspx>, and by accepting the RSUs, the Participant acknowledges and confirms that the Participant has reviewed these documents.

AUSTRIA

There are no country-specific provisions.

BELGIUM

There are no country-specific provisions.

CANADA

Data Privacy. This provision supplements Section 8 of the Agreement:

The Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Company and the administrator of the Plan to disclose and discuss the Plan with their advisors. The Participant further authorizes the Company and any parent, subsidiary or affiliate of the Company to record such information and to keep such information in the Participant's employee file.

CHINA

The following provision applies if the Participant is a People's Republic of China ("PRC") national residing in the PRC:

Exchange Control Requirements. Due to exchange control laws in the PRC, Shares acquired through RSU vestings must be maintained in the Fidelity (or any successor broker designated by the Company) brokerage account until the Shares are sold. When the Shares are sold, all proceeds must be repatriated to the PRC and held in a special exchange control account maintained by the Company, the Employer or one of the Company's subsidiaries in the PRC. To the extent that the Participant holds any Shares on the date that is 90 calendar days after the date of the Participant's termination of employment with the Company or the Employer, the Participant authorizes Fidelity (or any successor broker designated by the Company) to sell such Shares on the Participant's behalf at that time or as soon as is administratively practical thereafter.



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The Participant further is required to repatriate to the PRC any dividends or dividend equivalents paid to the Participant in relation to RSUs through a special exchange control account established by the Company, the Employer, or one of the Company's subsidiaries in the PRC. The Participant hereby agrees that any cash proceeds from the Participant's participation in the Plan may be transferred to such special account prior to being delivered to the Participant.

The Participant also understands and agrees that there will be a delay between the date the Shares are sold and the date the cash proceeds are distributed to the Participant. The Participant agrees to bear any currency fluctuation risk between the time the Shares are sold and the time the cash proceeds are distributed to the Participant through the special account described above. The Participant further agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in the PRC.

Tax Liability. Taxes are due at the time of vesting of the RSUs. The Participant understands and agrees that Tax-Related Items may be taken by the Employer from the Participant's salary or other cash compensation.

DENMARK

Danish Stock Option Act. By participating in the Plan, the Participant acknowledges that he or she received an Employer Statement translated into Danish, which is being provided to comply with the Danish Stock Option Act. To the extent more favorable to the Participant, the terms set forth in the Employer Statement will apply to the Participant's participation in the Plan.

Exclusion from Termination Indemnities and Other Benefits. This provision supplements Section 10(c) in the Agreement:

By accepting the RSUs, the Participant acknowledges that he/she understands and agrees that this grant relates to future services to be performed and is not a bonus or compensation for past services.

FINLAND

There are no country-specific provisions.

FRANCE

French-Qualified RSUs. The RSUs are intended to qualify for the favorable tax and social security regime in France under Section L. 225-197-1 to L. 225-197-6-1 of the French Commercial Code, as amended. Certain events may affect the status of the RSUs as French-qualified RSUs, and the French-qualified RSUs may be disqualified in the future. The Company does not make any undertaking or representation to maintain the qualified status of the RSUs. If the RSUs no longer qualify as French-qualified RSUs, the favorable tax and social security treatment will not apply, and the Participant will be required to pay his or her portion of social security contributions resulting from the RSUs (as well as any income tax that is due).

Plan Terms. The RSUs are subject to the terms and conditions of the Plan and the Rules of the Analog Devices, Inc. 2006 Stock Incentive Plan for Grants to Participant in France (the "French Sub-plan"). To the extent that any term is defined in both the Plan and the French Sub-plan, for purposes of this grant of a French-qualified RSUs, the definitions in the French Sub-plan shall prevail.

Vesting. This provision supplements Section 2 in the Agreement:

Except in the event of the Participant's death or Disability (as defined in the French Sub-plan and Section 2(d) of the Agreement) to benefit from the favorable tax and social security regime, no vesting shall occur prior to the second anniversary of the Date of Grant, or such other minimum period as required for the vesting period applicable to French-qualified RSUs under Section L.225-197-1 of the French Commercial Code, as amended, or relevant Sections of the French Tax Code or the French Social Security Code, as amended.

Disability. This provision supplements Section 2(d) in the Agreement:

In the event the Participant's employment with the Company or the Employer terminates by reason of Disability (as defined in the French Sub-plan and Section 2(d) of the Agreement), the Unvested RSUs as of the date of the Participant's termination shall vest in full as of the date of the termination.



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Restriction on Transfer and Sale of Shares. This provision supplements Section 3 in the Agreement:

The Participant may not sell or transfer the Shares issued at vesting of the RSUs prior to the second anniversary of each of the respective vesting date, or such other period as is required to comply with the minimum mandatory holding period applicable to French-qualified RSUs under Section L. 225-197-1 of the French Commercial Code, the relevant sections of the French Tax Code or of the French Social Security Code, as amended, to benefit from the favorable tax and social security regime. Notwithstanding the above, the Participant's heirs, in the case of the Participant's death, or the Participant, in the case of Disability (as defined under the French Sub-plan), are not subject to this restriction on the sale of Shares. To ensure compliance with these restrictions, the Shares the Participant receives at vesting of the RSUs will be held with a broker designated by the Company (or according to any procedure implemented by the Company to ensure compliance with the restrictions) until such Shares are sold. These restrictions will apply even after the Participant is no longer employed by the Employer, the Company or one its subsidiaries.

Further, as long as the RSUs and the Shares acquired at vesting of the RSUs maintain their French-qualified status, the Shares cannot be sold during certain "Closed Periods" as provided for by Section L. 225-197-1 of the French Commercial Code, as amended, and as interpreted by the French administrative guidelines, so long as these Closed Periods are applicable to Shares issued pursuant to French-qualified RSUs, and to the extent applicable. Notwithstanding the above, the Participant's heirs, in the case of the Participant's death, or the Participant, in the case of Disability (as defined under the French Sub-plan), are not subject to the restriction on the sale of Shares during Closed Periods.

Changes in Capitalization. This provision supplements Section 10(t) in the Agreement:

Certain adjustments may disqualify the RSUs, in which case they may no longer benefit from favorable tax and social security treatment in France.

Language Consent. If the Participant received this Agreement or any other document related to the Plan or the French Sub-plan translated into French and if the translated version differs from the English version, the English version shall control.

By accepting this grant, the Participant confirms having read and understood the documents relating to the grant (the Plan, the French Sub-plan, and this Agreement) which were provided in English language. The Participant accepts the terms of those documents accordingly.

Consentement a la Langue. *En acceptant cette attribution, le Participant confirme ainsi avoir lu et compris les documents relatifs à l'attribution (le Plan, le Sous-plan pour la France, et ce Contrat) qui ont été communiqués en langue anglaise. Le Participant accepte les termes en connaissance de cause.*

GERMANY

There are no country-specific provisions.

HONG KONG

Warning: The RSUs and Shares do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company. The Agreement, including Appendix A, the Plan and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong. Nor have the documents been reviewed by any regulatory authority in Hong Kong. The RSUs are intended only for the personal use of each eligible employee of the Company and may not be distributed to any other person. If the Participant is in any doubt about any of the contents of the Agreement, including Appendix A or the Plan, the Participant should obtain independent professional advice.

Manner of Payment. This provision replaces Section 7 of the Agreement:

Notwithstanding any discretion in the Plan or the Agreement to the contrary, upon vesting of the RSUs, Shares will be issued to the Participant. In no event will the Award be paid to Participant in the form of cash.

Securities Law Information. To facilitate compliance with securities laws in Hong Kong, in the event the Participant's RSUs vest and Shares are issued to the Participant within six (6) months of the Date of Grant, the Participant agrees that he or she will not dispose of any Shares acquired prior to the six-month anniversary of the Date of Grant.

Nature of Scheme. The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance ("ORSO"). Notwithstanding the foregoing, if the Plan is deemed to constitute an occupational retirement scheme for the purposes of ORSO, then the Participant's grant shall be void.



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INDIA

Exchange Control Notification. The Participant understands that he or she must repatriate any proceeds from the sale of Shares acquired under the Plan and any dividends received in relation to the Shares to India and convert the funds into local currency within ninety (90) days of receipt. The Participant must obtain a foreign inward remittance certificate (“FIRC”) from the bank where the Participant deposits the foreign currency and maintains the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Employer requests proof of repatriation.

IRELAND

Manner of Payment. This provision replaces Section 7 of the Agreement:

Notwithstanding any discretion in the Plan or the Agreement to the contrary, upon vesting of the RSUs, Shares will be issued to the Participant. In no event will the Award be paid to Participant in the form of cash.

Exclusion from Termination Indemnities and Other Benefits. This provision supplements Section 10(c) of the Agreement:

By accepting the RSUs, the Participant acknowledges, understands, and agrees that the benefits received under the Plan will not be taken into account for any redundancy or unfair dismissal claim.

Director Notification. If the Participant is a director, shadow director¹ or secretary of an Irish subsidiary of the Company, the Participant is subject to certain notification requirements under Section 53 of the Companies Act, 1990. Among these requirements is an obligation to notify the Irish affiliate in writing within five (5) business days when the Participant receives an interest (e.g., RSUs, Shares) in the Company and the number and class of shares or rights to which the interest relates. In addition, the Participant must notify the Irish subsidiary within five (5) business days when the Participant sells Shares acquired under the Plan. This notification requirement also applies to any rights or Shares acquired by the Participant’s spouse or children (under the age of 18).

ISRAEL

Trust Arrangement. The Participant hereby understands and agrees that the RSUs are offered subject to and in accordance with the terms of the Israeli Sub-Plan (the “Sub-Plan”) under the 102 Capital Gains Track (as defined in the Sub-Plan), the Trust Agreement between the trustee appointed by Analog Devices, (Israel) Ltd. (the “Trustee”), the Agreement, and the Plan. In the event of any inconsistencies among the Sub-Plan, the Agreement and/or the Plan, the Participant agrees that the Sub-Plan will govern the RSUs granted to the Participant in Israel.

If the Participant resides in Israel and has not already executed an Israeli Appendix in connection with grants made under the Plan, then the Participant must print, sign & deliver the signed copy of the Israeli Appendix within 90 days to: Stock Plan Administrator, Treasury Department, Analog Devices, Inc., Norwood, Massachusetts, 02062 USA. If Analog Devices, (Israel) Ltd. or Analog Devices, Inc. does not receive the signed Israeli Appendix within 90 days, the RSUs shall terminate and will become null and void.

Vesting. This provision supplements Section 2(a) in the Agreement:

The Shares issued upon vesting of the RSUs will be registered in the name of the Trustee as required by law to qualify under Section 102 (as defined under the Sub-plan), for the benefit of the Participant, unless otherwise approved in writing by the Israeli Tax Authority. Furthermore, the Participant hereby understands and agrees he or she will not require the Trustee to release or sell the Shares during the Holding Period (as defined under the Sub-Plan), unless permitted under Israeli tax law.

Restrictions on Transfer. This provision supplements Section 3(a) in the Agreement:

The Trustee shall not alienate, sale, exchange, transfer, assign, pledge, or otherwise encumber the RSUs or the Shares for the Participant, except as permitted under the Sub-Plan and the terms of Section 102 (as defined in the Sub-Plan), or in the case of death, the Participant’s heirs, except by will or by the laws of descent and distribution.

¹ A shadow director is an individual who is not on the board of directors of the Irish subsidiary but who has sufficient control so that the board of directors of the Irish subsidiary acts in accordance with the “directions or instructions” of the individual.



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Manner of Payment. This provision replaces Section 7 of the Agreement:

Notwithstanding any discretion in the Plan or the Agreement to the contrary, upon vesting of the RSUs, Shares will be issued to the Participant. In no event will the Award be paid to Participant in the form of cash.

ITALY

Data Privacy. This provision replaces in its entirety Section 8 of the Agreement:

The Participant understands that the Employer, the Company and any subsidiary as a data processor of the Company may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any Shares or directorships held in the Company or any subsidiary, details of all RSUs, or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor, and that the Company and the Employer will process said data and other data lawfully received from third party ("Data") for the exclusive purpose of implementing, managing and administering the Plan and complying with applicable laws, regulations and community legislation.

The Participant also understands that providing the Company with Data is mandatory for compliance with laws and is necessary for the performance of the Plan and that the Participant's refusal to provide such Data would make it impossible for the Company to perform its contractual obligations and may affect the Participant's ability to participate in the Plan. The Controller of personal data processing is Analog Devices, Inc., with registered offices at Analog Devices, Inc., Three Technology Way, Norwood, Massachusetts, 02062 U.S.A. and, pursuant to Legislative Decree no. 196/2003, its Representative in Italy for privacy purposes is Analog Devices SRL with its registered offices at Centro Direzionale Milano 2, Palazzo Bernini 20090 Segrate, Milan, Italy.

The Participant understands that Data will not be publicized, but it may be accessible by the Employer as the data processor of the Company and within the Employer's organization by its internal and external personnel in charge of processing. Furthermore, Data may be transferred to banks, other financial institutions, or brokers involved in the management and administration of the Plan. The Participant understands that Data may also be transferred to the independent registered public accounting firm engaged by the Company, and also to the legitimate addresses under applicable laws. The Participant further understands that the Company and/or any subsidiary will transfer Data among themselves as necessary for the purpose of implementing, administering and managing the Participant's participation in the Plan, and that the Company and/or any subsidiary may each further transfer Data to third parties assisting the Company in the implementation, administration, and management of the Plan, including any requisite transfer of Data to a broker or other third party with whom the Participant may elect to deposit any Shares acquired at vesting of the RSU. Such recipients may receive, possess, use, retain, and transfer Data in electronic or other form, for the purposes of implementing, administering, and managing the Participant's participation in the Plan. The Participant understands that these recipients may be acting as controllers, processors, or persons in charge of processing, as the case may be, according to applicable privacy laws, and that they may be located in or outside the European Economic Area, such as in the United States or elsewhere, in countries that do not provide an adequate level of data protection as intended under Italian privacy law. Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete Data as soon as it has completed all the necessary legal obligations connected with the management and administration of the Plan.

