

REGISTRATION STATEMENT NO. 33-

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM S-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

ANALOG DEVICES, INC.  
(Exact name of registrant as specified in its charter)

MASSACHUSETTS  
(State or other jurisdiction of  
incorporation or organization)

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

ONE TECHNOLOGY WAY, NORWOOD, MASSACHUSETTS 02062-9106 (617) 329-4700  
(Address, including zip code, and telephone number, including area code, of  
registrant's principal executive offices)

PAUL P. BROUNTAS, ESQ.  
HALE AND DORR  
60 STATE STREET  
BOSTON, MASSACHUSETTS 02109  
(617) 526-6000

(Name, address, including zip code, and telephone number, including area code,  
of agent for service)

Copies to:

PAUL P. BROUNTAS, ESQ.  
MARK G. BORDEN, ESQ.  
HALE AND DORR  
60 State Street  
Boston, Massachusetts 02109  
(617) 526-6000

KEITH F. HIGGINS, ESQ.  
ROPES & GRAY  
One International Place  
Boston, Massachusetts 02110  
(617) 951-7000

Approximate date of commencement of proposed sale to public: As soon as  
practicable after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered  
pursuant to dividend or interest reinvestment plans, please check the following  
box. / /

If any of the securities being registered on this Form are to be offered on  
a delayed or continuous basis pursuant to Rule 415 under the Securities Act of  
1933, other than securities offered only in connection with dividend or interest  
reinvestment plans, check the following box. / /

If this Form is filed to register additional securities for an offering  
pursuant to Rule 462(b) under the Securities Act, please check the following box  
and list the Securities Act registration statement number of the earlier  
effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(c)  
under the Securities Act, please check the following box and list the Securities  
Act registration statement number of the earlier effective registration  
statement for the same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434,  
please check the following box. / /

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
% Convertible Subordinated Notes due 2000.....	\$230,000,000 (2)	100%	\$230,000,000 (2)	\$79,310.34
Common Stock, \$.16 2/3 par value(3)....	(4)			(5)

(1) Estimated solely for purposes of calculating the registration fee pursuant  
to Rule 457 under the Securities Act of 1933.

(2) Includes \$30,000,000 principal amount of Notes which the Underwriters have  
the option to purchase from the Company to cover over-allotments.

(3) Each share of Common Stock includes a right issued under the Rights  
Agreement dated as of January 28, 1988, as amended, between the Company and  
The First National Bank of Boston, as Rights Agent. See "Description of

Capital Stock--Stockholder Rights Plan."

- (4) Represents such indeterminate number of shares of Common Stock and rights as is required for issuance upon conversion of the Notes being registered hereunder in accordance with the terms thereof (which provide for adjustment of the initial conversion price under certain circumstances). No additional consideration will be received for the shares of Common Stock or the rights.
- (5) Pursuant to Rule 457(i) under the Securities Act of 1933, no registration fee is required with respect to the shares of Common Stock and rights as no separate consideration will be received for the shares of Common Stock and the rights issuable upon conversion of the Notes.

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THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), SHALL DETERMINE.  
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INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION, DATED NOVEMBER 7, 1995

\$200,000,000  
[ANALOG LOGO]  
% CONVERTIBLE SUBORDINATED NOTES DUE 2000  
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The Notes offered hereby will be convertible into Common Stock of Analog Devices, Inc. ("Analog" or the "Company") at any time after 60 days following the latest date of original issuance thereof and prior to maturity, unless previously redeemed, at a conversion price of \$ per share, subject to adjustment in certain events. See "Description of Notes -- Conversion Rights" for a description of events that may cause an adjustment to the conversion price. The Common Stock of the Company is traded on the New York Stock Exchange under the symbol "ADI." On November 6, 1995, the last reported sale price of the Common Stock on the New York Stock Exchange was \$38 1/4 per share. See "Price Range of Common Stock."

Interest on the Notes is payable on June 1 and December 1 of each year, commencing on June 1, 1996. The Notes are redeemable, in whole or in part, at the option of the Company at any time on or after December 1, 1998 at the redemption prices set forth herein, plus accrued interest, if any, to the redemption date. If a Change in Control (as defined herein) occurs, each holder of Notes will have the right, subject to certain conditions and restrictions, to require the Company to offer to repurchase all outstanding Notes, in whole or in part, owned by such holder at 100% of their principal amount, plus accrued interest, if any, to the date of repurchase. See "Description of Notes" for a more complete description of the Indenture's provisions. The Notes are subordinated to all existing and future Senior Indebtedness (as defined herein) of the Company and will be effectively subordinated to all indebtedness and other obligations of the Company's subsidiaries. At July 29, 1995, the Company had approximately \$80.1 million of outstanding Senior Indebtedness, and the subsidiaries of the Company had approximately \$75.1 million of indebtedness and other liabilities (other than indebtedness to the Company). The Indenture governing the Notes does not restrict the ability of the Company or its subsidiaries to incur additional indebtedness, including Senior Indebtedness.

Application has been made to have the Notes listed on the New York Stock Exchange.

SEE "RISK FACTORS" BEGINNING ON PAGE 6 FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE PURCHASERS OF THE NOTES OFFERED HEREBY.  
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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public(1)	Underwriting Discount(2)	Proceeds to Company(1) (3)
Per Note.....	%	%	%
Total(4).....	\$	\$	\$

- (1) Plus accrued interest, if any, from the date of initial issuance.
- (2) See "Underwriting" for information concerning indemnification of the Underwriters and other matters.
- (3) Before deducting expenses payable by the Company, estimated at \$525,000.
- (4) The Company has granted the Underwriters a 30-day option to purchase up to an additional \$30,000,000 aggregate principal amount of Notes at the Price to Public, less the Underwriting Discount, solely to cover over-allotments, if any. If the Underwriters exercise this option in full, the Price to Public will total \$ the Underwriting Discount will total \$ , and the Proceeds to Company will total \$ . See "Underwriting."

The Notes are offered by the Underwriters when, as and if delivered to and accepted by the Underwriters and subject to the right to reject any order in whole or in part. It is expected that delivery of the certificates representing the Notes will be made against payment therefor at the office of Montgomery Securities on or about , 1995.

, 1995

## AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). The reports and other information filed by the Company with the Commission can be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Regional Offices of the Commission at Seven World Trade Center, New York, New York 10048 and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such material also can be obtained from the Public Reference Section of the Commission, Washington, D.C. 20549 at prescribed rates. The Company's Common Stock is listed on the New York Stock Exchange. Reports, proxy materials and other information concerning the Company may also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

The Company has filed with the Commission a Registration Statement on Form S-3 under the Securities Act with respect to the Notes offered hereby. This Prospectus does not contain all of the information set forth in the Registration Statement and the exhibits and schedules thereto, certain portions of which are omitted as permitted by the rules and regulations of the Commission. For further information with respect to the Company and the Notes, reference is made to the Registration Statement, including the exhibits and schedules. The Registration Statement, together with its exhibits and schedules thereto, may be inspected, without charge, at the Commission's principal office at 450 Fifth Street, N.W., Washington, D.C. 20459, and also at the regional offices of the Commission listed above. Copies of such material may also be obtained from the Commission upon the payment of prescribed fees.

Statements contained in the Prospectus as to any contracts, agreements or other documents filed as an exhibit to the Registration Statement are not necessarily complete, and in each instance reference is hereby made to the copy of such contract, agreement or other document filed as an exhibit to the Registration Statement for a full statement of the provisions thereof, and each such statement in the Prospectus is qualified in all respects by such reference.

## INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

In accordance with the requirements of the Exchange Act, certain reports and other information are filed by the Company periodically with the Commission. The following documents filed by the Company with the Commission are incorporated herein by reference: (1) the Company's Annual Report on Form 10-K for the fiscal year ended October 29, 1994, (2) the Company's Quarterly Report on Form 10-Q for the quarter ended January 28, 1995, (3) the Company's Quarterly Report on Form 10-Q for the quarter ended April 29, 1995, (4) the Company's Quarterly Report on Form 10-Q for the quarter ended July 29, 1995 and (5) all documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after November 7, 1995 and prior to the date of this Prospectus.

All documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and before the termination of the offering shall be deemed incorporated herein by reference, and such documents shall be deemed to be a part hereof from the date of filing such documents. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement as so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will provide without charge to each person to whom this Prospectus is delivered, on the request of any such person, a copy of any or all of the above documents incorporated herein by reference (other than exhibits to such documents, unless such exhibits are specifically incorporated by reference into the documents that this Prospectus incorporates). Requests should be directed to Joseph E. McDonough, Vice President, Finance of Analog Devices, Inc., One Technology Way, Norwood, MA 02062-9106, telephone number (617) 329-4700.

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN MARKET PRICES OF THE NOTES OFFERED HEREBY OR SHARES OF THE COMPANY'S COMMON STOCK AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK STOCK EXCHANGE OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

## PROSPECTUS SUMMARY

The following summary is qualified in its entirety by reference to the more detailed information and Consolidated Financial Statements, including the notes thereto, appearing elsewhere in or incorporated by reference in this Prospectus. Unless the context indicates or requires otherwise, references in this Prospectus to the "Company" or "Analog" are to Analog Devices, Inc. and its subsidiaries. Unless otherwise indicated, all information in this Prospectus assumes that the Underwriters' over-allotment option is not exercised. See "Underwriting."

## THE COMPANY

Analog Devices, Inc. ("Analog" or the "Company") designs, manufactures and markets a broad line of high-performance linear, mixed-signal and digital integrated circuits ("ICs") that address a wide range of real-world signal processing applications. The Company's principal products include general-purpose, standard-function linear and mixed-signal ICs ("SLICs"), special-purpose linear and mixed-signal ICs ("SPLICs") and digital signal processing ICs ("DSP ICs"). The Company also manufactures and markets devices using assembled product technology.

Analog believes it is one of the world's largest suppliers of SLIC products. The Company's SLIC products are primarily high-performance, single-function devices. The majority of the Company's SLIC revenue is attributable to data converters (analog-to-digital and digital-to-analog) and amplifiers. Other SLIC products offered by the Company include analog signal-processing devices (such as analog multipliers), voltage references and comparators. SLICs are sold to a very large customer base for a wide variety of applications, including applications in the medical, engineering and scientific instruments market, factory automation market and military/aerospace market.

Over the past five years, Analog has sought to balance its traditionally stable SLIC business with the growth opportunities available for SPLICs and DSP ICs, particularly in the communications and computer markets. Analog's SPLIC and DSP IC products feature high levels of functional integration on a single chip and are designed to address customers' needs to incorporate increasingly greater levels of real-world signal processing capability in their products. The Company's SPLIC and DSP ICs include products used in wireless communication applications, such as digital mobile phones and base stations, and computer applications, such as audio enhancement in multimedia PCs.

To build upon its position as a leader in real-world signal processing, the Company is pursuing strategies that include: (i) expanding its traditional SLIC business, (ii) becoming a major supplier of general-purpose DSP ICs, (iii) pursuing growth opportunities for system-level signal-processing ICs, and (iv) leveraging its core technologies to develop innovative products.

## RECENT OPERATING RESULTS

On November 7, 1995, the Company announced its estimated results for the fourth quarter of fiscal 1995. The Company reported that for the fourth quarter its sales are expected to be approximately \$257 million and, based on such sales, its earnings per share are expected to be from \$0.42 to \$0.44. The Company also reported bookings of approximately \$301 million in the fourth quarter. Based on these preliminary results for the fourth quarter, the Company estimated that for fiscal 1995 its sales would total approximately \$941 million and that, based on such sales, its earnings per share would be from \$1.48 to \$1.50.

## THE OFFERING

Securities Offered.....	\$200,000,000 aggregate principal amount of % Convertible Subordinated Notes due 2000 (the "Notes").
Interest Payment Dates.....	June 1 and December 1, commencing June 1, 1996.
Maturity.....	December 1, 2000.
Conversion.....	The Notes are convertible into the Company's Common Stock at any time after 60 days following the latest date of original issuance thereof and prior to maturity, unless previously redeemed, at a conversion price of \$ per share, subject to adjustment in certain events.
Redemption at Option of Company.....	The Notes are redeemable at the prices set forth herein, in whole or in part, at the option of the Company, at any time on or after December 1, 1998. See "Description of Notes -- Optional Redemption."
Company Repurchase at Option of Holders.....	The Notes are repurchaseable at the option of the holder upon a Change in Control (as defined under "Description of Notes -- Repurchase at Option of Holders Upon a Change in Control") at 100% of the principal amount thereof, plus accrued interest to the repurchase date.
Subordination.....	The Notes are subordinated to all existing and future Senior Indebtedness (as defined herein) of the Company, and will be effectively subordinated to all indebtedness and other liabilities of the Company's subsidiaries. At July 29, 1995, the Company had approximately \$80.1 million of outstanding Senior Indebtedness, and the subsidiaries of the Company had approximately \$75.1 million of outstanding indebtedness and other liabilities (other than indebtedness to the Company). The Indenture governing the Notes does not restrict the ability of the Company or its subsidiaries to incur additional indebtedness, including Senior Indebtedness.
Use of Proceeds.....	The Company intends to use the net proceeds from the sale of the Notes for expansion of manufacturing capacity and other general corporate purposes, including working capital. See "Use of Proceeds."
Listing.....	Application has been made to list the Notes on the New York Stock Exchange. The Common Stock is listed on the New York Stock Exchange under the symbol "ADI."

SUMMARY CONSOLIDATED FINANCIAL DATA  
(IN THOUSANDS, EXCEPT PER SHARE DATA AND RATIOS)

	FISCAL YEAR ENDED (1)					NINE MONTHS ENDED	
	NOV. 3, 1990 (2) (3)	NOV. 2, 1991 (2)	OCT. 31, 1992	OCT. 30, 1993	OCT. 29, 1994	JULY 30, 1994	JULY 29, 1995
<b>CONSOLIDATED STATEMENT OF OPERATIONS</b>							
DATA:							
Net sales.....	\$485,214	\$537,738	\$567,315	\$666,319	\$773,474	\$570,173	\$684,352
Gross margin.....	240,960	265,314	265,637	315,467	379,026	277,182	346,372
Operating income.....	6,218	17,377	26,172	62,685	101,816	72,827	111,184
Income (loss) before income taxes.....	(13,563)	9,382	18,965	55,525	96,911	68,394	111,819
Net income (loss).....	\$ (12,913)	\$ 8,203	\$ 14,935	\$ 44,457	\$ 74,496	\$ 52,823	\$ 84,136
Net income (loss) per share(4).....	\$ (0.18)	\$ 0.12	\$ 0.21	\$ 0.59	\$ 0.96	\$ 0.68	\$ 1.06
Shares used in computing net income							
(loss) per share(4).....	70,415	70,329	71,624	75,695	77,271	77,004	79,064
OTHER DATA:							
EBITDA(5).....	\$ 52,994	\$ 70,082	\$ 81,122	\$122,498	\$163,100	\$118,895	\$158,231
Capital expenditures, net.....	39,029	52,270	65,654	67,155	90,856	42,783	145,838
Ratio of earnings to fixed charges(6)...	--(7)	2.4x	3.6x	7.1x	10.0x	9.5x	18.0x
Ratio of EBITDA to gross interest							
expense.....	16.6x	14.7x	13.6x	17.1x	22.8x	21.8x	48.8x

JULY 29, 1995

ACTUAL	AS ADJUSTED (8)
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CONSOLIDATED BALANCE SHEET DATA:

Working capital.....	\$ 284,570	\$ 479,545
Total assets.....	911,536	1,111,536
Long-term obligations.....	80,000	280,000
Stockholders' equity.....	619,647	619,647

- (1) The Company's fiscal year ends on the Saturday closest to the last day in October. Fiscal years 1991, 1992, 1993 and 1994 were each 52-week years. Fiscal year 1990 was a 53-week year.
- (2) In fiscal years 1990 and 1991, the Company recorded restructuring charges of \$18.5 million and \$7.0 million, respectively, related to the consolidation of certain manufacturing, sales and administrative operations worldwide. These charges provided for the cost of employee separations, facility consolidations, equipment write-downs and disposals and other restructuring costs.
- (3) Other expense in fiscal year 1990 includes investment valuation expense totaling \$18.3 million related to reserves recorded against investments in the Company's previously operated venture capital division.
- (4) Adjusted to reflect the three-for-two stock split effected in the form of a 50% stock dividend distributed on January 4, 1995.
- (5) EBITDA is defined as earnings before interest expense, interest income, other expenses, taxes on income, depreciation and amortization. EBITDA is presented here to provide additional information about the Company's ability to meet its future debt service, capital expenditure, and working capital requirements and should not be construed as a substitute for or a better indicator of results of operations or liquidity than net income or cash flow from operating activities computed in accordance with generally accepted accounting principles.
- (6) The ratio of earnings to fixed charges is computed by dividing income before income taxes and fixed charges by fixed charges. Fixed charges consist of interest on all indebtedness, amortization of debt offering costs, and the estimated interest component of rental expense.
- (7) As a result of the loss incurred in fiscal year 1990, the Company was unable to cover fixed charges. The amount of such coverage deficiency was \$14.1 million.
- (8) Adjusted to reflect the sale of the Notes offered hereby and the receipt of the estimated net proceeds.



## RISK FACTORS

Prospective purchasers of the Notes offered hereby should carefully consider the following risk factors in addition to the other information contained in, or incorporated by reference in, this Prospectus before purchasing the Notes offered hereby.

**POTENTIAL FLUCTUATIONS IN OPERATING RESULTS.** The Company's operating results are affected by a wide variety of factors, including the timing of new product announcements or introductions by the Company and its competitors, competitive pricing pressures, fluctuations in manufacturing yields, availability of manufacturing capacity, changes in product mix and economic conditions in the United States and international markets. In addition, the semiconductor market has historically been cyclical and subject to significant economic downturns at various times. While the semiconductor industry in recent periods has experienced increased demand and production capacity constraints, it is uncertain how long these conditions will continue. As a result of these and other factors, there can be no assurance that the Company will not experience material fluctuations in future operating results on a quarterly or annual basis.

**DEPENDENCE ON NEW PRODUCTS AND NEW MARKETS.** The Company's success depends in part on its continued ability to develop and market new products. There can be no assurance that the Company will be able to develop and introduce new products in a timely manner or that such products, if developed, will achieve market acceptance. In addition, the Company's growth is dependent on its continued ability to penetrate new markets such as the computer, communications and automotive segments of the electronics market, where the Company has limited experience and competition is intense. The electronics market is characterized by rapidly changing technology and evolving industry standards. There can be no assurance that the markets being served by the Company will continue to grow, that the Company's existing and new products will meet the requirements of such markets or that the Company's products will achieve customer acceptance in such markets.

**MANUFACTURING CAPACITY LIMITATIONS.** The Company's manufacturing facilities are operating at full capacity, and therefore Analog's business is currently constrained. While the Company is planning in fiscal 1996 to increase substantially its manufacturing capacity through both expansion of its production facilities and increased access to third-party wafer foundries, there can be no assurance that the Company will complete the expansion of its production facilities or secure increased access to third party foundries in a timely manner, that the Company will not encounter unanticipated production problems at either its own facilities or at third-party foundries or that the increased capacity will be sufficient to satisfy demand for its products. The Company relies, and plans to continue to rely, on third-party wafer fabricators to supply most of its wafers that can be manufactured using industry-standard digital processes, and such reliance involves several risks, including the absence of adequate guaranteed capacity and reduced control over delivery schedules, manufacturing yields and costs. Continued manufacturing capacity constraints could adversely affect the business of the Company's customers and cause them to seek alternative sources for the products currently obtained from the Company. In addition, the Company's capacity additions will result in a significant increase in operating expenses, and if revenue levels do not increase to offset these additional expense levels, the Company's future operating results could be adversely affected. See "Business -- Manufacturing Capacity."

The Company believes that other semiconductor manufacturers are also expanding or planning to expand their production capacity over the next several years, and there can be no assurance that the expansion by the Company and its competitors will not lead to overcapacity in the Company's target markets, which could lead to price erosion that would adversely affect the Company's operating results.

**COMPETITION.** The semiconductor industry is intensely competitive. Certain of the Company's competitors have greater technical, marketing, manufacturing and financial resources than the Company. The Company's competitors also include emerging companies attempting to sell products to specialized markets such as those served by the Company. Competitors of the Company have, in some cases, developed and marketed products having similar design and functionality as the Company's products. There can be no assurance that the Company will be able to compete successfully in the future against existing or new competitors or that the Company's operating results will not be adversely affected by increased price competition.

**MANUFACTURING RISKS.** The fabrication of integrated circuits involves highly complex and precise processes that are continuously being modified in an effort to improve yields and product performance. Minute impurities or other difficulties in the manufacturing process can lower yields. As the Company continues to increase its manufacturing output and its use of third-party foundries, there can be no assurance that the Company will not experience a decrease in manufacturing yields or other manufacturing problems. Decreased yields could adversely affect gross margin and operating results. If the Company were unable to use any manufacturing facility, as a result of a natural disaster or otherwise, the Company's operations would be materially adversely affected.

**PATENTS AND INTELLECTUAL PROPERTY.** The semiconductor industry is characterized by frequent claims and litigation involving patent and other intellectual property rights. The Company has from time to time received, and may in the future receive, claims from third parties asserting that the Company's products or processes infringe their patents or other intellectual property rights. In the event a third party makes a valid intellectual property claim and a license is not available on commercially reasonable terms, the Company's operating results could be materially and adversely affected. Litigation may be necessary to enforce patents or other intellectual property rights of the Company or to defend the Company against claims of infringement, and such litigation can be costly and divert the attention of key personnel. See "Business -- Legal Proceedings" for information concerning pending litigation involving the Company.

**INTERNATIONAL OPERATIONS.** For the nine months ended July 29, 1995, 57% of Analog's revenues were derived from customers in international markets. The Company has manufacturing facilities in Ireland, the Philippines and Taiwan. The Company is therefore subject to the economic and political risks inherent in international operations, including air transportation disruptions, currency controls and changes in currency exchange rates, tax and tariff rates and freight rates. Although the Company engages in hedging transactions to reduce its exposure to currency exchange rate fluctuations, there can be no assurance that such hedging efforts will be successful or that the Company's competitive position will not be adversely affected by changes in the exchange rate of the U.S. dollar against other currencies.

**STOCK PRICE VOLATILITY.** The trading price of the Company's Common Stock may be subject to wide fluctuations in response to quarter-to-quarter variations in operating results, announcements of new products by the Company or its competitors, general conditions in the semiconductor industry, changes in earnings estimates and recommendations by analysts or other events. In future quarters, if the Company's financial performance were to fall below the performance predicted by securities analysts, the Company's stock price could decline. In addition, the public stock markets have experienced extreme price and trading volume volatility that has significantly affected the market prices of securities of many high technology companies and that has often been unrelated or disproportionate to the operating performance of these companies. These factors may adversely affect the market price of the Common Stock. See "Price Range of Common Stock and Dividend Policy."

**SUBORDINATION OF NOTES.** The Notes will be unsecured subordinated obligations of the Company and will be subordinated to the prior payment in full of all Senior Indebtedness (as defined in the Indenture) of the Company. The Notes will also be effectively subordinated to all indebtedness and other liabilities of the Company's subsidiaries. As of July 29, 1995, the Company had approximately \$80.1 million of outstanding indebtedness which constituted Senior Indebtedness. In addition, as of July 29, 1995, subsidiaries of the Company had outstanding an aggregate of approximately \$75.1 million of indebtedness and other liabilities to which the Notes are effectively subordinated. The Indenture will not limit the amount of additional indebtedness, including Senior Indebtedness, which the Company or any of its subsidiaries can create, incur, assume or guaranty. No payment on account or principal, premium, if any, or interest on, or redemption or repurchase of, the Notes may be made by the Company if there is a default in the payment of principal, premium, if any, or interest (including a default under any repurchase or redemption obligation) with respect to any Senior Indebtedness or if any other event of default with respect to any Senior Indebtedness permitting the holders thereof to accelerate the maturity thereof shall have occurred and shall not have been cured or waived. Upon any acceleration of the principal due on the Notes or payment or distribution of assets of the Company to creditors upon any dissolution, winding-up, liquidation or reorganization, all principal, premium,

if any, and interest due on all Senior Indebtedness must be paid in full before the holders of the Notes are entitled to receive any payment. See "Description of Notes -- Subordination."

LIMITATION ON REPURCHASE OF NOTES. Upon a Change in Control (as defined), each holder of Notes will have certain rights, at the holder's option, to require the Company to repurchase all or a portion of such holder's Notes. If a Change in Control were to occur, there can be no assurance that the Company would have sufficient funds to pay the repurchase price for all Notes tendered by the holders thereof. In addition, the Company's repurchase of Notes as a result of the occurrence of a Change in Control may be prohibited or limited by, or create an event of default under, the terms of agreements relating to borrowings of the Company, including agreements relating to Senior Indebtedness. See "Description of Notes -- Repurchase at Option of Holders Upon a Change in Control."

ABSENCE OF PUBLIC MARKET FOR NOTES. The Notes will be a new issue of securities with no established trading market. While the Company has applied for listing of the Notes on the New York Stock Exchange, there can be no assurance that an active trading market will develop or be maintained.

## USE OF PROCEEDS

The net proceeds from the sale of the Notes offered hereby are estimated to be approximately \$195 million (approximately \$224 million if the Underwriters' over-allotment option is exercised in full), after deducting the estimated underwriting discount and offering expenses. The Company intends to use the net proceeds for expansion of its manufacturing capacity and other general corporate purposes, including working capital. The Company plans to make capital expenditures of approximately \$275 million in fiscal 1996, primarily in connection with the expansion of its manufacturing capacity, and the Company plans to use a portion of the net proceeds for such purposes. In addition, the Company is continuing to explore various options for increasing its manufacturing capacity, including joint ventures, acquisitions, equity investments in or loans to wafer suppliers and construction of additional facilities, and the Company may use a portion of the net proceeds of this offering for such purposes. Pending such uses, the Company intends to invest the net proceeds in investment grade securities and interest-bearing obligations.

## PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

The Company's Common Stock is traded on the New York Stock Exchange under the symbol "ADI." The following table sets forth, for the periods indicated, the high and low sale prices per share of Common Stock as reported on the NYSE Composite Transactions Tape.

	HIGH -----	LOW -----
FISCAL YEAR ENDED OCTOBER 29, 1994		
First Quarter.....	\$17.50	\$12.88
Second Quarter.....	20.75	16.38
Third Quarter.....	20.88	16.38
Fourth Quarter.....	24.50	17.63
FISCAL YEAR ENDED OCTOBER 28, 1995		
First Quarter.....	\$24.38	\$20.38
Second Quarter.....	28.13	20.00
Third Quarter.....	37.88	25.63
Fourth Quarter.....	39.38	29.75
FISCAL YEAR ENDING NOVEMBER 2, 1996		
First Quarter (through November 6, 1995).....	\$38.88	\$34.50

The last reported sale price of the Common Stock as reported on the NYSE Composite Transactions Tape was \$38 1/4 on November 6, 1995. As of October 28, 1995, there were approximately 4,474 holders of record of the Common Stock.

On November 30, 1994, the Company's Board of Directors authorized a three-for-two stock split effected in the form of a 50% stock dividend distributed on January 4, 1995. All stock prices in the table above have been restated to reflect the split.

The Company's bank credit agreement restricts the aggregate of all cash dividend payments declared or made subsequent to January 30, 1993 to an amount not exceeding \$29,734,000 plus 50% of the consolidated net income of the Company for the period from January 31, 1993 through the end of the Company's then most recent fiscal quarter. At July 29, 1995, this amount was equal to \$127,215,000. Although prior credit agreements may not have restricted the payment of dividends, the Company has never paid any cash dividends on its Common Stock.

## CAPITALIZATION

The following table sets forth the short-term obligations and the capitalization of the Company as of July 29, 1995, and as adjusted to give effect to the sale of the Notes and the receipt of the estimated net proceeds therefrom.

	JULY 29, 1995	
	ACTUAL	AS ADJUSTED
	(IN THOUSANDS)	
Short-term obligations:		
Short-term borrowings.....	\$ 2,155	\$ 2,155
Current portion of capital lease obligations.....	96	96
Total short-term obligations.....	\$ 2,251	\$ 2,251
Long-term obligations:		
6 5/8% Notes due 2000.....	\$ 80,000	\$ 80,000
% Convertible Subordinated Notes due 2000.....	--	200,000
Total long-term obligations.....	80,000	280,000
Stockholders' equity:		
Preferred stock, \$1.00 par value, 500,000 shares authorized; none outstanding.....	--	--
Common stock, \$.16 2/3 par value, 300,000,000 shares authorized; 76,214,980 shares issued(1).....	12,703	12,703
Capital in excess of par value, net of deferred compensation....	154,700	154,700
Retained earnings.....	446,330	446,330
Cumulative translation adjustment.....	5,999	5,999
Common shares in treasury, at cost, 2,777 shares.....	(85)	(85)
Total stockholders' equity.....	619,647	619,647
Total capitalization.....	\$699,647	\$899,647

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(1) Excludes a total of 12,547,830 shares reserved for issuance as of July 29, 1995 under the Company's employee and director stock option plans (the "Plans") and a warrant agreement. At July 29, 1995, 8,366,468 shares were issuable upon exercise of options granted under the Plans and 1,500,000 shares were issuable upon exercise of outstanding warrants. As of October 28, 1995, there were 76,354,704 shares of Common Stock issued and outstanding.

## SELECTED CONSOLIDATED FINANCIAL DATA

The following table sets forth selected financial data and other operating information of the Company. The consolidated statement of operations data set forth below for the fiscal years ended October 31, 1992, October 30, 1993 and October 29, 1994, and the consolidated balance sheet data as of October 31, 1992, October 30, 1993 and October 29, 1994 are derived from the consolidated financial statements of the Company which have been audited by Ernst & Young LLP, independent auditors. Ernst & Young LLP's report on the consolidated financial statements for the year ended October 29, 1994, which is incorporated by reference elsewhere herein, includes an explanatory paragraph that describes claims and actions brought against the Company discussed in Note 6 to the consolidated financial statements. The consolidated statement of operations data for the fiscal years ended November 3, 1990 and November 2, 1991, and the consolidated balance sheet data as of November 3, 1990 and November 2, 1991 are derived from the consolidated financial statements of the Company that have also been audited by Ernst & Young LLP but are not incorporated herein by reference. The financial data as of July 29, 1995 and for the nine-month periods ended July 30, 1994 and July 29, 1995 are derived from unaudited consolidated financial statements of the Company and reflect all adjustments, consisting only of normal recurring accruals, which the Company considers necessary for a fair presentation of the consolidated financial position and the consolidated results of operations for these periods. Operating results for the nine months ended July 29, 1995 are not necessarily indicative of the results that may be expected for future periods or for the year ended October 28, 1995. The following selected consolidated financial data should be read in conjunction with the consolidated financial statements and related notes and other financial information included or incorporated by reference herein.