The Participant understands that Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data is collected and with confidentiality and security provisions, as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The processing activity, including communication, the transfer of Data abroad, including outside of the European Economic Area, as herein specified and pursuant to applicable laws and regulations, does not require the Participant's consent thereto, as the processing is necessary to performance of law and contractual obligations related to implementation, administration, and management of the Plan. The Participant understands that, pursuant to Section 7 of the Legislative Decree no. 196/2003, the Participant has the right at any moment to, including but not limited to, obtain confirmation that Data exist or not, access, verify their content, origin and accuracy, delete, update, integrate, correct, block or terminate, for legitimate reason, the Data processing. To exercise privacy rights the Participant should address the Employer.

Furthermore, the Participant is aware that Data will not be used for direct-marketing purposes. In addition, Data provided can be reviewed and questions or complaints can be addressed by contacting the Participant's local human resources representative.

Plan Document Acknowledgment. In accepting the RSU, the Participant acknowledges that a copy of the Plan was made available to the Participant, and that the Participant has reviewed the Plan and the Agreement, including Appendix A, in their entirety and fully understand and accept all provisions of the Plan, the Agreement and Appendix A.



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The Participant further acknowledges that he or she has read and specifically and expressly approves the following provision in the Agreement: Vesting and Conversion, Withholding Taxes, Miscellaneous, and the Data Privacy provision set forth in this Appendix A.

JAPAN

There are no country-specific provisions.

KOREA

There are no country-specific provisions.

MALAYSIA

Director Notification. If the Participant is a director of a subsidiary or other related company in Malaysia, then the Participant is subject to certain notification requirements under the Malaysian Companies Act, 1965. Among these requirements is an obligation to notify the Malaysian subsidiary in writing when the Participant receives an interest (e.g., RSUs, Shares) in the Company or any related companies. In addition, the Participant must notify the Malaysian subsidiary when he or she sells Shares of the Company or any related company (including when the Participant sells Shares acquired under the Plan). These notifications must be made within fourteen (14) days of acquiring or disposing of any interest in the Company or any related company.

Securities Law Information. Malaysian insider-trading rules may impact the acquisition or disposal of Shares or rights to Shares under the Plan. Under such rules, the Participant is prohibited from acquiring Shares or rights to Shares (e.g., RSUs) or selling Shares when he or she possesses information that is not generally available and which the Participant knows or should know will have a material effect on the price of the Shares once such information is generally available. By accepting this grant, the Participant acknowledges that he or she is not in possession of any material, non-publicly disclosed information regarding the Company at the time of grant and will not acquire or sell Shares when in possession of any material, non-publicly disclosed information regarding the Company.

NETHERLANDS

No Entitlement. This provision supplements Section 10(d) of the Agreement:

By accepting the RSU, the Participant acknowledges that the RSU is intended as an incentive for the Participant to remain employed with the Employer and is not intended as remuneration for labor performed.

Securities Law Acknowledgment. The Participant should be aware of the Dutch insider-trading rules, which may impact the sale of Shares issued upon vesting of the RSU. In particular, the Participant may be prohibited from effectuating certain transactions if he or she has inside information about the Company.

Under Article 5:56 of the Dutch Financial Supervision Act, anyone who has “insider information” related to an issuing company is prohibited from effectuating a transaction in securities in or from the Netherlands. “Inside information” is defined as knowledge of specific information concerning the issuing company to which the securities relate or the trade in securities issued by such company, which has not been made public and which, if published, would reasonably be expected to affect the share price, regardless of the development of the price. The insider could be any employee of any subsidiary in the Netherlands who has inside information as described herein.

Given the broad scope of the definition of inside information, certain employees working at a subsidiary in the Netherlands may have inside information and, thus, would be prohibited from effectuating a transaction in securities in the Netherlands at a time when the employee has such inside information.

If the Participant is uncertain whether the insider-trading rules apply to him or her, then the Participant should consult with his or her personal legal advisor.

PHILIPPINES

Securities Law Information. The sale or disposal of Shares acquired under the Plan may be subject to certain restrictions under Philippines securities laws. Those restrictions should not apply if the offer and resale of Shares takes place outside of the Philippines through the facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange (the “NYSE”). The Company’s designated broker should be able to assist the Participant in the sale of Shares on the NYSE. *If the Participant has questions with regard to the application of Philippines securities laws to the disposal or sale of Shares acquired under the Plan the Participant should consult with his or her legal advisor.*

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SINGAPORE

Securities Law Information. The RSUs were granted to the Participant pursuant to the “Qualifying Person” exemption under section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) (“SFA”). The Agreement and the Plan have not been lodged or registered as a prospectus with the Monetary Authority of Singapore. The Participant should note that the Participant’s RSUs are subject to section 257 of the SFA and the Participant will not be able to make any subsequent sale in Singapore, or any offer of such subsequent sale of the Shares unless such sale or offer in Singapore is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA (Chapter 289, 2006 Ed.).

Director Notification. If the Participant is a director, associate director or shadow director of a subsidiary or other related company in Singapore, the Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore subsidiary in writing when the Participant receives an interest (e.g., RSUs, Shares) in the Company or any related company. In addition, the Participant must notify the Singapore subsidiary when the Participant sells Shares of the Company or any related company (including when the Participant sells Shares acquired under the Plan). These notifications must be made within two (2) business days of acquiring or disposing of any interest in the Company or any related company. In addition, a notification must be made of the Participant’s interests in the Company or any related company within two (2) business days of becoming a director.

SLOVAKIA

There are no country-specific provisions.

SPAIN

No Entitlement. This provision supplements Section 10(d) of the Agreement:

In accepting the RSUs, the Participant acknowledges that he or she consents to participation in the Plan and has received a copy of the Plan. The Participant understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant RSUs under the Plan to individuals who may be employees of the Company or its subsidiaries throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any RSUs will not economically or otherwise bind the Company or any of its subsidiaries on an ongoing basis. Consequently, the Participant understands that the RSUs are granted on the assumption and condition that the RSUs or the Shares acquired upon settlement shall not become a part of any employment contract (either with the Company or any of its subsidiaries) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Participant understands that the RSU grant would not be made to the Participant but for the assumptions and conditions referred to above; thus, the Participant acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any RSUs shall be null and void.

Further, the vesting of the RSUs is expressly conditioned on the Participant’s continued rendering of service, such that if the Participant’s employment terminates for any reason whatsoever, the RSUs may cease vesting immediately, in whole or in part, effective on the date of the Participant’s termination of employment (unless otherwise specifically provided in Section 2 of the Agreement in the event of death or Disability). This will be the case, for example, even if (1) the Participant is considered to be unfairly dismissed without good cause; (2) the Participant is dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) the Participant terminates service due to a change of work location, duties or any other employment or contractual condition; (4) the Participant terminates service due to a unilateral breach of contract by the Company or a subsidiary; or (5) the Participant’s employment terminates for any other reason whatsoever. Consequently, upon termination of the Participant’s employment for any of the above reasons, the Participant may automatically lose any rights to RSUs that were not vested on the date of the Participant’s termination of employment, as described in the Plan and the Agreement.

The Participant acknowledges that he or she has read and specifically accepts the conditions referred to in Section 2 of the Agreement.

Securities Law Notification. The grant of RSUs and the Shares issued upon vesting of the RSUs are considered a private placement outside of the scope of Spanish laws on public offerings and issuances of securities.

SWEDEN

There are no country-specific provisions.



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TAIWAN

There are no country-specific provisions.

UNITED KINGDOM

Manner of Payment. This provision replaces Section 7 of the Agreement:

Notwithstanding any discretion in the Plan or the Agreement to the contrary, upon vesting of the RSUs, Shares will be issued to the Participant. In no event will the Award be paid to Participant in the form of cash.

Furthermore, notwithstanding any provision of the Plan or the Agreement to the contrary, the Participant will not be entitled to receive any Shares pursuant to the vesting of the RSUs unless and until the Participant has executed a Joint Election (as defined below) in connection with the RSUs.

Joint Election. As a condition of the grant of RSUs, the Participant agrees to accept any liability for secondary Class 1 National Insurance contributions (the "Employer NICs") which may be payable by the Company or the Employer with respect to the vesting of the RSUs or otherwise payable with respect to a benefit derived in connection with the RSUs.

Without limitation to the foregoing, the Participant agrees to execute a joint election between the Company and/or the Employer and Participant (the "Joint Election"), the form of such Joint Election being formally approved by HMRC, and any other consent or election required to accomplish the transfer of the Employer NICs to the Participant. The Participant further agrees to execute such other joint elections as may be required between the Participant and any successor to the Company and/or the Employer. If the Participant does not enter into a Joint Election, no Shares shall be issued to the Participant without any liability to the Company and/or the Employer. The Participant further agrees that the Company and/or the Employer may collect the Employer NICs from the Participant by any of the means set forth in Section 6 of the Agreement.

If the Participant has signed a Joint Election in the past with respect to an RSU award granted to him or her by the Company and that Joint Election applies to all grants made under the Plan, the Participant need not sign another Joint Election in connection with this RSU grant.

ANALOG DEVICES, INC.

2006 STOCK INCENTIVE PLAN1. Purpose

The purpose of this 2006 Stock Incentive Plan (the “Plan”) of Analog Devices, Inc., a Massachusetts corporation (the “Company”), is to advance the interests of the Company’s stockholders by enhancing the Company’s ability to attract, retain and motivate persons who are expected to make important contributions to the Company and by providing such persons with equity ownership opportunities and performance-based incentives that are intended to align their interests with those of the Company’s stockholders. Except where the context otherwise requires, the term “Company” shall include any of the Company’s present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the “Code”) and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a controlling interest, as determined by the Board of Directors of the Company (the “Board”).

2. Eligibility

All of the Company’s employees, officers, directors, consultants and advisors are eligible to receive options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards (each, an “Award”) under the Plan. Each person who receives an Award under the Plan is deemed a “Participant”.

3. Administration and Delegation

(a) Administration by Board of Directors. The Plan will be administered by the Board. The Board shall have authority to grant Awards and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Board may construe and interpret the terms of the Plan and any Award agreement entered into under the Plan. The Board may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem expedient to carry the Plan into effect and it shall be the sole and final judge of such expediency. All decisions by the Board shall be made in the Board’s sole discretion and shall be final and binding on all persons having or claiming any interest in the Plan or in any Award. No director or person acting pursuant to the authority delegated by the Board shall be liable for any action or determination relating to or under the Plan made in good faith.

(b) Appointment of Committees. To the extent permitted by applicable law, the Board may delegate any or all of its powers under the Plan to one or more committees or subcommittees of the Board (a “Committee”). All references in the Plan to the “Board” shall mean the Board or a Committee of the Board or the officers referred to in Section 3(c) to the extent that the Board’s powers or authority under the Plan have been delegated to such Committee or officers.

(c) Delegation to Officers. To the extent permitted by applicable law, the Board may delegate to one or more officers of the Company the power to grant Awards to employees or officers of the Company or any of its present or future subsidiary corporations and to exercise such other powers under the Plan as the Board may determine, provided that the Board shall fix the terms of the Awards to be granted by such officers (including the exercise price of such Awards, which may include a formula by which the exercise price will be determined) and the maximum number of shares subject to Awards that the officers may grant; provided further, however, that no officer shall be authorized to grant Awards to any “executive officer” of the Company (as defined by Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) or to any “officer” of the Company (as defined by Rule 16a-1 under the Exchange Act).

4. Stock Available for Awards

(a) Number of Shares. Subject to adjustment under Section 11, Awards may be made under the Plan for up to 15,000,000 shares of common stock, \$.16^{2/3} par value per share, of the Company (the “Common Stock”), plus any shares that are subject to outstanding options under the 1998 Stock Option and 2001 Broad-Based Stock Option Plan (collectively, the “Prior Plans”) as of the adoption of this Plan by the Board but are not issued under the Prior Plans as a result, and to the extent, of the termination or expiration of the applicable option prior to the exercise thereof. From and after the Effective Date, the Company shall issue no further options under the Prior Plans, and such Prior Plans shall terminate, except to the extent they apply to options outstanding under the Prior Plans as of the Effective Date.

If any Award issued under this Plan expires or is terminated, surrendered or canceled without having been fully exercised, is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at the original issuance price pursuant to a contractual repurchase right), is settled in cash or otherwise results in any Common Stock not being issued, the unused Common Stock covered by such Award shall again be available for the grant of Awards under the Plan. However, in the case of Incentive Stock Options (as hereinafter defined), the foregoing provisions shall be subject to any limitations under the Code. Notwithstanding anything to the contrary herein, the following shares may not again be made available for issuance as Awards under the Plan: (i) shares not issued or delivered as a result of the net settlement of an outstanding Stock Appreciation Right, (ii) shares used to pay the exercise price or withholding taxes related to an outstanding Award, and (iii) shares subject to options surrendered for cancellation and exchange as part of a shareholder-approved option exchange program that are not awarded under new Options issued in such approved option exchange. Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares.

(b) Counting of Shares. Subject to adjustment under Section 11, an Option or Stock Appreciation Right shall be counted against the share limit specified in Section 4(a) as one share for each share of common stock subject to the Option or Stock Appreciation Right, and any Award of Restricted Stock, Restricted Stock Units or Other Stock Unit Awards with a per share or per unit purchase price lower than 100% of Fair Market Value (as defined below) on the date

of grant (a "Full Value Award") shall be counted against the share limit specified in Section 4(a) as three shares for each one share of Common Stock subject to such Full Value Award. To the extent that a share that was subject to an Award that counted as three shares against the Plan reserve pursuant to Section 4(a) is returned to the Plan pursuant to Section 4(a), such reserve will be credited with three shares.