	FISCAL YEAR ENDED(1)					NINE MONTHS ENDED	
	NOV. 3, 1990	NOV. 2, 1991	OCT. 31, 1992	OCT. 30, 1993	OCT. 29, 1994	JULY 30, 1994	JULY 29, 1995
	(IN THOUSANDS, EXCEPT PER SHARE DATA AND RATIOS)						
<b>CONSOLIDATED STATEMENT OF OPERATIONS DATA:</b>							
Net sales.....	\$485,214	\$537,738	\$567,315	\$666,319	\$773,474	\$570,173	\$684,352
Cost of sales.....	244,254	272,424	301,678	350,852	394,448	292,991	337,980
Gross margin.....	240,960	265,314	265,637	315,467	379,026	277,182	346,372
Operating expenses:							
Research and development.....	80,306	89,001	88,172	94,107	106,869	77,821	98,551
Selling, marketing, general and administrative.....	135,926	151,936	151,293	158,675	170,341	126,534	136,637
Restructuring of operations.....	18,510 (2)	7,000 (2)	--	--	--	--	--
Total operating expenses.....	234,742	247,937	239,465	252,782	277,210	204,355	235,188
Operating income.....	6,218	17,377	26,172	62,685	101,816	72,827	111,184
Nonoperating expenses (income):							
Interest expense.....	3,190	4,778	5,976	7,184	7,149	5,455	3,242
Interest income.....	(2,830)	(771)	(867)	(1,417)	(5,165)	(3,059)	(5,903)
Other.....	19,421 (3)	3,988	2,098	1,393	2,921	2,037	2,026
Total nonoperating expenses (income).....	19,781	7,995	7,207	7,160	4,905	4,433	(635)
Income (loss) before income taxes.....	(13,563)	9,382	18,965	55,525	96,911	68,394	111,819
Provision for (benefit from) income taxes.....	(650)	1,179	4,030	11,068	22,415	15,571	27,683
Net income (loss).....	\$ (12,913)	\$ 8,203	\$ 14,935	\$ 44,457	\$ 74,496	\$ 52,823	\$ 84,136
Net income (loss) per share(4).....	\$ (0.18)	\$ 0.12	\$ 0.21	\$ 0.59	\$ 0.96	\$ 0.68	\$ 1.06
Shares used in computing net income (loss) per share(4).....	70,415	70,329	71,624	75,695	77,271	77,004	79,064
<b>OTHER DATA:</b>							
EBITDA(5).....	\$ 52,994	\$ 70,082	\$ 81,122	\$122,498	\$163,100	\$118,895	\$158,231
Capital expenditures, net.....	39,029	52,270	65,654	67,155	90,856	42,783	145,838
Ratio of earnings to fixed charges(6):...	-- (7)	2.4x	3.6x	7.1x	10.0x	9.5x	18.0x
Ratio of EBITDA to gross interest expense:.....	16.6x	14.7x	13.6x	17.1x	22.8x	21.8x	48.8x

	FISCAL YEAR ENDED (1)					NINE MONTHS ENDED	
	NOV. 3, 1990	NOV. 2, 1991	OCT. 31, 1992	OCT. 30, 1993	OCT. 29, 1994	JULY 30, 1994	JULY 29, 1995
CONSOLIDATED STATEMENT OF OPERATIONS DATA AS A PERCENTAGE OF NET SALES:							
Net sales.....	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales.....	50.3	50.7	53.2	52.7	51.0	51.4	49.4
Gross margin.....	49.7	49.3	46.8	47.3	49.0	48.6	50.6
Operating expenses:							
Research and development.....	16.6	16.5	15.5	14.1	13.8	13.6	14.4
Selling, marketing, general and administrative.....	28.0	28.3	26.7	23.8	22.0	22.2	20.0
Restructuring of operations.....	3.8	1.3	--	--	--	--	--
Total operating expenses.....	48.4	46.1	42.2	37.9	35.8	35.8	34.4
Operating income.....	1.3	3.2	4.6	9.4	13.2	12.8	16.2
Interest expense, interest income and other, net.....	4.1	1.5	1.3	1.1	0.7	0.8	(0.1)
Income (loss) before income taxes.....	(2.8)	1.7	3.3	8.3	12.5	12.0	16.3
Provision for (benefit from) income taxes...	(0.1)	0.2	0.7	1.6	2.9	2.7	4.0
Net income (loss).....	(2.7)%	1.5%	2.6%	6.7%	9.6%	9.3%	12.3%

NOV. 3, 1990	NOV. 2, 1991	OCT. 31, 1992	OCT. 30, 1993	OCT. 29, 1994	JULY 29, 1995
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(IN THOUSANDS)

## CONSOLIDATED BALANCE SHEET DATA:

Working capital.....	\$126,054	\$151,886	\$197,404	\$270,365	\$299,271	\$284,570
Property, plant and equipment, net.....	223,862	223,962	237,423	248,430	281,815	383,581
Total assets.....	487,188	503,317	561,867	678,492	815,871	911,536
Long-term obligations.....	24,129	36,819	70,632	100,297	80,061	80,000
Stockholders' equity.....	342,724	354,445	375,017	432,018	521,915	619,647

- (1) The Company's fiscal year ends on the Saturday closest to the last day in October. Fiscal years 1991, 1992, 1993 and 1994 were each 52-week years. Fiscal year 1990 was a 53-week year.
- (2) In fiscal years 1990 and 1991, the Company recorded restructuring charges of \$18.5 million and \$7.0 million, respectively, related to the consolidation of certain manufacturing, sales and administrative operations worldwide. These charges provided for the cost of employee separations, facility consolidations, equipment write-downs and disposals and other restructuring costs.
- (3) Other expense in fiscal year 1990 includes investment valuation expense totaling \$18.3 million related to reserves recorded against investments in the Company's previously operated venture capital division.
- (4) Adjusted to reflect the three-for-two stock split effected in the form of a 50% stock dividend distributed on January 4, 1995.
- (5) EBITDA is defined as earnings before interest expense, interest income, other expenses, taxes on income, depreciation and amortization. EBITDA is presented here to provide additional information about the Company's ability to meet its future debt service, capital expenditure, and working capital requirements and should not be construed as a substitute for or a better indicator of results of operations or liquidity than net income or cash flow from operating activities computed in accordance with generally accepted accounting principles.
- (6) The ratio of earnings to fixed charges is computed by dividing income before income taxes and fixed charges by fixed charges. Fixed charges consist of interest on all indebtedness, amortization of debt offering costs, and the estimated interest component of rental expense.
- (7) As a result of the loss incurred in fiscal year 1990, the Company was unable to cover fixed charges. The amount of such coverage deficiency was \$14.1 million.

## BUSINESS

Analog Devices, Inc. ("Analog" or the "Company") designs, manufactures and markets a broad line of high performance linear, mixed-signal and digital integrated circuits ("ICs") that address a wide range of real-world signal processing applications. The Company's principal products include general-purpose, standard-function linear and mixed-signal ICs ("SLICs"), special-purpose linear and mixed-signal ICs ("SPLICs") and digital signal processing ICs ("DSP ICs"). The Company also manufactures and markets devices using assembled product technology.

## INDUSTRY BACKGROUND

Real-world phenomena, such as temperature, pressure, sound, images, speed, acceleration, position and rotation angle, are inherently analog in nature, consisting of continuously varying information. This information can be detected and measured using analog sensors, which represent real-world phenomena by generating continuously varying voltages and currents. The signals from these sensors are initially processed using analog methods, such as amplification, filtering and shaping. They are then usually converted to digital form for input to a microprocessor, which is used to manipulate, store or display the information. In many cases the signals are further processed after conversion to digital form using a technology called "digital signal processing." In addition, digital signals are frequently converted to analog form to provide signals for analog display, sound, or control functions. These manipulations and transformations are collectively known as "real-world signal processing."

Significant advances in semiconductor technology over the past 10 to 15 years have led to substantial increases in the performance and functionality of ICs used for signal processing applications. These advances include the ability to create VLSI (Very Large Scale Integration) mixed-signal ICs that contain both high-performance analog circuitry and large amounts of high-density digital circuitry. The analog circuitry portion of the IC is used for manipulating real-world signals while still in analog form and for converting analog signals into digital form (or vice versa), and the digital portion is used for further processing analog signals subsequent to their conversion to digital form. The ICs resulting from these advances are used as components in equipment and systems to achieve higher performance and more efficient signal processing.

## COMPANY OVERVIEW AND STRATEGY

Analog believes it is one of the world's largest suppliers of SLIC products. The Company's SLIC products are primarily high-performance, single-function devices. The majority of the Company's SLIC revenue is attributable to data converters (analog-to-digital and digital-to-analog) and amplifiers. SLICs are sold to a very large customer base for a wide variety of applications, including applications in the medical, engineering and scientific instruments market, factory automation market and military/aerospace market.

Over the past five years, Analog has sought to balance its traditionally stable SLIC business with the growth opportunities available for SPLICs and DSP ICs. Building upon its expertise in linear IC technology, the Company has developed special-purpose linear and mixed-signal ICs tailored to specific high-volume applications in target markets. The Company also has extended its expertise in analog signal processing and data conversion to develop DSP ICs. The Company's SPLICs and DSP ICs address the emerging demand for high levels of performance in many computer, communications and other high volume applications. These products have a high level of functionality (i.e., many functions on one chip) to satisfy OEMs' requirements for an integrated solution with low cost per function.

To build upon its position as a leader in real-world signal processing, Analog is pursuing strategies that include the following:

- Expand Traditional SLIC Business. The Company has taken a three-pronged approach to grow its SLIC business. First, it is seeking to solidify its leading position in the market for general purpose operational amplifiers and data converters, particularly in instrumentation and factory automation applications. Second, it is expanding its SLIC product portfolio to address other market segments, such as power management ICs for laptop computers and mobile phones and interface ICs for modems and printers. Third, the Company is developing SLICs for new high volume applications in the computer,



communications and consumer markets, including radio frequency ("RF") products for both wireless and broadband wired communication applications.

- Become a Major Supplier of General-Purpose DSP ICs. The Company's general-purpose DSP ICs consist of a family of programmable 16-bit fixed point and 32-bit floating point DSPs. These products offer processing speed, ease of programming and on-chip memory that allow system designers to cost effectively implement complex algorithms for signal processing applications. Analog believes that this product line will enable it to build a leading position in the general-purpose DSP market, principally for computer and communications applications.
- Pursue Growth Opportunities for System-Level Signal-Processing ICs. The Company is leveraging its expertise in both analog signal processing and data conversion to develop SPLICs and DSP ICs that provide system-level solutions for various growth applications, particularly in the communications and computer markets. The Company's system-level ICs often replace a combination of SLICs and general-purpose DSPs that are used by customers in their initial product designs. The Company offers system-level ICs for wireless communications applications such as digital mobile phones and base stations, and for computer applications such as audio enhancement in multimedia PCs.
- Leverage Core Technologies to Develop Innovative Products. The Company plans to continue applying its core technologies to develop a continuous flow of new products. In addition, the Company plans to continue to extend its core technologies to include new technologies, such as RF signal processing, which Analog has used primarily for wireless communications applications, and surface micromachining, which Analog has used to develop its accelerometer for automobile airbag systems. The Company intends to use its micromachining technology to address other applications outside the automotive industry.

PRINCIPAL PRODUCTS

Analog's products can be divided into four classifications: SLICs; SPLICs and DSP ICs; hard disk drive ICs; and assembled products. The following table sets forth the approximate percentage of revenue attributable to each of the Company's four product groups for the periods indicated:

PRODUCTS	FISCAL YEAR		NINE MONTHS
	1993	1994	ENDED JULY 29, 1995
SLICs.....	60%	59%	64%
SPLICs and DSP ICs.....	20	21	23
Hard Disk Drive ICs.....	6	9	4
Assembled Products.....	14	11	9

SLICs

Analog believes that it is one of the world's largest suppliers of SLIC products. SLICs have been the foundation of the Company's business for more than 20 years. The Company's SLIC products are primarily high-performance, single-function devices. The majority of the Company's SLIC revenue is attributable to data converters (analog-to-digital and digital-to-analog) and amplifiers. Other SLIC products offered by the Company include analog signal-processing devices (such as analog multipliers), voltage references and comparators. The Company is currently expanding its SLIC product offerings in areas where it traditionally has had limited focus, principally interface circuits and power management ICs. It is also expanding its SLIC product line to include a much larger number of products designed to operate from single-supply 3- or 5-volt power sources to better meet the needs of customers designing portable, battery-operated equipment.

Analog's SLIC products tend to be general purpose in nature, which allows customers to incorporate them in a wide variety of equipment and systems. Analog's product portfolio includes several hundred SLICs, any one of which can have as many as several hundred customers. SLICs typically have long product life cycles. The Company's SLIC customers include both OEMs and customers who build equipment for their own use. Historically, most SLICs have been purchased by OEMs which serve the industrial and mili-

tary/aerospace markets, but they are now also being used for applications in personal computers ("PCs"), peripheral equipment used with PCs and computers, and commercial and consumer communications equipment.

By using standard, high performance, readily available, off-the-shelf components in their designs, Analog's customers can reduce the time required to develop and bring new products to market. Given the high cost of developing customized ICs, SLICs usually provide the most cost-effective solutions for low- to medium-volume applications. In addition, combinations of SLICs connected together on a printed circuit board can provide functionality that cannot currently be implemented with a single-chip device.

#### SPLICs and DSP ICs

SPLICs and DSP ICs, which are collectively referred to as system-level ICs, are multi-function devices that feature high levels of functional integration on a single chip. Most SPLICs are mixed-signal devices (some of which include DSP capability) and the balance are linear-only devices. SPLICs are almost always designed to the requirements of a specific application, and the design process often includes significant input from one or more potential key customers. Market demand for SPLICs is driven by the benefits that result from combining a number of functions on a single circuit as opposed to a combination of SLICs and other ICs. These benefits include higher performance, lower cost per function, smaller size, lower weight, fewer parts and decreased power consumption. These products enable customers to achieve easier design-ins and faster time to market. The Company believes that these benefits are becoming more important to the Company's OEM customers as they increase their focus on high-performance, small, lightweight products, many of which are battery powered.

The Company's general-purpose DSP ICs are designed to efficiently execute specialized programs (algorithms) associated with processing real-time, real-world data. The Company's fixed-point and floating-point DSP ICs share a common architecture and code compatibility, which allows system designers to address cost, performance and time-to-market constraints. Analog's DSP ICs are supported with specialized applications and easy-to-use, low-cost design tools, which reduce product development cost and time to market.

The Company's DSP ICs include general purpose DSPs and mixed-signal ICs that include a DSP core along with data conversion and analog signal processing circuitry. Demand for system level ICs that incorporate both DSP functionality and sophisticated mixed-signal capability tailored to specific applications is increasing as customers continue to demand as much functionality as possible from a single chip.

#### Hard Disk Drive ICs

ICs in this product category are used in hard disk drives that serve as rotating mass storage devices in end products such as PCs, workstations and network servers. These ICs process analog signals from a hard disk drive's read/write head during read operations and position the read/write head over the desired track on a hard disk drive platter during read and write operations.

#### Assembled Products

The Company's assembled products consist of hybrids, printed-board modules and multi-chip modules ("MCMs"). A hybrid consists of several chips and discrete components mounted and wired together on a substrate. A printed-board module consists of surface-mount components assembled on a small printed board that is then encapsulated in a small plastic case. An MCM consists of several chips assembled in an automated fashion in a multilayer package that provides high interconnect density at low cost.

Revenues from this product group have been declining since 1989, as hybrids have been replaced in many new designs with smaller, lower-cost monolithic ICs that offer higher levels of performance and integration. The Company plans to continue to market printed-board modules (primarily input/output modules used for industrial control and factory automation) as it pursues selected opportunities for new MCMs with growth potential.

## MARKET AND APPLICATIONS

The Company's products are sold primarily to original equipment manufacturers ("OEMs") that incorporate the Company's products in equipment, instruments and systems sold to end users for a wide variety of applications, including computers and computer peripherals; communications equipment; engineering, medical and scientific instruments; factory automation equipment; military/aerospace equipment; and high-end consumer electronics products. The Company's growth has been aided both by the expansion of these markets and the increasing use of computer technology in the equipment and systems sold in these markets.

For the first nine months of fiscal 1995, Analog's 20 largest customers accounted for approximately 26% of the Company's net sales. The largest single customer represented less than 5% of net sales.

Listed below are some of the characteristics of each of the Company's major served markets:

**INSTRUMENTATION** -- includes manufacturers of engineering, medical and scientific instruments. These products are usually designed using the highest performance SLICs available, where production volumes generally do not warrant custom or application-specific ICs.

**FACTORY AUTOMATION** -- includes data acquisition systems, automatic process control systems, robotics, environmental control systems and automatic test equipment ("ATE"). These products generally require ICs that offer performance greater than that available from commodity-level ICs, but generally do not have production volumes that warrant custom or application-specific ICs. Combinations of SLICs are therefore usually employed to achieve the necessary functionality, except in ATE applications where the high level of electronic circuitry required per tester has created opportunities for SPLICs.

**MILITARY/AEROSPACE** -- includes the military, commercial avionics and space markets, all of which require high-performance ICs that meet rigorous environmental and reliability specifications. Nearly all of the Company's SLICs can be supplied in versions that meet the appropriate military standards. In addition, many products can be supplied to meet the standards required for broadcast satellites and other commercial space applications. Most of the Company's products sold into this market are derived from standard commercial grade ICs, although the Company sometimes develops products expressly for military/aerospace applications.

**COMPUTERS AND COMPUTER PERIPHERALS** -- includes high-performance personal computers, workstations and peripheral devices such as hard disk drives. The Company currently supplies a variety of ICs used in this market for functions such as graphic displays; interfaces between PCs and peripherals such as modems and printers; power and battery management; and enhanced sound input and output capability for business and entertainment applications.

**COMMUNICATIONS** -- includes data and fax modems, digital cellular telephones and portable, wireless communications equipment and broadband wired applications. The need for ever higher speed, coupled with more reliable, more bandwidth-efficient communications is creating increasing demand for systems that include both digital and analog signal processing capability. Demand for signal processing ICs for this market is also being driven by the equipment manufacturers' need for components that enable them to develop cost-effective products that feature high performance, small size, low weight and minimal power consumption.

**CONSUMER ELECTRONICS** -- The emergence of high-performance consumer products, such as compact disc players, digital VCRs, digital audio tape equipment and digital camcorders, has led to the need for high performance SPLICs with a high level of functionality. Although the Company's revenue from this market is not currently significant, the Company expects to supply ICs for sophisticated products used by consumers for computing, communications and entertainment applications, and believes that many of these applications will involve digital signal processing.

**AUTOMOTIVE** -- Although the automotive market has historically been served with low-cost, low-performance ICs, demand has emerged for higher performance devices for a wide range of applications. In response, Analog is developing products specifically for the automotive market. The Company began shipments of its first automotive product, a micromachined IC employed as a crash sensor in airbag systems, in 1993. This product serves as an alternative to an electromechanical sensor. The Company began shipments

of this device to Delco in 1994 for use in several 1995 model-year General Motors "W body" cars. It is also being used in, or has been selected for, several other manufacturers' airbag systems.

#### MANUFACTURING CAPACITY

Analog's IC products are fabricated both at the Company's production facilities and by third-party wafer fabricators. Assuming that the Company can continue to maintain favorable relationships with its third-party wafer fabricators, it intends to rely primarily on such suppliers to supply wafers that can be fabricated using industry-standard digital processes. The Company intends to rely primarily on its own facilities for production of wafers fabricated with linear and mixed-signal processes.

The Company operates wafer fabrication facilities in Wilmington, Massachusetts; Santa Clara, California; and Limerick, Ireland for production of linear and mixed-signal devices. The Company also operates assembly and test facilities located in the United States, Ireland, the Philippines and Taiwan. The Company uses two principal foundries, Taiwan Semiconductor Manufacturing Company ("TSMC") and Chartered Semiconductor Corporation, for the production of digital and VLSI mixed-signal devices.

As a result of strong demand for its products, the Company was manufacturing capacity constrained throughout the second half of fiscal 1995. The Company is pursuing a multi-faceted manufacturing capacity expansion program to substantially increase the number of fabricated wafers available to it in fiscal 1996 and beyond.

The construction of Analog's first six-inch wafer fabrication module was completed in fiscal 1995 at the Company's Limerick, Ireland manufacturing site. This module is now undergoing test and qualification, and is expected to begin supplying production wafers before the end of the first half of fiscal 1996. It will be used initially to fabricate mixed-signal VLSI products on a 0.6 micron digital CMOS process.

In 1995 the Company purchased an existing six-inch wafer fabrication module located close to its Santa Clara, California site. This facility is being upgraded and modernized to produce advanced linear technology ICs, and is expected to go into production in the latter half of fiscal 1996.

The Company has also begun upgrading its existing Wilmington, Massachusetts wafer fabrication facility from four-inch to six-inch wafer production. This additional capacity, which will also become available in the latter half of fiscal 1996, will be used primarily for high-speed linear products.

In addition, Analog has taken steps to secure additional foundry capacity for the fabrication of sub-micron digital CMOS wafers, which are used in large part for products that go into the communications and computer markets. The Company has expanded its relationship with its primary foundry, TSMC, so that TSMC will make available significantly higher capacity to Analog over the period from 1996 to 1999. The Company has also made an equity investment in Chartered Semiconductor Corporation in Singapore. This investment is structured to provide access to that company's new eight-inch, 0.5 micron wafer fabrication facility beginning in 1996. The Company is also actively pursuing various types of relationships with both its existing foundries and others to provide additional capacity for 1996 and future years.

#### LEGAL PROCEEDINGS

The Company was a defendant in two lawsuits brought in Texas by Texas Instruments, Inc. ("TI"), alleging patent infringement, including patent infringement arising from certain plastic encapsulation processes, and seeking an injunction and unspecified damages against the Company. The alleged infringement of one of these patents is also the subject matter of a proceeding brought by TI against the Company before the International Trade Commission ("ITC"). On January 10, 1994, the ITC brought an enforcement proceeding against the Company alleging that the Company had violated the ITC's cease and desist order of February 1992 (as modified in July 1993), and seeking substantial penalties against the Company for these alleged violations. In addition, in June 1992, the Company commenced a lawsuit against TI in Massachusetts alleging certain TI digital signal processors infringed one of the Company's patents.

Effective April 1, 1995, the Company and TI settled both Texas lawsuits and the Massachusetts lawsuit principally by means of a royalty-free cross license of certain of the Company's and TI's patents. On April 25, 1995, the Company filed with the ITC a motion to terminate the ITC enforcement proceeding on the grounds that further action by the ITC is unnecessary in light of the Company's settlement with TI. On May 8, 1995, an Administrative Law Judge issued a recommended determination to the ITC to grant the Company's motion to terminate the ITC proceeding. The investigative office of the ITC has opposed the motion, claiming that, notwithstanding the Company's settlement with TI, the Company's alleged violation of the ITC's cease and desist order warrants the imposition of substantial penalties. The Company's motion is pending before the ITC.

The Company is a defendant in a lawsuit brought by Maxim Integrated Products, Inc. ("Maxim") seeking an injunction against, and claiming damages for, alleged antitrust violations and unfair competition in connection with distribution arrangements between the Company and certain distributors. Maxim alleged that certain distributors ceased doing business with Maxim as a result of the distribution arrangements between the distributors and the Company, resulting in improper restrictions to Maxim's access to channels by which it distributes its products. Maxim asserted actual and consequential damages in the amount of \$14.1 million and claimed restitution and punitive damages in an unspecified amount. Under applicable law, Maxim would receive three times the amount of any actual damages suffered as a result of any antitrust violation. On September 7, 1994, Maxim's claim was dismissed for lack of evidence. Maxim has appealed this ruling and briefing of the appeal was concluded in March 1995. No hearing on this appeal has yet been scheduled.

Although the Company believes it should prevail in these matters, the Company is unable to determine their ultimate outcome or estimate the ultimate amount of liability, if any, at this time. An adverse resolution of these matters could have a material adverse effect on the Company's consolidated financial position or on its consolidated results of operations or cash flows in the period in which the matters are resolved.

In addition, from time to time as a normal incidence of the nature of the Company's business, various claims, charges and litigation are asserted or commenced against the Company arising from or related to contractual matters, patents, personal injury, environmental matters and product liability. Such litigation includes patent infringement actions brought against the Company by Sextant Avionique, S.A. ("Sextant") which claims that the Company's accelerometer infringes certain Sextant patents. While the Company is vigorously defending such claims by Sextant, there can be no assurance that the Company will prevail.

## DESCRIPTION OF NOTES

The Notes are to be issued under an Indenture, to be dated as of November , 1995 (the "Indenture"), between the Company and State Street Bank and Trust Company, as Trustee (the "Trustee"), a copy of which is filed as an exhibit to the Registration Statement. The following summaries of certain provisions of the Indenture do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the Indenture, including the definitions therein of certain terms. As used in this "Description of Notes," the "Company" refers to Analog Devices, Inc. and does not include its subsidiaries.

## GENERAL

The Notes will be unsecured convertible subordinated obligations of the Company, will be limited to \$200,000,000 aggregate principal amount, plus such additional principal amount of Notes, not to exceed \$30,000,000, to cover over-allotments in the public offering to which this Prospectus relates, and will mature on December 1, 2000. The Notes will bear interest at the rate per annum shown on the front cover of this Prospectus from November , 1995 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on June 1 and December 1 of each year, commencing on June 1, 1996, to the Person in whose name the Note (or any predecessor Note) is registered at the close of business on the preceding May 15 or November 15, as the case may be. (sec. 3.1 and 3.7) Principal of, and premium, if any, and interest on the Notes will be payable at the offices or agencies of the Company in New York, New York or Boston, Massachusetts, and the transfer of Notes will be registrable at the office of the Trustee in Boston, Massachusetts. In addition, payment of interest may, at the option of the Company, be made by check mailed to the address of the person entitled thereto as it appears in the Security Register. (sec.sec. 3.1, 3.5 and 10.2)

The Notes will be issued only in fully registered form, without coupons, in denominations of \$1,000 and any integral multiple thereof. (sec. 3.2) No service charge will be made for any registration of transfer or exchange of Notes, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. (sec. 3.5)

## CONVERSION RIGHTS

The Holder of any Note will have the right, at the Holder's option, to convert any portion of the principal amount thereof that is an integral multiple of \$1,000 into shares of Common Stock at any time after 60 days following the latest date of original issuance thereof and prior to maturity (unless earlier redeemed or repurchased) at the conversion price set forth on the cover page hereof (subject to adjustment as described below). The right to convert a Note called for redemption or delivered for repurchase will terminate at the close of business on the fifth Business Day prior to the Redemption Date for such Note or the second trading day preceding the Repurchase Date, as the case may be. (sec. 12.1)

Any Note (except Notes called for redemption) surrendered for conversion during the period from the close of business on any Regular Record Date to the opening of business of the next succeeding Interest Payment Date must be accompanied by payment of an amount equal to the interest payable on such Interest Payment Date on the principal amount of Notes being surrendered for conversion. In the case of any Note which has been converted after any Regular Record Date but before the next Interest Payment Date, interest, the Stated Maturity of which is due on such Interest Payment Date, shall be payable on such Interest Payment Date notwithstanding such conversion, and such interest shall be paid to the Holder of such Note on such Regular Record Date. As a result, Holders that surrender Notes for conversion on a date that is not an Interest Payment Date will not receive any interest for the period from the Interest Payment Date next preceding the date of conversion to the date of conversion or for any later period, even if the Notes are surrendered after a notice of redemption (except for the payment of interest on Notes called for redemption between a Regular Record Date and the Interest Payment Date to which it relates). No fractional shares will be issued upon conversion but, in lieu thereof, an appropriate amount will be paid in cash by the Company based on the market price of Common Stock at the close of business on the day of conversion. (sec.sec. 3.7, 12.2 and 12.3)

The conversion price is subject to adjustment in certain events, including: (a) dividends (and other distributions) payable in Common Stock on shares of capital stock of the Company, (b) the issuance to all holders of Common Stock of rights, options or warrants entitling them to subscribe for or purchase Common Stock at less than the then current market price (determined as provided in the Indenture) of Common Stock, (c) subdivisions, combinations and reclassifications of Common Stock, (d) distributions to all holders of Common Stock of evidences of indebtedness of the Company, shares of capital stock, cash or assets (including securities, but excluding those dividends, rights, options, warrants and distributions referred to above, dividends and distributions paid exclusively in cash and mergers and consolidations to which the second succeeding paragraph applies), (e) distributions consisting exclusively of cash (excluding any cash portion of distributions referred to in (d) above, or cash distributed upon a merger or consolidation to which the second succeeding paragraph applies) to all holders of Common Stock in an aggregate amount that, combined together with (i) other such all-cash distributions made within the preceding 12 months in respect of which no adjustment has been made and (ii) any cash and the fair market value of other consideration payable in respect of any tender offer by the Company or any of its subsidiaries for Common Stock concluded within the preceding 12 months in respect of which no adjustment has been made, exceeds 12.5% of the Company's market capitalization (being the product of the then current market price of the Common Stock and the number of shares of Common Stock then outstanding) on the record date for such distribution, and (f) the successful completion of a tender offer made by the Company or any of its subsidiaries for Common Stock which involves an aggregate consideration that, together with (i) any cash and other consideration payable in a tender offer by the Company or any of its subsidiaries for Common Stock expiring within the 12 months preceding the expiration of such tender offer in respect of which no adjustment has been made and (ii) the aggregate amount of any such all-cash distributions referred to in (e) above to all holders of Common Stock within the 12 months preceding the expiration of such tender offer in respect of which no adjustments have been made, exceeds 12.5% of the Company's market capitalization on the expiration of such tender offer. The Company reserves the right to make such reductions in the conversion price in addition to those required in the foregoing provisions as it considers to be advisable in order that any event treated for federal income tax purposes as a dividend of stock or stock rights will not be taxable to the recipients. No adjustment of the conversion price will be required to be made until the cumulative adjustments amount to 1.0% or more of the conversion price. (sec. 12.4)

Generally, Holders converting Notes into Common Stock will be entitled to receive upon such conversion, in addition to the Common Stock into which the Notes are converted, the associated rights (the "Rights") to purchase shares of Common Stock of the Company, pursuant to the Rights Agreement dated as of January 28, 1988, as amended, between the Company and The First National Bank of Boston, as Rights Agent, as presently constituted or under any similar plan (see "Description of Capital Stock -- Stockholder Rights Plan"). If for any reason converting holders of the Notes are not entitled to receive the Rights that would otherwise be attributable to the shares of Common Stock received upon such conversion or such Rights are not issued to them upon conversion for any reason, then adjustment of the conversion price shall be made under paragraph (b) of the preceding paragraph as if the Rights were then being distributed to the stockholders. If such an adjustment is made and the Rights are later redeemed, invalidated, or terminated, then a corresponding reversing adjustment shall be made to the conversion price, on an equitable basis, to take account of such event. (sec. 12.4)

In case of any consolidation or merger of the Company with or into another Person or any merger of another Person into the Company (other than a merger which does not result in any reclassification, conversion, exchange or cancellation of the Common Stock), or in case of any sale or transfer of all or substantially all of the assets of the Company, each Note then outstanding will, without the consent of any Holder of any Note, become convertible only into the kind and amount of securities, cash and other property receivable upon such consolidation, merger, sale or transfer by a holder of the number of shares of Common Stock into which such Note was convertible immediately prior thereto (assuming such holder of Common Stock failed to exercise any rights of election and that such Note was then convertible). (sec. 12.11)

If at any time the Company makes a distribution of property to its stockholders which would be taxable to such stockholders as a dividend for federal income tax purposes (e.g., distributions of evidences of

indebtedness or assets of the Company, but generally not stock dividends on Common Stock or rights to subscribe for Common Stock) and, pursuant to the anti-dilution provisions of the Indenture, the number of shares into which Notes are convertible is increased, such increase may be deemed for federal income tax purposes to be the payment of a taxable dividend to Holders of Notes. Holders of Notes could, therefore, have taxable income as a result of an event pursuant to which they receive no cash or property that could be used to pay the related income tax.

#### SUBORDINATION

The payment of the principal of, premium, if any, and interest on, and the repurchase of the Notes will be subordinated in right of payment to the extent set forth in the Indenture to the prior payment in full of the principal of (and premium, if any), and interest on all Senior Indebtedness of the Company. Senior Indebtedness includes (a) all indebtedness of the Company, including the principal of and premium, if any, and interest on such indebtedness, whether outstanding currently or hereafter created, (i) for borrowed money, (ii) for money borrowed by others and guaranteed, directly or indirectly, by the Company, (iii) constituting purchase money indebtedness for the payment of which the Company is directly or contingently liable, (iv) constituting reimbursement obligations under bank letters of credit, (v) under interest rate and currency swaps, caps, floors, collars or similar agreements or arrangements intended to protect the Company against fluctuations in interest or currency rates, (vi) under any lease of any real or personal property, which obligations are capitalized on the Company's books, unless by the terms of the instrument creating or evidencing such indebtedness it is provided that such indebtedness is not superior in right of payment to the Notes or to other indebtedness which is pari passu with, or subordinated to, the Notes, or (vii) all obligations of others of the kind described in the preceding clauses (i), (ii), (iii), (iv), (v) and (vi) assumed by or guaranteed by the Company, and (b) any modifications, refundings, deferrals, renewals or extensions of any such Senior Indebtedness, or debentures, notes or other evidences of indebtedness issued in exchange for such Senior Indebtedness. (sec.sec. 13.1 and 13.2)

No payment on account of principal, premium, if any, or interest on, or redemption or repurchase of, the Notes may be made by the Company if there is a default in the payment of principal, premium, if any, sinking funds or interest (including a default under any repurchase or redemption obligation) with respect to any Senior Indebtedness or if any other event of default with respect to any Senior Indebtedness, permitting the holders thereof to accelerate the maturity thereof, shall have occurred and shall not have been cured or waived or shall not have ceased to exist after written notice to the Company and the Trustee by any holder of Senior Indebtedness. Upon any acceleration of the principal due on the Notes or payment or distribution of assets of the Company to creditors upon any dissolution, winding up, liquidation or reorganization, whether voluntary or involuntary, or in bankruptcy, insolvency, receivership or other proceedings, all principal, premium, if any, and interest due on all Senior Indebtedness must be paid in full before the Holders of the Notes are entitled to receive any payment. By reason of such subordination, in the event of insolvency, creditors of the Company who are holders of Senior Indebtedness may recover more, ratably, than the Holders of the Notes, and such subordination may result in a reduction or elimination of payments to the Holders of the Notes. (sec. 13.2)

The Notes will be effectively subordinated to all indebtedness and other liabilities (including trade payables and lease obligations) of the Company's subsidiaries. Any right of the Company to receive any assets of its subsidiaries upon their liquidation or reorganization (and the consequent right of the Holders of the Notes to participate in those assets) will be effectively subordinated to the claims of that subsidiary's creditors (including trade creditors), except to the extent that the Company is itself recognized as a creditor of such subsidiary, in which case the claims of the Company would still be subordinate to any security interest in the assets of such subsidiary and any indebtedness of such subsidiary senior to that held by the Company.

As of July 29, 1995, the principal amount of outstanding Senior Indebtedness was approximately \$80.1 million (excluding Senior Indebtedness constituting liabilities of a type not required to be reflected as a liability on the balance sheet of the Company in accordance with generally accepted accounting principles). As of July 29, 1995, there was outstanding approximately \$75.1 million of indebtedness and other liabilities of subsidiaries of the Company (excluding (i) intercompany liabilities, (ii) indebtedness included in Senior Indebtedness because it is guaranteed directly or indirectly by the Company and (iii) liabilities of a type not



required to be reflected as a liability on the balance sheet of such subsidiaries in accordance with generally accepted accounting principles), as to which the Notes would have been structurally subordinated.

The Indenture does not limit the Company's ability to incur Senior Indebtedness or any other indebtedness.

#### OPTIONAL REDEMPTION

The Notes may not be redeemed at the option of the Company prior to December 1, 1998. Thereafter, the Notes may be redeemed, in whole or in part, at the option of the Company, upon not less than 20 nor more than 60 days' notice by mail.

The Redemption Prices (expressed as a percentage of principal amount) are as follows for the 12-month period beginning on December 1 of the following years (sec.sec. 2.3, 11.1, 11.5, 11.7):

YEAR ----	REDEMPTION PRICE -----
1998.....	%
1999.....	

in each case together with accrued interest to the Redemption Date.

#### REPURCHASE AT OPTION OF HOLDERS UPON A CHANGE IN CONTROL

If a Change in Control (as defined) occurs, each Holder of Notes shall have the right, at the Holder's option, to require the Company to repurchase all of such Holder's Notes, or any portion thereof that is an integral multiple of \$1,000, on the date (the "Repurchase Date") that is 45 days after the date of the Company Notice (as defined), at a price equal to 100% of the principal amount of the Notes to be repurchased (the "Repurchase Price"), together with accrued interest to the Repurchase Date. (sec. 14.1)

Within 30 days after the occurrence of a Change in Control, the Company is obligated to mail to all Holders of record of the Notes a notice (the "Company Notice") of the occurrence of such Change in Control and of the repurchase right arising as a result thereof. The Company must deliver a copy of the Company Notice to the Trustee and cause a copy or a summary of such notice to be published in a newspaper of general circulation in the Borough of Manhattan, The City of New York, and the County of Suffolk, The City of Boston. To exercise the repurchase right, a Holder of Notes must deliver on or before the 30th day after the date of the Company Notice irrevocable written notice to the Trustee of the Holder's exercise of such right, together with the Notes with respect to which the right is being exercised, duly endorsed for transfer to the Company. (sec. 14.2)

A Change in Control shall be deemed to have occurred at such time after the original issuance of the Notes as there shall occur:

(i) the acquisition by any Person (including any syndicate or group deemed to be a "person" under Section 13(d) (3) of the Exchange Act) of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of transactions, of shares of capital stock of the Company entitling such Person to exercise 50% or more of the total voting power of all shares of capital stock of the Company entitled to vote generally in elections of directors; or

(ii) any consolidation of the Company with, or merger of the Company into, any other Person, any merger of another Person into the Company, or any sale or transfer of all or substantially all of the assets of the Company to another Person (other than a merger (x) which does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of capital stock or (y) which is effected solely to change the jurisdiction of incorporation of the Company and results in a reclassification, conversion or exchange of outstanding shares of Common Stock into solely shares of common stock); or

(iii) a change in the Board of Directors of the Company in which the individuals who constituted the Board of Directors of the Company at the beginning of the 24-month period immediately preceding

such change (together with any other director whose election by the Board of Directors of the Company or whose nomination for election by the stockholders of the Company was approved by a vote of at least a majority of the directors then in office either who were directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the directors then in office;

provided, however, that a Change in Control shall not be deemed to have occurred if either (i) the closing price per share of the Common Stock for any five trading days within the period of ten consecutive trading days ending immediately after the later of the Change in Control or the public announcement of the Change in Control (in the case of a Change in Control under clause (i) above) or ending immediately before the Change in Control (in the case of a Change in Control under clause (ii) above) shall equal or exceed 105% of the conversion price of the Notes in effect on each such trading day, or (ii) (a) all of the consideration (excluding cash payments for fractional shares) in the transaction or transactions constituting the Change in Control consists of shares of common stock traded on a national securities exchange or quoted on the Nasdaq National Market and as a result of such transaction or transactions the Notes become convertible solely into such common stock and (b) after giving effect to such transaction or transactions and for a period of 12 months thereafter, the Notes have a rating equivalent or better than the ratings given to the Notes by Moody's Investors Service, Inc. and Standard & Poor's Corporation (or their successors) in connection with this offering. "Beneficial owner" shall be determined in accordance with Rule 13d-3 promulgated by the Commission under the Exchange Act, as in effect on the date of execution of the Indenture. (sec. 14.3)

The right to require the Company to repurchase Notes as a result of the occurrence of a Change in Control would create an event of default under the Company's revolving credit agreement and could create an event of default under future Senior Indebtedness of the Company. As a result, any repurchase would, absent a waiver, be blocked by the subordination provisions of the Notes. See "Subordination." Failure by the Company to repurchase the Notes when required would result in an Event of Default with respect to the Notes whether or not such repurchase is permitted by the subordination provisions. See "Events of Default."

Rule 13e-4 under the Exchange Act requires the dissemination of certain information to security holders in the event of an issuer tender offer and may apply in the event that the repurchase option becomes available to Holders of the Notes. The Company will comply with this rule to the extent applicable at that time.

The foregoing provisions would not necessarily afford Holders of the Notes protection in the event of highly leveraged or other transactions involving the Company that may adversely affect Holders.

#### MERGERS AND SALES OF ASSETS BY THE COMPANY

The Company may not consolidate with or merge into any other Person or transfer or lease its properties and assets substantially as an entirety to any Person unless (a) the Person formed by such consolidation or into which the Company is merged or the Person to which the properties and assets of the Company are so transferred or leased shall be a corporation, partnership or trust organized and existing under the laws of the United States, any State thereof or the District of Columbia and shall expressly assume the payment of the principal of (and premium, if any) and interest on the Notes and the performance of the other covenants of the Company under the Indenture, and (b) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing. (sec. 8.1)

#### EVENTS OF DEFAULT

The following will be Events of Default under the Indenture: (a) failure to pay principal of or premium, if any, on any Note when due, whether or not such payment is prohibited by the subordination provisions of the Indenture; (b) failure to pay any interest on any Note when due, continuing for 30 days, whether or not such payment is prohibited by the subordination provisions of the Indenture; (c) failure to perform any other covenant of the Company in the Indenture, continuing for 60 days after written notice as provided in the Indenture; (d) failure of the Company or any subsidiary to make any payment at maturity in respect of indebtedness, which term as used in the Indenture means obligations (other than non-recourse obligations) of,

or guaranteed or assumed by, the Company or any subsidiary for borrowed money ("Indebtedness"), in an amount in excess of \$25,000,000 and continuance of such failure for 180 days; (e) default by the Company or any subsidiary with respect to any Indebtedness, which default results in the acceleration of Indebtedness in an amount in excess of \$25,000,000 without such Indebtedness having been discharged or such acceleration having been cured, waived, rescinded or annulled within 30 days after notice as provided in the Indenture; and, (f) certain events in bankruptcy, insolvency or reorganization. (sec. 5.1) Subject to the provisions of the Indenture relating to the duties of the Trustee in case an Event of Default shall occur and be continuing, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the Holders, unless such Holders shall have offered to the Trustee reasonable indemnity. (sec. 6.3) Subject to such provisions for the indemnification of the Trustee, the Holders of a majority in aggregate principal amount of the Outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. (sec. 5.12)

If an Event of Default shall occur and be continuing, either the Trustee or the Holders of at least 25% in principal amount of the Outstanding Notes may accelerate the maturity of all Notes; provided, however, that after such acceleration, but before a judgment or decree based on acceleration, the Holders of a majority in aggregate principal amount of Outstanding Notes may, under certain circumstances, rescind and annul such acceleration if all Events of Default, other than the non-payment of accelerated principal, have been cured or waived as provided in the Indenture. (sec.5.2) For information as to waiver of defaults, see "Modification and Waiver."

No Holder of any Note will have any right to institute any proceeding with respect to the Indenture or for any remedy thereunder, unless such Holder shall have previously given to the Trustee written notice of a continuing Event of Default and unless also the Holders of at least 25% in aggregate principal amount of the Outstanding Notes shall have made written request, and offered reasonable indemnity, to the Trustee to institute such proceeding as trustee, and the Trustee shall not have received from the Holders of a majority in aggregate principal amount of the Outstanding Notes a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days. (sec.5.7) However, such limitations do not apply to a suit instituted by a Holder of a Note for the enforcement of payment of the principal of and premium, if any, or interest on such Note on or after the respective due dates expressed in such Note or of the right to convert such Note in accordance with the Indenture. (sec.5.8)

The Company will be required to furnish to the Trustee annually a statement as to the performance by the Company of certain of its obligations under the Indenture and as to any default in such performance. (sec.10.7)

#### MODIFICATION AND WAIVER

Modifications and amendments of the Indenture may be made by the Company and the Trustee with the consent of the Holders of a majority in aggregate principal amount of the Outstanding Notes; provided, however, that no such modification or amendment may, without the consent of the Holder of each Outstanding Note affected thereby, (a) change the Stated Maturity of the principal of, or any installment of interest on, any Note, (b) reduce the principal amount of, or the premium or interest on, any Note, (c) reduce the amount payable upon an optional redemption or the consideration payable to any Holder converting after a notice of redemption has been given, (d) modify the provisions with respect to the repurchase right of the Holders in a manner adverse to the Holders, (e) change the place or currency of payment of principal of, or premium or interest on, any Note, (f) impair the right to institute suit for the enforcement of any payment on or with respect to any Note, (g) adversely affect the right to convert Notes, (h) modify the subordination provisions in a manner adverse to the Holders of the Notes, (i) reduce the above-stated percentage of Outstanding Notes necessary to modify or amend the Indenture or (j) reduce the percentage of aggregate principal amount of Outstanding Notes necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults. (sec.9.2)

The Holders of a majority in aggregate principal amount of the Outstanding Notes may waive compliance by the Company with certain restrictive provisions of the Indenture. (sec.10.8) The Holders of a majority in aggregate principal amount of the Outstanding Notes may waive any past default under the Indenture, except a default in the payment of principal, premium or interest. (sec.5.13)

#### SATISFACTION AND DISCHARGE

The Company may discharge its obligations under the Indenture while Notes remain Outstanding if (i) all Outstanding Notes will become due and payable at their scheduled maturity within one year or (ii) all Outstanding notes are scheduled for redemption within one year, and, in either case, the Company has deposited with the Trustee an amount sufficient to pay and discharge all Outstanding Notes on the date of their scheduled maturity or the scheduled date of redemption. (sec.4.1)

#### GOVERNING LAW

The Indenture and the Notes provide that they are to be governed in accordance with the laws of the Commonwealth of Massachusetts. (sec.1.12)

#### THE TRUSTEE

The Indenture contains certain limitations on the right of the Trustee, in the event it becomes a creditor of the Company, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; provided, however, that if it acquires any conflicting interest (as defined), it must eliminate such conflict or resign. (sec.sec.6.8 and 6.13)

In case an Event of Default shall occur (and shall not be cured), the Trustee will be required to use the degree of care of a prudent person in the conduct of his own affairs in the exercise of its powers. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any of the Holders of Notes, unless they shall have offered to the Trustee reasonable security or indemnity. (sec.sec.6.1 and 6.3)

State Street Bank and Trust Company, the Trustee under the Indenture, is the trustee under the indenture relating to the Company's 6 5/8% Notes due 2000.

## DESCRIPTION OF CAPITAL STOCK

The authorized capital stock of the Company consists of 300,000,000 shares of Common Stock, \$.16 2/3 par value per share, and 500,000 shares of preferred stock, \$1.00 par value per share (the "Preferred Stock").

## COMMON STOCK

As of October 28, 1995, there were 76,354,704 shares of Common Stock outstanding and held of record by approximately 4,474 stockholders.

Holder of Common Stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders, and do not have cumulative voting rights. Accordingly, holders of a majority of the shares of Common Stock entitled to vote in any election of directors may elect all of the directors standing for election. Holders of Common Stock are entitled to receive ratably such dividends, if any, as may be declared by the Board of Directors out of funds legally available therefor, subject to any preferential dividend rights of outstanding Preferred Stock. Upon the liquidation, dissolution or winding up of the Company, the holders of Common Stock are entitled to receive ratably the net assets of the Company available after the payment of all debts and other liabilities and subject to the prior rights of any outstanding Preferred Stock. Holders of the Common Stock have no preemptive, subscription, redemption or conversion rights. The outstanding shares of Common Stock are fully paid and nonassessable. The rights, preferences and privileges of holders of Common Stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of Preferred Stock which the Company may designate and issue in the future. There are no shares of Preferred Stock outstanding.

## PREFERRED STOCK

The Board of Directors of the Company is authorized, subject to certain limitations prescribed by law, without further stockholder approval to issue from time to time up to an aggregate of 500,000 shares of Preferred Stock in one or more series and to fix or alter the designations, preferences, rights and any qualifications, limitations or restrictions of the shares of each such series thereof, including the dividend rights, dividend rates, conversion rights, voting rights, terms of redemption (including sinking fund provisions), redemption price or prices, liquidation preferences and the number of shares constituting any series or designation of such series. The issuance of Preferred Stock may have the effect of delaying, deferring or preventing a change of control of the Company. The Company has no present plans to issue any shares of Preferred Stock.

## MASSACHUSETTS LAW AND CERTAIN PROVISIONS OF THE COMPANY'S RESTATED ARTICLES OF ORGANIZATION AND BY-LAWS

Because the Company has more than 200 stockholders of record, it is subject to Chapter 110F of the Massachusetts General Laws, an anti-takeover law. In general, this statute prohibits a publicly held Massachusetts corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person becomes an interested stockholder, unless (i) the interested stockholder obtains the approval of the Board of Directors prior to becoming an interested stockholder, (ii) the interested stockholder acquires 90% of the outstanding voting stock of the corporation (excluding shares held by certain affiliates of the corporation) at the time it becomes an interested stockholder, or (iii) the business combination is approved by both the Board of Directors and the holders of two-thirds of the outstanding voting stock of the corporation (excluding shares held by the interested stockholder). An "interested stockholder" is a person who, together with affiliates and associates, owns (or at any time within the prior three years did own) 5% or more of the outstanding voting stock of the corporation. A "business combination" includes a merger, a stock or asset sale, and certain other transactions resulting in a financial benefit to the interested stockholders.

Massachusetts General Laws Chapter 156B, Section 50A generally requires that publicly-held Massachusetts corporation have a classified board of directors consisting of three classes as nearly equal in size as

possible, unless the corporation elects to opt out of the statute's coverage. The Company's By-Laws contain provisions which give effect to Section 50A.

The Company's By-Laws include a provision excluding the Company from the applicability of Massachusetts General Laws Chapter 110D, entitled "Regulation of Control Share Acquisitions". In general, this statute provides that any stockholder of a corporation subject to this statute who acquires 20% or more of the outstanding voting stock of a corporation may not vote such stock unless the stockholders of the corporation so authorize. The Board of Directors may amend the Company's By-Laws at any time to subject the Company to this statute prospectively.

The Restated Articles of Organization of the Company, as amended (the "Articles of Organization") provide that the directors and officers of the Company shall be indemnified by the Company to the fullest extent authorized by Massachusetts law, as it now exists or may in the future be amended, against all liabilities and expenses incurred in connection with service for or on behalf of the Company. In addition, the Articles of Organization provide that the directors of the Company will not be personally liable for monetary damages to the Company for breaches of their fiduciary duty as directors.

#### STOCKHOLDER RIGHTS PLAN

The Company adopted a Stockholder Rights Plan on January 28, 1988, which was amended on June 14, 1989 (the "Rights Plan"). Pursuant to the Rights Plan, each share of Common Stock has an associated right (a "Right"). Each Right entitles the registered holder to purchase from the Company one share of Common Stock at a purchase price of \$40.00 (as adjusted to account for the 50% Common Stock dividend distributed by the Company on January 4, 1995) per share, subject to adjustment (the "Purchase Price").

The Rights will be exercisable upon the earlier of (i) ten business days following a public announcement that a person or group has acquired, or obtained the right to acquire, beneficial ownership of 20% or more of the outstanding Common Stock of the Company (an "Acquiring Person"), or (ii) ten business days following the commencement of a tender offer or exchange offer, the consummation of which would result in a person or group owning 30% or more of the outstanding Common Stock (the earlier of such dates being called the "Distribution Date"). Until a Right is exercised, the holder thereof has no rights as a stockholder of the Company. Until the Distribution Date (or earlier redemption or expiration of the Rights), Rights are transferred with and only with the Common Stock.

In certain circumstances specified in the Rights Plan, including certain circumstances occurring after any person or group becomes an Acquiring Person, each holder of a Right, other than Rights beneficially owned by the Acquiring Person, will thereafter have the right to receive upon exercise that number of shares of Common Stock having a market value of two times the Purchase Price, and in the event that the Company is acquired in a business combination transaction or 50% or more of its assets are sold, each holder of a Right will thereafter have the right to receive upon exercise that number of shares of Common Stock of the acquiring company which at the time of the transaction will have a market value of two times the Purchase Price.

The Rights have certain anti-takeover effects, in that they would cause substantial dilution to a person or group that attempts to acquire a significant interest in the Company on terms not approved by the Board of Directors. The Board of Directors of the Company may in certain circumstances redeem the Rights in whole at a price of \$.0133 per Right, as adjusted.

## UNDERWRITING

The Underwriters named below have severally agreed, subject to the terms and conditions of the Underwriting Agreement, to purchase from the Company the respective principal amounts of Notes set forth opposite their names below. The Underwriting Agreement provides that the obligations of the Underwriters to pay for and accept delivery of the Notes are subject to certain conditions precedent, and that the Underwriters are committed to purchase all of the Notes if they purchase any of the Notes.

UNDERWRITER -----	PRINCIPAL AMOUNT -----
Montgomery Securities.....	\$
Goldman, Sachs & Co.....	\$
Total.....	\$200,000,000 =====

The Underwriters have advised the Company that they propose initially to offer the Notes to the public on the terms set forth on the cover page of this Prospectus. The Underwriters may allow to selected dealers a concession of not more than % of the principal amount of Notes, and the Underwriters may allow, and such dealers may reallow, a discount of not more than % of the principal amount of the Notes to other dealers. The public offering price and the concession and discount to dealers may be changed by the Underwriters after the initial public offering of the Notes. The Notes are offered subject to receipt and acceptance by the Underwriters, and to certain other conditions, including the right to reject orders in whole or in part.

The Company has granted the Underwriters an option for 30 days to purchase up to an additional \$30,000,000 principal amount of Notes solely to cover over-allotments, if any, at the same price per Note as the initial \$200,000,000 principal amount of Notes to be purchased by the Underwriters. To the extent the Underwriters exercise this option, each of the Underwriters will be committed to purchase such additional Notes in approximately the same proportion as set forth in the above table.

The Underwriting Agreement provides that the Company will indemnify the Underwriters against certain liabilities, including civil liabilities under the Securities Act, or will contribute to payments the Underwriters may be required to make in respect thereof.

The Company has agreed that, for a period of 90 days after the date of this Prospectus, it will not issue, offer, sell, grant options to purchase or otherwise dispose of any of the Company's equity securities or any other securities convertible into or exchangeable with its Common Stock or other equity security, except for certain issuances under the Company's stock plans. In addition, Mr. Ray Stata, the Chairman of the Board and Chief Executive Officer of the Company, and Mr. Jerald G. Fishman, the President and Chief Operating Officer of the Company, have each agreed not to publicly sell or dispose of more than 110,000 shares of Common Stock, or any securities convertible into or exercisable for Common Stock, for a period of 30 days after the date of this Prospectus.

The Notes are a new issue of securities for which there is currently no public market. The Company has applied to have the Notes listed on the New York Stock Exchange. However, no assurance can be given as to the liquidity of or trading market for the Notes.

## LEGAL MATTERS

The validity of the Notes and the shares of Common Stock issuable upon conversion thereof will be passed upon for the Company by Hale and Dorr, Boston, Massachusetts. Certain legal matters relating to the offering of the Notes will be passed upon for the Underwriters by Ropes & Gray, Boston, Massachusetts. Paul P. Brontas, a partner of Hale and Dorr, is the Clerk of the Company.

## EXPERTS

The consolidated financial statements of Analog Devices, Inc. appearing in Analog Devices, Inc.'s Annual Report (Form 10-K) for the year ended October 29, 1994 have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon (which includes an explanatory paragraph that describes claims and actions brought against the Company discussed in Note 6 to the consolidated financial statements) included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

No dealer, salesman or other person is authorized to give any information or to make any representation in connection with this offering not contained in this Prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by the Company or the Underwriters. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy of any securities other than the Notes or an offer to any person in any jurisdiction where such an offer would be unlawful. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof.

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-----  
 \$200,000,000

[ANALOG LOGO]

% CONVERTIBLE SUBORDINATED  
 NOTES DUE 2000

-----  
 PROSPECTUS  
 -----

MONTGOMERY SECURITIES

GOLDMAN, SACHS & CO.

, 1995  
 -----



## PART II

## INFORMATION NOT REQUIRED IN PROSPECTUS

## ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the various expenses in connection with the sale and distribution of the securities being registered, other than the underwriting discount. All amounts shown are estimates except the Securities and Exchange Commission registration fee.

SEC Registration Fee.....	\$ 79,310
NASD Filing Fee.....	23,500
Blue Sky Fees and Expenses.....	10,000
Trustee's Fees and Expenses.....	12,000
Accounting Fees and Expenses.....	70,000
Legal Fees and Expenses.....	125,000
NYSE Listing Fee.....	17,500
Printing and Engraving.....	50,000
Rating Agency Fee.....	125,000
Miscellaneous.....	12,690
	-----
Total.....	\$525,000
	=====

## ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Article 6A of the Registrant's Articles of Organization, as amended (the "Articles of Organization") provides for indemnification of directors and officers to the full extent permitted under Massachusetts law. Section 67 of Chapter 156B of the Massachusetts General Laws provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation and certain other persons serving at the request of the corporation and certain other persons serving at the request of the corporation in related capacities against amounts paid and expenses incurred in connection with an action or proceeding to which he is or is threatened to be made a party by reason of such position, if such person shall have acted in good faith and in a manner he reasonably believed to be in the best interests of the corporation, provided that, no indemnification shall be made with respect to any matter as to which such person shall have been adjudged not to be entitled to indemnification under Section 67.

Article 6A also provides for indemnification of directors and officers of the Registrant against liabilities and expenses in connection with any legal proceedings to which they may be made a party or with which they may become involved or threatened by reason of having been an officer or director of the Registrant or of any other organization at the request of the Registrant. Article 6A generally provides that a director or officer of the Registrant (i) shall be indemnified by the Registrant for all expenses of such legal proceedings unless he has been adjudicated not to have acted in good faith in the reasonable belief that his action was in the best interests of the Registrant, and (ii) shall be indemnified by the Registrant for the expenses, judgments, fines and amounts paid in settlement and compromise of such proceedings. No indemnification will be made to cover costs of settlements and compromises if the Board determines by a majority vote of a quorum consisting of disinterested directors (or, if such quorum is not obtainable, by a majority of the disinterested directors of the Registrant), that such settlement or compromise is not in the best interests of the Registrant.

Article 6A permits the payment by the Registrant of expenses incurred in defending a civil or criminal action in advance of its final disposition, subject to receipt of an undertaking by the indemnified person to repay such payment if it is ultimately determined that such person is not entitled to indemnification under the Articles of Organization. No advance may be made if the Board of Directors determines, by a majority vote of a quorum consisting of disinterested directors (or, if such quorum is not obtainable, by a majority of the disinterested directors of the Registrant), that such person did not act in good faith in the reasonable belief that his action was in the best interest of the Registrant.

Article 6D of the Registrant's Articles of Organization provides that no director shall be liable to the Registrant or its stockholders for monetary damages for breach of his fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Registrant or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 61 or 62 of Chapter 156B, or (iv) for any transaction from which the director derived an improper personal benefit.

The Registrant has directors and officers liability insurance for the benefit of its directors and officers.

The Underwriting Agreement provides for indemnification by the Underwriters of directors, officers and controlling persons of the Registrant against certain liabilities, including liabilities under the Securities Act of 1933, as amended, under certain circumstances.

ITEM 16. EXHIBITS.

EXHIBIT NUMBER - - - - -	DESCRIPTION -----
1.01	Form of Underwriting Agreement.
4.01	Articles of Organization of the Registrant, as amended (incorporated herein by reference to the Registrant's Form 10-Q for the fiscal quarter ended April 29, 1995).
4.02	By-Laws of the Registrant, as amended (incorporated herein by reference to the Registrant's Form 10-K for the fiscal year ended October 31, 1992).
4.03	Form of Indenture between the Registrant and State Street Bank and Trust Company, as Trustee.
4.04	Specimen Note (included in pages 13 to 19 of the Indenture filed as Exhibit 4.03).
4.05	Rights Agreement, as amended, between the Registrant and The First National Bank of Boston, as Rights Agent (incorporated herein by reference to a Form 8 filed on June 27, 1989 amending the Registration Statement on Form 8-A relating to Common Stock Purchase Rights).
5.01	Opinion of Hale and Dorr.
12.01	Statement of Computation of Ratios of Earnings to Fixed Charges.
23.01	Consent of Hale and Dorr (included in Exhibit 5.01).
23.02	Consent of Ernst & Young LLP.
24.01	Powers of Attorney (included on page II-4).
25.01	Statement of Eligibility of Trustee on Form T-1.

ITEM 17. UNDERTAKINGS.

(a) Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Act") may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described under "Item 15 -- Indemnification of Directors and Officers" above, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(b) The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or

497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) The undersigned Registrant hereby undertakes to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Commission under Section 305(b) (2) of the Act.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Norwood, Commonwealth of Massachusetts, on this 7th day of November, 1995.

ANALOG DEVICES, INC.

/S/ RAY STATA  
 By:.....  
 RAY STATA  
 CHAIRMAN OF THE BOARD AND CHIEF  
 EXECUTIVE OFFICER

POWER OF ATTORNEY

We, the undersigned officers and directors of Analog Devices, Inc., hereby severally constitute and appoint Ray Stata, Jerald G. Fishman and Joseph E. McDonough, and each of them singly, our true and lawful attorneys with full power to them, and each of them singly, to sign for us and in our names, in the capacities indicated below, the Registration Statement filed herewith, and any and all amendments (including post-effective amendments) to said Registration Statement (or any other Registration Statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933) and generally to do all such things in our names and behalf in our capacities as officers and directors to enable Analog Devices, Inc. to comply with the Securities Act of 1933, and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or any of them, to any such Registration Statement and any and all amendments thereto.

Witness our hands and common seal on the date set forth below.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE -----	TITLE -----	DATE -----
(i) Principal Executive Officers		)
.....		)
/S/ RAY STATA	Chairman of the Board, Chief	)
RAY STATA	Executive Officer and Director	)
.....		)
/S/ JERALD G. FISHMAN	President, Chief Operating	)
JERALD G. FISHMAN	Officer and Director	)
(ii) Principal Financial Officer and Principal Accounting Officer		)
.....		)
/S/ JOSEPH E. MCDONOUGH	Vice President-Finance and	)
JOSEPH E. MCDONOUGH	Chief Financial Officer	)
(iii) Board of Directors		)
.....		)
/S/ JOHN L. DOYLE	Director	)
JOHN L. DOYLE		)
.....		)
/S/ SAMUEL H. FULLER	Director	)
SAMUEL H. FULLER		)
.....		)
/S/ PHILLIP L. LOWE	Director	)
PHILIP L. LOWE		)
.....		)
/S/ GORDON C. MCKEAGUE	Director	)
GORDON C. MCKEAGUE		)
.....		)
/S/ JOEL MOSES	Director	)
JOEL MOSES		)
.....		)
/S/ LESTER C. THUROW	Director	)
LESTER C. THUROW		)

NOVEMBER 7, 1995

## EXHIBIT INDEX

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4.04	Specimen Note (included in pages 13 to 19 of the Indenture filed as Exhibit 4.03).
4.05	Rights Agreement, as amended, between the Registrant and The First National Bank of Boston, as Rights Agent (incorporated herein by reference to a Form 8 filed on June 27, 1989 amending the Registration Statement on Form 8-A relating to Common Stock Purchase Rights).
5.01	Opinion of Hale and Dorr.
12.01	Statement of Computation of Ratios of Earnings to Fixed Charges.
23.01	Consent of Hale and Dorr (included in Exhibit 5.01).
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\$200,000,000

ANALOG DEVICES, INC.

\_\_\_% Convertible Subordinated Notes due 2000

UNDERWRITING AGREEMENT  
-----

November \_\_, 1995

MONTGOMERY SECURITIES  
600 Montgomery Street  
San Francisco, California 94111

Dear Sirs:

Section 1. INTRODUCTORY. Analog Devices, Inc., a Massachusetts corporation (the "Company"), proposes to issue and sell to the Underwriters named in Schedule I hereto (the "Underwriters") an aggregate of \$200,000,000 principal amount of the \_\_\_% Convertible Subordinated Notes due 2000 of the Company (the "Firm Notes"). In addition, the Company proposes to grant to the Underwriters an option to purchase up to an aggregate of \$30,000,000 principal amount of the Securities (the "Option Notes") as provided in Section 4 hereof. The Firm Notes and, to the extent such option is exercised, the Option Notes are hereinafter collectively referred to as the "Notes."

You have advised the Company that you propose to make a public offering of the Notes on the effective date of the registration statement hereinafter referred to, or as soon thereafter as in your judgment is advisable.

The Company hereby confirms its agreement with respect to the purchase of the Notes by you as follows:

Section 2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company represents and warrants to you that:

(a) A registration statement on Form S-3 (File No. 33- ) with respect to the Notes has been prepared by the Company in conformity with the requirements of the Securities Act of 1933, as amended (the "Act"), and the rules and regulations (the "Rules and Regulations") of the Securities and Exchange Commission (the "Commission") thereunder and has been filed with the Commission. The Company has also taken such actions as are necessary to qualify the Indenture dated as of November \_\_, 1995 (the "Indenture") between the Company and State Street Bank and Trust Company, as Trustee (the "Trustee"), under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and the rules and regulations of the Commission thereunder. The Company has prepared and has filed or proposes to file prior to the effective date of such registration statement an amendment or amendments to such registration statement, which amendment or amendments have been or will be similarly prepared. There have been delivered to you two signed copies of such registration statement and amendments, together with two copies of each exhibit filed therewith. Conformed copies of such registration statement and amendments (but without exhibits) and of the related preliminary prospectus have been delivered to you in such reasonable quantities as you have requested. The Company will next file with the Commission one of the following: (i) prior to effectiveness of such registration statement, a further amendment thereto, including the form of final prospectus, or (ii) a final prospectus in accordance with Rules 430A and 424(b) of the Rules and Regulations. As filed, such amendment and form of final prospectus, or such final prospectus, shall include all Rule 430A Information and, except to the extent that you shall agree in writing to a modification, shall be in all substantive respects in the form furnished to you prior to the date and time that this Agreement was executed and delivered by the parties hereto, or, to the extent not completed at such date and time, shall contain only such specific additional information and other changes (beyond that contained in the latest Preliminary Prospectus) as the Company shall have previously advised you in writing would be included or made therein.