(c) Sub-limits. Subject to adjustment under Section 11, the maximum number of shares of Common Stock with respect to which Options and Stock Appreciation Rights may be granted to any Participant under the Plan shall be 2,000,000 per fiscal year of the Company, and the maximum number of shares of Common Stock with respect to which Restricted Stock Awards, Restricted Stock Units and Other Stock Unit Awards may be granted to any Participant under the Plan shall be 1,000,000 per fiscal year of the Company. For purposes of the foregoing limit, the combination of an Option in tandem with a Stock Appreciation Right shall be treated as a single Award. The per-Participant limit described in this Section 4(c) shall be construed and applied consistently with Section 162(m) of the Code or any successor provision thereto, and the regulations thereunder ("Section 162(m)").

5. Stock Options

(a) General. The Board may grant options to purchase Common Stock (each, an "Option") and determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable. An Option which is not intended to be an Incentive Stock Option (as hereinafter defined) shall be designated a "Nonstatutory Stock Option".

(b) Incentive Stock Options. An Option that the Board intends to be an "incentive stock option" as defined in Section 422 of the Code (an "Incentive Stock Option") shall only be granted to employees of the Company, any of the Company's present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Code, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code, and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. The Company shall have no liability to a Participant, or any other party, if an Option (or any part thereof) that is intended to be an Incentive Stock Option is not an Incentive Stock Option or for any action taken by the Board pursuant to Section 12(f), including without limitation the conversion of an Incentive Stock Option to a Nonstatutory Stock Option. The maximum number of shares that may be issued upon exercise of Incentive Stock Options under the Plan shall be 15,000,000, as adjusted pursuant to Section 11.

(c) Exercise Price. The Board shall establish the exercise price of each Option and specify such exercise price in the applicable option agreement; provided, however, that the exercise price shall be not less than 100% of the Fair Market Value per share of Common Stock on the date the Option is granted. For purposes of this Plan, "Fair Market Value" shall mean the fair market value as determined by (or in a manner approved by) the Board.

(d) Duration of Options. Each Option shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable option agreement; provided, however, that no Option will be granted for a term in excess of 10 years.

(e) Exercise of Option. Options may be exercised by delivery to the Company, or an agent of the Company, of a written notice of exercise signed by the proper person or by any other form of notice (including electronic notice) approved by the Board, together with payment in full as specified in Section 5(f) for the number of shares for which the Option is exercised. Shares of Common Stock subject to the Option will be delivered by the Company following exercise either as soon as practicable or, subject to such conditions as the Board shall specify, on a deferred basis (with the Company's obligation to be evidenced by an instrument providing for future delivery of the deferred shares at the time or times specified by the Board).

(f) Payment Upon Exercise. Common Stock purchased upon the exercise of an Option granted under the Plan shall be paid for as follows:

(1) in cash or by check, payable to the order of the Company;

(2) except as may otherwise be provided in the applicable option agreement, by (i) delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding or (ii) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding;

(3) except as otherwise provided in the applicable option agreement, by delivery (either by actual delivery or attestation) of shares of Common Stock owned by the Participant valued at their Fair Market Value, provided (i) such method of payment is then permitted under applicable law, (ii) such Common Stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Board in its discretion and (iii) such Common Stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;

(4) if provided for in the applicable option agreement or approved by the Company, in its sole discretion, by payment of such other lawful consideration as the Board may determine; or

(5) by any combination of the above permitted forms of payment.

(g) Limitation on Repricing. Unless such action is approved by the Company's stockholders: (1) no outstanding Option granted under the Plan may be amended to provide an exercise price per share that is lower than the then-current exercise price per share of such outstanding Option (other than adjustments pursuant to Section 11) and (2) the Board may not cancel any outstanding option (whether or not granted under the Plan) and grant in consideration therefor new Options under the Plan covering the same or a different number of shares of Common Stock and having an exercise price per share lower than the then-current exercise price per share of the cancelled option.

(h) No Reload Rights. No option granted under the Plan shall contain any provision entitling the optionee to the automatic grant of additional Options in connection with any exercise of the original Option.

(i) Substitute Options. In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Board may grant Awards in substitution for any options or other stock or stock-based awards granted by such entity or an affiliate thereof. Substitute Awards may be granted on such terms as the Board deems appropriate in the circumstances, notwithstanding any limitations on Awards contained in the other sections of this Section 5 or in Section 2. Substitute Awards shall not count against the overall share limit set forth in Section 4(a), except as may be required by reason of Section 422 and related provisions of the Code.

6. Stock Appreciation Rights.

(a) General. The Board may grant Awards consisting of a Stock Appreciation Right (“SAR”) entitling the holder, upon exercise, to receive an amount in Common Stock or cash or a combination thereof (as specified by the Board in the applicable Award agreement or otherwise) determined by reference to appreciation, from and after the date of grant, in the fair market value of a share of Common Stock. The date as of which such appreciation or other measure is determined shall be the exercise date.

(b) Grants. Stock Appreciation Rights may be granted in tandem with, or independently of, Options granted under the Plan.

(1) Tandem Awards. When Stock Appreciation Rights are expressly granted in tandem with Options, (i) the Stock Appreciation Right will be exercisable only at such time or times, and to the extent, that the related Option is exercisable (except to the extent designated by the Board in connection with a Reorganization Event or a Change in Control Event) and will be exercisable in accordance with the procedure required for exercise of the related Option; (ii) the Stock Appreciation Right will terminate and no longer be exercisable upon the termination or exercise of the related Option, except to the extent designated by the Board in connection with a Reorganization Event or a Change in Control Event and except that a Stock Appreciation Right granted with respect to less than the full number of shares covered by an Option will not be reduced until the number of shares as to which the related Option has been exercised or has terminated exceeds the number of shares not covered by the Stock Appreciation Right; (iii) the Option will terminate and no longer be exercisable upon the exercise of the related Stock Appreciation Right; and (iv) the Stock Appreciation Right will be transferable only with the related Option.

(2) Independent SARs. A Stock Appreciation Right not expressly granted in tandem with an Option will become exercisable at such time or times, and on such conditions, as the Board may specify in the SAR Award.

(c) Grant Price. The Board shall establish the exercise or grant price of each SAR and specify such price in the applicable Award agreement; provided, however, that the exercise or grant price shall be not less than 100% of the Fair Market Value per share of Common Stock on the date the SAR is granted.

(d) Duration of SAR. Each SAR shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable Award agreement; provided, however, that no SAR will be granted for a term in excess of 10 years.

(e) Exercise. Stock Appreciation Rights may be exercised by delivery to the Company, or an agent of the Company, of a written notice of exercise signed by the proper person or by any other form of notice (including electronic notice) approved by the Board, together with any other documents required by the Board.

(f) Limitation on Repricing. Unless such action is approved by the Company's stockholders: (1) no outstanding SAR granted under the Plan may be amended to provide an exercise price per share that is lower than the then-current exercise price per share of such outstanding SAR (other than adjustments pursuant to Section 11) and (2) the Board may not cancel any outstanding SAR (whether or not granted under the Plan) and grant in consideration therefor new SARs under the Plan covering the same or a different number of shares of Common Stock and having an exercise price per share lower than the then-current exercise price per share of the cancelled SAR.

7. Restricted Stock.

(a) General. The Board may grant Awards entitling recipients to acquire shares of Common Stock ("Restricted Stock"), subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price (or to require forfeiture of such shares if issued at no cost) from the recipient in the event that conditions specified by the Board in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Board for such Award.

(b) Terms and Conditions. Subject to Section 7(c), the Board shall determine the terms and conditions of a Restricted Stock Award, including the conditions for vesting and forfeiture and the issue price, if any.

(c) Limitations on Vesting Conditions. No vesting condition that is based on performance criteria and level of achievement versus such criteria shall be based on performance over a period of less than 12 months, and no vesting condition that is based upon continued employment or the passage of time shall provide for vesting in full of a Restricted Stock Award in less than equal pro rata installments over three years from the date the Award is made, other than (i) in the event of death, disability or retirement of the Participant, or (ii) Awards made to members of the Board of Directors, in each case as specified in the Agreement evidencing such Award.

(d) Dividends. Participants holding shares of Restricted Stock will be entitled to all ordinary cash dividends paid with respect to such shares, unless otherwise provided by the Board. If any such dividends or distributions are paid in shares, or consist of an extraordinary cash dividend, the shares or cash will be subject to the same restrictions on transferability and forfeitability as the shares of Restricted Stock with respect to which they were paid, unless otherwise provided by the Board.

(e) Stock Certificates. The Company may require that the stock certificates, if any, issued in respect of a Restricted Stock Award shall be deposited in escrow by the Participant, together with a stock power endorsed in blank, with the Company (or its designee). At the expiration of the applicable restriction periods, the Company (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died,

to the beneficiary designated, in a manner determined by the Board, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death (the "Designated Beneficiary"). In the absence of an effective designation by a Participant, "Designated Beneficiary" shall mean the Participant's estate.

8. Restricted Stock Units.

(a) General. The Board may grant Awards consisting of Restricted Stock Units. "Restricted Stock Unit" means a fictional share of Common Stock granted to a Participant and represented initially by a bookkeeping entry.

(b) Terms and Conditions. Subject to Section 8(c), the Board shall determine the terms and conditions of a Restricted Stock Unit, including the conditions for vesting and forfeiture and issue price, if any. Upon the vesting of and/or lapsing of any other restrictions with respect to each Restricted Stock Unit, the Participant shall be entitled to receive from the Company one share of Common Stock or an amount of cash equal to the Fair Market Value of one share of Common Stock, as specified by the Board in the applicable Award agreement or otherwise. The Board may, in its discretion, provide that settlement of Restricted Stock Units shall be deferred, on a mandatory basis or at the election of the Participant.

(c) Limitations on Vesting Conditions. No vesting condition that is based on performance criteria and level of achievement versus such criteria shall be based on performance over a period of less than 12 months, and no vesting condition that is based upon continued employment or the passage of time shall provide for vesting in full of a Restricted Stock Unit in less than equal pro rata installments over three years from the date the Award is made, other than (i) in the event of death, disability or retirement of the Participant, (ii) Awards made to members of the Board of Directors or, (iii) in the discretion of the Board, when the granting of such Restricted Stock Units in any foreign jurisdiction is delayed in connection with registration or approval to be obtained in connection with such Restricted Stock Units, in each case as specified in the Agreement evidencing such Award.

(d) Voting Rights. A Participant shall have no voting rights with respect to any Restricted Stock Units.

(e) Dividends. Unless otherwise provided by the Board, in its sole discretion, a grant of Restricted Stock Units shall not entitle Participants with the right to receive an amount equal to any dividends or other distributions declared and paid on an equal number of outstanding shares of Common Stock ("Dividend Equivalents"). Dividend Equivalents may be paid currently or credited to an account for the Participants, may be settled in cash and/or shares of Common Stock and may be subject to the same restrictions on transfer and forfeitability as the Restricted Stock Units with respect to which paid, as determined by the Board in its sole discretion, subject in each case to such terms and conditions as the Board shall establish.

9. Performance Awards.

(a) Grants. Restricted Stock Awards, Restricted Stock Units and other Awards under the Plan may be made subject to the achievement of performance measures pursuant to this Section 9 ("Performance Awards").

(b) Committee. Grants of Performance Awards to any Covered Employee intended to qualify as “performance-based compensation” under Section 162(m) (“Performance-Based Compensation”) shall be made only by a Committee (or subcommittee of a Committee) comprised solely of two or more directors eligible to serve on a committee making Awards qualifying as “performance-based compensation” under Section 162(m) of the Code. In the case of such Awards granted to Covered Employees, references to the Board or to a Committee shall be deemed to be references to such Committee or subcommittee. “Covered Employee” shall mean any person who is a “covered employee” under Section 162(m)(3) of the Code.

(c) Performance Measures. For any Award that is intended to qualify as Performance-Based Compensation, the Committee shall specify in the applicable Award agreement that the degree of granting, vesting and/or payout shall be subject to the achievement of one or more objective performance measures established by the Committee, which shall be based on the relative or absolute attainment of specified levels of one or any combination of the following: (a) net income, (b) earnings before or after discontinued operations, interest, taxes, depreciation and/or amortization, (c) operating profit before or after discontinued operations and/or taxes, (d) sales, (e) sales growth, (f) earnings growth, (g) cash flow, free cash flow or cash position, (h) gross margins or margin percentages, (i) stock price, (j) market share, (k) return on sales, assets, equity or investment, (l) improvement of financial ratings, (m) achievement of balance sheet or income statement objectives or (n) total shareholder return, (o) product release schedules, (p) product shipment targets, (q) customer satisfaction or (r) new product innovation. Such measures may be absolute in their terms or measured against or in relationship to other companies comparably, similarly or otherwise situated and may be determined on a total or per share basis. Such performance measures may be adjusted to exclude any one or more of (i) extraordinary items, (ii) gains or losses on the dispositions of discontinued operations, (iii) the cumulative effects of changes in accounting principles, (iv) the writedown of any asset, (v) stock based compensation, and (vi) charges for restructuring and rationalization programs. Such performance measures: (i) may vary by Participant and may be different for different Awards; (ii) may be particular to a Participant or the department, branch, line of business, subsidiary or other unit in which the Participant works and may cover such period as may be specified by the Committee; and (iii) shall be set by the Committee within the time period prescribed by, and shall otherwise comply with the requirements of, Section 162(m). Awards that are not intended to qualify as Performance-Based Compensation may be based on these or such other performance measures as the Board may determine.

(d) Adjustments. Notwithstanding any provision of the Plan, with respect to any Performance Award that is intended to qualify as Performance-Based Compensation, the Committee may adjust downwards, but not upwards, the cash or number of shares payable pursuant to such Award, and the Committee may not waive the achievement of the applicable performance measures except in the case of the death or disability of the Participant.

(e) Other. The Committee shall have the power to impose such other restrictions on Awards subject to this Section 9 as it may deem necessary or appropriate to ensure that such Awards satisfy all requirements for Performance-Based Compensation.