The term "Registration Statement" as used in this Agreement shall mean such registration statement (including the documents incorporated by reference thereto and all exhibits thereto but excluding the Form T-1 and including any registration statement filed pursuant to Rule 462(b) under the Act) at the time such registration statement becomes effective and, in the event any post-effective amendment thereto becomes effective prior to the First Closing Date (as hereinafter defined), shall also mean such registration statement as so amended; provided, however, that such term shall also include all Rule 430A Information deemed to be included in such registration statement at the time such registration statement becomes effective as provided by Rule 430A of the Rules and Regulations. The term "Preliminary Prospectus" shall mean any preliminary prospectus referred to in the preceding paragraph and any preliminary prospectus included in the Registration Statement

at the time it becomes effective that omits Rule 430A Information. The term "Prospectus" as used in this Agreement shall mean the prospectus relating to the Notes in the form in which it is first filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations or, if no filing pursuant to Rule 424(b) of the Rules and Regulations is required, shall mean the form of final prospectus included in the Registration Statement at the time such registration statement becomes effective. The term "Rule 430A Information" means information with respect to the Notes and the offering thereof permitted to be omitted from the Registration Statement when it becomes effective pursuant to Rule 430A of the Rules and Regulations. Any reference herein to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Form S-3 under the Act as of the date of the Preliminary Prospectus or the Prospectus, as the case may be.

(b) The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus, and each Preliminary Prospectus has conformed in all material respects to the requirements of the Act, the Rules and Regulations and the Trust Indenture Act and, as of its date, has not included any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and at the time the Registration Statement becomes effective, and at all times subsequent thereto up to and including each Closing Date hereinafter mentioned, the Registration Statement and the Prospectus, and any amendments or supplements thereto, will contain all material statements and information required to be included therein by the Act, the Rules and Regulations and the Trust Indenture Act and will in all material respects conform to the requirements of the Act, the Rules and Regulations and the Trust Indenture Act, and neither the Registration Statement nor the Prospectus, nor any amendment or supplement thereto, will include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, no representation or warranty contained in this subsection 2(b) shall be applicable to information contained in or omitted from any Preliminary Prospectus, the Registration Statement, the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by you, specifically for use in the preparation thereof. The documents incorporated by reference in the Prospectus, when they were filed with the Commission, conformed in all material respects to the requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the rules and regulations of the Commission thereunder, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and any further documents so filed and incorporated by reference in the Prospectus or any further amendment or supplement thereto, when such documents are filed with the Commission, will conform to all material respects to the requirements of the Exchange Act and the rules and



regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by you expressly for use therein.

(c) The Company does not own or control, directly or indirectly, any corporation, association or other entity other than the subsidiaries listed in Exhibit 21.1 to its 1994 Annual Report on Form 10-K. The Company and each of its subsidiaries have been duly incorporated and are validly existing as corporations in good standing under the laws of their respective jurisdictions of incorporation (except with respect to subsidiaries incorporated in jurisdictions where the concept of good standing is not recognized), with full power and authority (corporate and other) to own and lease their properties and conduct their respective businesses as described in the Prospectus; the Company owns all of the outstanding capital stock of its subsidiaries free and clear of all claims, liens, charges and encumbrances; the Company and each of its material subsidiaries as set forth on Schedule II attached hereto (the "Material Subsidiaries") are in possession of and operating in compliance with all authorizations, licenses, permits, consents, certificates and orders material to the conduct of their respective businesses, all of which are valid and in full force and effect; the Company and each of its subsidiaries are duly qualified to do business and in good standing as foreign corporations in each jurisdiction in which the ownership or leasing of properties or the conduct of their respective businesses requires such qualification, except for jurisdictions in which the failure to so qualify would not have a material adverse effect upon the Company and its subsidiaries taken as a whole; and no proceeding has been instituted in any such jurisdiction, revoking, limiting or curtailing, or seeking to revoke, limit or curtail, such power and authority or qualification.

(d) The Company's authorized and outstanding capital stock is as set forth under the heading "Capitalization" in the Prospectus; the issued and outstanding shares of Common Stock have been duly authorized and validly issued, are fully paid and nonassessable, are duly listed on the New York Stock Exchange, have been issued in compliance with all federal and state securities laws, were not issued in violation of any preemptive rights or other rights to subscribe for or purchase securities, and conform to the description thereof contained in the Prospectus. All of the shares of Common Stock issuable upon conversion of the Notes have been duly authorized and duly reserved for issuance upon such conversion and, when issued upon conversion of the Notes pursuant to the terms of the Indenture, will be validly issued and outstanding, fully paid and nonassessable with no personal liability attached to the ownership thereof. None of the shares of Common Stock issuable upon conversion of the Notes when delivered will be subject to any lien, claim, encumbrance, restriction upon voting or transfer, preemptive right or any other claim of any third party

except such as are described in the Prospectus. All issued and outstanding shares of capital stock of each subsidiary of the Company have been duly authorized and validly issued and are fully paid and nonassessable. Except as disclosed in or contemplated by the Prospectus and the financial statements of the Company, and the related notes thereto, included in the Prospectus, neither the Company nor any subsidiary has outstanding any options to purchase, or any preemptive rights or other rights to subscribe for or to purchase, any securities or obligations convertible into, or any contracts or commitments to issue or sell, shares of its capital stock or any such options, rights, convertible securities or obligations. The description of the Company's stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted and exercised thereunder, set forth in the Prospectus accurately and fairly presents the information required to be shown with respect to such plans, arrangements, options and rights.

(e) The Notes have been duly authorized and, when issued, delivered and paid for in the manner set forth in this Agreement, will be duly executed, authenticated and delivered and will constitute valid and legally binding obligations of the Company entitled to the benefits provided by the Indenture under which they are to be issued, which will be in substantially the form filed as an exhibit to the Registration Statement subject, as to enforcement, to bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; the Indenture has been duly authorized and duly qualified under the Trust Indenture Act and, when executed and delivered by the Company and the Trustee, the Indenture will constitute a valid and legally binding instrument enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles, and the Notes and the Indenture will conform to the descriptions thereof in the Prospectus.

(f) The Company has full legal right, power and authority to enter into this Agreement, the Notes and the Indenture and perform the transactions contemplated hereby and thereby. The Company has all necessary corporate power and authority to issue the Common Stock issuable upon conversion of the Notes. This Agreement, the Notes and the Indenture have been duly authorized, executed and delivered by the Company and constitute valid and binding obligations of the Company in accordance with their terms. The making and performance of this Agreement, the Notes and the Indenture by the Company and the consummation of the transactions herein and therein contemplated (including the issuance of Common Stock upon the conversion of the Notes) will not violate any provisions of the certificate of incorporation or bylaws, or other organizational documents, of the Company or any of its subsidiaries, and will not conflict with, result in the creation or imposition of any lien, charge or encumbrance upon any of the assets of the Company or any of its subsidiaries pursuant to the terms of or the breach or violation of, or constitute, either by

itself or upon notice or the passage of time or both, a default under any agreement, mortgage, deed of trust, lease, franchise, license, indenture, permit or other instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or any of their respective properties may be bound or affected, any statute or any authorization, judgment, decree, order, rule or regulation of any court or any regulatory body, administrative agency or other governmental body applicable to the Company or any of its subsidiaries or any of their respective properties. No consent, approval, authorization or other order of any court, regulatory body, administrative agency or other governmental body is required for the execution and delivery of this Agreement, the Notes and the Indenture or the consummation of the transactions contemplated by this Agreement and the Indenture, except for compliance with the Act, the Trust Indenture Act, the Blue Sky laws applicable to the public offering of the Notes by you and the clearance of such offering with the National Association of Securities Dealers, Inc. (the "NASD").

(g) Ernst & Young LLP, who have expressed their opinion with respect to the consolidated financial statements and schedules filed with the Commission as a part of the Registration Statement and included in the Prospectus and in the Registration Statement, are independent accountants as required by the Act and the Rules and Regulations.

(h) The consolidated financial statements and schedules of the Company, and the related notes thereto, included in the Registration Statement and the Prospectus present fairly in all material respects the financial position of the Company as of the respective dates of such financial statements and schedules, and the results of operations and changes in financial position of the Company for the respective periods covered thereby. Such statements, schedules and related notes have been prepared in accordance with generally accepted accounting principles applied on a consistent basis. No other financial statements or schedules are required to be included in the Registration Statement. The selected financial data set forth in the Prospectus under the captions "Capitalization" and "Selected Consolidated Financial Data" fairly present the information set forth therein on the basis stated in the Registration Statement.

(i) Except as disclosed in the Prospectus, and except as to defaults which individually or in the aggregate would not be material to the Company, neither the Company nor any of its subsidiaries is in violation or default of any provision of its certificate of incorporation or bylaws, or other organizational documents, or is in breach of or default with respect to any provision of any agreement, judgment, decree, order, mortgage, deed of trust, lease, franchise, license, indenture, permit or other instrument to which it is a party or by which it or any of its properties are bound; and there does not exist any state of facts which constitutes an event of default on the part of the Company or any such subsidiary as defined in such documents or which, with notice or lapse of time or both, would constitute such an event of default.

(j) There are no contracts or other documents required to be described in the Registration Statement or to be filed as exhibits to the Registration Statement by the Act or by the Rules and Regulations, or to be filed as exhibits to the documents incorporated by reference by the Exchange Act or by the rules and regulations thereunder, which have not been described or filed as required. The contracts so described in the Prospectus are in full force and effect on the date hereof; and neither the Company nor any of its subsidiaries, nor to the best of the Company's knowledge, any other party is in breach of or default under any of such contracts.

(k) Except as disclosed in the Prospectus, there are no legal or governmental actions, suits or proceedings pending or, to the best of the Company's knowledge, threatened to which the Company or any of its subsidiaries is or may be a party or of which property owned or leased by the Company or any of its subsidiaries is or may be the subject, or related to environmental or discrimination matters, which actions, suits or proceedings might, individually or in the aggregate, prevent or materially adversely affect the transactions contemplated by this Agreement or result in a material adverse change in the condition (financial or otherwise), properties, business, results of operations or prospects of the Company and its subsidiaries; and no labor disturbance by the employees of the Company or any of its subsidiaries exists or is imminent which might be expected to affect adversely such condition, properties, business, results of operations or prospects. Neither the Company nor any of its subsidiaries is a party or subject to the provisions of any material injunction, judgment, decree or order of any court, regulatory body, administrative agency or other governmental body.

(l) The Company and its Material Subsidiaries have good and marketable title to all the properties and assets reflected as owned in the financial statements hereinabove described (or elsewhere in the Prospectus), subject to no lien, mortgage, pledge, charge or encumbrance of any kind except (i) those, if any, reflected in such financial statements (or elsewhere in the Prospectus), or (ii) those which are not material in amount and do not adversely affect the use made and proposed to be made of such property by the Company and its Material Subsidiaries. The Company and each Material Subsidiary holds its leased properties under valid and binding leases, with such exceptions as are not materially significant in relation to the business of the Company. Except as disclosed in the Prospectus, the Company owns or leases all such properties as are necessary to its operations as now conducted or as proposed to be conducted.

(m) Since the respective dates as of which information is given in the Registration Statement and Prospectus, and except as described in or specifically contemplated by the Prospectus: (i) the Company and its subsidiaries have not incurred any material liabilities or obligations, indirect, direct or contingent, or entered into any material oral or written agreement or other transaction which is not in the ordinary course of business or which could

result in a material reduction in the future earnings of the Company and its subsidiaries; (ii) the Company and its subsidiaries have not sustained any material loss or interference with their respective businesses or properties from fire, flood, windstorm, accident or other calamity, whether or not covered by insurance or from any labor dispute or court or government action, order or decree, otherwise then as set forth in the Prospectus; (iii) the Company has not paid or declared any dividends or other distributions with respect to its capital stock and the Company and its subsidiaries are not in default in the payment of principal or interest on any outstanding debt obligations; (iv) there has not been any change in the capital stock of, or indebtedness material to, the Company and its subsidiaries (other than in the ordinary course of business); and (v) there has not been any material adverse change in the condition (financial or otherwise), business, properties, results of operations or prospects of the Company and its subsidiaries.

(n) Except as disclosed in or specifically contemplated by the Prospectus and except to the extent that the lack of any of the following would not have a material adverse effect on the condition (financial or otherwise), business, results of operations or prospects of the Company, the Company and its subsidiaries have sufficient trademarks, trade names, patent rights, mask works, copyrights, licenses, approvals and governmental authorizations to conduct their businesses as now conducted; the expiration of any trademarks, trade names, patent rights, mask works, copyrights, licenses, approvals or governmental authorizations would not have a material adverse effect on the condition (financial or otherwise), business, results of operations or prospects of the Company or its subsidiaries; and the Company has no knowledge of any material infringement by it or its subsidiaries of trademark, trade name rights, patent rights, mask works, copyrights, licenses, trade secret or other similar rights of others, and there is no claim being made against the Company or its subsidiaries regarding trademark, trade name, patent, mask work, copyright, license, trade secret or other infringement which could have a material adverse effect on the condition (financial or otherwise), business, results of operations or prospects of the Company and its subsidiaries.

(o) The Company has not been advised, and has no reason to believe, that either it or any of its subsidiaries is not conducting business in compliance with all applicable laws, rules and regulations of the jurisdictions in which it is conducting business, including, without limitation, all applicable local, state and federal environmental laws and regulations, except where failure to be so in compliance would not materially adversely affect the condition (financial or otherwise), business, results of operations or prospects of the Company and its subsidiaries taken as a whole.

(p) The Company and its subsidiaries have filed all necessary federal, state and foreign income and franchise tax returns and have paid all taxes shown as due thereon; and the Company has no knowledge of any tax deficiency which has been or might be asserted or threatened against the Company or its subsidiaries which could materially and adversely

affect the business, operations or properties of the Company and its subsidiaries taken as a whole.

(q) The Company has complied with all applicable laws, rules and regulations of the jurisdictions in which it is conducting business relating to the import and export of raw materials, goods and other items, except where failure to be so in compliance would not materially adversely affect the condition (financial or otherwise), business, results of operations or prospects of the Company and its subsidiaries taken as a whole.

(r) The Company is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(s) The Company has not distributed and will not distribute prior to the First Closing Date any offering material in connection with the offering and sale of the Notes other than the Prospectus, the Registration Statement and the other materials permitted by the Act.

(t) The Company has not taken and will not take, directly or indirectly, any action designed to or that might be reasonably expected to cause or result in stabilization or manipulation of the price of the Common Stock to facilitate the sale or resale of the Notes.

(u) The conditions for the use of Form S-3 as set forth in the General Instructions thereto, have been satisfied in connection with the offering.

Section 3. REPRESENTATIONS AND WARRANTIES OF THE UNDERWRITER. You represent and warrant to the Company that the information set forth (i) on the cover page of the Prospectus with respect to price, underwriting discounts and terms of the offering and (ii) under "Underwriting" in the Prospectus was furnished to the Company by you for use in connection with the preparation of the Registration Statement and the Prospectus and is correct in all material respects.

Section 4. PURCHASE, SALE AND DELIVERY OF NOTES. On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to issue and sell to you an aggregate of \$200,000,000 principal amount of the Firm Notes. You agree to purchase from the Company all of the Firm Notes. The purchase price for the Firm Notes to be paid by you to the Company shall be \$\_\_\_\_\_.

Delivery of the Firm Notes to be purchased by you and payment therefor shall be made at the offices of [Hale and Dorr, 60 State Street, Boston, Massachusetts] (or such other place as may be agreed upon by the Company and you) at such time and date, not later than the third full business day following the first date that any of the Notes are released by you for sale to the public, as you shall designate by at least 48 hours' prior notice to the Company (or at such other time and date, not later than one week after such third full business day as may be agreed upon by the Company and

you (the "First Closing Date"); provided, however, that if the Prospectus is at any time prior to the First Closing Date recirculated to the public, the First Closing Date shall occur upon the later of the third full business day following the first date that any of the Notes are released by you for sale to the public or the date that is 48 hours after the date that the Prospectus has been so recirculated.

Delivery of the Firm Notes shall be made by or on behalf of the Company to you with respect to the Firm Notes to be sold by the Company against payment by you of the purchase price therefor by certified or official bank checks payable in next day funds to the order of the Company. The Notes shall be registered in such names and denominations as you shall have requested at least two full business days prior to the First Closing Date, and shall be made available for checking and packaging on the business day preceding the First Closing Date at a location in Boston, Massachusetts, as may be designated by you. Time shall be of the essence, and delivery at the time and place specified in this Agreement is a further condition to your obligations.

In addition, on the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company hereby grants an option to you to purchase up to an aggregate of \$30,000,000 principal amount of the Option Notes at the purchase price to be paid for the Firm Notes, for use solely in covering any over-allotments made by you in the sale and distribution of the Firm Notes. The option granted hereunder may be exercised at any time (but not more than once) within 30 days after the first date that any of the Notes are released by you for sale to the public (within the meaning of the last sentence of Section 12 hereof), upon written notice by you to the Company setting forth the aggregate number of Optional Notes as to which you are exercising the option, the names and denominations in which the certificates for such Notes are to be registered and the time and place at which such Notes will be delivered. Such time of delivery (which may not be earlier than the First Closing Date), being herein referred to as the "Second Closing Date," shall be determined by you, but if at any time other than the First Closing Date shall not be earlier than three nor later than five full business days after delivery of such notice of exercise. The Option Notes will be made available for checking and packaging on the business day preceding the Second Closing Date at a location in Boston, Massachusetts, as may be designated by you. The manner of payment for and delivery of the Option Notes shall be the same as for the Firm Notes purchased from the Company as specified in the two preceding paragraphs. At any time before lapse of the option, you may cancel such option by giving written notice of such cancellation to the Company. If the option is cancelled or expires unexercised in whole or in part, the Company will deregister under the Act the number of Option Notes as to which the option has not been exercised.

Subject to the terms and conditions hereof, you propose to make a public offering of Notes as soon after the effective date of the Registration Statement as in your judgment is advisable and at the public offering price set forth on the cover page of and on the terms set forth in the Prospectus.

Section 5. COVENANTS OF THE COMPANY. The Company covenants and agrees that:

(a) The Company will use its best efforts to cause the Registration Statement and any amendment thereof, if not effective at the time and date that this Agreement is executed and delivered by the parties hereto, to become effective. If the Registration Statement has become or becomes effective pursuant to Rule 430A of the Rules and Regulations, or the filing of the Prospectus is otherwise required under Rule 424(b) of the Rules and Regulations, the Company will file the Prospectus, properly completed, pursuant to the applicable paragraph of Rule 424(b) of the Rules and Regulations within the time period prescribed and will provide evidence satisfactory to you of such timely filing. The Company will promptly advise you in writing (i) of the receipt of any comments of the Commission, (ii) of any request of the Commission for amendment of or supplement to the Registration Statement (either before or after it becomes effective), any Preliminary Prospectus or the Prospectus or for additional information, (iii) when the Registration Statement shall have become effective and (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of the institution of any proceedings for that purpose. If the Commission shall enter any such stop order at any time, the Company will use its best efforts to obtain the lifting of such order at the earliest possible moment. The Company will not file any amendment or supplement to the Registration Statement (either before or after it becomes effective), any Preliminary Prospectus or the Prospectus of which you have not been furnished with a copy a reasonable time prior to such filing or to which you reasonably object or which is not in compliance with the Act and the Rules and Regulations.

(b) The Company will prepare and file with the Commission, promptly upon your request, any amendments or supplements to the Registration Statement or the Prospectus which in your judgment may be necessary or advisable to enable you to continue the distribution of the Notes and will use its best efforts to cause the same to become effective as promptly as possible. The Company will fully and completely comply with the provisions of Rule 430A of the Rules and Regulations with respect to information omitted from the Registration Statement in reliance upon such Rule.

(c) If at any time within the nine-month period referred to in Section 10(a)(3) of the Act during which a prospectus relating to the Notes is required to be delivered under the Act any event occurs, as a result of which the Prospectus, including any amendments or supplements, would include an untrue statement of a material fact, or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary at any time to amend the Prospectus, including any amendments or supplements, to comply with the Act or the Rules and Regulations, the Company will promptly advise you thereof and will promptly prepare and file with the Commission, at its own expense, an amendment or supplement which will correct such statement or omission or an amendment or supplement which will effect such compliance and will use its best efforts to cause the same to become effective as soon as possible; and,



in case you are required to deliver a prospectus after such nine-month period, the Company upon request, but at your expense, will promptly prepare such amendment or amendments to the Registration Statement and such Prospectus or Prospectuses as may be necessary to permit compliance with the requirements of Section 10(a)(3) of the Act.

(d) As soon as practicable, but not later than 45 days after the end of the first quarter ending after one year following the "effective date of the Registration Statement" (as defined in Rule 158(c) of the Rules and Regulations), the Company will make generally available to its security holders an earnings statement (which need not be audited) covering a period of 12 consecutive months beginning after the effective date of the Registration Statement which will satisfy the provisions of the last paragraph of Section 11(a) of the Act.

(e) During such period as a prospectus is required by law to be delivered in connection with sales by you or a dealer, the Company, at its expense, but only for the nine-month period referred to in Section 10(a)(3) of the Act, will furnish to you or mail to your order copies of the Registration Statement, the Prospectus, the Preliminary Prospectus and all amendments and supplements to any such documents in each case as soon as available and in such quantities as you may reasonably request, for the purposes contemplated by the Act.

(f) The Company shall cooperate with you and your counsel in order to qualify or register the Notes for sale under (or obtain exemptions from the application of) the Blue Sky laws of such jurisdictions as you designate, will comply with such laws and will continue such qualifications, registrations and exemptions in effect so long as reasonably required for the distribution of the Notes; PROVIDED, HOWEVER, that the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any such jurisdiction where it is not presently qualified or where it would be subject to taxation as a foreign corporation. The Company will advise you promptly following receipt of notice of the suspension of the qualification or registration of (or any such exemption relating to) the Notes for offering, sale or trading in any jurisdiction or any initiation or threat of any proceeding for any such purpose, and in the event of the issuance of any order suspending such qualification, registration or exemption, the Company, with your cooperation, will use its best efforts to obtain the withdrawal thereof.

(g) During the period of five years hereafter, the Company will furnish to you: (i) as soon as practicable after the end of each fiscal year, copies of the Annual Report of the Company containing the balance sheet of the Company as of the close of such fiscal year and statements of income, stockholders' equity and cash flows for the year then ended and the opinion thereon of the Company's independent public accountants; (ii) as soon as practicable after the filing thereof, copies of each proxy statement, Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Report on Form 8-K or other report filed by the Company

with the Commission, the NASD or any securities exchange; and (iii) as soon as available, copies of any report or communication of the Company mailed generally to holders of its Common Stock.

(h) Other than in accordance with and pursuant to the stock option and stock purchase plans as described in the Prospectus, during the period of 90 days after the first date that any of the Notes are released by you for sale to the public, without your prior written consent (which consent may be withheld at your sole discretion), the Company will not issue, offer, sell, grant options to purchase or otherwise dispose of any of the Company's equity securities or any other securities convertible into or exchangeable with its Common Stock or other equity security. With respect to any stock option or stock purchase plans described in the Prospectus, without your prior written consent (which consent may be withheld at your sole discretion) the Company will not issue, offer, sell or grant options to purchase equity securities of the Company that are exercisable during such 90-day period. The Company will not accelerate the vesting of any option outstanding on the date hereof.

(i) The Company will apply the net proceeds of the sale of the Notes sold by it substantially in accordance with its statements under the caption "Use of Proceeds" in the Prospectus.

(j) The Company will use its best efforts to cause the Notes to be sold by it to be listed on the New York Stock Exchange.

You may, in your sole discretion, waive in writing the performance by the Company of any one or more of the foregoing covenants or extend the time for their performance.

Section 6. PAYMENT OF EXPENSES. Whether or not the transactions contemplated hereunder are consummated or this Agreement becomes effective or is terminated, the Company agrees to pay all costs, fees and expenses incurred in connection with the performance of its obligations hereunder and in connection with the transactions contemplated hereby, including without limiting the generality of the foregoing (i) all expenses incident to the issuance and delivery of the Notes (including all printing and engraving costs), (ii) all fees and expenses of the Trustee and any agent of the Trustee, (iii) all necessary issue, transfer and other stamp taxes in connection with the issuance and sale of the Notes to you, (iv) all fees and expenses of the Company's counsel and the Company's independent accountants, (v) all costs and expenses incurred in connection with the preparation, printing, filing, shipping and distribution of the Registration Statement, each Preliminary Prospectus and the Prospectus (including all exhibits and financial statements) and all amendments and supplements provided for herein, (vi) all filing fees, reasonable attorneys' fees and expenses incurred by the Company or you in connection with qualifying or registering (or obtaining exemptions from the qualification or registration of) all or any part of the Notes for offer and sale under the securities or Blue Sky laws of the states or other jurisdictions of the United States and the provinces of Canada,

(vii) the filing fee of the NASD, and (viii) all other fees, costs and expenses referred to in Item 14 of the Registration Statement. Except as provided in this Section 6, Section 8 and Section 10 hereof, you shall pay all of your own expenses, including the fees and disbursements of your counsel (excluding those relating to qualification, registration or exemption under the Blue Sky laws and the Blue Sky memorandum referred to above).

Section 7. CONDITIONS OF THE OBLIGATIONS OF THE UNDERWRITER. Your obligations to purchase and pay for the Firm Notes on the First Closing Date and the Option Notes on the Second Closing Date shall be subject to the accuracy of the representations and warranties on the part of the Company herein set forth as of the date hereof and as of the First Closing Date or the Second Closing Date, as the case may be, to the accuracy of the statements of Company officers made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder, and to the following additional conditions:

(a) The Registration Statement shall have become effective not later than 5:00 P.M., Washington, D.C. Time, on the date of this Agreement, or at such later time as shall have been consented to by you; if the filing of the Prospectus, or any supplement thereto, is required pursuant to Rule 424(b) of the Rules and Regulations, the Prospectus shall have been filed in the manner and within the time period required by Rule 424(b) of the Rules and Regulations; and prior to such Closing Date, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or shall be pending or, to the knowledge of the Company or you, shall be contemplated by the Commission; and any request of the Commission for inclusion of additional information in the Registration Statement, or otherwise, shall have been complied with to your satisfaction.

(b) You shall be satisfied that since the respective dates as of which information is given in the Registration Statement and Prospectus, (i) there shall not have been any change in the capital stock of the Company or any of its subsidiaries or any material change in the indebtedness (other than in the ordinary course of business) of the Company or any of its subsidiaries, (ii) except as set forth or contemplated by the Registration Statement or the Prospectus, no material oral or written agreement or other transaction shall have been entered into by the Company or any of its subsidiaries, which is not in the ordinary course of business or which could result in a material reduction in the future earnings of the Company and its subsidiaries, (iii) no loss or damage (whether or not insured) to the property of the Company or any of its subsidiaries shall have been sustained which materially and adversely affects the condition (financial or otherwise), business, results of operations or prospects of the Company and its subsidiaries, (iv) no legal or governmental action, suit or proceeding affecting the Company or any of its subsidiaries which is material to the Company and its subsidiaries or which materially affects or may materially affect the transactions contemplated by this Agreement shall have been instituted or threatened and (v) there shall

not have been any material change in the condition (financial or otherwise), business, management, results of operations or prospects of the Company and its subsidiaries which makes it impractical or inadvisable in your judgment to proceed with the public offering or purchase the Notes as contemplated hereby.

(c) There shall have been furnished to you on each Closing Date, in form and substance satisfactory to you, except as otherwise expressly provided below:

(i) An opinion of Hale and Dorr, counsel for the Company, addressed to you dated the First Closing Date or the Second Closing Date, as the case may be, in form and substance satisfactory to you, to the effect that:

(1) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of The Commonwealth of Massachusetts, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus;

(2) The Company has an authorized capitalization as set forth in the Prospectus, and all of the issued and outstanding shares of Common Stock of the Company have been duly authorized, and all of the shares of Common Stock issuable upon conversion of the Notes have been duly authorized and duly reserved for issuance upon such conversion; all of the issued and outstanding shares of Common Stock of the Company are, and all of the shares of Common Stock issuable upon conversion of the Notes, when issued and delivered upon the conversion of the Notes pursuant to the terms of the Indenture, will be validly issued and outstanding, fully paid and non-assessable; other than as described in the Prospectus, the holders of outstanding shares of capital stock of the Company are not entitled as such to any preemptive or other rights to subscribe for or to purchase, and no restrictions exist upon the voting or transfer of, any shares of the Common Stock issuable upon conversion of the Notes, pursuant to applicable law or the Company's corporate charter and by-laws or any agreements or documents filed with the Commission as exhibits to the Registration Statement or any document incorporated therein, and neither the filing of the Registration Statement, the offering or sale of the Notes nor the conversion of the Notes as contemplated by this Agreement gives rise under any agreement or instrument filed with the Commission as an exhibit to the Registration Statement or any document incorporated therein to any rights, other than those which have been waived or satisfied, for or relating to the registration of any shares of Common Stock;

(3) Each Material Subsidiary of the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of its

jurisdiction of incorporation (except with respect to any such subsidiaries incorporated in jurisdictions where the concept of good standing is not recognized); and all of the issued shares of capital stock of each such Material Subsidiary have been duly and validly authorized and issued, are fully paid and non-assessable, and (except for directors' qualifying shares or such shares as may be required by local laws to be owned by residents of the jurisdiction of incorporation) are owned of record directly or indirectly by the Company, to its knowledge free and clear of all liens, encumbrances, equities or claims (such counsel being entitled to rely in respect of the opinion in this clause upon opinions of local counsel and in respect of the matters of fact upon certificates of officers of the Company or its subsidiaries, provided that such counsel shall state that they believe that both you and they are justified in relying upon such opinions and certificates);

(4) To such counsel's knowledge and other than as set forth in the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its Subsidiaries is the subject which, if determined adversely to the Company or any of its subsidiaries, individually or in the aggregate, are reasonably likely to have a material adverse effect on the consolidated financial position, stockholders' equity or results of operations of the Company and its subsidiaries taken as a whole; and, to such counsel's knowledge, no such proceedings are threatened by governmental authorities or by others;

(5) The Company has corporate power adequate for the execution, delivery and performance of this Agreement, and this Agreement has been duly authorized, executed and delivered by the Company;

(6) The Notes have been duly authorized and, when duly executed, authenticated, issued in accordance with the Indenture and delivered by the Company and paid for in accordance with the terms thereof will constitute valid and legally binding obligations of the Company entitled to the benefits provided by the Indenture, subject, as to enforcement, to bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Notes and the Indenture conform in all material respects to the descriptions thereof in the Prospectus;

(7) The Indenture has been duly authorized, executed and delivered by the parties thereto and constitutes a legal and legally binding instrument, enforceable in accordance with its terms, subject, as to enforcement to bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization and similar laws of general

applicability relating to or affecting creditors' rights and to general equity principles; and the Indenture has been duly qualified under the Trust Indenture Act;

(8) The statements in the Prospectus under the captions "Description of Notes" and "Description of Capital Stock", insofar as such statements purport to summarize certain provisions of documents or agreements specifically referred to therein or matters of law, are correct in all material respects;

(9) The issue and sale of the Notes and the compliance by the Company with all of the provisions of the Notes, the Indenture and this Agreement and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument filed as an exhibit to the Registration Statement, nor will such actions result in any violation of the provisions of the Restated Articles or Organization or By-laws of the Company or any statute or any order specifically naming the Company, any rule or regulation of any court or governmental agency or body of the United States having jurisdiction over the Company or any of its properties; except for such conflicts, breaches, violations and defaults as are not reasonably likely, individually or in the aggregate, to have (a) a material adverse effect on the financial position, stockholders' equity, results of operations, business or prospects of the Company and its subsidiaries, taken as a whole or (b) any adverse effect on the consummation of the transactions contemplated by this Agreement;

(10) No consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Notes or the consummation by the Company of the transactions contemplated by this Agreement or the Indenture, except such as have been obtained under the Act and the Trust Indenture Act and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws (as to the applicability of which no opinion need be expressed) in connection with the purchase and distribution of the Securities by the Underwriters;

(11) The documents incorporated by reference in the Prospectus or any further amendment or supplement thereto made by the Company prior to the Time of Delivery (other than the financial statements and financial data and related schedules therein, as to which such counsel need express no opinion), when they become effective or were filed with the Commission, as the case may be, complied

as to form in all material respects with the requirements of the Exchange Act, and the rules and regulations of the Commission thereunder;

(12) The Registration Statement and the Prospectus and any further amendments and supplements thereto made by the Company prior to the Time of Delivery (other than the financial statements and financial data and related schedules therein, as to which such counsel need express no opinion) comply as to form in all material respects with the requirements of the Act and the Trust Indenture Act and the rules and regulations thereunder and they do not know of any amendment to the Registration Statement required to be filed or of any contracts or other documents of a character required to be filed as an exhibit to the Registration Statement or required to be incorporated by reference into the Prospectus or required to be described in the Registration Statement or the Prospectus which are not filed or incorporated by reference or described as required; and

(13) The Registration Statement has become effective under the Act; to the knowledge of such counsel, no stop order suspending effectiveness of the Registration Statement has been issued or any proceeding therefor instituted or threatened by the Commission.