10. Other Stock-Based Awards.

(a) Grants. Other Awards of shares of Common Stock, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, shares of Common Stock or other property, may be granted hereunder to Participants (“Other Stock Unit Awards”), including without limitation Awards entitling recipients to receive shares of Common Stock to be delivered in the future. Such Other Stock Unit Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock Unit Awards may be paid in shares of Common Stock or cash, as the Board shall determine. Subject to the provisions of the Plan, the Board shall determine the terms and conditions of each Other Stock Unit Award, including any purchase price applicable thereto.

(b) Limitations on Vesting Conditions. No vesting condition that is based on performance criteria and level of achievement versus such criteria shall be based on performance over a period of less than 12 months, and no vesting condition that is based upon continued employment or the passage of time shall provide for vesting in full of a Other Stock Unit Award in less than pro rata rate installments over three years from the date the Award is made, other than in the event of death, disability or retirement of the Participant, in each case as specified in the Agreement evidencing such Award.

11. Adjustments for Changes in Common Stock and Certain Other Events.

(a) Changes in Capitalization. In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any distribution to holders of Common Stock other than an ordinary cash dividend, (i) the number and class of securities available under this Plan, (ii) the sub-limits set forth in Section 4(c), (iii) the share counting provisions of Section 4(b), (iv) the number and class of securities and exercise price per share of each outstanding Option, (v) the share- and per-share provisions of each Stock Appreciation Right, (vi) the repurchase price per share subject to each outstanding Restricted Stock Award and Restricted Stock Unit and (vii) the share- and per-share-related provisions of each outstanding Other Stock Unit Award, shall be appropriately adjusted by the Company (or substituted Awards may be made, if applicable) to the extent determined by the Board.

(b) Reorganization and Change in Control Events.

(1) Definitions.

(a) A “Reorganization Event” shall mean:

- (i) any merger or consolidation of the Company with or into another entity as a result of which all of the Common Stock of the Company is converted into or exchanged for the right to receive cash, securities or other property or is cancelled;
- (ii) any exchange of all of the Common Stock of the Company for cash, securities or other property pursuant to a share exchange transaction; or
- (iii) any liquidation or dissolution of the Company.

(b) A “Change in Control Event” shall mean:

- (i) the acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a “Person”) of beneficial ownership of any capital stock of the Company if, after such acquisition, such Person beneficially owns (within the meaning of Rule 13d-3 promulgated under the Exchange Act) 50% or more of either (x) the then-outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (y) the combined voting power of the then-outstanding securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change in Control Event: (A) any acquisition directly from the Company (excluding an acquisition pursuant to the exercise, conversion or exchange of any security exercisable for, convertible into or exchangeable for common stock or voting securities of the Company, unless the Person exercising, converting or exchanging such security acquired such security directly from the Company or an underwriter or agent of the Company), (B) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (C) any acquisition by any corporation pursuant to a Business Combination (as defined below) which complies with clauses (x) and (y) of subsection (ii) of this definition; or
- (ii) the consummation of a merger, consolidation, reorganization, recapitalization or share exchange involving the Company or a sale or other disposition of all or substantially all of the assets of the Company (a “Business Combination”), unless, immediately following such Business Combination, each of the following two conditions is satisfied: (x) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding securities entitled to vote generally in the election of directors, respectively, of the resulting or acquiring corporation in such Business Combination (which shall include, without limitation, a corporation

which as a result of such transaction owns the Company or substantially all of the Company's assets either directly or through one or more subsidiaries) (such resulting or acquiring corporation is referred to herein as the "Acquiring Corporation") in substantially the same proportions as their ownership of the Outstanding Company Common Stock and Outstanding Company Voting Securities, respectively, immediately prior to such Business Combination and (y) no Person (excluding any employee benefit plan (or related trust) maintained or sponsored by the Company or by the Acquiring Corporation) beneficially owns, directly or indirectly, 30% or more of the then-outstanding shares of common stock of the Acquiring Corporation, or of the combined voting power of the then-outstanding securities of such corporation entitled to vote generally in the election of directors (except to the extent that such ownership existed prior to the Business Combination); or

(iii) the liquidation or dissolution of the Company.

(c) "Good Reason" shall mean any significant diminution in the Participant's title, authority, or responsibilities from and after such Reorganization Event or Change in Control Event, as the case may be, or any reduction in the annual cash compensation payable to the Participant from and after such Reorganization Event or Change in Control Event, as the case may be, or the relocation of the place of business at which the Participant is principally located to a location that is greater than 50 miles from its location immediately prior to such Reorganization Event or Change in Control Event.

(d) "Cause" shall mean:

(i) any willful failure by the Participant, which failure is not cured within 30 days of written notice to the Participant from the Company, to perform his or her material responsibilities to the Company; or

(ii) any willful misconduct by the Participant which affects the business reputation of the Company.

(2) Effect on Options.

(a) Reorganization Event. Upon the occurrence of a Reorganization Event (regardless of whether such event also constitutes a Change in Control Event), or the execution by the Company of any agreement with respect to a Reorganization Event (regardless of whether such event will result in a Change in Control Event), the Board shall provide that all outstanding Options shall be assumed, or equivalent options shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof); provided that, notwithstanding anything to the contrary in the Plan, if such Reorganization Event also constitutes a Change in Control Event,

except to the extent specifically provided to the contrary in the instrument evidencing any Option or any other agreement between a Participant and the Company (A) one-half of the number of shares subject to the Option which were not already vested shall be exercisable upon the occurrence of such Reorganization Event and, subject to (B) below, the remaining one-half of such number of shares shall continue to become vested in accordance with the original vesting schedule set forth in such option, with one-half of the number of shares that would otherwise have become vested on each subsequent vesting date in accordance with the original schedule becoming vested on each subsequent vesting date and (B) such assumed or substituted options shall become immediately exercisable in full if, on or prior to the first anniversary of the date of the consummation of the Reorganization Event, the Participant's employment with the Company or the acquiring or succeeding corporation is terminated for Good Reason by the Participant or is terminated without Cause by the Company or the acquiring or succeeding corporation. For purposes hereof, an Option shall be considered to be assumed if, following consummation of the Reorganization Event, the Option confers the right to purchase, for each share of Common Stock subject to the Option immediately prior to the consummation of the Reorganization Event, the consideration (whether cash, securities or other property) received as a result of the Reorganization Event by holders of Common Stock for each share of Common Stock held immediately prior to the consummation of the Reorganization Event (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); provided, however, that if the consideration received as a result of the Reorganization Event is not solely common stock of the acquiring or succeeding corporation (or an affiliate thereof), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the exercise of Options to consist solely of common stock of the acquiring or succeeding corporation (or an affiliate thereof) equivalent in value (as determined by the Board) to the per share consideration received by holders of outstanding shares of Common Stock as a result of the Reorganization Event.

Notwithstanding the foregoing and anything to the contrary in the Plan, if the acquiring or succeeding corporation (or an affiliate thereof) does not agree to assume, or substitute for, such Options, or in the event of a liquidation or dissolution of the Company, the Board shall, upon written notice to the Participants, provide that all then unexercised Options will become exercisable in full as of a specified time prior to the Reorganization Event and will terminate immediately prior to the consummation of such Reorganization Event, except to the extent exercised by the Participants before the consummation of such Reorganization Event; provided, however, that in the event of a Reorganization Event under the terms of which holders of Common Stock will receive upon consummation thereof a cash payment for each share of Common Stock surrendered pursuant to such Reorganization Event (the "Acquisition Price"), then the Board may instead provide that all outstanding Options shall terminate upon consummation of such Reorganization Event and that each Participant shall receive, in exchange therefor, a cash payment equal to the amount (if any) by which (A) the Acquisition Price multiplied by the number of shares of Common Stock subject to such outstanding Options (whether or not then exercisable), exceeds (B) the aggregate exercise price of such Options.

(b) Change in Control Event that is not a Reorganization Event. Upon the occurrence of a Change in Control Event that does not also constitute a Reorganization Event, except to the extent specifically provided to the contrary in the instrument evidencing any Option or any other agreement between a Participant and the Company, and notwithstanding anything to the contrary in the Plan, the vesting schedule of such Option shall be accelerated in

part so that one-half of the number of shares that would otherwise have first become vested on any date after the date of the Change in Control Event shall immediately become exercisable. The remaining one-half of such number of shares shall continue to become vested in accordance with the original vesting schedule set forth in such Option, with one-half of the number of shares that would otherwise have become vested on each subsequent vesting date in accordance with the original schedule becoming vested on each such subsequent vesting date; provided, however, that each such Option shall be immediately exercisable in full if, on or prior to the first anniversary of the date of the consummation of the Change in Control Event, the Participant's employment with the Company or the acquiring or succeeding corporation is terminated for Good Reason by the Participant or is terminated without Cause by the Company or the acquiring or succeeding corporation.

(3) Effect on Restricted Stock Awards.

(a) Reorganization Event. Upon the occurrence of a Reorganization Event (regardless of whether such event also constitutes a Change in Control Event), the repurchase and other rights of the Company under each outstanding Restricted Stock Award shall inure to the benefit of the Company's successor and shall apply to the cash, securities or other property which the Common Stock was converted into or exchanged for pursuant to such Reorganization Event in the same manner and to the same extent as they applied to such Restricted Stock Award.

(b) Change in Control Event. Upon the occurrence of a Change in Control Event (regardless of whether such event also constitutes a Reorganization Event), except to the extent specifically provided to the contrary in the instrument evidencing any Restricted Stock Award or any other agreement between a Participant and the Company, and notwithstanding anything to the contrary in the Plan, the vesting schedule of all Restricted Stock Awards shall be accelerated in part so that one-half of the number of shares that would otherwise have first become free from conditions or restrictions on any date after the date of the Change in Control Event shall immediately become free from conditions or restrictions. Subject to the following sentence, the remaining one-half of such number of shares shall continue to become free from conditions or restrictions in accordance with the original schedule set forth in such Award, with one-half of the number of shares that would otherwise have become free from conditions or restrictions on each subsequent vesting date in accordance with the original schedule becoming free from conditions or restrictions on each subsequent vesting date. In addition, each such Award shall immediately become free from all conditions or restrictions if, on or prior to the first anniversary of the date of the consummation of the Change in Control Event, the Participant's employment with the Company or the acquiring or succeeding corporation is terminated for Good Reason by the Participant or is terminated without Cause by the Company or the acquiring or succeeding corporation.

(4) Effect on Restricted Stock Unit Awards.

(a) Reorganization Event. Upon the occurrence of a Reorganization Event (regardless of whether such event constitutes a Change in Control Event), the Board shall provide that all outstanding Restricted Stock Unit Awards shall be assumed, or an equivalent award providing for Restricted Stock Units shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof); provided that, notwithstanding anything to the contrary in

the Plan, if such Reorganization Event also constitutes both a Change in Control Event and a “change in control event” within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i), except to the extent specifically provided to the contrary in the instrument evidencing any Award or any other agreement between the Participant and the Company, (A) one-half of the number of Restricted Stock Units that vest after the Reorganization Event shall immediately vest in full as of the consummation of the Reorganization Event and, subject to (B) below, the remaining one-half of the number of unvested Restricted Stock Units shall continue to vest in accordance with the original schedule set forth in such Restricted Stock Unit Award, with one-half of the number of Restricted Stock Units that would otherwise have become vested on each subsequent vesting date in accordance with the original schedule becoming vested on each subsequent vesting date and (B) such assumed or substituted Restricted Stock Unit award shall immediately become vested in full if, on or prior to the first anniversary of the date of the consummation of the Reorganization Event, the Participant’s employment with the Company or the acquiring or succeeding corporation is terminated for Good Reason (as defined in Section 11(b)(4)(c) below) by the Participant or is terminated without Cause by the Company or the acquiring or succeeding corporation.

For purposes hereof, a Restricted Stock Unit Award shall be considered to be assumed if, following consummation of the Reorganization Event, the Restricted Stock Unit Award confers the right to receive upon vesting and conversion for each Restricted Stock Unit immediately prior to the consummation of the Reorganization Event, the consideration (whether cash, securities or other property) received as a result of the Reorganization Event by holders of Common Stock for each share of Common Stock held immediately prior to the consummation of the Reorganization Event (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); provided, however, that if the consideration received as a result of the Reorganization Event is not solely common stock of the acquiring or succeeding corporation (or an affiliate thereof) (or if holders of Common Stock were offered a choice of consideration and the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock was not common stock of the acquiring or succeeding corporation), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the vesting and conversion of Restricted Stock Units to consist solely of common stock of the acquiring or succeeding corporation (or an affiliate thereof) equivalent in value (as determined by the Board of Directors) to the per share consideration received by holders of outstanding shares of Common Stock as a result of the Reorganization Event.

Notwithstanding the foregoing and anything to the contrary in the Plan, if the acquiring or succeeding corporation (or an affiliate thereof) does not agree to assume, or substitute for, a Restricted Stock Unit Award, or in the event of a liquidation or dissolution of the Company, the Board of Directors shall, upon written notice to the Participant, (A) provide that all then unvested Restricted Stock Units that are exempt from Section 409A will vest in full as of immediately prior to the Reorganization Event; provided, however, that in the event of a Reorganization Event under the terms of which holders of Common Stock will receive upon consummation thereof a cash payment for each share of Common Stock surrendered pursuant to such Reorganization Event (the “Acquisition Price”), then the Board of Directors may instead provide that all such unvested Restricted Stock Units shall terminate upon consummation of such Reorganization Event and that the Participant shall receive, in exchange therefor, a cash payment equal to the amount equal to the Acquisition Price multiplied by the number of shares of

Common Stock issuable under such unvested Restricted Stock Units; and (B) provide that all then unvested Restricted Stock Units that are not exempt from Section 409A shall be treated in the same manner Restricted Stock Units subject to clause (A) if such Reorganization Event also is a “change in control event” as described in Treasury Regulation Section 1.409A-3(i)(5)(i) and if not, shall be terminated as of the Reorganization Event without any payment for the unvested Restricted Stock Units.

(b) Change in Control Event that is not a Reorganization Event. Upon the occurrence of a Change in Control Event that also is a “change in control event” within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i) that does not constitute a Reorganization Event, except to the extent specifically provided to the contrary in the instrument evidencing any award or any other agreement between the Participant and the Company, (A) one-half of the number of Restricted Stock Units that vest after the Change in Control Event shall immediately vest in full as of the consummation of the Change in Control Event and be converted and delivered to the Participant and, subject to (B) below, the remaining one-half of the number of unvested Restricted Stock Units shall continue to vest in accordance with the original schedule set forth in such Restricted Stock Unit Award, with one-half of the number of Restricted Stock Units that would otherwise have become vested on each subsequent vesting date in accordance with the original schedule becoming vested on each subsequent vesting date and (B) such Restricted Stock Unit Award shall immediately become vested in full if, on or prior to the first anniversary of the date of the consummation of the Change in Control Event, the Participant’s employment with the Company is terminated for Good Reason (as defined in Section 11(b)(4)(c) below) by the Participant or is terminated without Cause by the Company.

(c) Definition of Good Reason for the purposes this Section 11(b)(4) of the Plan.

- (i) For any Restricted Stock Unit Awards granted on or before December 10, 2009, “Good Reason” shall mean good reason as defined in Section 11(b)(1)(c) of the Plan.
- (ii) For any Restricted Stock Unit Awards granted after December 10, 2009, “Good Reason” shall mean any significant diminution in the Participant’s title, authority, or responsibilities from and after such Reorganization Event or Change in Control Event, as the case may be, or any material reduction in the annual cash compensation payable to the Participant from and after such Reorganization Event or Change in Control Event, as the case may be, or the relocation of the place of business at which the Participant is principally located to a location that is greater than 50 miles from its location immediately prior to such Reorganization Event or Change in Control Event. Notwithstanding the occurrence of any such event or circumstance, such occurrence shall not be deemed to constitute Good Reason unless (x) the Participant gives the Company notice of termination no more than 90 days after the initial existence of such event or circumstance, (y) such

event or circumstance has not been fully corrected by the Company within 30 days of the Company's receipt of such notice and (z) the Participant's termination occurs within 60 days following the Company's receipt of such notice.

(5) Effect on Stock Appreciation Rights and Other Stock Unit Awards. The Board may specify in an Award at the time of the grant the effect of a Reorganization Event and Change in Control Event on any SAR or Other Stock Unit Award.

12. General Provisions Applicable to Awards

(a) Transferability of Awards. Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution or, other than in the case of an Incentive Stock Option, pursuant to a qualified domestic relations order, and, during the life of the Participant, shall be exercisable only by the Participant; provided, however, that the Board may permit or provide in an Award for the gratuitous transfer of the Award by the Participant to or for the benefit of any immediate family member, family trust or family partnership established solely for the benefit of the Participant and/or an immediate family member thereof if, with respect to such proposed transferee, the Company would be eligible to use a Form S-8 for the registration of the sale of the Common Stock subject to such Award under the Securities Act of 1933, as amended; provided, further, that the Company shall not be required to recognize any such transfer until such time as the Participant and such permitted transferee shall, as a condition to such transfer, deliver to the Company a written instrument in form and substance satisfactory to the Company confirming that such transferee shall be bound by all of the terms and conditions of the Award. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees.

(b) Documentation. Each Award shall be evidenced in such form (written, electronic or otherwise) as the Board shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan. In the event of any conflict between the terms of any Award agreement and this Plan, this Plan shall govern and control.

(c) Board Discretion. Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award need not be identical, and the Board need not treat Participants uniformly.

(d) Termination of Status. The Board shall determine the effect on an Award of the disability, death, retirement, authorized leave of absence or other change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant, or the Participant's legal representative, conservator, guardian or Designated Beneficiary, may exercise rights under the Award.

(e) Withholding. The Company may require each Participant to pay to the Company, or make provision satisfactory to the Company for payment of, any taxes, social security contributions or other similar amounts required by law to be withheld in connection with an Award to such Participant. Unless otherwise provided for in the applicable Award agreement, a Participant may satisfy such tax obligations in whole or in part by delivery of shares of Common

Stock, including shares retained from the Award creating the tax obligation, valued at their Fair Market Value; provided, however, except as otherwise provided by the Board, that the total tax withholding where stock is being used to satisfy such tax obligations cannot exceed the Company's minimum statutory withholding obligations (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income). Shares surrendered to satisfy tax withholding requirements cannot be subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements. The Company may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to a Participant.

(f) Amendment of Award. Except as set forth in Sections 5(g) and 6(f), the Board may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or realization, and converting an Incentive Stock Option to a Nonstatutory Stock Option; provided that the Participant's consent to such action shall be required unless the Board determines that the action, taking into account any related action, would not materially and adversely affect the Participant.

(g) Conditions on Delivery of Stock. The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

(h) Acceleration. Notwithstanding anything to the contrary in the Plan, the Board may at any time provide that any Award shall become immediately exercisable in full or in part, free of some or all restrictions or conditions, or otherwise realizable in full or in part, as the case may be.

13. Miscellaneous

(a) No Right To Employment or Other Status. No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.

(b) No Rights As Stockholder. Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder of such shares. Notwithstanding the foregoing, in the event the Company effects a split of the Common Stock by means of a stock dividend and the exercise price of and the number of shares subject to such Option are adjusted as of the date of the distribution of the dividend (rather

than as of the record date for such dividend), then an optionee who exercises an Option between the record date and the distribution date for such stock dividend shall be entitled to receive, on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such Option exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

(c) Effective Date and Term of Plan. The Plan shall become effective on the date the Plan has been approved by the Company's stockholders (the "Effective Date"). No Awards shall be granted under the Plan after the completion of 10 years from the Effective Date, but Awards previously granted may extend beyond that date.

(d) Amendment of Plan. Except as set forth in Sections 5(g) and 6(f), the Board may amend, suspend or terminate the Plan or any portion thereof at any time; provided that (i) to the extent required by Section 162(m), no Award granted to a Participant that is intended to comply with Section 162(m) after the date of such amendment shall become exercisable, realizable or vested, as applicable to such Award, unless and until such amendment shall have been approved by the Company's stockholders if required by Section 162(m) (including the vote required under Section 162(m)); (ii) no amendment that would require stockholder approval under the rules of the New York Stock Exchange ("NYSE") may be made effective unless and until such amendment shall have been approved by the Company's stockholders; and (iii) if the NYSE amends its corporate governance rules so that such rules no longer require stockholder approval of "material revisions" to equity compensation plans, then, from and after the effective date of such amendment to the NYSE rules, no amendment to the Plan (A) materially increasing the number of shares authorized under the Plan (other than pursuant to Section 11), (B) expanding the types of Awards that may be granted under the Plan, or (C) materially expanding the class of participants eligible to participate in the Plan shall be effective unless stockholder approval is obtained. In addition, if at any time the approval of the Company's stockholders is required as to any other modification or amendment under Section 422 of the Code or any successor provision with respect to Incentive Stock Options, the Board may not effect such modification or amendment without such approval.

(e) Provisions for Foreign Participants. The Board may modify Awards granted to Participants who are foreign nationals or employed outside the United States or establish subplans or procedures under the Plan to recognize differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefit or other matters.

(f) Section 409A.

(1) It is the intent of the Company that any deferral of the receipt of the payment of cash or the delivery of shares of Common Stock that the Board may permit or require and Award that is granted that is subject to Section 409A of the Code ("Section 409A") comply with the requirements of Section 409A; provided that no guaranty is made by the Company to Participants that Awards will so comply.

(2) The following provisions apply to each Award granted or outstanding under this Plan that are intended to comply with (and not be exempt from) Section 409A: (i) each delivery of shares or cash under each such Award shall be treated as a separate payment for

purposes of Section 409A; (ii) notwithstanding anything in the Award or in the Plan to the contrary, neither the Participant nor the Company may accelerate or defer the delivery of the cash or shares under the Award to a date other than those specified in the Award unless specifically permitted or required by Section 409A; (iii) if a Participant becomes a “specified employee” of the Company (within the meaning of Section 409A) and any of the shares or cash to be delivered under each such Award may be delivered on account of the Participant’s “separation from service” (within the meaning of Section 409A), then any shares or cash that otherwise would have been delivered within the six month period following the separation from service shall be delivered on the date that is six months and one day following the separation from service, with any remaining delivery of shares or cash to be made in accordance with the terms of the Award.

(3) Notwithstanding Section 13(f)(2)(iii), if a Participant was granted an Award that is intended to comply with (and not be exempt from) Section 409A on or before December 10, 2009, and the Participant becomes a “specified employee” of the Company (within the meaning of Section 409A) and any of the shares or cash to be delivered under each such Award may be delivered on account of the Participant’s “separation from service” (within the meaning of Section 409A), then instead of Section 13(f)(2)(iii) applying, any shares or cash that otherwise would have been delivered within the six month period following the separation from service shall be delivered on the later of (i) the date that is six months and one day following the separation from service, or (ii) July 1, 2010, with any remaining delivery of shares or cash to be made in accordance with the terms of the Award.

(g) Governing Law. The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts, excluding choice-of-law principles of the law of such state that would require the application of the laws of a jurisdiction other than such state.

Last update: March 13, 2012

APPENDIX A

**ANALOG DEVICES, INC.
2006 STOCK INCENTIVE PLAN
ISRAELI SUB-PLAN**

1. GENERAL

1.1. This Israeli Sub-plan (the "SUB-PLAN") to the Analog Devices, Inc. 2006 Stock Incentive Plan (the "PLAN") shall apply only to Eligible Participants who are Employees, advisors or consultants of Analog Devices (Israel) Ltd. The provisions specified hereunder apply only to persons who are residents of the State of Israel or who are deemed to be residents of the State of Israel for tax purposes, or are otherwise subject to taxation in Israel with respect to Awards.

1.2. This Sub-plan is effective with respect to Options and RSUs granted at least 30 days after the this Sub-plan and the Plan are duly submitted to the ITA in accordance with the provisions of Section 102. This Sub-plan shall comply with Amendment no. 132 of the Israeli Tax Ordinance and all rules, regulations and guidelines promulgated thereunder.

1.3. The purpose of this Sub-Plan is to establish certain rules and limitations applicable to Awards that may be granted under the Plan from time to time, in compliance with Applicable Laws currently in force in the State of Israel. Specifically, this Sub-Plan is made in order to conform the Plan to Section 102, so as to enable the grant of Awards under the Plan to an Eligible Participant. For the avoidance of doubt, this Sub-plan does not add to or modify the Plan in any other respect if not specifically stated herein.

1.4. The Plan and this Sub-Plan are complimentary to each other and shall be deemed as one. The Plan and this Sub-Plan shall be read together. In any case of contradiction, whether explicit or implied, between the provisions of this Sub-Plan and the Plan, the provisions of this Sub-Plan shall supersede and govern; provided, however, that this Sub-Plan shall not be construed to grant rights not consistent with the terms of the Plan, unless specifically set forth herein.

1.5. Any capitalized term not specifically defined in this Sub-plan shall be construed according to the interpretation given to it in the Plan.

2. DEFINITIONS

2.1. "3(i) AWARD" means an Award granted pursuant to Section 3(i) of the Ordinance to any person who is a Non-Employee.

2.2. "102 AWARD" means any Award granted to Employees pursuant to Section 102 of the Ordinance.

2.3. "102 CAPITAL GAINS TRACK GRANT" means a 102 Trustee Grant elected and designated by the Company to qualify under the capital gain tax treatment in accordance with the provisions of Section 102(b)(2) and 102(b)(3) of the Ordinance.

- 2.4. "102 ORDINARY INCOME TRACK GRANT" means a 102 Trustee Grant elected and designated by the Company to qualify under the ordinary income tax treatment in accordance with the provisions of Section 102(b)(1) of the Ordinance.
- 2.5. "102 TRUSTEE GRANT" means an Award granted pursuant to Section 102(b) of the Ordinance (includes both 102 Capital Gains Track Grants and 102 Ordinary Income Track Grants) held in trust by a Trustee for the benefit of the Employee.
- 2.6. "AFFILIATE" means any "employing company" within the meaning of Section 102(a) of the Ordinance.
- 2.7. "AWARD" solely for purposes of this Sub-Plan, means an Option or RSU granted pursuant to the terms and conditions of the Plan and this Sub-Plan.
- 2.8. "AWARD AGREEMENT" means the stock option agreement between the Company and an optionee that sets out the terms and conditions of an Option and/or the RSU award agreement between the Company and an Employee that sets out the terms and conditions of an RSU.
- 2.9. "CONTROLLING SHAREHOLDER" shall have the meaning ascribed to it in Section 32(9) of the Ordinance, as may be amended from time to time, but which is, as of the date of this Sub-Plan, as follows: an employee who prior to the grant of any Award or as a result of such grant, holds or would hold, directly or indirectly, in his name or with a relative (as defined in section 76(d) of the ITO) (i) at least 10% of the outstanding shares of the Company; (ii) at least 10% of the voting power of the Company; (iii) the right to hold or purchase at least 10% of the outstanding equity or voting power of the Company; (iv) the right to obtain at least 10% of the profit of the Company; or (v) the right to appoint a director of the Company.
- 2.10. "EMPLOYEE" means a person who is employed by the Company or its Affiliates, including an individual who is serving as a director or an office holder, but excluding any employee who is deemed to be a Controlling Shareholder before a grant or immediately thereafter.
- 2.11. "ISRAELI FAIR MARKET VALUE" means, with respect to 102 Capital Gains Track Grants only, for the sole purpose of determining tax liability pursuant to Section 102(b)(3) of the Ordinance, if on grant date the Company's Common Stock is listed on any established stock exchange or a national market system or if the Company's Common Stock will be registered for trading within ninety (90) days following the grant date, the fair market value of the Common Stock at the grant date shall be determined in accordance with the average value of the Company's Common Stock on the thirty (30) trading days preceding the grant date or on the thirty (30) trading days following the date of registration for trading, as the case may be.
- 2.12. "ITA" means the Israeli Tax Authority.
- 2.13. "NON-EMPLOYEE" means a consultant, adviser, service provider, Controlling Shareholder or any other person who is not an Employee.
- 2.14. "NON-TRUSTEE GRANT" means an Award granted pursuant to Section 102(c) of the Ordinance and not held in trust by a Trustee.