Such counsel shall state, without passing upon or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement or the prospectus, that nothing has come to their attention that would lead them to believe (a) that, as of the effective date of the Registration Statement, the Registration Statement (or as of its date, any amendment or supplement thereto and made by the Company prior to the date of such opinion) contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or (b) that, as of the date of the Prospectus as most recently amended or supplemented, the Prospectus (or any such amendment or supplement thereto) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or (c) that it is necessary, as of the date of such opinion, to supplement or amend the Registration Statement or the Prospectus. Such counsel need express no belief as to the financial statements, including the notes and schedules thereto, or any financial data set forth or referred to in the Registration Statement or the Prospectus or as to any statements in or omissions from any such documents made in reliance upon and in conformity with written information furnished to the Company by the Underwriters specifically for use therein, or as to any statements in or omissions from the part of the Registration Statement which shall constitute the Statement of Eligibility and Qualification under the Trust Indenture Act of the Trustee under the Indenture.

(ii) An opinion of William Wise, General Counsel of the Company, dated the First Closing Date or the Second Closing Date, as the case may be, in form and substance satisfactory to you to the effect that the Company has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties, or conducts any business, so as to require such qualification, except where the failure to be in good standing or to so qualify would not have a material adverse effect on the financial position, stockholders' equity, results of operations, business or prospects of the Company and its subsidiaries taken as a whole.

(iii) Such opinion or opinions of Ropes & Gray, as counsel for you, dated the First Closing Date or the Second Closing Date, as the case may be, with respect to the incorporation of the Company, the sufficiency of all corporate proceedings and other legal matters relating to this Agreement, the validity of the Notes, the Registration Statement and the Prospectus and other related matters as you may reasonably require, and the Company shall have furnished to such counsel such documents and shall have exhibited to them such papers and records as they may reasonably request for the purpose of enabling them to pass upon such matters. In connection with such opinions, such counsel may rely on representations or certificates of officers of the Company and governmental officials.

(iv) A certificate of the Company executed by the Chairman of the Board or the President and Chief Operating Officer and the chief financial or accounting officer of the Company, dated the First Closing Date or the Second Closing Date, as the case may be, to the effect that:

(1) The representations and warranties of the Company set forth in Section 2 of this Agreement are true and correct as of the date of this Agreement and as of the First Closing Date or the Second Closing Date, as the case may be, and the Company has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied on or prior to such Closing Date;

(2) The Commission has not issued any order preventing or suspending the use of the Prospectus or any Preliminary Prospectus filed as a part of the Registration Statement or any amendment thereto; no stop order suspending the effectiveness of the Registration Statement has been issued; and to the best of the knowledge of the respective signers, no proceedings for that purpose have been instituted or are pending or contemplated under the Act;

(3) Each of the respective signers of the certificate has carefully examined the Registration Statement and the Prospectus; in his opinion and to the best of his knowledge, the Registration Statement and the Prospectus and any amendments or



supplements thereto contain all statements required to be stated therein regarding the Company and its subsidiaries; and neither the Registration Statement nor the Prospectus nor any amendment or supplement thereto includes any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading;

(4) Since the initial date on which the Registration Statement was filed, no agreement, written or oral, transaction or event has occurred which should have been set forth in an amendment to the Registration Statement or in a supplement to or amendment of any prospectus which has not been disclosed in such a supplement or amendment;

(5) Since the respective dates as of which information is given in the Registration Statement and the Prospectus, and except as disclosed in or contemplated by the Prospectus: (a) there has not been any material adverse change or a development involving a material adverse change in the condition (financial or otherwise), business, properties, results of operations, management or prospects of the Company and its subsidiaries; (b) no legal or governmental action, suit or proceeding is pending or threatened against the Company or any of its subsidiaries, and there has been no development or prospective development in any such action, suit or proceeding disclosed in the Prospectus, which is material to the Company and its subsidiaries, whether or not arising from transactions in the ordinary course of business, or which may materially adversely affect the transactions contemplated by this Agreement; (c) neither the Company nor any of its subsidiaries has entered into any oral or written agreement or other transaction which is not in the ordinary course of business or which could result in a material reduction in the future earnings of the Company or incurred any material liability or obligation, direct, contingent or indirect, made any change in its capital stock, made any material change in its short-term debt or funded debt or repurchased or otherwise acquired any of the Company's capital stock; and (d) the Company has not declared or paid any dividend, or made any other distribution, upon its outstanding capital stock payable to stockholders of record on a date prior to the First Closing Date or Second Closing Date; and

(6) Since the respective dates as of which information is given in the Registration Statement and the Prospectus and except as disclosed in or contemplated by the Prospectus, the Company and its subsidiaries have not sustained a material loss or damage by strike, fire, flood, windstorm, accident or other calamity (whether or not insured).

(v) On the date before this Agreement is executed and also on the First Closing Date and the Second Closing Date a letter addressed to you from Ernst & Young LLP,

independent accountants, the first one to be dated the day before the date of this Agreement, the second one to be dated the First Closing Date and the third one (in the event of a second closing) to be dated the Second Closing Date, in form and substance satisfactory to you.

(vi) On or before the date of this Agreement, letters from Ray Stata, Jerald G. Fishman and [ ], in form and substance satisfactory to you, confirming that for a period of [ ] days after the first date that any of the Notes are released by you for sale to the public, such person will not directly or indirectly sell or offer to sell or otherwise dispose of any shares of Common Stock or any right to acquire such shares without your prior written consent, which consent may be withheld at your sole discretion.

All such opinions, certificates, letters and documents shall be in compliance with the provisions hereof only if they are reasonably satisfactory to you and to Ropes & Gray, your counsel. The Company shall furnish you with such manually signed or conformed copies of such opinions, certificates, letters and documents as you request. Any certificate signed by any officer of the Company and delivered to you or your counsel shall be deemed to be a representation and warranty by the Company to you as to the statements made therein.

If any condition to the your obligations hereunder to be satisfied prior to or at the First Closing Date or the Second Closing Date is not so satisfied, this Agreement at your election will terminate upon notification by you to the Company without liability on your part or the part of the Company except for the expenses to be paid or reimbursed by the Company pursuant to Sections 6 and 8 hereof and except to the extent provided in Section 10 hereof.

Section 8. REIMBURSEMENT OF UNDERWRITER'S EXPENSES. Notwithstanding any other provisions hereof, if this Agreement shall be terminated by you pursuant to Section 7, or if the sale to you of the Notes at the First Closing Date or the Second Closing Date is not consummated because of any refusal, inability or failure on the part of the Company to perform any agreement herein or to comply with any provision hereof, the Company agrees to reimburse you upon demand for all out-of-pocket expenses that shall have been reasonably incurred by you in connection with the proposed purchase and the sale of the Notes, including but not limited to fees and disbursements of counsel, printing expenses, travel expenses, postage, telegraph charges and telephone charges relating directly to the offering contemplated by the Prospectus. Any such termination shall be without liability of any party to any other party except that the provisions of this Section, Section 6 and Section 10 shall at all times be effective and shall apply.

Section 9. EFFECTIVENESS OF REGISTRATION STATEMENT. You and the Company will use your and its best efforts to cause the Registration Statement to become effective, to prevent the issuance of any stop order suspending the effectiveness of the Registration Statement and, if such stop order be issued, to obtain as soon as possible the lifting thereof.

Section 10. INDEMNIFICATION. (a) The Company agrees to indemnify and hold harmless you and each person, if any, who controls you within the meaning of the Act against any losses, claims, damages, liabilities or expenses, joint or several, to which you or such controlling person may become subject, under the Act, the Trust Indenture Act, the Exchange Act, or other federal or state statutory law or regulation, or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of the Company), insofar as such losses, claims, damages, liabilities or expenses (or actions in respect thereof as contemplated below) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, any Preliminary Prospectus, the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state in any of them a material fact required to be stated therein or necessary to make the statements in any of them not misleading, or arise out of or are based in whole or in part on any inaccuracy in the representations and warranties of the Company contained herein or any failure of the Company to perform its obligations hereunder or under law; and will reimburse you and each such controlling person for any legal and other expenses as such expenses are reasonably incurred by you or such controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action; PROVIDED, HOWEVER, that the Company will not be liable in any such case to the extent that any such loss, claim, damage, liability or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto in reliance upon and in conformity with the information furnished to the Company pursuant to Section 3 hereof; and PROVIDED, FURTHER, that the Company shall not be liable to you under the indemnity agreement in this Section 10(a) with respect to any Preliminary Prospectus to the extent that any such loss, claim, damage, liability or expense results from the fact you sold Notes to a person as to whom it shall be established that there was not sent or given, at or prior to the written confirmation of such sale, a copy of the Prospectus or of the Prospectus as then amended or supplemented in any case where such delivery is required by the Act if the Company has previously furnished copies thereof to you and the loss, claim, damage, liability or expense results from an untrue statement or omission of a material fact contained in the Preliminary Prospectus which was corrected in the Prospectus or in the Prospectus as then amended or supplemented. In addition to its other obligations under this Section 10(a), the Company agrees that, as an interim measure during the pendency of any claim, action, investigation, inquiry or other proceeding arising out of or based upon any statement or omission, or any alleged statement or omission, or any inaccuracy in the representations and warranties of the Company herein or failure to perform its obligations hereunder, all as described in this Section 10(a), it will reimburse you on a quarterly basis for all reasonable legal or other expenses incurred in connection with investigating or defending any such claim, action, investigation, inquiry or other proceeding, notwithstanding the absence of a judicial determination as to the propriety and enforceability of the Company's obligation to reimburse you for such expenses and the possibility that such payments might later be held to have been improper by a court of competent jurisdiction. To the extent that any such interim reimbursement payment is so held to

have been improper, you shall promptly return it to the Company, together with interest, compounded daily, determined on the basis of the prime rate (or other commercial lending rate for borrowers of the highest credit standing) announced from time to time by Bank of America NT&SA, San Francisco, California (the "Prime Rate"). Any such interim reimbursement payments which are not made to you within 30 days of a request for reimbursement shall bear interest at the Prime Rate from the date of such request. This indemnity agreement will be in addition to any liability which the Company may otherwise have.

(b) You will indemnify and hold harmless the Company, each of its directors, each of its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of the Act, against any losses, claims, damages, liabilities or expenses to which the Company, or any such director, officer or controlling person may become subject, under the Act, the Trust Indenture Act, the Exchange Act, or other federal or state statutory law or regulation, or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with your written consent), insofar as such losses, claims, damages, liabilities or expenses (or actions in respect thereof as contemplated below) arise out of or are based upon any untrue or alleged untrue statement of any material fact contained in the Registration Statement, any Preliminary Prospectus, the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, any Preliminary Prospectus, the Prospectus, or any amendment or supplement thereto, in reliance upon and in conformity with the information furnished to the Company pursuant to Section 3 hereof; and will reimburse the Company, or any such director, officer or controlling person for any legal and other expense reasonably incurred by the Company, or any such director or officer or any such controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action. In addition to your other obligations under this Section 10(b), you agree that, as an interim measure during the pendency of any claim, action, investigation, inquiry or other proceeding arising out of or based upon any statement or omission, or any alleged statement or omission, described in this Section 10(b) which relates to information furnished to the Company pursuant to Section 3 hereof, you will reimburse the Company (and, to the extent applicable, each officer, director or controlling person) on a quarterly basis for all reasonable legal or other expenses incurred in connection with investigating or defending any such claim, action, investigation, inquiry or other proceeding, notwithstanding the absence of a judicial determination as to the propriety and enforceability of your obligation to reimburse the Company (and, to the extent applicable, each officer, director or controlling person) for such expenses and the possibility that such payments might later be held to have been improper by a court of competent jurisdiction. To the extent that any such interim reimbursement payment is so held to have been improper, the Company (and, to the extent applicable, each officer, director or controlling person) shall promptly return it to you together with interest, compounded daily, determined on the basis of the Prime Rate. Any such

interim reimbursement payments which are not made to the Company within 30 days of a request for reimbursement shall bear interest at the Prime Rate from the date of such request. This indemnity agreement will be in addition to any liability which you may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under this Section, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party for contribution or otherwise than under the indemnity agreement contained in this Section or to the extent it is not prejudiced as a proximate result of such failure. In case any such action is brought against any indemnified party and such indemnified party seeks or intends to seek indemnity from an indemnifying party, the indemnifying party will be entitled to participate in, and, to the extent that it may wish, jointly with all other indemnifying parties similarly notified, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be a conflict between the positions of the indemnifying party and the indemnified party in conducting the defense of any such action or that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of its election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed such counsel in connection with the assumption of legal defenses in accordance with the proviso to the next preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel, approved by you in the case of paragraphs (a) and (b), representing the indemnified parties who are parties to such action) or (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action, in each of which cases the fees and expenses of counsel shall be at the expense of the indemnifying party.

(d) If the indemnification provided for in this Section 10 is required by its terms but is for any reason held to be unavailable to or otherwise insufficient to hold harmless an indemnified party under paragraphs (a), (b) or (c) in respect of any losses, claims, damages, liabilities or expenses referred to herein, then each applicable indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of any losses, claims, damages, liabilities or expenses referred to herein (i) in such proportion as is appropriate to reflect the relative benefits received by

the Company and you from the offering of the or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and you in connection with the statements or omissions or inaccuracies in the representations and warranties herein which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The respective relative benefits received by the Company and you shall be deemed to be in the same proportion, in the case of the Company, as the total price paid to the Company for the Notes sold by them to you (net of underwriting commissions but before deducting expenses), and in your case as the underwriting commissions received by you, bears to the total of such amounts paid to the Company and received by you as underwriting commissions. The relative fault of the Company and you shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact or the inaccurate or the alleged inaccurate representation and/or warranty relates to information supplied by the Company or you and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in subparagraph (c) of this Section 10, any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim. The provisions set forth in subparagraph (c) of this Section 10 with respect to notice of commencement of any action shall apply if a claim for contribution is to be made under this subparagraph (d); provided, however, that no additional notice shall be required with respect to any action for which notice has been given under subparagraph (c) for purposes of indemnification. The Company and you agree that it would not be just and equitable if contribution pursuant to this Section 10 were determined solely by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in this paragraph. Notwithstanding the provisions of this Section 10, you shall not be required to contribute any amount in excess of the amount of the total underwriting commissions received by you in connection with the Notes underwritten by you and distributed to the public. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) It is agreed that any controversy arising out of the operation of the interim reimbursement arrangements set forth in Sections 10(a) and 10(b) hereof, including the amounts of any requested reimbursement payments and the method of determining such amounts, shall be settled by arbitration conducted under the provisions of the Constitution and Rules of the Board of Governors of the New York Stock Exchange, Inc. or pursuant to the Code of Arbitration Procedure of the NASD. Any such arbitration must be commenced by service of a written demand for arbitration or written notice of intention to arbitrate, therein electing the arbitration tribunal. In the event the party demanding arbitration does not make such designation of an arbitration tribunal in such demand or notice, then the party responding to said demand or notice is authorized to do so. Such an arbitration would be limited to the operation of the interim reimbursement provisions contained in Sections 10(a) and

10(b) hereof and would not resolve the ultimate propriety or enforceability of the obligation to reimburse expenses which is created by the provisions of such Sections 10(a) and 10(b) hereof.

Section 11. DEFAULT OF UNDERWRITER. It shall be a condition to this Agreement and the obligation of the Company to sell and deliver the Notes hereunder that, except as hereinafter in this paragraph provided, you shall purchase and pay for all the Notes agreed to be purchased hereunder upon tender of all such shares in accordance with the terms hereof. If you default in your obligation to purchase Notes hereunder on either the First or Second Closing Date and arrangements satisfactory to you and the Company for the purchase of such Notes by other persons are not made within 48 hours after such default, this Agreement will terminate without liability on the part of the Company except for the expenses to be paid by the Company pursuant to Section 6 hereof and except to the extent provided in Section 10 hereof.

In the event that Notes to which a default relates are to be purchased by another party or parties, you or the Company shall have the right to postpone the First or Second Closing Date, as the case may be, for not more than five business days in order that the necessary changes in the Registration Statement, Prospectus and any other documents, as well as any other arrangements, may be effected. As used in this Agreement, any reference to you in your capacity as an underwriter shall include any person substituted for you in whole or in part under this Section. Nothing herein will relieve you from liability for your default.

Section 12. EFFECTIVE DATE. This Agreement shall become effective immediately as to Sections 6, 8, 10, 13 and 14 and, as to all other provisions, (i) if at the time of execution of this Agreement the Registration Statement has not become effective, at 2:00 P.M., California time, on the first full business day following the effectiveness of the Registration Statement, or (ii) if at the time of execution of this Agreement the Registration Statement has been declared effective, at 2:00 P.M., California time, on the first full business day following the date of execution of this Agreement; but this Agreement shall nevertheless become effective at such earlier time after the Registration Statement becomes effective as you may determine on and by notice to the Company or by release of any of the Notes for sale to the public. For the purposes of this Section 12, the Notes shall be deemed to have been so released upon the release for publication of any newspaper advertisement relating to the Notes or upon the release by you of telegrams (i) advising that the Notes are released for public offering, or (ii) offering the Notes for sale to securities dealers, whichever may occur first.

Section 13. TERMINATION. Without limiting the right to terminate this Agreement pursuant to any other provision hereof:

(a) This Agreement may be terminated by the Company by notice to you or by you by notice to the Company at any time prior to the time this Agreement shall become effective as to all its provisions, and any such termination shall be without liability on the part of the

Company to you (except for the expenses to be paid or reimbursed by the Company pursuant to Sections 6 and 8 hereof and except to the extent provided in Section 10 hereof) or of you to the Company (except to the extent provided in Section 10 hereof).

(b) This Agreement may also be terminated by you on or prior to the First Closing Date by notice to the Company (i) if additional material governmental restrictions, not in force and effect on the date hereof, shall have been imposed upon trading in securities generally or minimum or maximum prices shall have been generally established on the New York Stock Exchange or on the American Stock Exchange or in the over the counter market by the NASD, or trading in securities generally shall have been suspended on either such Exchange or in the over the counter market by the NASD, or a general banking moratorium shall have been established by federal, New York or California authorities, (ii) if an outbreak of major hostilities or other national or international calamity or any substantial change in political, financial or economic conditions shall have occurred or shall have accelerated or escalated to such an extent, as, in your reasonable judgment, to affect materially and adversely the marketability of the Notes, (iii) if any adverse event shall have occurred or shall exist which makes untrue or incorrect in any material respect any statement or information contained in the Registration Statement or Prospectus or which is not reflected in the Registration Statement or Prospectus but should be reflected therein in order to make the statements or information contained therein not misleading in any material respect, or (iv) if there shall be any action, suit or proceeding pending or threatened (except as described in the Prospectus, and then only to the extent there has not occurred since the date of the Prospectus any development or prospective development relating to any such action, suit or proceeding so described), or there shall have been any development or prospective development involving particularly the business or properties or securities of the Company or any of its subsidiaries or the transactions contemplated by this Agreement, which, in your reasonable judgment, may materially and adversely affect the Company's business or earnings and makes it impracticable or inadvisable to offer or sell the Notes. Any termination pursuant to this subsection (b) shall be without liability on your part to the Company or on the part of the Company to you (except for expenses to be paid or reimbursed by the Company pursuant to Sections 6 and 8 hereof and except to the extent provided in Section 10 hereof).

Section 14. REPRESENTATIONS AND INDEMNITIES TO SURVIVE DELIVERY. The respective indemnities, agreements, representations, warranties and other statements of the Company, of its officers and of you set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of you or the Company or any of its or their partners, officers or directors or any controlling person, as the case may be, and will survive delivery of and payment for the Notes sold hereunder and any termination of this Agreement.



Section 15. NOTICES. All communications hereunder shall be in writing and, if sent to you, shall be mailed, delivered or telegraphed and confirmed to you at 600 Montgomery Street, San Francisco, California 94111, Attention: Mr. Joseph M. Schell with a copy to Ropes & Gray, One International Place, Boston, Massachusetts 02110, Attention: Keith F. Higgins, Esq.; and if sent to the Company shall be mailed, delivered or telegraphed and confirmed to the Company at Analog Devices, Inc., Three Technology Way, Norwood, Massachusetts 02062-9106, Attention: President, with a copy to Hale and Dorr, 60 State Street, Boston, Massachusetts 02109, Attention: Paul P. Brountas, Esq. and Mark G. Borden, Esq. The Company or you may change the address for receipt of communications hereunder by giving notice to the other.

Section 16. SUCCESSORS. This Agreement will inure to the benefit of and be binding upon the parties hereto, including any substitute party pursuant to Section 11 hereof, and to the benefit of the officers and directors and controlling persons referred to in Section 10, and in each case their respective successors, personal representatives and assigns, and no other person will have any right or obligation hereunder. No such assignment shall relieve any party of its obligations hereunder. The term "successors" shall not include any purchaser of the Notes as such from you merely by reason of such purchase.

Section 17. PARTIAL UNENFORCEABILITY. The invalidity or unenforceability of any Section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other Section, paragraph or provision hereof. If any Section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

Section 18. APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the internal laws (and not the laws pertaining to conflicts of laws) of the Commonwealth of Massachusetts.

Section 19. GENERAL. This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. This Agreement may be executed in several counterparts, each one of which shall be an original, and all of which shall constitute one and the same document.

In this Agreement, the masculine, feminine and neuter genders and the singular and the plural include one another. The section headings in this Agreement are for the convenience of the parties only and will not affect the construction or interpretation of this Agreement. This Agreement may be amended or modified, and the observance of any term of this Agreement may be waived, only by a writing signed by the Company and you.

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us the enclosed copies hereof, whereupon it will become a binding agreement among the Company and you, all in accordance with its terms.

Very truly yours,

ANALOG DEVICES, INC.

By:

-----  
Jerald G. Fishman  
President and Chief  
Operating Officer

The foregoing Underwriting Agreement is hereby confirmed and accepted by us in San Francisco, California as of the date first above written.

MONTGOMERY SECURITIES

By:

-----  
Managing Director

SCHEDULE I

Underwriter	Principal Amount of Notes to be Purchased
-----	-----
Montgomery Securities. . . . .	
Goldman, Sachs & Co. . . . .	
Total. . . . .	----- \$200,000,000 =====

Schedule II  
Material Subsidiaries  
-----

Analog Devices, B.V.

Analog Devices Finance N.V.

[ ]

ANALOG DEVICES, INC.

AND

STATE STREET BANK AND TRUST COMPANY  
Trustee

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INDENTURE

Dated as of November \_\_, 1995

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\$200,000,000

(With an Over-Allotment option for an  
Additional \$30,000,000)

\_\_% Convertible Subordinated Notes due December 1, 2000

## Analog Devices, Inc.

Reconciliation and tie between Trust Indenture Act of 1939 and Indenture,  
dated as of November \_\_, 1995

Trust Indenture Act Section -----	Indenture Section -----
310 (a) (1) .....	6.9
(a) (2) .....	6.9
(a) (3) .....	Not Applicable
(a) (4) .....	Not Applicable
(b) .....	6.8
	6.1
311 (a) .....	6.13
(b) .....	6.13
312 (a) .....	7.1
(b) .....	7.2(a)
(c) .....	7.2(b)
	7.2(c)
313 (a) .....	7.3(a)
(b) .....	7.3(a)
(c) .....	7.3(a)
(d) .....	7.3(b)
314 (a) .....	7.4
(b) .....	Not Applicable
(c) (1) .....	1.2
(c) (2) .....	1.2
(c) (3) .....	Not Applicable
(d) .....	Not Applicable
(e) .....	1.2
315 (a) .....	6.1(a)
(b) .....	6.2
	7.3(a) (6)
(c) .....	6.1(b)
(d) .....	6.1(c)
(d) (1) .....	6.1(a) (1)
(d) (2) .....	6.1(c) (2)
(d) (3) .....	6.1(c) (3)
(e) .....	5.14
316 (a) (1) (A) .....	5.12
(a) (1) (B) .....	5.13

(a) (2)	.....	Not Applicable
(b)	.....	5.8
317 (a) (1)	.....	5.3
(a) (2)	.....	5.4
(b)	.....	10.3
318 (a)	.....	1.7

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Note: This reconciliation and tie shall not, for any purpose, be deemed to be a part of the Indenture.

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INDENTURE, dated as of November \_\_, 1995, between Analog Devices, Inc., a corporation duly organized and existing under the laws of the Commonwealth of Massachusetts (herein called the "Company"), having its principal office at One Technology Way, Norwood, Massachusetts 02062, and State Street Bank and Trust Company, as Trustee (herein called the "Trustee").

RECITALS OF THE COMPANY

The Company has duly authorized the creation of an issue of its \_\_% Convertible Subordinated Notes due December 1, 2000 (herein called the "Securities") of substantially the tenor and amount hereinafter set forth, and to provide therefor the Company has duly authorized the execution and delivery of this Indenture.

All things necessary to make the Securities, when executed by the Company and authenticated and delivered hereunder and duly issued by the Company, the valid obligations of the Company, and to make this Indenture a valid agreement of the Company, in accordance with their and its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities, as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS  
OF GENERAL APPLICATION

Section 1.1 DEFINITIONS.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles, and, except as otherwise herein expressly provided, the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted at the date of this instrument; and

(4) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

Certain terms, used principally in Articles Six, Twelve and Fourteen, are defined in that Article.

"ACT", when used with respect to any Holder, has the meaning specified in Section 1.4.

"AFFILIATE" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"AUTHENTICATING AGENT" means any Person authorized by the Trustee to act on behalf of the Trustee to authenticate Securities.

"BOARD OF DIRECTORS" means either the board of directors of the Company or any duly authorized committee of that board.

"BOARD RESOLUTION" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"BUSINESS DAY" means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in the City of New York or the city in which the

Corporate Trust Office of the Trustee is located are authorized or obligated by law or executive order to close.

"CLOSING PRICE" for any security for any day means the last reported sale price of such security regular way on such day or, in case no such reported sale takes place on such day, the average of the reported closing bid and asked prices regular way on such day, in either case on the New York Stock Exchange or, if the security is not listed or admitted to trading on such exchange, on the principal national securities exchange on which the security is listed or admitted to trading or, if not listed or admitted to trading on any national securities exchange, on the Nasdaq National Market or Nasdaq or, if the security is not listed or admitted to trading on any national securities exchange or quoted on such National Market or Nasdaq, the average of the closing bid and asked prices in the over-the-counter market as furnished by any New York Stock Exchange member firm selected from time to time by the Company for that purpose. If the security is not listed or admitted to trading on any national securities exchange, quoted on such National Market or Nasdaq or listed in any list of bid and asked prices in the over-the-counter market, "Closing Price" shall mean the fair market value of the security as determined in good faith by the Board of Directors and evidenced by a Board Resolution.

"COMMISSION" means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"COMMON STOCK" includes any stock of any class of the Company which has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Company and which is not subject to redemption by the Company. However, subject to the provisions of Section 12.11, shares issuable on conversion of Securities and shares used to pay the Repurchase Price pursuant to Section 14.1 shall include only shares of the class designated as Common Stock of the Company at the date of this instrument or shares of any class or classes resulting from any reclassification or reclassifications thereof and which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Company and which are not subject to redemption by the Company; provided that if at any time there shall be more than one such resulting class, the shares of each such class then so issuable shall be substantially in the proportion which the total number of shares of such class resulting from all such



reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

"COMPANY" means the Person named as the "Company" in the first paragraph of this instrument until a successor Person shall have become such pursuant to the applicable provisions of this Indenture and thereafter "Company" shall mean such successor Person.

"COMPANY REQUEST" or "COMPANY ORDER" means a written request or order signed in the name of the Company by its Chairman of the Board, its President or a Vice President, and by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary, and delivered to the Trustee.

"CORPORATE TRUST OFFICE" means the principal office of the Trustee at which at any particular time its corporate trust business shall be administered. Initially, the Corporate Trust Office of the Trustee is located at 225 Franklin Street, Boston, Massachusetts 02110, Attn: Corporate Trust Department.

"CORPORATION" means a corporation, association, company, joint-stock company or business trust.

"DEFAULTED INTEREST" has the meaning specified in Section 3.7.

"EVENT OF DEFAULT" has the meaning specified in Section 5.1.

"HOLDER" means a Person in whose name a Security is registered in the Security Register.

"INDENTURE" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

"INTEREST PAYMENT DATE" means the Stated Maturity of an installment of interest on the Securities.

"MATURITY", when used with respect to any Security, means the date on which the principal of such Security becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption, obligation to repurchase or otherwise.

"OFFICERS' CERTIFICATE" means a certificate signed by the Chairman of the Board, the President or a Vice President, and

by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, of the Company, and delivered to the Trustee.

"OPINION OF COUNSEL" means a written opinion of counsel, who may be counsel for the Company, and who shall be acceptable to the Trustee.

"OUTSTANDING", when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(i) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Securities for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; provided that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; and

(iii) Securities which have been paid pursuant to Section 3.6 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only securities which the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor. The Trustee may require, and

may conclusively rely upon, an Officers' Certificate as to whether or not any Securities are so owned.

"PAYING AGENT" means any Person authorized by the Company to pay the principal of (and premium, if any) or interest on any Securities on behalf of the Company.

"PERSON" means any individual, corporation, partnership, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"PREDECESSOR SECURITY" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 3.6 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"REDEMPTION DATE", when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"REDEMPTION PRICE", when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

"REGULAR RECORD DATE" for the interest payable on any Interest Payment Date means the May 15 or November 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date.

"RESPONSIBLE OFFICER", when used with respect to the Trustee, means any officer assigned to and working in the corporate trust department of the Trustee, or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his or her knowledge of and familiarity with the particular subject.

"SECURITY REGISTER" and "SECURITY REGISTRAR" have the respective meanings specified in Section 3.5.

"SENIOR INDEBTEDNESS" shall have the meaning set forth in Section 13.1.

"SPECIAL RECORD DATE" for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 3.7.

"STATED MATURITY", when used with respect to any Security or any installment of interest thereon, means the date specified in such Security as the fixed date on which the principal of such Security or such installment of interest is due and payable.

"SUBSIDIARY" means a corporation more than 50% of the outstanding voting stock of which is owned, directly or indirectly, by the Company or by one or more other subsidiaries, or by the Company and one or more other subsidiaries. For the purposes of this definition, "voting stock" means stock which ordinarily has voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

"TRADING DAY" means, with respect to any security, each Monday, Tuesday, Wednesday, Thursday and Friday, other than any day on which securities are not traded on the exchange or market on which such security is traded.

"TRUSTEE" means the person named as the "Trustee" in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Trustee.

"TRUST INDENTURE ACT" means the Trust Indenture Act of 1939 as in force at the date as of which this instrument was executed, except as provided in Section 9.5.

"VICE PRESIDENT", when used with respect to the Company or the Trustee, means any vice president, whether or not designated by a number or a word or words added before or after the title "vice president".

#### Section 1.2 COMPLIANCE CERTIFICATES AND OPINIONS.

Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically

required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

#### Section 1.3 FORM OF DOCUMENTS DELIVERED TO TRUSTEE.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company,

unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

#### Section 1.4 ACTS OF HOLDERS.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 6.1) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The ownership of Securities shall be proved by the Security Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company

in reliance thereon, whether or not notation of such action is made upon such Security.

(e) Except for matters arising under Article V (in which event any record date shall be set by the Trustee), the Company may set any day as a record date for the purpose of determining the Holders of Outstanding Securities entitled to give, make or take any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Indenture to be given, made or taken by Holders of Securities. If any record date is set pursuant to this paragraph, the Holders of Outstanding Securities on such record date, and no other Holders, shall be entitled to take the relevant action, whether or not such Holders remain Holders after such record date; provided that no such action shall be effective hereunder unless taken on or prior to the applicable Expiration Date (as defined below) by Holders of the requisite principal amounts of Outstanding Securities on such record date. Nothing in this paragraph shall be construed to prevent the Trustee from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be cancelled and of no effect), and nothing in this paragraph shall be construed to render ineffective any action taken by Holders of the requisite principal amount of Outstanding Securities on the date such action is taken. Promptly after receiving written notice of a record date set by the Company pursuant to this paragraph, the Trustee, at the Company's expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Company in writing and to each Holder of Securities in the manner set forth in Section 1.6.

With respect to any record date set pursuant to this Section 1.4(e), the party hereto which sets such record date may designate any day as the "Expiration Date" and from time to time may change the Expiration Date to any earlier or later day; provided that no such change shall be effective unless notice of the proposed new Expiration Date is given to the other party hereto in writing, and to each Holder of Securities in the manner set forth in Section 1.6, on or prior to the existing Expiration Date. If an Expiration Date is not designated with respect to any record date set pursuant to this Section 1.4(e), the party hereto which set such record date shall be deemed to have initially designated the 180th day after such record date as the Expiration Date with respect thereto, subject to its right to change the Expiration Date as provided in this paragraph. Notwithstanding the foregoing, no Expiration Date shall be later than the 180th day after the applicable record date.