2.15. "OPTION" means an option to purchase Common Stock of the Company pursuant to the Plan.

2.16. "ORDINANCE" means the 1961 Israeli Income Tax Ordinance [New Version] 1961 as now in effect or as hereafter amended.

2.17. "SECTION 102" means section 102 of the Ordinance and any regulations, rules, orders or procedures promulgated there under as now in effect or as hereafter amended.

2.18. "TRUSTEE" means any individual or entity appointed by the Company to serve as a trustee and approved by the ITA, all in accordance with the provisions of Section 102(a) of the Ordinance.

3. ISSUANCE OF AWARDS

3.1. The persons eligible for participation in the Plan shall include any Employees and/or Non-Employees of the Company or of any Affiliate; provided, however, that (i) Employees may only be granted 102 Awards; and (ii) Non-Employees and/or Controlling Shareholders may only be granted 3(i) Awards (Employees and Non-Employees together, "ELIGIBLE PARTICIPANTS").

3.2. The Company may designate Awards granted to Employees pursuant to Section 102 as 102 Trustee Grants or Non-Trustee Grants.

3.3. 102 Trustee Grants shall be made under this Sub-plan adopted by the Board, and shall be conditioned upon the filing of this Sub-plan with the ITA and the provisions of Section 102.

3.4. 102 Trustee Grants may either be classified as 102 Capital Gain Track Grants or 102 Ordinary Income Track Grants.

3.5. No 102 Trustee Grants may be made under this Sub-plan to any Eligible Participant, unless and until the Company's election of the type of 102 Trustee Grants as 102 Capital Gains Track Grants or 102 Ordinary Income Track Grants (the "ELECTION"), is appropriately filed with the ITA. Such Election shall become effective on the first grant date of a 102 Trustee Grant under this Sub-plan and shall remain in effect until the end of the year following the year during which the Company first made 102 Trustee Grants. Once the Company has filed such an Election, it may change the type of 102 Trustee Grant that it chooses to make only after the lapse of at least 12 months from the end of the calendar year in which the first grant was made in accordance with the previous Election, and in accordance with Section 102 of the Ordinance. The Election shall obligate the Company to grant only the type of 102 Trustee Grants it has elected, and shall apply to all 102 Trustee Grants during the period indicated herein, all in accordance with the provisions of Section 102(g) of the Ordinance. For the avoidance of doubt, such Election shall not prevent the Company from granting Non-Trustee Grants simultaneously.

3.6. All 102 Trustee Grants must be held in trust by a Trustee, as described in section 4 below.

3.7. In the case the requirements for 102 Trustee Grants are not met, then the 102 Trustee Grants shall be regarded as Non-Trustee Grants, all in accordance with the provisions of Section 102.

3.8. For the avoidance of doubt, the designation of 102 Trustee Grants and Non-Trustee Grants shall be subject to the terms and conditions set forth in Section 102.

4. TRUSTEE

4.1. 102 Trustee Grants under this Sub-plan and/or any Common Stock allocated or issued upon exercise or vesting of such 102 Trustee Grants and/or other Common Stock received subsequently following any realization of rights, including bonus shares, shall be allocated or issued to the Trustee and held for the benefit of the Employee for such period of time as required by Section 102 (the "HOLDING PERIOD"), unless the ITA approves otherwise in writing. If such an Award is exercised or vests after the Holding Period ends, the Common Stock issued upon such exercise or vesting shall, at the election of the Eligible Participant, either (i) be issued in the name of the Trustee; or (ii) be transferred to the Eligible Participant directly, provided that the Eligible Participant first complies with all applicable provisions of the Plan and this Sub-plan including but not limited to payment of tax.

4.2. After termination of the Holding Period, the Trustee may release the Award and any Common Stock issued with respect to the Award, provided that (i) the Trustee has received an acknowledgement from the ITA that the Employee has paid any applicable tax due pursuant to the Ordinance or (ii) the Trustee and/or the Company or the Affiliate withholds any applicable tax due pursuant to the Ordinance. Notwithstanding anything to the contrary, the Trustee shall not release any Common Stock allocated or issued upon exercise or vesting of 102 Trustee Grants prior to the full payment of the Employee's tax liabilities arising from 102 Trustee Grants and/or any Common Stock allocated or issued upon exercise or vesting of such Awards.

4.3. Upon receipt of 102 Trustee Grants, the Eligible Participant will sign an undertaking to release the Trustee from any liability in respect of any action or decision duly taken and bona fide executed in relation with this Sub-plan, or any 102 Trustee Grant or Common Stock granted to him thereunder.

4.4. With respect to any 102 Trustee Grant, subject to the provisions of Section 102, an Eligible Participant shall not sell or release from trust any Common Stock received upon the exercise or vesting of a 102 Trustee Grant and/or any Common Stock received subsequently following any realization of rights, including without limitation, bonus shares, until the lapse of the Holding Period required under Section 102 of the Ordinance. Notwithstanding the above, if any such sale or release occurs during the Holding Period, the sanctions under Section 102 of the Ordinance and under any rules or regulation or orders or procedures promulgated thereunder shall apply to and shall be borne by such Eligible Participant.

4.5 With respect to 102 Capital Gain Track Grants, to the extent that the Common Stock is listed on any established stock exchange or a national market system, the provisions of Section 102(b)(3) of the Ordinance will apply with respect to the Israeli tax rate applicable to such Awards (including Options with an exercise price that is lower than the Israeli Fair Market Value of the Common Stock on the grant date).

4.6 To avoid doubt, and notwithstanding any discretion or provision in the Plan to the contrary: (a) no Award granted as a 102 Trustee Grant may be settled for cash payment or any other form of consideration, unless and to the extent permitted under Section 102 or as expressly authorized by the ITA; (b) no Option qualifying as a 102 Trustee Grant shall be exercisable by the surrender of Common Stock, notwithstanding Section 5(f) of the Plan, and (c) RSUs granted pursuant to the Plan shall only be settled in Common Stock, notwithstanding Section 8(b) of the Plan.

4.7 In the event a stock dividend is declared and/or additional rights are granted with respect to Common Stock which derives from Awards granted as 102 Trustee Grants, such stock dividend and/or rights shall also be deposited with the Trustee and will be subject to the provisions of this section 4, and the Holding Period for such Common Stock and/or rights shall be measured from the commencement of the Holding Period for the Award with respect to which the stock dividend was declared and/or rights granted. In the event of a cash dividend on Common Stock, the Trustee shall transfer the dividend proceeds to the Eligible Participant after the deduction of taxes and mandatory payments in compliance with applicable withholding requirements, and subject to any other requirements imposed by the ITA.

5. THE AWARDS

5.1. The terms and conditions upon which the Awards shall be issued, exercised, and vest shall be as specified in the Award Agreement to be executed pursuant to the Plan and to this Sub-plan. Each Award Agreement shall state, inter alia, the number of Common Stock to which the Award relates, the vesting provisions, and for Options, the exercise price. The Award Agreement shall also indicate whether the grant is a 102 Trustee Grant, a Non-Trustee Grant, or a 3(i) Award; and if the grant is a 102 Trustee Grant, whether it is a 102 Capital Gains Track Grant or a 102 Ordinary Income Track Grant.

5.2 Each 102 Trustee Grant will be deemed granted on the date stated in the Award Agreement, provided that (i) the Company will provide notice to the Trustee of the Award; and (ii) the Eligible Participant will sign all documents required.

6. EXERCISE OF OPTIONS

6.1. Options shall be exercised by the optionee by giving notice to the Company and/or to any third party designated by the Company (the "REPRESENTATIVE"), in such form and method as may be determined by the Company and, when applicable, by the Trustee, in accordance with the requirements of Section 102, which exercise shall be effective upon receipt of such notice by the Company and/or the Representative and the payment of the exercise price for the number of Common Stock with respect to which the option is being exercised, at the Company's or the Representative's principal office. The notice shall specify the number of Common Stock with respect to which the option is being exercised.

7. ASSIGNABILITY AND SALE OF AWARDS

7.1. Notwithstanding any other provision of the Plan, no Award or any right with respect thereto, purchasable hereunder, whether fully paid or not, shall be assignable, transferable or

given as collateral or any right with respect to them given to any third party whatsoever, and during the lifetime of the Eligible Participant each and all of such rights to purchase or receive Common Stock hereunder shall be exercisable only by the Eligible Participant or shall vest only to the Eligible Participant.

Any such action made directly or indirectly, for an immediate validation or for a future one, shall be void.

8.2. As long as Awards or Common Stock purchased or acquired pursuant thereto are held by the Trustee on behalf of the Eligible Participant, all rights of the Eligible Participant over the Common Stock are personal, and cannot be transferred, assigned, pledged or mortgaged, by the Eligible Participant or by the Trustee, other than by will or laws of descent and distribution.

9. INTEGRATION OF SECTION 102

9.1. With regard to 102 Trustee Grants, the provisions of the Plan, this Sub-plan and/or the Award Agreement shall be subject to the provisions of Section 102 and the any written confirmation issued by the ITA with respect to this Plan and/or the Sub-plan (the "WRITTEN APPROVAL"), and the said provisions of any Written Approval shall be deemed an integral part of the Plan, the Sub-plan, and the Award Agreement.

9.2. Any provision of Section 102 and/or any Written Approval which are necessary in order to receive and/or to maintain any tax benefit pursuant to Section 102, which is not expressly specified in the Plan or the Sub-plan or the Award Agreement, shall be considered binding upon the Company and the Eligible Participants.

9.3 The Eligible Participant agrees to execute any and all documents that the Company, the Affiliates, or the Trustee may reasonably determine to be necessary in order to comply with the provision of any applicable law, and particularly Section 102.

10. TAX CONSEQUENCES

10.1. Any tax consequences arising from the grant, exercise, or vesting of any Award, from the payment for Common Stock covered thereby or from any other event or act (of the Company, and/or its Affiliates, and the Trustee or the Eligible Participant), hereunder, shall be borne solely by the Eligible Participant. The Company and/or its Affiliates, and/or the Trustee shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source, any may make any provisions and take such steps as they may deem necessary or appropriate to meet the withholding requirements, including, but not limited to: (i) withholding from the Eligible Participant's wages or other cash compensation paid to the Eligible Participant by the Company or the Affiliates; (ii) withholding otherwise deliverable Common Stock having a value equal to the minimum amount statutorily required to be withheld; or (iii) selling a sufficient number of such Common Stock otherwise deliverable to the Eligible Participant through such means as the Trustee may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld either through a voluntary sale or through a mandatory sale arranged by the Company (on the Eligible Participant's behalf pursuant to the Eligible Participant's authorization), to the extent permitted by law or pursuant to the approval of the ITA. In addition, the Eligible Participant will be

required to pay any amount, including penalties, that exceeds the tax to be withheld and transferred to the ITA, pursuant to applicable law, regulation and rules. Furthermore, the Eligible Participant shall agree to indemnify the Company and/or its Affiliates and/or the Trustee and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Eligible Participant. The Company, the Affiliate and/or the Trustee shall not be required to release any Awards and or Common Stock to an Eligible Participant until all required taxes have been withheld.

10.2. The Company and/or, when applicable, the Trustee shall not be required to release any share certificate to an Eligible Participant until all required payments have been fully made.

10.3 For avoidance of doubt, there is no assurance that all of the Awards granted pursuant to Section 102 of the Ordinance shall be eligible for the tax benefits afforded by Section 102 of the Ordinance.

10.4 Following the grant of Awards under this Sub-plan and in any case in with the Eligible Participant shall cease to be considered an "Israeli Resident" as this term is defined in the Ordinance, the Company, an Affiliate, and/or the Trustee may, if and to the extent the Ordinance and/or Rules promulgated thereunder shall impose an obligation on them, withhold all applicable taxes from the Eligible Participant, remit the amount withheld to the ITA, and report to such Eligible Participant the amount so withheld and paid.

10.5 With respect to Non-Trustee Grants, if the Eligible Participant ceases to be employed by the Company, or otherwise if so requested by the Company or the Affiliate, the Eligible Participant shall extend to the Company or to the Affiliate a security or guarantee for the payment of tax due at the time of sale of Common Stock to the satisfaction of the Company or the Affiliate, all in accordance with the provisions of Section 102 of the Ordinance and the Rules.

11. GOVERNING LAW AND JURISDICTION

11.1 Notwithstanding any other provision of the Plan, with respect to Eligible Participants subject to this Sub-plan, the Plan and all instruments issued there under or in connection therewith shall be governed by, and interpreted in accordance with, the laws of the State of Israel applicable to contracts made and to be performed therein.

* * *

APPENDIX B

RULES OF THE ANALOG DEVICES, INC.
2006 STOCK INCENTIVE PLAN
FOR PARTICIPANTS IN FRANCE

I. GENERAL

1. Introduction

The Board of Directors of Analog Devices, Inc. (the “Company”) has established the 2006 Stock Incentive Plan (the “U.S. Plan”) for the benefit of certain employees of the Company and its Subsidiaries, including its Subsidiaries in France (the “French Subsidiaries”) of which the Company holds directly or indirectly at least 10% of the share capital.