## Section 1.5 NOTICES, ETC., TO TRUSTEE AND COMPANY.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Holder or by the Company shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office, Attention: 1995 Analog Devices, Inc. Indenture, or

(2) the Company by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Company addressed to it at the address of its principal office specified in the first paragraph of this instrument or at any other address previously furnished in writing to the Trustee by the Company.

## Section 1.6 NOTICE TO HOLDERS; WAIVER.

Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at his address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.



Section 1.7 CONFLICT WITH TRUST INDENTURE ACT.

If any provision hereof limits, qualifies or conflicts with another provision hereof which is required to be included in this Indenture by any of the provisions of the Trust Indenture Act, such required provision shall control.

Section 1.8 EFFECT OF HEADINGS AND TABLE OF CONTENTS.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not effect the construction hereof.

Section 1.9 SUCCESSORS AND ASSIGNS.

All covenants and agreements in this Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

Section 1.10 SEPARABILITY CLAUSE.

In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.11 BENEFITS OF INDENTURE.

Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, the holders of Senior Indebtedness and the Holders of Securities, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 1.12 GOVERNING LAW.

This Indenture and the Securities shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

Section 1.13 LEGAL HOLIDAYS.

In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any security or the last date on which a Holder has the right to convert his Securities shall not be a Business Day, then (notwithstanding any other provision of this Indenture or of the Securities) payment of interest or principal (and premium, if any) or conversion of the Securities need not be made on such date, but may be made on the next succeeding Business

Day with the same force and effect as if made on the Interest Payment Date or Redemption Date, or at the Stated Maturity, or on such last day for conversion, provided that no interest shall accrue for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be.

ARTICLE 2

SECURITY FORMS

Section 2.1 FORMS GENERALLY.

The Securities and the Trustee's certificates of authentication shall be in substantially the forms set forth in this Article, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution of the Securities.

The definitive Securities shall be printed, lithographed or engraved or produced by any combination of these methods on steel engraved borders or may be produced in any other manner permitted by the rules of any Securities exchange on which the Securities may be listed, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

Section 2.2 FORM OF FACE OF SECURITY.

Analog Devices, Inc.

\_\_% Convertible Subordinated Note

due December 1, 2000

No. §

Analog Devices, Inc., a corporation duly organized and existing under the laws of Massachusetts (herein called the "Company", which term includes any successor person under the Indenture hereinafter referred to), for value received hereby promises to pay to \_\_\_\_\_, or registered assigns, the principal sum of \_\_\_\_\_ Dollars on December 1, 2000, and to pay interest thereon from November \_\_, 1995 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on June 1\_ and December 1\_ in each

year, commencing June 1, 1996, at the rate of \_\_\_% per annum, until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will be as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the May 15 or November 15\_ (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture. Payment of the principal of (and premium, if any) and interest on this Security will be made at the office or agency of the Company maintained for that purpose in The Borough of Manhattan, the City of New York or the city in which the Corporate Trust Office of the Trustee is located, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated: ANALOG DEVICES, INC.

Attest: \_\_\_\_\_ By: \_\_\_\_\_

## Section 2.3 FORM OF REVERSE OF SECURITY.

This Security is one of a duly authorized issue of securities of the Company designated as its \_\_\_% Convertible Subordinated Notes due December 1, 2000 (herein called the "Securities"), limited in aggregate principal amount to \$200,000,000 (except for such additional principal amounts, not to exceed \$30,000,000, of Securities issued to cover over-allotments in the initial public offering of the Securities) issued and to be issued under an Indenture, dated as of November \_\_, 1995 (herein called the "Indenture"), between the Company and State Street Bank and Trust Company, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee, the holders of Senior Indebtedness and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered.

Subject to and upon compliance with the provisions of the Indenture, the Holder of this Security is entitled, at his option, at any time after 60 days from the latest date of original issuance of the Securities and on or before the close of business on December 1, 2000, or in case this Security or a portion hereof is called for redemption, then in respect of this Security or such portion hereof until and including, but (unless the Company defaults in making the payment due upon redemption) not after, the close of business on the fifth Business Day prior to the Redemption Date, to convert this Security (or any portion of the principal amount hereof which is \$1,000 or an integral multiple thereof), at the principal amount hereof, or of such portion, into fully paid and non-assessable shares (calculated as to each conversion to the nearest 1/100 of a share) of Common Stock of the Company at a conversion price equal to \$\_\_\_\_\_ for each share of Common Stock (or at the current adjusted conversion price if an adjustment has been made as provided in the Indenture) by surrender of this Security, duly endorsed or assigned to the Company or in blank, to the Company at its office or agency in The Borough of Manhattan, the City of New York or the city in which the Corporate Trust Office of the Trustee is located, accompanied by written notice to the Company that the Holder hereof elects to convert this Security, or if less than the entire principal amount hereof is to be converted, the portion hereof to be converted, and, in case such surrender shall be made during the period from the close of business on any Regular Record Date next preceding any Interest Payment Date to the opening of business on such Interest Payment Date (the "Interest Period"), also accompanied by

payment in New York Clearing House Funds or other funds acceptable to the Company of an amount equal to the interest payable on such Interest Payment Date on the principal amount of this Security then being converted; except that in the case of Securities or portions thereof that have been called for redemption and, pursuant to Section 12.1 of the Indenture, as a result of such redemption the right to convert such Securities terminates during the Interest Period, any such Securities surrendered for conversion during such Interest Period need not be accompanied by payment in an amount equal to such interest. Subject to the aforesaid requirement for payment and, in the case of a conversion after the Regular Record Date next preceding any Interest Payment Date and on or before such Interest Payment Date, to the right of the Holder of Record of this Security (or any Predecessor Security) at such Regular Record Date to receive an installment of interest (with certain exceptions provided in the Indenture), no payment or adjustment is to be made on conversion for interest accrued hereon or for dividends on the Common Stock issued on conversion. No fractions of shares or scrip representing fractions of shares will be issued on conversion, but instead of any fractional interest the Company shall pay a cash adjustment as provided in the Indenture. The conversion price is subject to adjustment as provided in the Indenture. In addition, the Indenture provides that in case of certain consolidations or mergers to which the Company is a party or the transfer of substantially all of the assets of the Company, the Indenture shall be amended, without the consent of any Holders of Securities, so that this Security, if then outstanding, will be convertible thereafter, during the period this Security shall be convertible as specified above, only into the kind and amount of securities, cash and other property receivable upon the consolidation, merger or transfer by a holder of the number of shares of Common stock into which this Security might have been converted immediately prior to such consolidation, merger or transfer (assuming such holder of Common Stock failed to exercise any rights of election and received per share the kind and amount received per share by a plurality of non-electing shares).

The Securities are subject to redemption upon not less than 20 days' nor more than 60 days' notice by mail, at any time on or after December 1, 1998, as a whole or in part, at the election of the Company. The Redemption Prices (expressed as percentages of the principal amount) beginning December 1 of the years indicated are as follows:

Year	Redemption Price
1998	%
1999	%

and thereafter at a Redemption Price equal to 100% of the principal amount, together in the case of any such redemption with accrued interest to the Redemption Date, but interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.

Upon a Change in Control (as defined in the Indenture), the Company will be required to offer to repurchase all or part of the Securities at 100% of their principal amount plus accrued interest. The Company shall pay the repurchase price in cash.

In the event of redemption or conversion of this Security in part only, a new Security or Securities for the unredeemed or unconverted portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

The indebtedness evidenced by this Security is, to the extent provided in the Indenture, subordinate and subject in right of payment to the prior payment in full of all Senior Indebtedness, and this Security is issued subject to the provisions of the Indenture with respect thereto. Each holder of this Security, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination so provided and (c) appoints the Trustee as his attorney-in-fact for any and all such purposes.

If an Event of Default shall occur and be continuing, the principal of all the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities at the time outstanding. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Securities at the time Outstanding, on behalf of the

Holders of all the Securities, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed or to convert this Security as provided in the Indenture.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in The Borough of Manhattan, The City of New York or the city in which the Corporate Trust Office of the Trustee is located, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities are issuable only in registered form without coupons in denominations of \$1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities are exchangeable for a like aggregate principal amount of Securities of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made to a Holder for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not

this Security is overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

Section 2.4 FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION.

This is one of the Securities referred to in the within-mentioned Indenture.

State Street Bank and Trust Company  
as Trustee

By \_\_\_\_\_  
Authorized signatory

Section 2.5 FORM OF CONVERSION NOTICE.

To Analog Devices, Inc.:

The undersigned owner of this Security hereby irrevocably exercises the option to convert this Security, or portion hereof (which is \$1,000 or an integral multiple thereof) below designated, into shares of Common Stock of Analog Devices, Inc., in accordance with the terms of the Indenture referred to in this Security, and directs that the certificate or certificates for the shares issuable and deliverable upon the conversion, together with any check in payment for fractional shares and any Securities representing any unconverted principal amount hereof, be issued in the name of and delivered to the undersigned, unless a different name has been indicated below. If shares are to be issued in the name of a person other than the undersigned, the undersigned will pay any transfer taxes payable with respect thereto. Any amount required to be paid by the undersigned on account of interest accompanies this Security.

Principal Amount to be converted  
(in an integral multiple of \$1,000, if less than all):  
\$ \_\_\_\_\_



FILL IN FOR REGISTRATION OF SHARES:

Name \_\_\_\_\_

Address \_\_\_\_\_

please print name and address (including zip code)

Please Insert Social Security or  
Other Taxpayer Identifying  
Number

\_\_\_\_\_  
\_\_\_\_\_

Dated: \_\_\_\_\_ Signature \_\_\_\_\_

(must conform in all  
respects to name of Holder  
appearing on face hereof)

Fill in for registration of shares of Common stock and  
Securities if to be issued otherwise than to the Holder:

(Name) Social Security or Other  
Taxpayer Identifying Number:

(Name) Signature Guaranteed  
By:  
Member Signature Guaranty  
Medallion Program

please print name and address  
(including zip code)

## ARTICLE 3

## THE SECURITIES

## Section 3.1 TITLE AND TERMS.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is limited to \$200,000,000 (except for such additional principal amounts, not to exceed \$30,000,000, of Securities issued to cover over-allotments in the initial public offering of the Securities), except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities pursuant to Section 3.4, 3.5, 3.6, 9.6 or 12.2.

The Securities shall be known and designated as the "   % Convertible Subordinated Notes due December 1, 2000" of the Company. Their final Stated Maturity shall be December 1, 2000, and they shall bear interest at the rate of    % per annum, from November    , 1995 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, payable semi-annually on June 1 and December 1, commencing June 1, 1996 until the principal thereof is paid or made available for payment.

The principal of (and premiums if any) and interest on the Securities shall be payable at the office or agency of the Company in The Borough of Manhattan, the City of New York or the city in which the Corporate Trust Office of the Trustee is located maintained for such purpose and at any other office or agency maintained by the Company for such purpose; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register.

The Securities shall be redeemable as provided in Article 11.

The Securities shall be convertible as provided in Article 12.

The Securities shall be subordinated in right of payment to Senior Indebtedness as provided in Article 13.

The Securities shall be subject to repurchase at the option of the Holder as provided in Article 14.

Section 3.2 DENOMINATIONS.

The Securities shall be issuable only in registered form without coupons and only in denominations of \$1,000 and any integral multiple thereof.

Section 3.3 EXECUTION, AUTHENTICATION, DELIVERY AND DATING.

The Securities shall be executed on behalf of the Company by its Chairman of the Board, its President or one of its Vice Presidents, under its corporate seal reproduced thereon attested by its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Securities may be manual or facsimile.

Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities; and the Trustee in accordance with such Company Order shall authenticate and deliver such Securities as in this Indenture provided and not otherwise.

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder.

Section 3.4 TEMPORARY SECURITIES.

Pending the preparation of definitive Securities, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other

variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities.

If temporary Securities are issued, the Company will cause definitive Securities to be prepared without unreasonable delay. After the preparation of definitive Securities, the temporary Securities shall be exchangeable for definitive Securities upon surrender of the temporary Securities at any office or agency of the Company designated pursuant to Section 10.2, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Securities of authorized denominations. Until so exchanged the temporary Securities shall in all respects be entitled to the same benefits under this Indenture as definitive Securities.

#### Section 3.5 REGISTRATION; REGISTRATION OF TRANSFER AND EXCHANGE.

The Company shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office and in any other office or agent designated pursuant to Section 10.2 being herein sometimes collectively referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee is hereby appointed "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided.

Upon surrender for registration of transfer of any Security at an office or agency of the Company designated pursuant to Section 10.2 for such purpose, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of any authorized denominations and of a like aggregate principal amount.

At the option of the Holder, Securities may be exchanged for other Securities of any authorized denominations and of a like aggregate principal amount, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same

benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed, by the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made to a Holder for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 3.4, 9.6, 11.8 or 12.2 not involving any transfer.

The Company shall not be required (i) to issue, register the transfer of or exchange any Security during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities selected for redemption under Section 11.4 and ending at the close of business on the day of such mailing, or (ii) to register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

#### Section 3.6 MUTILATED, DESTROYED, LOST AND STOLEN SECURITIES.

If any mutilated Security is surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and upon its request the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of like tenor and principal amount and bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the

Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

Section 3.7 PAYMENT OF INTEREST; INTEREST RIGHTS PRESERVED.

Interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

Any interest on any Security which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in clause (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to

the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder at his address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following clause (2).

(2) The Company may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

In the case of any Security which is converted after any Regular Record Date but on or before the next Interest Payment Date, interest whose Stated Maturity is on such Interest Payment Date shall be payable on such Interest Payment Date notwithstanding such conversion, and such interest (whether or not punctually paid or duly provided for) shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on such Regular Record Date.

## Section 3.8 PERSONS DEEMED OWNERS.

Prior to due presentment of a Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of (and premium, if any) and (subject to Section 3.7) interest on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

## Section 3.9 CANCELLATION.

All Securities surrendered for payment, redemption, registration of transfer or exchange or conversion shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly cancelled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly cancelled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Securities held by the Trustee shall be disposed of in accordance with the Trustee's usual document destruction procedures.

## Section 3.10 COMPUTATION OF INTEREST.

Interest on the Securities shall be computed on the basis of a year of twelve 30-day months.

## ARTICLE 4

## SATISFACTION AND DISCHARGE

## Section 4.1 SATISFACTION AND DISCHARGE OF INDENTURE.

This Indenture shall cease to be of further effect (except as to any surviving rights of conversion, registration of transfer or exchange of Securities herein expressly provided for), and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when



(1) either

(A) all Securities theretofore authenticated and delivered (other than (i) Securities which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 3.6 and (ii) Securities for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 10.3) have been delivered to the Trustee for cancellation; or

(B) all such Securities not theretofore delivered to the Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,

and the Company, in the case of (i), (ii) or (iii) above, has deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose an amount sufficient to pay and discharge the entire indebtedness on such Securities not theretofore delivered to the Trustee for cancellation for principal (and premium, if any) and interest to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be;

(2) the Company has paid or caused to be paid all other sums payable hereunder by the Company; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustee under Section 6.7, the obligations of the Trustee to any Authenticating Agent under

Section 6.14 and, if money shall have been deposited with the Trustee pursuant to subclause (B) of clause (1) of this Section, the obligations of the Trustee under Section 4.2 and the last paragraph of Section 10.3 shall survive. Except as specifically agreed in writing, the Trustee shall not be responsible for the payment of interest upon money deposited with it under this Indenture.

#### Section 4.2 APPLICATION OF TRUST MONEY.

Subject to the provisions of the last paragraph of Section 10.3, all money deposited with the Trustee pursuant to Section 4.1 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee. All moneys deposited with the Trustee pursuant to Section 4.1 (and held by it or any Paying Agent) for the payment of Securities subsequently converted shall be returned to the Company upon Company Request.

### ARTICLE 5

#### REMEDIES

##### Section 5.1 EVENTS OF DEFAULT.

"Event of Default", wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be occasioned by the provisions of Article 13 or be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) default in the payment of any interest upon any Security when it becomes due and payable, and continuance of such default for a period of 30 days; or

(2) default in the payment of the principal of (or premium, if any, on) any Security at its Maturity; or

(3) default in the performance, or breach, of any covenant or warranty of the Company in this Indenture (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in this Section specifically dealt with), and continuance of such default or breach for a period

of 60 days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 10% in principal amount of the Outstanding Securities a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(4) A failure by the Company or any Subsidiary to make any payment at maturity in respect of any obligations (other than non-recourse obligations) of, or guaranteed or assumed by, the Company or any Subsidiary for borrowed money ("Indebtedness") in an amount in excess of \$25,000,000 and continuance of such failure for 180 days, or a default by the Company or any Subsidiary with respect to any Indebtedness, which default results in the acceleration or such acceleration having been cured, waived, rescinded or annulled within 30 days after there shall have been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 10% in principal amount of the Outstanding Securities a written notice specifying such default and requiring the Company to cause such indebtedness to be discharged or cause such default to be cured or waived or such acceleration to be rescinded or annulled and stating that such notice is a "Notice of Default" hereunder; or

(5) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable Federal or state bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable Federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days; or

(6) the commencement by the Company of a voluntary case or proceeding under any applicable Federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of the Company in an

involuntary case or proceeding under any applicable Federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable Federal or state law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Company in substantial furtherance of any such action.

Section 5.2 ACCELERATION OF MATURITY; RESCISSION AND ANNULMENT.

If an Event of Default occurs and is continuing, then and in every such case the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities may declare the principal of all the Securities to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon any such declaration such principal shall become immediately due and payable.

At any time after such a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in principal amount of the Outstanding Securities, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if

(1) the Company has paid or deposited with the Trustee a sum sufficient to pay

(A) all overdue interest on all Securities,

(B) the principal of (and premium, if any, on) any Securities which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Securities,

(C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by the Securities, and

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel;

and

(2) all Events of Default, other than the non-payment of the principal of Securities which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 5.13.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

Section 5.3 COLLECTION OF INDEBTEDNESS AND SUITS FOR ENFORCEMENT BY TRUSTEE.

The Company covenants that if

(1) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days, or

(2) default is made in the payment of the principal of (or premium, if any, on) any Security at the Maturity thereof,

the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal (and premium, if any) and interest, and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue principal (and premium, if any) and on any overdue interest, at the rate borne by the Securities, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company or any other obligor upon the Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon the Securities, wherever situated.

If an Event of Default occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

Section 5.4 TRUSTEE MAY FILE PROOFS OF CLAIM.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(i) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Securities and take such other actions, including participating as a member, voting or otherwise, of any official committee of creditors appointed in such matter and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 6.7.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 5.5 TRUSTEE MAY ENFORCE CLAIMS WITHOUT POSSESSION OF SECURITIES.

All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

Section 5.6 APPLICATION OF MONEY COLLECTED.

Subject to Article 13, any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 6.7; and

SECOND: To the payment of the amounts then due and unpaid for principal of (and premium, if any) and interest on the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal (and premium, if any) and interest, respectively.

Section 5.7 LIMITATION ON SUITS.

No Holder of any Security shall have any right to institute any action, suit or proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default;

(2) the Holders of not less than 25% in principal amount of the Outstanding Securities shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(3) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such action, suit or proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities;

it being understood and intended that no one or more Holders shall have any right in any manner whatever by virtue of, or by availing itself of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders.

Section 5.8 UNCONDITIONAL RIGHT OF HOLDERS TO RECEIVE PRINCIPAL,  
PREMIUM AND INTEREST AND TO CONVERT.

Notwithstanding any other provision in this Indenture, but subject to the provisions of Article 13, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of (and premium, if any) and (subject to Section 3.7) interest on such Security on the respective Stated Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date) and to convert such Security in accordance with Article 12 and to institute suit for the enforcement of any such payment and right to convert, and such rights shall not be impaired without the consent of such Holder.

Section 5.9 RESTORATION OF RIGHTS AND REMEDIES.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such



proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

Section 5.10 RIGHTS AND REMEDIES CUMULATIVE.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 3.6, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.11 DELAY OR OMISSION NOT WAIVER.

No delay or omission of the Trustee or of any Holder of any Security to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 5.12 CONTROL BY HOLDERS.

The Holders of a majority in principal amount of the Outstanding Securities shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, provided that

(1) such direction shall not be in conflict with any rule of law or with this Indenture, and

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

## Section 5.13 WAIVER OF PAST DEFAULTS.

The Holders of not less than a majority in principal amount of the Outstanding Securities may on behalf of the Holders of all the Securities waive any past default hereunder and its consequences, except a default

(1) in the payment of the principal of (or premium, if any) or interest on any Security, or

(2) in respect of a covenant or provision hereof which under Article 9 cannot be modified or amended without the consent of the Holder of each Outstanding Security affected; provided however that no such waiver shall be effected until all amounts then due to the Trustee under Section 6.7 have been paid.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

## Section 5.14 UNDERTAKING FOR COSTS.

All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Securities, or to any suit instituted by any Holder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Security on or after the respective Stated Maturities expressed in such Security (or, in the case of redemption, on or after the Redemption Date) or for the enforcement of the right to convert any Security in accordance with Article 12.

## Section 5.15 WAIVER OF STAY OR EXTENSION LAWS.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

## ARTICLE 6

## THE TRUSTEE

## Section 6.1 CERTAIN DUTIES AND RESPONSIBILITIES.

(a) Except during the continuance of an Event of Default,

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture, but need not verify the accuracy of the contents thereof.

(b) In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct, except that

(1) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Securities relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

#### Section 6.2 NOTICE OF DEFAULTS.

Within 90 days after the occurrence of any default hereunder, the Trustee shall transmit by mail to all Holders, as their names and addresses appear in the Security Register, notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Security, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors or Responsible Officers of the Trustee in good faith determines that the withholding of such notice is in the interest of the Holders; and provided, further, that in the case of any default of the character specified in Section 5.1(3), no such

notice to Holders shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 6.3 CERTAIN RIGHTS OF TRUSTEE.

Subject to the provisions of Section 6.1:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(d) the Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or

matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(h) the permissive right of the Trustee to take or refrain from taking any actions enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable in such actions other than for its own negligence or bad faith; and

(i) the Trustee shall not be deemed to know of any fact or event upon the occurrence of which it may be required to take action hereunder unless one of its Responsible Officers shall have actual knowledge thereof.

#### Section 6.4 NOT RESPONSIBLE FOR RECITALS OR ISSUANCE OF SECURITIES.

The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee shall not be accountable for the use or application by the Company of Securities or the proceeds thereof.

#### Section 6.5 MAY HOLD SECURITIES.

The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 6.8 and 6.13, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

#### Section 6.6 MONEY HELD IN TRUST.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money

received by it hereunder except as otherwise agreed with the Company in writing.

Section 6.7 COMPENSATION AND REIMBURSEMENT.

The Company agrees

(1) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs, expenses and reasonable attorneys' fees of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

Section 6.8 DISQUALIFICATION; CONFLICTING INTERESTS.

(a) If the Trustee has or shall acquire any conflicting interest, within the meaning of the Trust Indenture Act, it shall, within 90 days after ascertaining that it has such conflicting interest, either eliminate such conflicting interest or resign in accordance with the provisions of the Trust Indenture Act.

(b) In the event that the Trustee shall fail to comply with the provisions of Subsection (a) of this Section, the Trustee shall, within 10 days after the expiration of such 90-day period, transmit by mail to all Holders, as their names and addresses appear in the Security Register, notice of such failure.

Section 6.9 CORPORATE TRUSTEE REQUIRED; ELIGIBILITY.

There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to exercise corporate trust

powers, having a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by Federal, State or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 6.10 RESIGNATION AND REMOVAL; APPOINTMENT OF SUCCESSOR.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 6.11.

(b) The Trustee may resign at any time by giving written notice thereof to the Company. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time by Act of the Holders of a majority in principal amount of the Outstanding Securities, delivered to the Trustee and to the Company.

(d) If at any time:

(1) the Trustee shall fail to comply with Section 6.8(a) after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(2) the Trustee shall cease to be eligible under Section 6.9 and shall fail to resign after written request therefor by the Company or by any such Holder, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation



then, in any such case, (i) the Company by a Board Resolution may remove the Trustee, or (ii) subject to Section 5.14, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Company, by a Board Resolution, shall promptly appoint a successor Trustee. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Company. If no successor Trustee shall have been so appointed by the Company or the Holders and accepted appointment in the manner hereinafter provided, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The Company shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to all Holders as their names and addresses appear in the Security Register. Each notice shall include the name of the successor Trustee and the address of its Corporate Trust Office.

#### Section 6.11 ACCEPTANCE OF APPOINTMENT BY SUCCESSOR.

Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder. Upon request of

any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

Section 6.12 MERGER, CONVERSION, CONSOLIDATION OR SUCCESSION TO BUSINESS.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

Section 6.13 PREFERENTIAL COLLECTION OF CLAIMS AGAINST COMPANY.

If the Trustee shall be or shall become a creditor, directly or indirectly, secured or unsecured, of the Company or any other obligor on the Securities, the Trustee shall be subject to and comply with the provisions of the Trust Indenture Act regarding the collection of claims against the Company or such other obligor.

Section 6.14 APPOINTMENT OF AUTHENTICATING AGENT.

The Trustee may appoint an Authenticating Agent or Agents which shall be authorized to act on behalf of the Trustee to authenticate Securities issued upon original issue and upon exchange, registration of transfer, partial conversion or partial redemption or pursuant to Section 3.6, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include

authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be subject to acceptance by the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than \$50,000,000 and subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be subject to acceptance by the Company and shall mail written notice of such appointment by first-class mail, postage prepaid, to all Holders as their names and addresses appear in the Security Register. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Trustee agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section, and the Trustee shall be entitled to be reimbursed for such payments, subject to the provisions of Section 6.7.

If an appointment is made pursuant to this Section, the Securities may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternate certificate of authentication in the following form:

This is one of the Securities described in the within-mentioned Indenture.

State Street Bank and Trust Company  
As Trustee

By \_\_\_\_\_  
As Authenticating Agent

By \_\_\_\_\_  
Authorized Officer

ARTICLE 7

HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

Section 7.1 COMPANY TO FURNISH TRUSTEE NAMES AND ADDRESSES OF HOLDERS.

The Company will furnish or cause to be furnished to the Trustee

(a) semi-annually, not more than 15 days after each Regular Record Date, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of such Regular Record Date, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished;

excluding from any such list names and addresses received by the Trustee in its capacity as Security Registrar.

## Section 7.2 PRESERVATION OF INFORMATION; COMMUNICATIONS TO HOLDERS.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 7.1 and the names and addresses of Holders received by the Trustee in its capacity as Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 7.1 upon receipt of a new list so furnished.

(b) The rights of the Holders to communicate with other Holders with respect to their rights under this Indenture or under the Securities, and the corresponding rights and privileges of the Trustee, shall be as provided in the Trust Indenture Act.

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of either of them shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders made pursuant to the Trust Indenture Act.

## Section 7.3 REPORTS BY TRUSTEE.

(a) On or about each July 15, the Trustee shall transmit to the Holders such reports, if any, dated as of May 15, concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act in the manner provided pursuant thereto.

(b) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange upon which the Securities are listed, with the Commission and with the Company. The Company will notify the Trustee when the Securities are listed on any stock exchange.

## Section 7.4 REPORTS BY COMPANY.

The Company shall file with the Trustee and the Commission, and transmit to the Holders, such information, documents and other reports, and such summaries thereof, as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant to the Trust Indenture Act; provided that any such information, documents or reports required to be filed with the Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 shall be filed with the Trustee within 15 days after the same is so required to be filed with the Commission.

## ARTICLE 8

## CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

## Section 8.1 COMPANY MAY CONSOLIDATE, ETC., ONLY ON CERTAIN TERMS.

The Company shall not consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, and the Company shall not permit any Person to consolidate with or merge into the Company or convey, transfer or lease its properties and assets substantially as an entirety to the Company, unless:

(1) in case the Company shall consolidate with or merge into another Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases the properties and assets of the Company substantially as an entirety shall be a corporation, partnership or trust, shall be organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of (and premium, if any) and interest on all the Securities and the performance of every covenant of this Indenture on the part of the Company to be performed or observed and shall have provided for conversion rights in accordance with Article 12 hereof;

(2) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing; and

(3) the Company has delivered (except in the case of the conveyance, transfer or lease by any Person of its properties and assets substantially as an entirety to the Company) to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

## Section 8.2 SUCCESSOR SUBSTITUTED.

Upon any consolidation of the Company with, or merger of the Company into, any other Person or any conveyance, transfer or lease of the properties and assets of the Company substantially as an entirety in accordance with Section 8.1, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Securities.

## ARTICLE 9

## SUPPLEMENTAL INDENTURES

## Section 9.1 SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF HOLDERS.

Without the consent of any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

- (1) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities; or
- (2) to add to the covenants of the Company for the benefit of the Holders, or to surrender any right or power herein conferred upon the Company; or
- (3) to secure the Securities; or
- (4) to make provision with respect to the conversion rights of Holders pursuant to the requirements of Article 12; or
- (5) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture, provided such action pursuant to this clause (5) shall not adversely affect the interests of the Holders.

## Section 9.2 SUPPLEMENTAL INDENTURES WITH CONSENT OF HOLDERS.

With the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security affected thereby,

(1) change the Stated Maturity of the principal of, or any installment of interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or reduce the amount payable upon an optional redemption or the consideration payable to any Holder converting after a notice of redemption has been given or modify the provisions of Article 14 in a manner adverse to the Holders, or change the place of payment where, or the coin or currency in which, any Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or in the case of redemption, on or after the Redemption Date), or adversely affect the right to convert any Security as provided in Article 12 (except as permitted by Section 9.1(4)), or modify the provisions of this Indenture with respect to the subordination of the Securities in a manner adverse to the Holders, or

(2) reduce the percentage in principal amount of the Outstanding Securities, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture, or

(3) modify any of the provisions of this Section, Section 5.13 or Section 10.8, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby.



It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

Section 9.3 EXECUTION OF SUPPLEMENTAL INDENTURES.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 6.1) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which, in the Trustee's sole discretion, affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 9.4 EFFECT OF SUPPLEMENTAL INDENTURES.

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 9.5 CONFORMITY WITH TRUST INDENTURE ACT.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act as then in effect.

Section 9.6 REFERENCE IN SECURITIES TO SUPPLEMENTAL INDENTURES.

Securities authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities.

## ARTICLE 10

## COVENANTS

## Section 10.1 PAYMENT OF PRINCIPAL, PREMIUM AND INTEREST.

The Company will duly and punctually pay the principal of (and premium, if any) and interest on the Securities in accordance with the terms of the Securities and this Indenture.

## Section 10.2 MAINTENANCE OF OFFICE OR AGENCY.

The Company will maintain in The Borough of Manhattan, The City of New York or in the city in which the Corporate Trust Office of the Trustee is located, an office or agency where Securities may be presented or surrendered for payment, where Securities may be surrendered for registration of transfer or exchange, where Securities may be surrendered for conversion and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee and BancBoston Trust Company as its agents to receive all such presentations, surrenders, notices and demands.

The Company may also from time to time designate one or more other offices or agencies (in or outside The Borough of Manhattan, The City of New York) where the Securities may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in The Borough of Manhattan, The City of New York or in the city in which the Corporate Trust Office of the Trustee is located for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

## Section 10.3 MONEY FOR SECURITY PAYMENTS TO BE HELD IN TRUST.

If the Company shall at any time act as its own Paying Agent, it will, on or before each due date of the principal of (and

premium, if any) or interest on any of the securities, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal (and premium, if any) or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents, it will, prior to each due date of the principal of (and premium, if any) or interest on any Securities, deposit with a Paying Agent a sum sufficient to pay the principal (and premium, if any) or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

The Company will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will:

(1) hold all sums held by it for the payment of the principal of (and premium, if any) or interest on Securities in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(2) give the Trustee notice of any default by the Company (or any other obligor upon the Securities) in the making of any payment of principal (and premium, if any) or interest; and

(3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the

principal of (and premium, if any) or interest on any Security and remaining unclaimed for two years after such principal (and premium, if any) or interest has become due and payable shall, subject to applicable escheat and abandoned property law, be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in The Borough of Manhattan, The City of New York and in the city in which the Corporate Trust Office of the Trustee is located, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company.

#### Section 10.4 EXISTENCE.

Subject to Article 8, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises; provided, however, that the Company shall not be required to preserve any such right or franchise if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and that the loss thereof is not disadvantageous in any material respect to the Holders.