Sections 3 and 13 (e) of the U.S. Plan authorize the Board of Directors and a Committee as appointed by the Board of Directors (the “Committee”) to establish, amend, and rescind any rules and regulations relating to the U.S. Plan and to make all other determinations that may be necessary or advisable for the administration of the U.S. Plan. Pursuant to the foregoing authority, the Committee, therefore, intends to establish a sub-plan of the U.S. Plan for the purpose of granting stock options which qualify for the favorable tax and social security treatment in France applicable to options granted under the Sections L. 225-177 to L. 225-186-1 of the French Commercial Code, as amended (“French-qualified Options”), and restricted stock units which qualify for the favorable tax and social security treatment in France applicable to shares granted for no consideration under Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code, as amended (“French-qualified Restricted Stock Units”), to qualifying participants in France who are resident in France for French tax purposes and/or subject to the French social security regime (“French Participants”).

The terms of the U.S. Plan as attached hereto, shall, subject to the limitations set forth in the following rules, constitute the Rules of the Analog Devices, Inc. 2006 Stock Incentive Plan for Participants in France (the “French Plan”).

Under the French Plan, the French Participants will be granted only French-qualified Options and French-qualified Restricted Stock Units as defined below under Section I.2.

2. Definitions

Capitalized terms not otherwise defined herein shall have the same meanings as set forth in the U.S. Plan. The terms set forth below shall have the following meanings:

(a) The term “Closed Period” shall mean the specific periods as set forth in Section L. 225-177 of the French Commercial Code, as amended, during which French-qualified Options cannot be granted as described in Section II.1 below, including:

- (i) twenty (20) trading days following the issuance of a coupon granting the right to receive dividends or to purchase Shares of the Company;

- (ii) ten (10) quotation days preceding and following the disclosure to the public of the consolidated financial statements or the annual statements of the Company; or
- (iii) any period during which the corporate management of the Company (*i.e.*, those involved in the governance of the Company, such as the Board, Committee, supervisory directorate, etc.) possess confidential information which could, if disclosed to the public, significantly impact the trading price of the Shares, until ten (10) quotation days after the day such information is disclosed to the public.

The term “Closed Period” shall mean the periods set out in (i) and (ii) only for the sale or transfer of Shares acquired at vesting of the French-qualified Restricted Stock Units as described in Section III.1(b) below. If French law or regulations are amended after adoption of the French Plan to modify the definition and/or applicability of the Closed Periods to French-qualified Options and/or French-qualified Restricted Stock Units, such amendments shall become applicable to any French-qualified Options and French-qualified Restricted Stock Units granted under this French Plan, to the extent permitted or required under French law.

For French-qualified Options only, if the Company grants options on a date during an applicable Closed Period, the Grant Date for French Participants shall be the first date following the expiration of the Closed Period, provided such date is not prohibited under the U.S. Plan rules.

(b) The term “Exercise Price” shall be the price to purchase each Share.

(c) The term “Disability” shall mean a disability as determined in categories 2 and 3 under Section L. 341-4 of the French Social Security Code, as amended, and subject to the fulfillment of related conditions and the applicable Award Agreement. To the extent a French Participant’s disability meets the requirements as defined in the applicable Award Agreement and not the requirements of Disability set forth herein, the French Participant may not be entitled to the favorable tax and social security treatment under the French Plan.

(d) The term “Forced Retirement” shall mean forced retirement as determined under Section L. 1237-5 of the French Labor Code, as amended, and subject to the fulfillment of related conditions.

(e) The term “Grant Date” shall mean the date on which the Committee both (i) designates the French Participants, and (ii) specifies the terms and conditions of the French-qualified Options or French-qualified Restricted Stock Units, such as the number of Shares subject to the French-qualified Options or French-qualified Restricted Stock Units, the conditions for vesting of the French-qualified Options or French-qualified Restricted Stock Units, the conditions for exercising the French-qualified Options and any restrictions on the sale of Shares subject to the French-qualified Options or French-qualified Restricted Stock Units.

(f) The term “Options” shall, in addition to the meaning set forth in the U.S. Plan under Section 5(a), include the following:

- (i) purchase options, which are rights to acquire Shares repurchased by the Company prior to the date on which the Options become exercisable; or

(ii) subscription options, which are rights to subscribe newly-issued Shares.

(g) The term “Restricted Stock Unit” shall mean, in addition to the meaning set forth under Section 8(a) in the U.S. Plan, a promise by the Company to issue to the French Participant, at a future date, at no cash consideration, a Share for each unit granted to a French Participant, provided that any conditions established by the Committee for the vesting restrictions with respect to such unit have been satisfied and for which any dividend and voting rights attach only upon the issuance of Shares.

(h) The term “Vesting Date” shall mean the relevant date on which Restricted Stock Units are vested, as specified by the Committee, and the French Participants are entitled to receive the Shares underlying the Restricted Stock Units for no cash consideration.

3. Eligibility

Notwithstanding any other term of this French Plan, French-qualified Options and French-Qualified Restricted Stock Units may be granted only to employees or corporate directors of the French Subsidiaries who hold less than ten percent (10%) of the outstanding Shares of the Company and who otherwise satisfy the eligibility conditions of Section 2 of the U.S. Plan.

Subject to the paragraph below, any French Participant who, on the Grant Date of the Option and/or Restricted Stock Unit, and to the extent required under French law, is employed under the terms and conditions of an employment contract (“*contrat de travail*”) by a French Subsidiary or who is a corporate officer of a French Subsidiary shall be eligible to receive, at the discretion of the Committee, French-qualified Options and/or French-qualified Restricted Stock Units under this French Plan, provided he or she also satisfies the eligibility conditions of Section 2 of the U.S. Plan.

French-qualified Options and French-qualified Restricted Stock Units may not be issued to corporate executives of French Subsidiaries, other than the managing directors (*Président du Conseil d’Administration, Directeur Général, Directeur Général Délégué, Membre du Directoire, Gérant de Sociétés par actions*) unless the corporate executive is an employee of a French Subsidiary, as defined by French law.

4. Employment Rights

The adoption of this French Plan shall not confer upon the French Participant, or any employees of a French entity, any employment rights and shall not be construed as a part of any employment contracts that a French Subsidiary has with its employees.

5. Delivery of Shares Only

Only Shares and not cash payments may be delivered to any French Grantee as a result of the French-qualified Options and French-qualified Restricted Stock Units granted under this French Plan.

6. Non-Transferability

Notwithstanding any provision in the U.S. Plan to the contrary and, except in the case of death, French-qualified Options and French-qualified Restricted Stock Units cannot be transferred to any third party. In addition, during the lifetime of the French Participant, the French-qualified Options are exercisable only by the French Participant, subject to Sections II.3(c) and II.4 below. The Shares underlying the French-qualified Restricted Stock Units may not be transferred to any third party and shall be issued only to the French Participant during his or her lifetime, subject to Sections III.1(a) and III.3 below.

6. Disqualification of French-qualified Options and French-qualified Restricted Stock Units

In the event changes are made to the terms and conditions of the French-qualified Options and/or French-qualified Restricted Stock Units due to any requirements under the applicable laws, or by decision of the Company's shareholders, the Board or the Committee, the Options and/or Restricted Stock Units may no longer qualify as French-qualified Options and French-qualified Restricted Stock Units.

If the Options and/or Restricted Stock Units no longer qualify as French-qualified Options and/or French-qualified Restricted Stock Units, the Committee may, in its sole discretion, determine to lift, shorten or terminate certain restrictions applicable to the vesting or exercisability of the Options, the vesting of the Restricted Stock Units or to the sale of the Shares underlying the Options and/or Restricted Stock Units which have been imposed under this French Plan or in the applicable Award Agreement delivered to the French Participant in order to achieve the favorable tax and social security treatment applicable to French-qualified Options and/or French-qualified Restricted Stock Units. Should the awards no longer be qualified the French Participant shall be liable to French tax and social security to the extent permissible under French law.

7. Amendments

Subject to the terms of the U.S. Plan, the Board or Committee reserves the right to amend or terminate the French Plan at any time.

II. FRENCH-QUALIFIED OPTIONS

1. Closed Period

French-qualified Options may not be granted during a Closed Period to the extent such Closed Periods are applicable to French-qualified Options granted by the Company. If the Company grants options on a date during an applicable Closed Period, the Grant Date for French Participants shall be the first date following the expiration of the Closed Period, provided such date is not prohibited under the U.S. Plan rules.

2. Conditions of the French-qualified Options

(a) The Exercise Price and number of underlying Shares shall not be modified after the Grant Date, except as provided in Sections II.5 of this French Plan, or as otherwise authorized by French law. Any other modification permitted under the U.S. Plan may result in the Option no longer qualifying as a French-qualified Option.

(b) The French-qualified Options will vest and become exercisable pursuant to the terms and conditions set forth in the U.S. Plan, this French Plan, and the applicable Award Agreement delivered to each French Participant.

(c) The Exercise Price per Share payable pursuant to French-qualified Options granted under this French Plan shall be fixed by the Committee on the Grant Date. In no event shall the Exercise Price be less than the greatest of:

(i) with respect to purchase stock options: the higher of either 80% of the average of the closing price of the Shares during the 20 days of quotation immediately preceding the Grant Date or 80% of the average of the purchase price paid for such Shares by the Company;

(ii) with respect to subscription stock options: 80% of the average of the closing price of such Shares during the 20 days of quotation immediately preceding the Grant Date; and

(iii) 100% of the Fair Market Value per Share as defined under the U.S. Plan, as determined on the Grant Date.

3. Exercise of a French-qualified Option.

(a) At the time a French-qualified Option is effectively granted, the Committee shall fix the period within which the French-qualified Option vests and may be exercised and shall determine any conditions that must be satisfied before the French-qualified Option may be exercised. Specifically, the Committee may provide for a restriction period measured from the Grant Date, for the vesting or the exercise of a French-qualified Option, or for the sale of Shares acquired pursuant to the exercise of a French-qualified Option, designed to obtain the favorable tax and social security treatment pursuant to Section 163 bis C of the French Tax Code, as amended. Such restriction period for the vesting or the exercise of a French-qualified Option or the sale of Shares shall be set forth in the applicable Award Agreement. The holding period of the Shares acquired upon exercise of a French-qualified Option shall not exceed three (3) years as from the exercise date of a French-qualified Option, or such other period as may be required to comply with French law.

(b) Upon exercise of a French-qualified Option, the full Exercise Price and any required withholding tax or social security contributions, if any, shall be paid by the French Participant as set forth in the applicable Award Agreement. Under a cashless exercise program, the French Participant may give irrevocable instructions to a stockbroker to properly deliver the Exercise Price to the Company. No delivery, surrender or attestation to the ownership of previously owned Shares may be used to pay the Exercise Price.

(c) In the event of the death of a French Participant, his or her French-qualified Options shall thereafter be immediately vested and exercisable in full under the conditions set forth by Section II.4 of this French Plan.

(d) If a French Participant is terminated or ceases to provide services to the Company or a French Subsidiary, his or her French-qualified Options will be exercisable according to the provisions of the Award Agreement.

(e) If a French Participant is terminated or ceases to be employed by the Company or a French Subsidiary by reason of Disability (as defined in this French Plan), his or her French-qualified Options may benefit from the favorable tax and social security treatment, even if the date of sale of the Shares subject to the French-qualified Options occurs prior to the expiration of the minimum holding period of the Shares, as provided for by Section 163 bis C of the French Tax Code, as amended.

(f) If a French Participant ceases to be employed by the Company or a French Subsidiary by reason of his or her Forced Retirement (as defined in this French Plan) or dismissal as defined by Section 91-ter of Exhibit II to the French Tax Code, as amended, and as construed by the French tax circulars and subject to the fulfillment of related conditions, his or her French-qualified Options may benefit from favorable tax and social security treatment, irrespective of the date of sale of the Shares, provided the exercise of the French-qualified Options was authorized under the applicable Award Agreement prior to the time of Forced Retirement or dismissal and the French-qualified Options were exercised at least three (3) months prior to the effective date of the Forced Retirement or at least three (3) months prior to the sending of the letter of dismissal to the French Participant as defined by French law and as construed by French tax and social security guidelines and court decisions of French Labor Courts.

(g) The Shares acquired upon exercise of a French-qualified Option shall be fully owned by the French Participant and recorded in an account in his or her name and must be held with the Company or a broker or in such manner as the Company may otherwise determine to ensure compliance with French laws including any necessary holding periods.

To the extent and as long as applicable to French-qualified Options granted by the Company, a specific holding period for the Shares or a restriction on exercise of the Options shall be imposed in the Award Agreement for any French Participant who qualifies as a managing director of the Company.

4. Death

In the event of the death of a French Participant while he or she is actively employed, all French-qualified Options shall become immediately vested and exercisable and may be exercised in full by the French Participant's heirs or the legal representative of his or her estate for the six (6) month period following the date of the French Participant's death or such other period as may be required to comply with French law. In the event of the death of a French Participant after termination of active employment, the treatment of French-qualified Options will be as set forth in the Award Agreement. Any French-qualified Option that remains unexercised shall expire six (6) months following the date of the French Participant's death or after expiration of such other period as may be required to comply with French law. The six (6) month exercise period (or such other period as may be required to comply with French law) will apply without regard to the term of the French-qualified Option as described in Section II.6 of this French Plan.

5. Adjustments – Change in Control

Adjustments of French-qualified Options issued hereunder shall be made to preclude the dilution or enlargement of benefits under the French-qualified Option only in the event of the transactions by the Company listed under Section L. 225-181 of the French Commercial Code, as amended, and in case of a repurchase of Shares by the Company at a price which is higher than the stock quotation price in the open market, and according to the provisions of Section L. 228-99 of the French Commercial Code, as amended, as well as according to specific decrees. In the event of an adjustment other than as described above, the Options may no longer qualify for favorable tax and social security treatment under French law.

Nevertheless, the Board or the Committee, at its discretion, may decide to make adjustments in the case of a transaction as described in Sections 5(i) and 11 of the U.S. Plan, for which adjustments may not be authorized under French law, in which case, the Options may no longer qualify as French-qualified awards and the favorable tax and social security treatment may be lost.

6. Term of Option

French-qualified Options granted pursuant to this French Plan will expire no later than nine and a half (9 1/2) years from the Grant Date, unless otherwise specified in the applicable Award Agreement. The French-qualified Option term will be extended only in the event of the death of a French Participant, but in no event will any French-qualified Option be exercisable beyond nine (9) months following the date of death of the French Participant or such other period as may be required to comply with French law.

7. Interpretation.

In the event of any conflict between the provisions of this French Plan and the U.S. Plan, the provisions of this French Plan shall control for any grants of French-qualified Options made to French Participants.

It is intended that Options granted under this French Plan shall qualify for the favorable tax and social security treatment applicable to stock options granted under Sections L. 225-177 to L. 225-186-1 of the French Commercial Code, as amended, and in accordance with the relevant provisions set forth by French tax law and the French tax administration, but no undertaking is made by the Company to maintain such status. The terms of this French Plan shall be interpreted accordingly and in accordance with the relevant provisions set forth by French tax and social security laws and relevant guidelines published by French tax and social security administrations and subject to the fulfillment of legal, tax and reporting obligations.

III. FRENCH-QUALIFIED RESTRICTED STOCK UNITS

1. Conditions of the French-qualified Restricted Stock Units

(a) Vesting of French-Qualified Restricted Stock Units

Notwithstanding any other provision of the U.S. Plan, French-qualified Restricted Stock Units shall not vest and the Shares underlying the French-qualified Restricted Stock Units shall

not be delivered to the French Participants prior to the expiration of a minimum two-year period as calculated from the Grant Date, or such other period as is required to comply with the minimum mandatory vesting period applicable to French-qualified Restricted Stock Units under Section L. 225-197-1 of the French Commercial Code, as amended, or the relevant sections of the French Tax Code or the French Social Security Code, as amended to benefit from the favorable French restricted stock units regime. However, notwithstanding the vesting requirements described above, in the event of the death of a French Participant, all of his or her outstanding French-qualified Restricted Stock Units shall become vested under the conditions set forth in Section III.3 of this French Plan.

(b) Holding of Shares

The sale or transfer of Shares issued pursuant to the French-qualified Restricted Stock Units may not occur prior to the relevant anniversary of the Vesting Date specified by the Committee and in no case prior to the expiration of a minimum two-year period as calculated from the Vesting Date (or, if later, the date on which the Shares underlying the French-qualified Restricted Stock Units are issued to a French Participant), or such other period as is required to comply with the minimum mandatory holding period applicable to French-qualified Restricted Stock Units under Section L. 225-197-1 of the French Commercial Code, as amended, or the relevant sections of the French Tax Code or the French Social Security Code, as amended, to benefit from the favorable tax and social security regime, even if the French Participant is no longer an employee or corporate officer of an Affiliate or the Company.

In addition, the Shares issued pursuant to the French-qualified Restricted Stock Units may not be sold or transferred during a Closed Period, so long as those Closed Periods are applicable to Shares underlying French-qualified Restricted Stock Units.

(c) Corporate Officer Restriction

To the extent and as long as applicable to French-qualified Restricted Stock Units granted by the Company, a specific holding period for the sale or transfer of Shares shall be imposed in the applicable Restricted Stock Unit Agreement for any French Participant who qualifies as a managing director of the Company.

(d) French Participant's Account

The Shares issued pursuant to the French-qualified Restricted Stock Units shall be fully owned by the French Participant and recorded and held in an account in his or her name with the Company or a broker or in such other manner as the Company may determine in order to ensure compliance with French laws, including any required holding periods.

2. Adjustments – Change in Control

In the event of an adjustment due to a corporate transaction or event as set forth in Section 11(c) of the U.S. Plan, the adjustment to the terms and conditions of the French-qualified Restricted Stock Units or underlying Shares shall be made in accordance with the U.S. Plan and pursuant to applicable French legal and tax rules. Nevertheless, should the Board or Committee make adjustments in the case of a transaction for which adjustments are not authorized under French law, the Restricted Stock Units may no longer qualify as French-qualified Restricted Stock Units.

3. Death and Disability

In the event of the death of a French Participant, the French-qualified Restricted Stock Units held by the French Participant at the time of death shall become immediately transferable to the French Participant's heirs. The Company shall issue the underlying Shares to the French Participant's heirs, at their request, provided the heirs contact the Company within six (6) months following the death of the French Participant or such other period as may be required to comply with French law. If the French Participant's heirs do not request the issuance of the Shares underlying the French-qualified Restricted Stock Units within six (6) months following the French Participant's death (or such other period as may be required to comply with French law), the French-qualified Restricted Stock Units will be forfeited.

If a French Participant dies or ceases to be employed by the Company or a French Subsidiary or any Affiliate by reason of his or her Disability (as defined in this French Plan), the French Participant's heirs or the disabled French Participant, as applicable, shall not be subject to the restrictions on the sale or transfer of Shares set forth in Section III.1(b) of this French Plan.

4. Interpretation

It is intended that Options granted under the French Plan shall qualify for the favorable tax and social security treatment applicable to Options granted under Sections L. 225-177 to L. 225-186-1 of the French Commercial Code, as amended, and in accordance with the relevant provisions set forth by French tax law and the French tax administration, but no undertaking is made to maintain such status.

The terms of the French Plan shall be interpreted accordingly and in accordance with the relevant provisions set forth by French tax and social security laws, as well as the French tax and social security administrations and the relevant guidelines released by the French tax and social security authorities and subject to the fulfillment of legal, tax and reporting obligations.

In the event of any conflict between the provisions of the French Plan and the U.S. Plan, the provisions of this French Plan shall control for any grants of Options made thereunder to French Participants.

IV. ADOPTION

The French Plan, as amended and restated, was adopted by the Committee on March 13, 2012 and became effective as of the same date.

APPENDIX C
AUSTRALIAN ADDENDUM

1. PURPOSE

This Addendum (the “Australian Addendum”) to the Analog Devices, Inc. (“Company”) 2006 Stock Incentive Plan (as amended) (“U.S. Plan”) is adopted to set out rules which, together with those provisions of the U.S. Plan which this Australian Addendum does not replace, will:

- (a) govern the operation of the Plan with respect to Australian resident employees of the Company and its Australian Subsidiaries; and
- (b) provide for the Plan to comply with ASIC Class Order 03/184 (“Class Order”), relevant provisions of the Corporations Act and ASIC Regulatory Guide 49.

2. DEFINITIONS AND INTERPRETATION

Except as set out in this clause 2, capitalised terms used in this document have the meaning ascribed to them in the U.S. Plan. If any conflict occurs between the provisions of this Australian Addendum and the provisions of the U.S. Plan, these provisions prevail.

For the purposes of this Australian Addendum:

ASIC means the Australian Securities and Investments Commission;

Associated Body Corporate means, as determined in accordance with the Corporations Act, a body corporate:

- (a) that is a related body corporate of the Company;
- (b) that has voting power in the Company of not less than 20%; or
- (c) in which the Company has voting power of not less than 20%;

Australian Award means the award of an Option, Share, Restricted Stock Unit or Dividend Equivalent under the terms of the Plan;

Australian Offerees means all persons to whom an offer of an Australian Award is made in Australia under the Plan;

Australian Subsidiary means an Australian Associated Body Corporate;

Common Stock means the common stock of the Company;

Company means Analog Devices, Inc.;

Corporations Act means Corporations Act 2001 (Cth);

Dividend Equivalent means a right to receive a cash payment equal to the amount of any dividends that the Company may declare on its Shares that may be granted in connection with any award of Restricted Stock Units at the Company’s discretion, in accordance with the U.S. Plan;

Offer means an offer received in Australia to acquire Shares, Options, Restricted Stock Units or Dividend Equivalents under the terms of the Plan;

Option means an option to acquire a Share;

Plan means the U.S. Plan as modified for implementation in Australia by this Australian Addendum;

Share means a share of Common Stock; and

Restricted Stock Unit means an unfunded promise by the Company to deliver the number of Shares underlying the Restricted Stock Unit following the lapse of specified restrictions.

3. FORM OF AWARDS

The Company may only grant Australian Awards under the Plan in Australia.

Options and Restricted Stock Units may be offered for no more than nominal consideration (i.e. consideration of not more than one (1) cent per Option/Restricted Stock Unit).

4. AUSTRALIAN OFFEREES

The Company may extend an Offer only to Australian Offerees who at the time of the Offer are full or part-time employees or directors of the Company or an Associated Body Corporate.

5. NO CONTRIBUTION OR TRUST

An Offer must not involve a contribution plan or any offer, issue or sale being made through a trust.

6. AUSTRALIAN OFFER DOCUMENT

6.1 Form of Offer

The Company shall make an Offer in Australia to participate in the Plan via a written document (“Offer Document”) which must set out the terms of the Offer and include or be accompanied by the following:

- (a) a summary or a copy of the Plan;
- (b) where only a summary of the Plan is provided, an undertaking that during the period (“Offer Period”) in which an Australian Award may be issued or Shares may be acquired through exercise of an Australian Award, the Company or its Australian Subsidiary will, within a reasonable period of an Australian Offeree so requesting, provide the offeree without charge with a copy of the Plan.

The Company must take reasonable steps to ensure that any Australian Offeree to whom an Offer is made is given a copy of the Offer Document.

6.2 Australian Dollar Equivalent of Exercise and Issue Price

If the Offer requires the Australian Offeree to pay a purchase price to receive the Australian Award granted under the Plan, the Offer Document must specify the Australian dollar equivalent of the purchase price of the Australian Award as at the date of the Offer.

For the offer of Options, the Offer Document must specify the Australian dollar equivalent of the exercise price of the Options (“Exercise Price”) at the date of the Offer.

For offers of Shares, the Offer Document must specify the Australian dollar equivalent of the issue price of the Shares the subject of the Offer (“Issue Price”) as at the date of the Offer.

6.3 Updated Price Information

The Offer Document must include an undertaking that, and an explanation of the way in which the Company or its Australian Subsidiary will (during the Offer Period and within a reasonable period of an Australian Offeree so requesting), make available to the Australian Offeree the following information:

- (a) the Australian dollar equivalent of the current market price of a share of Common Stock as at the date of the Australian Offeree’s request;
- (b) in the case of the Options, the Australian dollar equivalent of the Exercise Price, as at the date of the Australian Offeree’s request; and
- (c) in the case of Shares, if there is an Issue Price, the Australian dollar equivalent of the Issue Price as at the date of the Australian Offeree’s request.

For the purposes of this clause 6.3, the current market price of a share of Common Stock shall be taken as the price published as the closing sales price for such stock on the trading day preceding the date of the request, as traded on the New York Stock Exchange. Please note that for Australian tax purposes, market value is defined differently.

6.4 Exchange Rate for Australian Dollar Equivalent

For the purposes of clauses 6.2 and 6.3, the Australian dollar equivalent of the Exercise Price, Issue Price and current market price of a share of Common Stock are calculated by reference to the relevant exchange rate published by an Australian bank no earlier than the business day before the day to which the price relates.

6.5 General Advice Only

The Offer Document will include a statement to the effect that any advice given by the Company or an Australian Subsidiary in connection with the Offer is general advice only, and that Australian Offerees should consider obtaining their own financial product advice from an independent person who is licensed by ASIC to give such advice.

7. RESTRICTION ON CAPITAL RAISING: 5% LIMIT

In the case where an Offer under the Plan may involve or result in the issue of shares of Common Stock (including as a result of the exercise or upon the vesting of any Australian Award), the number of shares of Common Stock that are the subject of the Offer when aggregated with:

- (a) the number of shares of Common Stock in the same class which would be issued were each outstanding offer with respect to shares of Common Stock, units of shares of Common Stock and options to acquire unissued shares of Common Stock, made under an employee share scheme, to be accepted or exercised (as the case may be); and
- (b) the number of shares of Common Stock in the same class issued during the previous five years under the Plan or any other employee share scheme extended only to full or part time employees (including directors) of the Company and its Associated Bodies Corporate;

disregarding any offer made, or option acquired or shares of Common Stock issued by way of or as a result of:

- (c) an offer, to a person situated at the time of receipt of the offer outside Australia; or
- (d) an offer that was an excluded offer or invitation within the meaning of the Corporations Law as it stood prior to 13 March 2000; or
- (e) an offer that did not need disclosure to investors because of section 708 of the Corporations Act;
- (f) an offer that did not require the giving of a Product Disclosure Statement (within the meaning of the Corporations Act) because of section 1012D of the Corporations Act;
- (g) an offer made under a disclosure document or a Product Disclosure Statement,

must not exceed 5% of the total number of issued shares in that class of shares of Common Stock as at the time of the offer.

8. LOAN OR FINANCIAL ASSISTANCE

If the Company or an Associated Body Corporate offers an Australian Offeree any loan or other financial assistance for the purpose of acquiring any financial product to which the Offer relates, the Offer Document must disclose the conditions, obligations and risks associated with such loan or financial assistance.

9. LODGEMENT OF OFFER DOCUMENT WITH ASIC

The Company shall lodge a copy of the Offer Document (which need not contain details of the offer particular to the Australian Offeree such as the identity or entitlement of the Australian Offeree) and each accompanying document to ASIC not later than 7 days after the first provision of that material to an Australian Offeree.

10. COMPLIANCE WITH UNDERTAKINGS

The Company or an Australian Subsidiary shall comply with any undertaking required to be made in the Offer Document by the Class Order, such as the undertaking to provide pricing information on request.

* * * *

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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - 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: May 22, 2012

/s/ Jerald G. Fishman

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

CERTIFICATION

I, David A. Zinsner, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - 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: May 22, 2012

/s/ David A. Zinsner

David A. Zinsner
Vice President, Finance
and Chief Financial Officer
(Principal Financial Officer)

**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 May 5, 2012 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: May 22, 2012

/s/ Jerald G. Fishman

Jerald G. Fishman
Chief Executive Officer

**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 May 5, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, David A. Zinsner, 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: May 22, 2012

/s/ David A. Zinsner

David A. Zinsner
Chief Financial Officer