#### Section 10.5 MAINTENANCE OF PROPERTIES.

The Company will cause all properties used or useful in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Company may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section shall prevent the Company from discontinuing the operation or maintenance of any of such properties if such discontinuance is, in the judgment of the Company, desirable in the conduct of its business or the business of any subsidiary and not disadvantageous in any material respect to the Holders.

Section 10.6 PAYMENT OF TAXES AND OTHER CLAIMS.

The Company will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (1) all taxes, assessments and governmental charges levied or imposed upon the Company or any Subsidiary or upon the income, profits or property of the Company or any Subsidiary, and (2) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon the property of the Company or any Subsidiary; provided, however, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

Section 10.7 STATEMENT BY OFFICERS AS TO DEFAULT.

The Company will deliver to the Trustee, within 120 days after the end of each fiscal year of the Company ending after the date hereof, an Officers' Certificate, stating whether or not to the best knowledge of the signers thereof the Company is in default in the performance and observance of any of the terms, provisions and conditions of Sections 10.1 to 10.8, inclusive, and if the Company shall be in default, specifying all such defaults and the nature and status thereof of which they may have knowledge.

Section 10.8 WAIVER OF CERTAIN COVENANTS.

The Company may omit in any particular instance to comply with any covenant or condition set forth in Sections 10.1 to 10.6, inclusive, if before the time for such compliance the Holders of at least a majority in principal amount of the Outstanding Securities shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such covenant or condition, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such covenant or condition shall remain in full force and effect.

## ARTICLE 11

## REDEMPTION OF SECURITIES

## Section 11.1 RIGHT OF REDEMPTION.

The Securities may be redeemed otherwise than at the option of the Holder as provided in Article 14 at the election of the Company, as a whole or from time to time in part, at any time on or after December 1, 1998, at the Redemption Prices specified in the form of Security hereinbefore set forth, together with accrued interest to the Redemption Date.

## Section 11.2 APPLICABILITY OF ARTICLE.

Redemption of Securities at the election of the Company or otherwise, as permitted or required by any provision of this Indenture, shall be made in accordance with such provision and this Article.

## Section 11.3 ELECTION TO REDEEM; NOTICE TO TRUSTEE.

The election of the Company to redeem any Securities pursuant to Section 11.1 shall be evidenced by a Board Resolution. In case of any redemption at the election of the Company of less than all the Securities, the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of the principal amount of Securities to be redeemed.

## Section 11.4 SELECTION BY TRUSTEE OF SECURITIES TO BE REDEEMED.

If less than all the Securities are to be redeemed, the particular Securities to be redeemed shall be selected not more than 30 days prior to the Redemption Date by the Trustee, from the Outstanding Securities not previously called for redemption, by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to \$1,000 or any integral multiple thereof) of the principal amount of Securities of a denomination larger than \$1,000.

If any Security selected for partial redemption is converted in part before termination of the conversion right with respect to the portion of the Security so selected, the converted portion of such Security shall be deemed (so far as may be) to be the portion selected for redemption. Securities which have been converted

during a selection of Securities to be redeemed shall be treated by the Trustee as Outstanding for the purpose of such selection.

The Trustee shall promptly notify the Company and each Security Registrar in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

#### Section 11.5 NOTICE OF REDEMPTION.

Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 20 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at his latest address appearing in the Security Register.

All notices of redemption shall state:

- (1) the Redemption Date,
- (2) the Redemption Price,
- (3) if less than all the Outstanding Securities are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the particular Securities to be redeemed,
- (4) that on the Redemption Date the Redemption Price will become due and payable upon each such Security to be redeemed and that interest thereon will cease to accrue on and after said date,
- (5) the conversion price, the date on which the right to convert the principal of the Securities to be redeemed will terminate and the place or places where such Securities may be surrendered for conversion, and
- (6) the place or places where such Securities are to be surrendered for payment of the Redemption Price.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company.

#### Section 11.6 DEPOSIT OF REDEMPTION PRICE.

Not less than one Business Day prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 10.3) an amount of money sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Securities which are to be redeemed on that date other than any Securities called for redemption on that date which have been converted prior to the date of such deposit.

If any Security called for redemption is converted, any money deposited with the Trustee or with any Paying Agent or so segregated and held in trust for the redemption of such Security shall (subject to any right of the Holder of such Security or any Predecessor Security to receive interest as provided in the last paragraph of Section 3.7) be paid to the Company upon Company Request or, if then held by the Company, shall be discharged from such trust.

#### Section 11.7 SECURITIES PAYABLE ON REDEMPTION DATE.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Securities shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Company at the Redemption Price, together with accrued interest to the Redemption Date; provided, however, that installments of interest whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 3.7.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal (and premium, if any) shall, until paid, bear interest from the Redemption Date at the rate borne by the Security.

#### Section 11.8 SECURITIES REDEEMED IN PART.

Any Security which is to be redeemed only in part shall be surrendered at an office or agency of the Company designated for that purpose pursuant to Section 10.2 (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument



of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

## ARTICLE 12

### CONVERSION OF SECURITIES

#### Section 12.1 CONVERSION PRIVILEGE AND CONVERSION PRICE.

Subject to and upon compliance with the provisions of this Article, at the option of the Holder thereof, at any time after 60 days from the latest date of original issuance of the Notes, any Security or any portion of the principal amount thereof which is \$1,000 or an integral multiple of \$1,000 may be converted at the principal amount thereof, or of such portion thereof, into fully paid and nonassessable shares (calculated as to each conversion to the nearest 1/100 of a share) of Common Stock of the Company, at the conversion price, determined as hereinafter provided, in effect at the time of conversion. Such conversion right shall expire at the close of business on December 1, 2000. In case a Security or portion thereof is called for redemption or is delivered for repurchase, such conversion right in respect of the Security or portion so called shall expire at the close of business on the fifth Business Day prior to the Redemption Date, or the second Trading Day preceding the Repurchase Date (as defined in Article 14), as the case may be, unless the Company defaults in making the payment due upon redemption.

The price at which shares of Common Stock shall be delivered upon conversion (herein called the "conversion price") shall be initially \$\_\_\_\_\_ per share of Common Stock. The conversion price shall be adjusted in certain instances as provided in Section 12.4.

#### Section 12.2 EXERCISE OF CONVERSION PRIVILEGE.

In order to exercise the conversion privilege, the Holder of any Security to be converted shall surrender such Security, duly endorsed or assigned to the Company or in blank, at any office or agency of the Company maintained for that purpose pursuant to Section 10.2, accompanied by written notice to the Company at such office or agency that the Holder elects to convert such Security

or, if less than the entire principal amount thereof is to be converted, the portion thereof to be converted. In the case of any Security that has been converted during the period from the close of business on any Regular Record Date next preceding any Interest Payment Date to the opening of business on such Interest Payment Date, interest whose Stated Maturity is on such Interest Payment Date shall be payable on such Interest Payment Date notwithstanding such conversion and such interest shall be paid to the Holder of such Security on such Regular Record Date. Securities surrendered for conversion during the period from the close of business on any Regular Record Date next preceding any Interest Payment Date to the opening of business on such Interest Payment Date (the "Interest Period") shall be accompanied by payment of an amount equal to the interest payable on such Interest Payment Date on the principal amount of Securities being surrendered for conversion; except that in the case of Securities or portions thereof that have been called for redemption and, pursuant to Section 12.1 hereof, as a result of such redemption, the right to convert such Securities terminates during the Interest Period, any such Securities surrendered for conversion during such Interest Period need not be accompanied by payment of an amount equal to such interest. Except as provided in the second preceding sentence and subject to the fourth paragraph of Section 3.7, no payment or adjustment shall be made upon any conversion on account of any interest accrued on the Securities surrendered for conversion or on account of any dividends on the Common Stock issued upon conversion. All payments required by this paragraph to be made by the Holder upon the surrender of Securities for conversion shall be made in New York Clearing House Funds or other funds acceptable to the Company.

Securities shall be deemed to have been converted immediately prior to the close of business on the day of surrender of such Securities for conversion in accordance with the foregoing provisions, and at such time the rights of the Holders of such Securities as Holders shall cease, and the Person or Persons entitled to receive the Common Stock issuable upon conversion shall be treated for all purposes as the record holder or holders of such Common Stock at such time. As promptly as practicable on or after the conversion date, the Company shall issue and shall deliver at such office or agency a certificate or certificates for the number of full shares of Common Stock issuable upon conversion, together with payment in lieu of any fraction of a share, as provided in Section 12.3.

In the case of any Security which is converted in part only, upon such conversion the Company shall execute and the Trustee shall authenticate and deliver to the Holder thereof, at the expense of the Company, a new Security or Securities of authorized

denominations in aggregate principal amount equal to the unconverted portion of the principal amount of such Security.

#### Section 12.3 FRACTIONS OF SHARES.

No fractional shares of Common Stock shall be issued upon conversion of Securities. If more than one Security shall be surrendered for conversion at one time by the same Holder, the number of full shares which shall be issuable upon conversion thereof shall be computed on the basis of the aggregate principal amount of the Securities (or specified portions thereof) so surrendered. Instead of any fractional share of Common Stock which would otherwise be issuable upon conversion of any Security or Securities (or specified portions thereof), the Company shall pay a cash adjustment in respect of such fraction in an amount equal to the same fraction of the market price per share of Common Stock (as determined by the Board of Directors or in any manner prescribed by the Board of Directors) at the close of business on the day of conversion.

#### Section 12.4 ADJUSTMENT OF CONVERSION PRICE.

(1) In case the Company shall pay or make a dividend or other distribution on any class of capital stock of the Company in Common Stock, the conversion price in effect at the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such dividend or other distribution shall be reduced by multiplying such conversion price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution, such reduction to become effective immediately after the opening of business on the day following the date fixed for such determination. For the purposes of this paragraph (1), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock. The Company will not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Company.

(2) In case the Company shall issue rights, options or warrants to all holders of its Common Stock entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the current market price per share (determined as provided in paragraph (8) of this Section) of the Common Stock on the date fixed for the determination of stockholders entitled to receive such rights or warrants, the conversion price in effect at

the opening of business on the day following the date fixed for such determination shall be reduced by multiplying such conversion price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock which the aggregate of the offering price of the total number of shares of Common Stock so offered for subscription or purchase would purchase at such current market price and the denominator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock so offered for subscription or purchase, such reduction to become effective immediately after the opening of business on the day following the date fixed for such determination. For the purposes of this paragraph (2), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock. The Company will not issue any rights, options or warrants in respect of shares of Common Stock held in the treasury of the Company.

(3) In case outstanding shares of Common Stock shall be subdivided into a greater number of shares of Common Stock, the conversion price in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall be proportionately reduced, and, conversely, in case outstanding shares of Common Stock shall each be combined into a smaller number of shares of Common Stock, the conversion price in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately increased, such reduction or increase, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision or combination becomes effective.

(4) In case the Company shall, by dividend or otherwise, distribute to all holders of its Common Stock evidences of its indebtedness, shares of any class of capital stock, cash or assets (including Securities, but excluding any (i) rights, options or warrants referred to in paragraph (2) of this Section, (ii) any dividend or distribution paid exclusively in cash, (iii) any dividend or distribution referred to in paragraph (1) of this Section and (iv) any merger or consolidation to which Section 12.11 applies), the conversion price shall be adjusted so that the same shall equal the price determined by multiplying the conversion price in effect immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such distribution by a fraction of which the numerator shall be the current market price per share (determined

as provided in paragraph (8) of this Section) of the Common Stock on the date fixed for such determination less the then fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution filed with the Trustee) of the portion of the assets, shares or evidences of indebtedness so distributed applicable to one share of Common Stock and the denominator shall be such current market price per share of the Common Stock, such adjustment to become effective immediately prior to the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such distribution. Notwithstanding the foregoing, in the event that the Company shall distribute rights or warrants (other than those referred to in paragraph (2) of this Section) ("Rights") pro rata to holders of Common Stock, the Company shall make proper provision so that each Holder of a Security who converts such Security (or any portion thereof) after the record date for such distribution and prior to the expiration or redemption of the Rights shall be entitled to receive upon such conversion, in addition to the shares of Common Stock issuable upon such conversion (the "Conversion Shares"), a number of Rights to be determined as follows: (i) if such conversion occurs on or prior to the date for the distribution to the holders of Rights of separate certificates evidencing such Rights (the "Distribution Date"), the same number of Rights to which a holder of a number of shares of Common Stock equal to the number of Conversion Shares is entitled at the time of such conversion in accordance with the terms and provisions of and applicable to the Rights; and (ii) if such conversion occurs after the Distribution Date, the same number of Rights to which a holder of the number of shares of Common Stock into which the principal amount of the Security so converted was convertible immediately prior to the Distribution Date would have been entitled on the Distribution Date in accordance with the terms and provisions of and applicable to the Rights.

(5) In case the Company shall, by dividend or otherwise, distribute to all holders of its Common Stock cash (excluding any cash that is distributed upon a merger or consolidation to which Section 12.11 applies or as part of a distribution referred to in paragraph (4) of this Section) in an aggregate amount that, combined together with (I) the aggregate amount of any other distributions to all holders of its Common Stock made exclusively in cash within the 12 months preceding the date of payment of such distribution and in respect of which no adjustment pursuant to this paragraph (5) has been made and (II) the aggregate of any cash plus the fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution) of consideration payable in respect of any tender offer by the Company or any of its subsidiaries for all or any portion of the Common Stock concluded within the 12 months

preceding the date of payment of such distribution and in respect of which no adjustment pursuant to paragraph (6) of this Section has been made, exceeds 12.5% of the product of the current market price per share of the Common Stock on the date for the determination of holders of shares of Common Stock entitled to receive such distribution times the number of shares of Common Stock outstanding on such date, then, and in each such case, immediately after the close of business on such date for determination, the conversion price shall be adjusted so that the same shall equal the price determined by multiplying the conversion price in effect immediately prior to the close of business on the date fixed for determination of the stockholders entitled to receive such distribution by a fraction (i) the numerator of which shall be equal to the current market price per share (determined as provided in paragraph (8) of this Section) of the Common Stock on the date fixed for such determination less an amount equal to the quotient of (x) the excess of such combined amount over such 12.5% and (y) the number of shares of Common Stock outstanding on such date for determination and (ii) the denominator of which shall be equal to the current market price per share (determined as provided in paragraph (8) of this Section) of the Common Stock on such date for determination.

(6) In case a tender offer made by the Company or any Subsidiary for all or any portion of the Common Stock shall expire and such tender offer (as amended upon the expiration thereof) shall require the payment to stockholders (based on the acceptance (up to any maximum specified in the terms of the tender offer) of Purchased Shares (as defined below)) of an aggregate consideration having a fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution) that combined together with (I) the aggregate of the cash plus the fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution), as of the expiration of such tender offer, of consideration payable in respect of any other tender offer by the Company or any Subsidiary for all or any portion of the Common Stock expiring within the 12 months preceding the expiration of such tender offer and in respect of which no adjustment pursuant to this paragraph (6) has been made and (II) the aggregate amount of any distributions to all holders of the Company's Common Stock made exclusively in cash within 12 months preceding the expiration of such tender offer and in respect of which no adjustment pursuant to paragraph (5) of this Section has been made, exceeds 15% of the product of the current market price per share of the Common Stock (determined as provided in paragraph (8) of this Section) as of the last time (the "Expiration Time") tenders could have been made pursuant to such tender offer (as it may be amended) times the number of shares of Common Stock outstanding (including any tendered shares) as of the

Expiration Time, then, and in each such case, immediately prior to the opening of business on the day after the date of the Expiration Time, the conversion price shall be adjusted so that the same shall equal the price determined by multiplying the conversion price immediately prior to close of business on the date of the Expiration Time by a fraction (i) the numerator of which shall be equal to (A) the product of (I) the current market price per share of the Common Stock (determined as provided in paragraph (8) of this Section) on the date of the Expiration Time and (II) the number of shares of Common Stock outstanding (including any tendered shares) on the Expiration Time less (B) the amount of cash plus the fair market value (determined as aforesaid) of the aggregate consideration payable to stockholders based on the acceptance (up to any maximum specified in the terms of the tender offer) of Purchased Shares, and (ii) the denominator of which shall be equal to the product of (A) the current market price per share of the Common Stock (determined as provided in paragraph (8) of this Section) as of the Expiration Time and (B) the number of shares of Common Stock outstanding (including any tendered shares) as of the Expiration Time less the number of all shares validly tendered and not withdrawn as of the Expiration Time (the shares deemed so accepted up to any such maximum, being referred to as the "Purchased Shares").

(7) The reclassification of Common Stock into securities including other than Common Stock (other than any reclassification upon a consolidation or merger to which Section 12.11 applies) shall be deemed to involve (a) a distribution of such Securities other than Common Stock to all holders of Common Stock (and the effective date of such reclassification shall be deemed to be "the date fixed for the determination of stockholders entitled to receive such distribution" and "the date fixed for such determination" within the meaning of paragraph (4) of this Section), and (b) a subdivision or combination, as the case may be, of the number of shares of Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediately thereafter (and the effective date of such reclassification shall be deemed to be "the day upon which such subdivision becomes effective" or "the day upon which such combination becomes effective," as the case may be, and "the day upon which such subdivision or combination becomes effective" within the meaning of paragraph (3) of this Section).

(8) For the purpose of any computation under paragraphs (2), (4), (5) and (6) of this Section, the current market price per share of Common Stock on any date shall be deemed to be the average of the daily Closing Prices for the five consecutive Business Days selected by the Company commencing not more than ten Business Days before the day in question.

(9) The Company may make such reductions in the conversion price, in addition to those required by paragraphs (1), (2), (3), (4), (5) and (6) of this Section, as it considers to be advisable in order that any event treated for Federal income tax purposes as a dividend of stock or stock rights shall not be taxable to the recipients.

(10) Notwithstanding any other provision of this Section 12.4, the Company shall not be required to make any adjustment of the conversion price unless such adjustment (together with any prior adjustments that were not made as a result of this clause (10)) would require an increase or decrease of at least 1% of such conversion price.

Section 12.5 NOTICE OF ADJUSTMENTS OF CONVERSION PRICE.

Whenever the conversion price is adjusted as herein provided:

(a) the Company shall compute the adjusted conversion price in accordance with Section 12.4 and shall prepare a certificate signed by the Treasurer of the Company setting forth the adjusted conversion price and showing in reasonable detail the facts upon which such adjustment is based, and such certificate shall forthwith be filed with the Trustee and at each office or agency maintained for the purpose of conversion of Securities pursuant to Section 10.2; and

(b) a notice stating that the conversion price has been adjusted and setting forth the adjusted conversion price shall forthwith be required, and as soon as practicable after it is required, such notice shall be mailed by the Company to all Holders at their last addresses as they shall appear in the Security Register.

The Trustee may conclusively rely upon the last Treasurer's certificate filed with it pursuant to paragraph (a) hereof as to the conversion price then in effect.

Section 12.6 NOTICE OF CERTAIN CORPORATE ACTION.

In case:

(a) the Company shall declare a dividend (or any other distribution) on its Common Stock payable (i) otherwise than exclusively in cash or (ii) exclusively in cash in an amount that would require any adjustment pursuant to Section 12.4; or



(b) the Company shall authorize the granting to the holders of its Common Stock of rights, options or warrants to subscribe for or purchase any shares of capital stock of any class or of any other rights; or

(c) of any reclassification of the Common Stock of the Company (other than a subdivision or combination of its outstanding shares of Common Stock), or of any consolidation or merger to which the Company is a party and for which approval of any stockholders of the Company is required, or of the sale or transfer of all or substantially all of the assets of the Company; or

(d) of the voluntary or involuntary dissolution, liquidation or winding up of the Company; or

(e) the Company or any Subsidiary shall commence a tender offer for all or a portion of the Company's outstanding shares of Common Stock (or shall amend any such tender offer);

then the Company shall cause to be filed at each office or agency maintained for the purpose of conversion of Securities pursuant to Section 10.2, and shall cause to be mailed to all Holders at their last addresses as they shall appear in the Security Register, at least 20 days (or 10 days in any case specified in clause (a) or (b) above) prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, rights, options or warrants, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution, rights, options or warrants are to be determined, or (y) the date on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up.

#### Section 12.7 COMPANY TO RESERVE COMMON STOCK.

The Company shall at all times reserve and keep available, free from pre-emptive rights, out of its authorized but unissued Common Stock, for the purpose of effecting the conversion of Securities, the full number of shares of Common Stock then issuable upon the conversion of all Outstanding Securities.

## Section 12.8 TAXES ON CONVERSIONS.

The Company will pay any and all taxes that may be payable in respect of the issue or delivery of shares of Common Stock on conversion of Securities pursuant hereto. The Company shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock in a name other than that of the Holder of the Security or Securities to be converted, and no such issue or delivery shall be made unless and until the Person requesting such issue has paid to the Company the amount of any such tax, or has established to the satisfaction of the Company that such tax has been paid.

## Section 12.9 COVENANT AS TO COMMON STOCK.

The Company covenants that all shares of Common Stock which may be issued upon conversion of Securities will upon issue be fully paid and nonassessable and, except as provided in Section 12.8, the Company will pay all taxes, liens and charges with respect to the issue thereof.

## Section 12.10 CANCELLATION OF CONVERTED SECURITIES.

All Securities delivered for conversion shall be delivered to the Trustee to be cancelled by or at the direction of the Trustee, which shall dispose of the same as provided in Section 3.9.

## Section 12.11 PROVISIONS IN CASE OF CONSOLIDATION, MERGER OR SALE OF ASSETS.

In case of any consolidation of the Company with, or merger of the Company into, any other Person, any merger of another Person into the Company (other than a merger which does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of Common Stock of the Company) or any sale or transfer of all or substantially all of the assets of the Company, the Person formed by such consolidation or resulting from such merger or which acquires such assets, as the case may be, shall execute and deliver to the Trustee a supplemental indenture providing that the Holder of each Security then outstanding shall have the right thereafter, during the period such Security shall be convertible as specified in Section 12.1, to convert such Security only into the kind and amount of securities, cash and other property receivable upon such consolidation, merger, sale or transfer by a holder of the number of shares of Common Stock of the Company into which such Security might have been converted immediately prior to such consolidation, merger, sale or transfer, assuming such holder of Common Stock of the Company (i) is not a Person with which the Company consolidated or into which the

Company merged or which merged into the Company or to which such sale or transfer was made, as the case may be ("Constituent Person"), or an Affiliate of a Constituent Person and (ii) failed to exercise his rights of election, if any, as to the kind or amount of Securities, cash and other property receivable upon such consolidation, merger, sale or transfer (provided that if the kind or amount of Securities, cash and other property receivable upon such consolidation, merger, sale or transfer is not the same for each share of Common Stock of the Company held immediately prior to such consolidation, merger, sale or transfer by others than a Constituent Person or an Affiliate thereof and in respect of which such rights of election shall not have been exercised ("non-electing share"), then for the purpose of this Section the kind and amount of securities, cash and other property receivable upon such consolidation, merger, sale or transfer by each non-electing share shall be deemed to be the kind and amount so receivable per share by a plurality of the non-electing shares). Such supplemental indenture shall provide for adjustments which, for events subsequent to the effective date of such supplemental indenture, shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article. The above provisions of this Section shall similarly apply to successive consolidations, mergers, sales or transfers.

### ARTICLE 13

#### SUBORDINATION OF SECURITIES

##### Section 13.1 SECURITIES SUBORDINATED TO SENIOR INDEBTEDNESS.

All Securities issued under this Indenture shall be issued subject to the following provisions and each Holder of any Security whether upon original issue or upon transfer or assignment thereof accepts and agrees to be bound by such provisions.

All Securities issued hereunder shall, to the extent and in the manner hereinafter set forth, be subordinated and subject in right of payment to the prior payment in full of all Senior Indebtedness as defined in this Section. The term "Senior Indebtedness" shall mean (a) all indebtedness of the Company, including the principal of and premium, if any, and interest on such indebtedness whether outstanding on the date of this Indenture or thereafter created, (i) for borrowed money, (ii) for money borrowed by others and guaranteed, directly or indirectly, by the Company, (iii) constituting purchase money indebtedness for the payment of which the Company is directly or contingently liable, (iv) constituting reimbursement obligations under bank letters of credit, (v) under interest rate and currency swaps,

caps, floors, collars or similar agreements or arrangements intended to protect the Company against fluctuations in interest or currency rates, (vi) under any lease of any real or personal property, whether outstanding on the date of execution of this Indenture or thereafter created, incurred or assumed, which obligations are capitalized on the books of the Company in accordance with generally accepted accounting principles, unless, in any such case, by the terms of the instrument creating or evidencing such indebtedness it is provided that such indebtedness is not superior in right of payment to the Securities or to other indebtedness which is pari passu with, or subordinated to, the Securities, or (vi) all obligations of others of the kind described in the preceding clauses (i), (ii), (iii), (iv), (v) and (vi) assumed by or guaranteed by the Company, and (b) any modifications, refundings, deferrals, renewals or extensions of any such Senior Indebtedness, or securities, notes or other evidences of indebtedness issued in exchange for such Senior Indebtedness. As used in the preceding sentence the term "purchase money indebtedness" shall mean indebtedness evidenced by a note, debenture, bond or other similar instrument (whether or not secured by any lien or other security interest) given in connection with the acquisition of any business, properties or assets of any kind acquired by the Company or any Subsidiary; provided, however, that, without limiting the generality of the foregoing, such term shall not include any conditional sale contract or any account payable or any other indebtedness created or assumed by the Company in the ordinary course of business in connection with the obtaining of inventories or services.

Section 13.2 NO PAYMENTS IN CERTAIN CIRCUMSTANCES; PAYMENT OVER OF PROCEEDS UPON DISSOLUTION, ETC.

No payment on account of principal, premium, if any, or interest on, or redemption or repurchase of, the Securities shall be made if, at the time of such payment or immediately after giving effect thereto: (i) there shall exist a default in the payment of principal, premium, if any, sinking funds or interest (including a default under any purchase or redemption obligations) with respect to any Senior Indebtedness, or (ii) there shall have occurred an event of default (other than a default in the payment of principal, premium, if any, sinking funds or interest) with respect to any Senior Indebtedness, as defined therein or in the instrument under which the same is outstanding, permitting the holders thereof to accelerate the maturity thereof and written notice of such occurrence shall have been given to the Company and to the Trustee under this Indenture by the holder or holders of such Senior Indebtedness and such event of default shall not have been cured or waived or shall not have ceased to exist. Notwithstanding the foregoing, the Company may make and the Trustee may receive and shall apply any payment in respect of the

Securities (for principal, premium, if any, or interest or repurchase) if such payment was made prior to the occurrence of any of the contingencies specified in clauses (i) and (ii) above. In addition, nothing in this paragraph shall prevent the Company from making or the Trustee from receiving or applying any payment in connection with the redemption of Securities if the first publication of notice of such redemption (whether by mail or otherwise in accordance with this Indenture) has been made prior to the occurrence of any of the contingencies specified in clauses (i) and (ii) above.

Upon (i) any acceleration of the principal amount due on the Securities or (ii) any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, to creditors upon any dissolution or winding up or total or partial liquidation or reorganization of the Company, whether voluntary or involuntary or in bankruptcy, insolvency, receivership or other proceedings, all principal, premium, if any, and interest due or to become due upon all Senior Indebtedness (including interest thereon accruing after the commencement of any such proceedings) shall first be paid in full, or payment thereof provided for in money or money's worth in accordance with its terms, before any payment is made on account of the principal of, premium, if any, or interest on, or repurchase of, the indebtedness evidenced by the Securities, and upon any such dissolution or winding up or liquidation or reorganization any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, to which the Holders of the Securities or the Trustee under this Indenture would be entitled, except for the provisions hereof, shall be paid by the Company or by any receiver, trustee in bankruptcy, liquidating trustee, agent or other Person making such payment or distribution, or by the Holders of the Securities or by the Trustee under this Indenture if received by them or it, as the case may be, directly to the holders of Senior Indebtedness (pro rata to each such holder on the basis of the respective amounts of Senior Indebtedness held by such holder) or their representatives, to the extent necessary to pay all Senior Indebtedness in full, in money or money's worth, after giving effect to any concurrent payment or distribution to or for the holders of Senior Indebtedness, before any payment or distribution is made to the Holders of the Securities or to the Trustee under this Indenture.

In the event that, contrary to the foregoing, any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, shall be received by the Trustee or the Holders of the Securities before all Senior Indebtedness is paid in full or provision made for such payment, in accordance with its terms, such payment or distribution shall be held in trust for the benefit of, and shall be paid over or

delivered to, the holders of such Senior Indebtedness or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Senior Indebtedness have been issued, as their respective interests may appear, for application to the payment of all Senior Indebtedness remaining unpaid to the extent necessary to pay all such Senior Indebtedness in full in accordance with its terms, after giving effect to any concurrent payment or distribution to or for the holders of such Senior Indebtedness.

Subject to the payment in full of all Senior Indebtedness, the Holders of the Securities (together with the holders of any other indebtedness of the Company which is subordinated in right of payment to the payment in full of all Senior Indebtedness, which is not subordinated in right of payment to the Securities and which by its terms grants such right of subrogation to the holders thereof) shall be subrogated to the rights of the holders of Senior Indebtedness to receive payments or distributions of assets of the Company made on the Senior Indebtedness until the principal of and premium, if any, and interest on, or repurchase of, the Securities shall be paid in full; and, for the purposes of such subrogation, no payments or distributions to the holders of Senior Indebtedness of any cash, property or securities to which the Holders of the Securities or the Trustee would be entitled except for the provisions of this Article, and no payment over pursuant to the provisions of this Article to the holders of Senior Indebtedness by the Holders of the Securities or the Trustee, shall, as between the Company, its creditors other than the holders of Senior Indebtedness, and the Holders of Securities, be deemed to be a payment by the Company to the Holders of or on account of the Securities, it being understood that the provisions of this Article are and are intended solely for the purpose of defining the relative rights of the Holders of the Securities, on the one hand, and the holders of Senior Indebtedness, on the other hand.

Section 13.3 NOTICE TO TRUSTEE OF SPECIFIED EVENTS; RELIANCE ON  
CERTIFICATE OF LIQUIDATING AGENT.

The Company shall give prompt written notice to the Trustee of any insolvency or bankruptcy proceeding in respect of the Company, of any proceedings for voluntary liquidation, dissolution or other winding up of the Company (whether or not involving insolvency or bankruptcy), of the declaration of any Security as due and payable before its expressed maturity, and of any event which pursuant to Section 13.2 would prevent payment by the Company on account of the principal, premium, if any, or interest on, or repurchase of, the Securities. The Trustee, subject to the provisions of Section 6.1, shall be entitled to assume that no

such event has occurred unless the Company, or a holder of Senior Indebtedness, or any trustee therefor, has given such notice.

Upon any distribution of assets of the Company or payment by or on behalf of the Company referred to in this Article, the Trustee and the Holders of the Securities shall be entitled to rely upon any order or decree of a court of competent jurisdiction in which any proceedings of the nature referred to in Section 13.2 are pending, and the Trustee, subject to the provisions of Section 6.1, and the Holders of the Securities shall be entitled to rely upon a certificate of the liquidating trustee or agent or other Person making any distribution to the Trustee or to the Holders of the Securities for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Indebtedness and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article. In the event that the Trustee determines, in good faith, that further evidence is required with respect to the right of any Person as a holder of Senior Indebtedness to participate in any payment or distribution pursuant to this Article, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness held by such Person, as to the extent to which such Person is entitled to participate in such payment or distribution, and as to other facts pertinent to the rights of such Person under this Article, and if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.

#### Section 13.4 TRUSTEE TO EFFECTUATE SUBORDINATION.

The Holder of each Security by his acceptance thereof authorizes and directs the Trustee in his behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination as provided in this Article and appoints the Trustee as attorney-in-fact for any and all such purposes.

#### Section 13.5 TRUSTEE NOT CHARGED WITH KNOWLEDGE OF PROHIBITION.

Notwithstanding the provisions of this Article or any other provision of this Indenture, but subject to the provisions of Section 6.1 as between the Holders of Securities and the Trustee, neither the Trustee nor any Paying Agent shall be charged with knowledge of any facts which would prohibit the making of any payment of moneys to or by the Trustee or any such Paying Agent, unless and until the Trustee or such Paying Agent shall have

received written notice thereof at its Corporate Trust Office from the Company or any holder of Senior Indebtedness or the trustee or representative of the holder of such Senior Indebtedness on his behalf; and, prior to the receipt of any such written notice, the Trustee and any such Paying Agent shall be entitled to assume that no such facts exist. If the Trustee or Paying Agent, as the case may be, shall not have received, at least three Business Days prior to the date upon which by the terms hereof any such moneys may become payable for any purpose (including, without limitation, the payment of the principal of or premium, if any, or the interest on any Security) with respect to such moneys, the notice provided for in this Section, then, anything herein contained to the contrary notwithstanding, the Trustee and such Paying Agent as the case may be, shall have full power and authority to receive such moneys and to apply the same to the purpose for which they were received and shall not be affected by any notice to the contrary which may be received by it within three Business Days prior to such date.

Section 13.6 RIGHTS OF TRUSTEE AS HOLDER OF SENIOR INDEBTEDNESS.

The Trustee shall be entitled to all the rights set forth in this Article with respect to any Senior Indebtedness which may be at any time held by it to the same extent as any other holder of Senior Indebtedness; and nothing in Section 6.13, or elsewhere in this Indenture, shall deprive the Trustee of any of its rights as such holder. Nothing in this Article shall apply to claims of, or payments to, the Trustee under or pursuant to Section 6.7.

Section 13.7 TRUSTEE NOT FIDUCIARY FOR HOLDERS OF SENIOR INDEBTEDNESS.

The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness and shall not be liable to any such holders if it shall mistakenly pay over or distribute to Holders of Securities or the Company or any other Person moneys or assets to which any holders of Senior Indebtedness shall be entitled by virtue of this Article or otherwise.

Section 13.8 ARTICLE APPLICABLE TO PAYING AGENT.

In case at any time any Paying Agent other than the Trustee shall have been appointed by the Company and be then acting hereunder, the term "Trustee" as used in this Article shall in such case (unless the context shall otherwise require) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article in addition to or in place



of the Trustee; provided, however, that Section 13.5, 13.6 and 13.7 shall not apply to the Company if it acts as Paying Agent.

#### ARTICLE 14

##### REPURCHASE OF SECURITIES AT THE OPTION OF THE HOLDER UPON A CHANGE IN CONTROL

###### Section 14.1 RIGHT TO REQUIRE REPURCHASE.

In the event that a Change in Control (as hereinafter defined) shall occur, then each Holder shall have the right, at the Holder's option, to require the Company to repurchase, and upon the exercise of such right the Company shall repurchase, all of such Holder's Securities, or any portion of the principal amount thereof that is an integral multiple of \$1,000, on the date (the "Repurchase Date") that is 45 days after the date of the Company Notice (as defined in Section 14.2) at a purchase price equal to 100% of the principal amount of the Securities to be repurchased (the "Repurchase Price"), together in each case with accrued interest to the Repurchase Date. Such right to require the repurchase of the Securities shall not continue after a discharge of the Company from its obligations with respect to the Securities in accordance with Article 4, unless a Change in Control shall have occurred prior to such discharge. The Repurchase Price shall be paid in cash.

###### Section 14.2 NOTICES; METHOD OF EXERCISING REPURCHASE RIGHT, ETC.

(a) Unless the Company shall have theretofore called for redemption all the outstanding Securities, on or before the 30th day after the occurrence of a Change in Control, the Company or, at the written request of the Company, the Trustee, shall mail to all Holders a notice (the "Company Notice") as prepared by the Company of the occurrence of the Change in Control and of the repurchase right set forth herein arising as a result thereof. The Company shall also deliver a copy of such notice of a repurchase right to the Trustee and cause a copy of such notice of a repurchase right, or a summary of the information contained therein, to be published in a newspaper of general circulation in The Borough of Manhattan, The City of New York and the County of Suffolk, The City of Boston, Massachusetts.

Each notice of a repurchase right shall state:

- (1) the Repurchase Date,

- (2) the date by which the repurchase right must be exercised,
- (3) the Repurchase Price,
- (4) a description of the procedure which a Holder must follow to exercise a repurchase right, and
- (5) the conversion price then in effect, the date on which the right to convert the principal amount of the Securities to be repurchased will terminate and the place or places where such Securities may be surrendered for conversion or repurchase.

In addition, at least two Business Days preceding the Repurchase Date, the Company shall cause to be published, in a newspaper of general circulation in The Borough of Manhattan, The City of New York, and the County of Suffolk, The City of Boston, Massachusetts a notice specifying whether the Repurchase Price will be payable in cash.

No failure of the Company to give the foregoing notices or defect therein shall limit any Holder's right to exercise a repurchase right or affect the validity of the proceedings for the repurchase of Securities.

If any of the foregoing provisions are inconsistent with applicable law, such law shall govern.

(b) To exercise a repurchase right, a Holder shall deliver to the Trustee on or before the 30th day after the date of the Company Notice (i) written notice of the Holder's exercise of such right, which notice shall set forth the name of the Holder, the principal amount of the Securities to be repurchased, a statement that an election to exercise the repurchase right is being made thereby, and (ii) the Securities with respect to which the repurchase right is being exercised, duly endorsed for transfer to the Company. Such written notice shall be executed by the Holder and shall be irrevocable, except that the right of the Holder to convert the Securities with respect to which the repurchase right is being exercised shall continue until the close of business on the second Trading Day preceding the Repurchase Date.

(c) In the event a repurchase right shall be exercised in accordance with the terms hereof, the Company shall pay or cause to be paid the Repurchase Price in cash as provided above, to the Holder on the Repurchase Date as promptly after the Repurchase Date as practicable, together with accrued and unpaid interest to the Repurchase Date payable with respect to the Securities as to which the repurchase right has been exercised; provided, however,

that installments of interest that mature on or prior to the Repurchase Date shall be payable in cash to the Holders of such Securities, or one or more predecessor Securities, registered as such at the close of business on the relevant Regular Record Date according to the terms and provisions of Article 3.

(d) If any Security surrendered for repurchase shall not be so paid on the Repurchase Date, the principal shall, until paid, bear interest to the extent permitted by applicable law from the Repurchase Date at the rate borne by the Security and each Security shall remain convertible into Common Stock until the principal of such Security shall have been paid or duly provided for.

(e) Any Security which is to be repurchased only in part shall be surrendered to the Trustee (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the holder thereof or his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities, of any authorized denomination as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

#### Section 14.3 CERTAIN DEFINITIONS.

For purposes of this Article:

(a) the term "beneficial owner" shall be determined in accordance with Rule 13d-3, as in effect on the date of the original execution of this Indenture, promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended;

(b) the term "Common Stock" shall mean capital stock of the Company that does not rank prior, as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the Company, to shares of capital stock of any other class of the Company;

(c) a "Change in Control" shall be deemed to have occurred at such time after the original issuance of the Securities as there shall occur:

(i) the acquisition by any Person of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of transactions,

of shares of capital stock of the Company entitling such Person to exercise 50% or more of the total voting power of all shares of capital stock of the Company entitled to vote generally in the elections of directors (any shares of voting stock of which such Person is the beneficial owner that are not then outstanding being deemed outstanding for purposes of calculating such percentage); or

- (ii) any consolidation of the Company with, or merger of the Company into, any other Person, any merger of another Person into the Company, or any sales or transfer of all or substantially all of the assets of the Company to another Person (other than a merger (x) which does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of Common Stock or (y) which is effected solely to change the jurisdiction of incorporation of the Company and results in a reclassification, conversion or exchange of outstanding shares of Common Stock into solely shares of common stock); or
- (iii) a change in the Board of Directors of the Company in which the individuals who constituted the Board of Directors of the Company at the beginning of the 24-month period immediately preceding such change (together with any other director whose election by the Board of Directors of the Company or whose nomination for election by the stockholders of the Company was approved by a vote of at least a majority of the directors then in office either who were directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the directors then in office;

provided, however, that a Change in Control shall not be deemed to have occurred if either (x) the Closing Price on any five Trading Days within the period of 10 consecutive Trading Days ending immediately after the later of the date of the Change in Control or the date of the public announcement of the Change in Control (in the case of a Change in Control under clause (i) above) or the period of 10 consecutive Trading Days ending immediately prior to the date of the Change in Control (in the case of a Change in Control under clause (ii) above) shall equal or exceed 105% of the conversion price in effect on each such Trading Day or (y) (i) all the consideration (excluding cash payments for fractional shares) to be paid for the Common Stock in the transaction or transactions constituting the Change in Control consists of shares of common stock traded on a national securities exchange or quoted on the

Nasdaq National Market and as a result of such transaction or transactions the Securities become convertible solely into such common stock, and (ii) after giving effect to such transaction or transactions and for a period of 12 months thereafter, the Notes have a rating of " " or better (or equivalent ratings under successor ratings classification systems) by Moody's Investors Services, Inc. or Standard & Poor's Corporation, respectively; and

(d) the term "Person" shall include any syndicate or group which would be deemed to be a "person" under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, as in effect on the date of the original execution of this Indenture.

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

Attestation as to ANALOG DEVICES, INC.  
the Corporate Seal:

BY \_\_\_\_\_  
Name:  
Title:

Attest:  
\_\_\_\_\_

STATE STREET BANK AND TRUST  
COMPANY  
As Trustee

BY \_\_\_\_\_  
Name:  
Title:

COMMONWEALTH OF MASSACHUSETTS ) ss.:  
COUNTY OF SUFFOLK )

On the \_\_\_\_ day of November, 1995, before me personally came \_\_\_\_\_ to me known, who, being by me duly sworn, did depose and say that he is \_\_\_\_\_ of Analog Devices, Inc., one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like authority.

\_\_\_\_\_

COMMONWEALTH OF MASSACHUSETTS ) ss.:  
COUNTY OF SUFFOLK )

On the \_\_\_\_ day of November, 1995, before me personally came \_\_\_\_\_ to me known, who, being by me duly sworn, did depose and say that he/she is \_\_\_\_\_ of [\_\_\_\_\_] a Massachusetts banking corporation described in and which executed the foregoing instrument; that he/she knows the seal of said association; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said association, and that he/she signed his/her name thereto by like authority.

\_\_\_\_\_

HALE AND DORR  
Counsellors at Law

60 State Street Boston, MA 02109  
(617) 526-6000 - fax (617) 526-5000

November 7, 1995

Analog Devices, Inc.  
One Technology Way  
Norwood, MA 02062

Dear Sirs:

We have assisted in the preparation and filing with the Securities and Exchange Commission (the "Commission") of a Registration Statement on Form S-3 filed with the Commission on November 7, 1995 (the "Registration Statement"), relating to \$230,000,000 principal amount of Convertible Subordinated Notes due 2000 (the "Notes") of Analog Devices, Inc., a Massachusetts corporation (the "Company") and the shares of Common Stock, \$0.16 2/3 par value per share, of the Company issuable upon conversion of the Notes, including the corresponding rights under the Rights Agreement, dated as of January 28, 1988, as amended between the Company and The First National Bank of Boston, as Rights Agent (the "Conversion Shares").

We have examined the Restated Articles of Organization and the By-Laws of the Company and all amendments thereto and have examined and relied on the originals, or copies certified to our satisfaction, of such records of meetings of the directors and stockholders of the Company, documents and other instruments as in our judgment are necessary or appropriate to enable us to render the opinions expressed below.

We assume that appropriate action will be taken prior to the sale of the Notes to register and qualify the Notes and the Conversion Shares for sale under any applicable state "blue sky" or securities law.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Company is a duly organized and validly existing corporation under the laws of the Commonwealth of Massachusetts, with corporate powers adequate for the

Washington, DC

Boston, MA

Manchester, NH

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hale and dorr is a partnership including professional corporations



conduct of its business as described in the Registration Statement and the Prospectus constituting a part thereof.

2. The execution and delivery of the Indenture between the Company and State Street Bank and Trust Company as trustee (the "Indenture"), have been duly authorized by the Company and, when executed and delivered by the Company, the Indenture will constitute a valid and legally binding instrument of the Company, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, notice or other laws relating to or affecting creditors' rights generally.
3. The Notes and the Conversion Shares have been duly authorized and when the Notes have been duly executed, authenticated, issued and delivered to and paid for by the Underwriters, (a) the Notes will constitute valid and binding obligations of the Company and will be entitled to all the benefits of the Indenture, except as the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, notice or other laws relating to or affecting creditors' rights generally and (b) the Conversion Shares issuable upon conversion of the Notes will be legally issued, fully paid and non-assessable.

We hereby consent to the use of our name in the Registration Statement and under the caption "Legal Opinions" in the related Prospectus and to the filing of this opinion as an Exhibit to the Registration Statement.

Very truly yours,

HALE AND DORR

ANALOG DEVICES, INC. AND CONSOLIDATED SUBSIDIARIES  
 COMBINED WITH UNCONSOLIDATED AFFILIATES COMPUTATION OF  
 RATIO OF EARNINGS TO FIXED CHARGES  
 (DOLLAR AMOUNTS IN THOUSANDS)

	FISCAL YEAR					NINE MONTHS ENDED	
	1990	1991	1992	1993	1994	JULY 30, 1994	JULY 29, 1995
Income (loss) from continuing operations before provision for income taxes per statement of operations.....	\$(13,563)	\$ 9,382	\$18,965	\$55,525	\$ 96,911	\$68,394	\$111,819
Add							
Portion of rents representative of the interest factor.....	2,863	3,284	3,089	2,951	3,328	2,496	1,973
Interest on indebtedness.....	2,681	3,588	4,219	6,126	7,497	5,529	4,591
Income/(loss) of unconsolidated affiliates.....	(548)	282	--	--	--	--	--
Income as adjusted.....	\$ (8,567)	\$16,536	\$26,273	\$64,602	\$107,736	\$76,419	\$118,383
Fixed charges							
Interest on indebtedness:							
Analog Devices, Inc. and consolidated subsidiaries.....	\$ 3,190	\$ 4,778	\$ 5,976	\$ 7,184	\$ 7,149	\$ 5,455	\$ 3,242
Unconsolidated affiliates.....	286	84	--	--	--	--	--
	3,476	4,862	5,976	7,184	7,149	5,455	3,242
Less amortization of premium/(discount) on forward exchange contracts on intercompany indebtedness.....	(795)	(1,274)	(1,757)	(1,058)	348	74	1,349
	2,681	3,588	4,219	6,126	7,497	5,529	4,591
Portion of rents representative of the interest factor.....	2,863	3,284	3,089	2,951	3,328	2,496	1,973
Fixed charges.....	\$ 5,544	\$ 6,872	\$ 7,308	\$ 9,077	\$ 10,825	\$ 8,025	\$ 6,564
Ratio of earnings to fixed charges.....	--(1)	2.4	3.6	7.1	10.0	9.5	18.0

(1) As a result of the loss incurred in fiscal year 1990, the Company was unable to cover fixed charges. The amount of such coverage deficiency was \$14.1 million.

## CONSENT OF ERNST &amp; YOUNG LLP, INDEPENDENT AUDITORS

We consent to the reference to our firm under the captions "Experts" and "Selected Consolidated Financial Data" in the Registration Statement (Form S-3) and related Prospectus of Analog Devices, Inc. for the registration of \$230,000,000 convertible subordinated notes and to the incorporation by reference therein of our report dated November 29, 1994, with respect to the consolidated financial statements of Analog Devices, Inc. included in its Annual Report (Form 10-K) for the year ended October 29, 1994, filed with the Securities and Exchange Commission. Our report mentioned above includes the following explanatory paragraph: As discussed in Note 6 to the consolidated financial statements, claims and actions have been brought against Analog Devices, Inc. and the ultimate outcome of these claims and actions cannot presently be determined. Accordingly, no such provision for any liability, if any, that may result has been made in the financial statements.

Boston, Massachusetts  
November 6, 1995

Ernst & Young LLP

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE  
TRUST INDENTURE ACT OF 1939 OF A  
CORPORATION DESIGNATED TO ACT AS TRUSTEE

Check if an Application to Determine Eligibility  
of a Trustee Pursuant to Section 305(b)(2) \_\_\_\_\_

STATE STREET BANK AND TRUST COMPANY  
(Exact name of trustee as specified in its charter)

Massachusetts  
(Jurisdiction of incorporation or  
organization if not a U.S. national bank)

04-1867445  
(I.R.S. Employer  
Identification No.)

225 Franklin Street, Boston, Massachusetts 02110  
(Address of principal executive offices) (Zip code)

John R. Towers, Esq. Senior Vice President and Corporate Secretary  
225 Franklin Street, Boston, Massachusetts 02110  
(617) 654-3253  
(Name, address and telephone number of agent for service)

ANALOG DEVICES, INC.

(Exact name of obligor as specified in its charter)

Massachusetts  
(State or other jurisdiction of  
incorporation or organization)

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

One Technology Way  
Norwood, Massachusetts 02062-9106  
(Address of principal executive offices) (Zip code)

% Convertible Subordinated Notes Due 2000  
(Title of indenture securities)

## GENERAL

## ITEM 1. GENERAL INFORMATION.

FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:

- (a) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISING AUTHORITY TO WHICH IT IS SUBJECT.

Department of Banking and Insurance of The Commonwealth of Massachusetts, 100 Cambridge Street, Boston, Massachusetts.

Board of Governors of the Federal Reserve System, Washington, D.C.,  
Federal Deposit Insurance Corporation, Washington, D.C.

- (b) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

The trustee is authorized to exercise corporate trust powers.

## ITEM 2. AFFILIATIONS WITH OBLIGOR.

IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

The obligor is not an affiliate of the trustee or of its parent, State Street Boston Corporation.

(See Note on page 6.)

## ITEM 3. VOTING SECURITIES OF THE TRUSTEE.

FURNISH THE FOLLOWING INFORMATION AS TO EACH CLASS OF VOTING SECURITIES OF THE TRUSTEE:

As of: November 6, 1995

Col. A	Col. B
Title of Class	Amount outstanding
Not applicable.	

## ITEM 4. TRUSTEESHIPS UNDER OTHER INDENTURES.

IF THE TRUSTEE IS A TRUSTEE UNDER ANOTHER INDENTURE UNDER WHICH ANY OTHER SECURITIES, OR CERTIFICATES OF INTEREST OR PARTICIPATION IN ANY OTHER SECURITIES, OF THE OBLIGOR ARE OUTSTANDING, FURNISH THE FOLLOWING INFORMATION:

- (a) TITLE OF THE SECURITIES OUTSTANDING UNDER EACH SUCH OTHER INDENTURE.

Not applicable.

(b) A BRIEF STATEMENT OF THE FACTS RELIED UPON AS A BASIS FOR THE CLAIM THAT NO CONFLICTING INTEREST WITHIN THE MEANING OF SECTION 310(B)(1) OF THE ACT ARISES AS A RESULT OF THE TRUSTEESHIP UNDER ANY SUCH OTHER INDENTURE, INCLUDING A STATEMENT AS TO HOW THE INDENTURE SECURITIES WILL RANK AS COMPARED WITH THE SECURITIES ISSUED UNDER SUCH OTHER INDENTURE.

Not applicable.

ITEM 5. INTERLOCKING DIRECTORATES AND SIMILAR RELATIONSHIPS WITH THE OBLIGOR OR UNDERWRITERS.

IF THE TRUSTEE OR ANY OF THE DIRECTORS OR EXECUTIVE OFFICERS OF THE TRUSTEE IS A DIRECTOR, OFFICER, PARTNER, EMPLOYEE, APPOINTEE OR REPRESENTATIVE OF THE OBLIGOR OR OF ANY UNDERWRITER FOR THE OBLIGOR, IDENTIFY EACH SUCH PERSON HAVING ANY SUCH CONNECTION AND STATE THE NATURE OF EACH SUCH CONNECTION.

Not applicable.

ITEM 6. VOTING SECURITIES OF THE TRUSTEE OWNED BY THE OBLIGOR OR ITS OFFICIALS.

FURNISH THE FOLLOWING INFORMATION AS TO THE VOTING SECURITIES OF THE TRUSTEE OWNED BENEFICIALLY BY THE OBLIGOR AND EACH DIRECTOR, PARTNER AND EXECUTIVE OFFICER OF THE OBLIGOR:

As of: November 6, 1995

Col. A	Col. B	Col. C	Col. D
Name of owner	Title of class	Amount owned beneficially	Percentage of voting securities represented by amount given in Col. C

Not applicable.

ITEM 7. VOTING SECURITIES OF THE TRUSTEE OWNED BY UNDERWRITERS OR THEIR OFFICIALS.

FURNISH THE FOLLOWING INFORMATION AS TO THE VOTING SECURITIES OF THE TRUSTEE OWNED BENEFICIALLY BY EACH UNDERWRITER FOR THE OBLIGOR AND EACH DIRECTOR, PARTNER AND EXECUTIVE OFFICER OF EACH SUCH UNDERWRITER:

As of: November 6, 1995

Col. A	Col. B	Col. C	Col. D
Name of owner	Title of class	Amount owned beneficially	Percentage of voting securities represented by amount given in Col. C

Not applicable.

## ITEM 8. SECURITIES OF THE OBLIGOR OWNED OR HELD BY THE TRUSTEE.

FURNISH THE FOLLOWING INFORMATION AS TO SECURITIES OF THE OBLIGOR OWNED BENEFICIALLY OR HELD AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT BY THE TRUSTEE:

As of: November 6, 1995

Col. A	Col. B	Col. C	Col. D
Title of class	Whether the securities are voting or non-voting securities	Amount owned beneficially or held as collateral security for obligations in default	Percent of class represented by amount given in Col. C

Not applicable.

## ITEM 9. SECURITIES OF UNDERWRITERS OWNED OR HELD BY THE TRUSTEE.

IF THE TRUSTEE OWNS BENEFICIALLY OR HOLDS AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT ANY SECURITIES OF AN UNDERWRITER FOR THE OBLIGOR, FURNISH THE FOLLOWING INFORMATION AS TO EACH CLASS OF SECURITIES OF SUCH UNDERWRITER ANY OF WHICH ARE SO OWNED OR HELD BY THE TRUSTEE:

As of: November 6, 1995

Col. A	Col. B	Col. C	Col. D
Title of issuer and title of class	Amount outstanding	Amount owned beneficially or held as collateral security for obligations in default by trustee	Percent of class represented by amount given in Col. C

Not applicable.

## ITEM 10. OWNERSHIP OR HOLDINGS BY THE TRUSTEE OF VOTING SECURITIES OF CERTAIN AFFILIATES OR SECURITY HOLDERS OF THE OBLIGOR.

IF THE TRUSTEE OWNS BENEFICIALLY OR HOLDS AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT VOTING SECURITIES OF A PERSON WHO, TO THE KNOWLEDGE OF THE TRUSTEE (1) OWNS 10 PERCENT OR MORE OF THE VOTING SECURITIES OF THE OBLIGOR OR (2) IS AN AFFILIATE, OTHER THAN A SUBSIDIARY, OF THE OBLIGOR, FURNISH THE FOLLOWING INFORMATION AS TO THE VOTING SECURITIES OF SUCH PERSON:

As of: November 6, 1995

Col. A	Col. B	Col. C	Col. D
Title of issuer and title of class	Amount outstanding	Amount owned beneficially or held as collateral security for obligations in	Percent of class represented by amount given in Col. C

default by trustee

Not applicable.

ITEM 11. OWNERSHIP OR HOLDINGS BY THE TRUSTEE OF ANY SECURITIES OF A PERSON OWNING 50 PERCENT OR MORE OF THE VOTING SECURITIES OF THE OBLIGOR.

IF THE TRUSTEE OWNS BENEFICIALLY OR HOLDS AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT ANY SECURITIES OF A PERSON WHO, TO THE KNOWLEDGE OF THE TRUSTEE, OWNS 50 PERCENT OR MORE OF THE VOTING SECURITIES OF THE OBLIGOR, FURNISH THE FOLLOWING INFORMATION AS TO EACH CLASS OF SECURITIES OF SUCH PERSON ANY OF WHICH ARE SO OWNED OR HELD BY THE TRUSTEE:

As of: November 6, 1995

Col. A	Col. B	Col. C	Col. D
Title of issuer and title of class	Amount outstanding	Amount owned beneficially or held as collateral security for obligations in default by trustee	Percent of class represented by amount given in Col. C

Not applicable.

ITEM 12. INDEBTEDNESS OF THE OBLIGOR TO THE TRUSTEE.

EXCEPT AS NOTED IN THE INSTRUCTIONS, IF THE OBLIGOR IS INDEBTED TO THE TRUSTEE, FURNISH THE FOLLOWING INFORMATION:

As of: November 6, 1995

Col. A	Col. B	Col. C
Nature of indebtedness	Amount outstanding	Date due

Not applicable.

ITEM 13. DEFAULTS BY THE OBLIGOR.

(a) STATE WHETHER THERE IS OR HAS BEEN A DEFAULT WITH RESPECT TO THE SECURITIES UNDER THIS INDENTURE. EXPLAIN THE NATURE OF ANY SUCH DEFAULT.

Not applicable.

(b) IF THE TRUSTEE IS A TRUSTEE UNDER ANOTHER INDENTURE UNDER WHICH ANY OTHER SECURITIES, OR CERTIFICATES OF INTEREST OR PARTICIPATION IN ANY OTHER SECURITIES, OF THE OBLIGOR ARE OUTSTANDING, OR IS A TRUSTEE FOR MORE THAN ONE OUTSTANDING SERIES OF SECURITIES UNDER THE INDENTURE, STATE WHETHER THERE HAS BEEN A DEFAULT UNDER ANY SUCH INDENTURE OR SERIES, IDENTIFY THE INDENTURE OR SERIES AFFECTED, AND EXPLAIN THE NATURE OF ANY SUCH DEFAULT.



To the best of the knowledge of the Trustee, there has not been a default under any such indenture or series.

## ITEM 14. AFFILIATIONS WITH THE UNDERWRITERS.

IF AN UNDERWRITER IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

Not applicable.

## ITEM 15. FOREIGN TRUSTEE.

IDENTIFY THE ORDER OR RULE PURSUANT TO WHICH THE FOREIGN TRUSTEE IS AUTHORIZED TO ACT AS SOLE TRUSTEE UNDER INDENTURES QUALIFIED OR TO BE QUALIFIED UNDER THE ACT.

Not applicable.

## ITEM 16. LIST OF EXHIBITS.

LIST BELOW ALL EXHIBITS FILED AS A PART OF THIS STATEMENT OF ELIGIBILITY.

## 1. A COPY OF THE ARTICLES OF ASSOCIATION OF THE TRUSTEE AS NOW IN EFFECT.

A copy of the Articles of Association of the trustee, as now in effect, is on file with the Securities and Exchange Commission as Exhibit 1 to Amendment No. 1 to the Statement of Eligibility and Qualification of Trustee (Form T-1) filed with Registration Statement of Morse Shoe, Inc. (File No. 22-17940) and is incorporated herein by reference thereto.

## 2. A COPY OF THE CERTIFICATE OF AUTHORITY OF THE TRUSTEE TO COMMENCE BUSINESS, IF NOT CONTAINED IN THE ARTICLES OF ASSOCIATION.

A copy of a Statement from the Commissioner of Banks of Massachusetts that no certificate of authority for the trustee to commence business was necessary or issued is on file with the Securities and Exchange Commission as Exhibit 2 to Amendment No. 1 to the Statement of Eligibility and Qualification of Trustee (Form T-1) filed with Registration Statement of Morse Shoe, Inc. (File No. 22-17940) and is incorporated herein by reference thereto.

## 3. A COPY OF THE AUTHORIZATION OF THE TRUSTEE TO EXERCISE CORPORATE TRUST POWERS, IF SUCH AUTHORIZATION IS NOT CONTAINED IN THE DOCUMENTS SPECIFIED IN PARAGRAPH (1) OR (2) ABOVE.

A copy of the authorization of the trustee to exercise corporate trust powers is on file with the Securities and Exchange Commission as Exhibit 3 to Amendment No. 1 to the Statement of Eligibility and Qualification of Trustee (Form T-1) filed with Registration Statement of Morse Shoe, Inc. (File No. 22-17940) and is incorporated herein by reference thereto.

## 4. A COPY OF THE EXISTING BY-LAWS OF THE TRUSTEE, OR INSTRUMENTS CORRESPONDING THERETO.

A copy of the By-Laws of the trustee, as now in effect, is on file with the Securities and Exchange Commission as Exhibit 4 to the Statement of Eligibility and Qualification of Trustee (Form T-1) filed with Registration Statement of Eastern Edison Company (File No. 33-37823) and is incorporated herein by reference thereto.

## 5. A COPY OF EACH INDENTURE REFERRED TO IN ITEM 4, IF THE OBLIGOR IS IN DEFAULT.

Not applicable.

6. THE CONSENTS OF THE UNITED STATES INSTITUTIONAL TRUSTEES REQUIRED BY SECTION 321(B) OF THE ACT.

The consent of the trustee required by Section 321(b) of the Act is annexed hereto as Exhibit 6 and made a part hereof.

7. A COPY OF THE LATEST REPORT OF CONDITION OF THE TRUSTEE PUBLISHED PURSUANT TO LAW OR THE REQUIREMENTS OF ITS SUPERVISING OR EXAMINING AUTHORITY.

A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority is annexed hereto as Exhibit 7 and made a part hereof.

8. A COPY OF ANY ORDER PURSUANT TO WHICH THE FOREIGN TRUSTEE IS AUTHORIZED TO ACT AS SOLE TRUSTEE UNDER INDENTURES QUALIFIED OR TO BE QUALIFIED UNDER THE ACT.

Not applicable.

9. FOREIGN TRUSTEES ARE REQUIRED TO FURNISH A CONSENT TO SERVICE OF PROCESS.

Not applicable.

NOTE

The answers to this statement insofar as such answers relate to persons who are affiliates of the obligors are based upon information furnished to the trustee by the obligors. While the trustee has no reason to doubt the accuracy of any such information, it cannot accept any responsibility therefor.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the trustee, State Street Bank and Trust Company, a corporation organized and existing under the laws of The Commonwealth of Massachusetts, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Boston and The Commonwealth of Massachusetts, on the            day of November, 1995.

STATE STREET BANK AND TRUST COMPANY

/s/ Roland S. Gustafsen

By \_\_\_\_\_  
Roland S. Gustafsen  
Assistant Vice President

## EXHIBIT 6

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## CONSENT OF TRUSTEE

Pursuant to the requirements of Section 321(b) of the Trust Indenture Act of 1939 in connection with the proposed issuance by Analog Devices, Inc. of its Convertible Subordinated Notes Due 2000, we consent that reports of examination by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon request therefor.

STATE STREET BANK AND TRUST COMPANY

/s/ Roland S. Gustafsen

By \_\_\_\_\_

Roland S. Gustafsen  
Assistant Vice President

Dated: November 6, 1995

## EXHIBIT 7

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Consolidated Report of Condition of State Street Bank and Trust Company of Boston, Massachusetts and foreign and domestic subsidiaries, a state banking institution organized and operating under the banking laws of this commonwealth and a member of the Federal Reserve System, at the close of business December 31, 1995, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act and in accordance with a call made by the Commissioner of Banks under General Laws, Chapter 172, Section 22(a).

THOUSANDS OF  
DOLLARS

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## ASSETS

Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin . . . . .	942,661
Interest-bearing balances . . . . .	4,843,628
Securities . . . . .	8,410,339
Federal funds sold and securities purchased under agreements to resell in domestic offices of the bank and of its Edge subsidiary . . . . .	2,240,374
Loans and lease financing receivables:	
Loans and leases, net of unearned income . . . . .	3,257,795
Allowance for loan and lease losses . . . . .	38,184
Loans and leases, net of unearned income and allowance . . . . .	3,199,611
Assets held in trading accounts . . . . .	825,549
Premises and fixed assets . . . . .	375,086
Other real estate owned . . . . .	4,359
Investments in unconsolidated subsidiaries . . . . .	25,051
Customers' liability to this bank on acceptances outstanding . . . . .	55,358
Intangible Assets . . . . .	34,862
Other Assets . . . . .	653,750
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Total Assets . . . . .	21,610,628
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## LIABILITIES

Deposits:	
In domestic offices . . . . .	5,946,262
Noninterest-bearing . . . . .	4,175,167
Interest-bearing . . . . .	1,771,095
In foreign offices and Edge subsidiary . . . . .	8,147,182
Noninterest-bearing . . . . .	44,817
Interest-bearing . . . . .	8,102,365
Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge subsidiary . . . . .	4,912,704
Demand notes issued to the U.S. Treasury and Trading Liabilities . . . . .	423,324
Other borrowed money . . . . .	386,049
Bank's liability on acceptances executed and outstanding . . . . .	55,621
Other liabilities . . . . .	530,536
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Total liabilities: . . . . .	20,401,678
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## EQUITY CAPITAL

Common Stock . . . . .	28,043
Surplus . . . . .	177,736
Undivided profits . . . . .	1,003,171
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Total equity capital . . . . .	1,208,950
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Total liabilities and equity capital . . . . .	21,610,628
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I, Rex S. Schuette, Senior Vice President and Comptroller of the above named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true to the best of my knowledge and belief.

Rex S. Schuette

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

David A. Spina  
Marshall N. Carter  
Charles F. Kaye