SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(MARK ONE)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED JULY 29, 2000

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM_______________ TO ________________

COMMISSION FILE NO. 1-7819

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

MASSACHUSETTS	04-2348234
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
ONE TECHNOLOGY WAY, NORWOOD, MA	02062-9106
(Address of principal executive offices)	(Zip Code)

(781) 329-4700
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES [X] NO [ ]

The number of shares outstanding of each of the issuer's classes of Common Stock as of August 26, 2000 was 357,604,596 shares of Common Stock.

PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	THREE MONTHS ENDED	
	JULY 29, 2000	JULY 31, 1999
Net sales	$ 700,658	$ 378,776
Cost of sales	300,519	190,481
Gross margin	400,139	188,295
Operating expenses:		
Research and development	103,429	67,142
Selling, marketing, general and administrative	77,198	54,589
	180,627	121,731
Operating income	219,512	66,564
Nonoperating (income) expenses:		
Interest expense	360	1,632
Interest income	(15,769)	(6,881)
Other, net	(44,020)	(31)
	(59,429)	(5,280)
Income before income taxes	278,941	71,844
Provision for income taxes	86,740	17,243
Net income	$ 192,201	$ 54,601
Shares used to compute earnings per share - basic	355,018	345,420
Shares used to compute earnings per share - diluted	383,544	366,960
Earnings per share - basic	$ 0.54	$ 0.16
Earnings per share - diluted	$ 0.50	$ 0.15

See accompanying notes.

PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	NINE MONTHS ENDED	
	JULY 29, 2000	JULY 31, 1999
Net sales	$ 1,771,930	$ 1,019,343
Cost of sales	782,790	529,721
Gross margin	989,140	489,622
Operating expenses:		
Research and development	277,143	181,625
Write-off of purchased in-process research and development	--	5,140
Selling, marketing, general and administrative	212,795	149,937
	489,938	336,702
Operating income	499,202	152,920
Equity in loss of WaferTech	--	1,149
Nonoperating (income) expenses:		
Interest expense	2,863	8,182
Interest income	(41,270)	(17,298)
Other, net	(42,757)	978
	(81,164)	(8,138)
Income before income taxes	580,366	159,909
Provision for income taxes	173,106	36,308
Net income	$ 407,260	$ 123,601
Shares used to compute earnings per share - basic	352,359	332,862
Shares used to compute earnings per share - diluted	380,107	360,690
Earnings per share - basic	$ 1.15	$ 0.37
Earnings per share - diluted	$ 1.07	$ 0.35

See accompanying notes.

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

Assets	JULY 29, 2000	OCTOBER 30, 1999	JULY 31, 1999
Cash and cash equivalents	$ 619,084	$ 355,891	$ 405,627
Short-term investments	439,323	406,553	231,505
Accounts receivable, net	420,440	260,871	247,674
Inventories:			
Raw materials	16,101	13,735	13,909
Work in process	172,682	150,427	155,096
Finished goods	125,118	84,774	86,580
	313,901	248,936	255,585
Deferred tax assets	115,000	89,780	95,000
Prepaid expenses and other current assets	25,629	17,079	13,844
Total current assets	1,933,377	1,379,110	1,249,235
Property, plant and equipment, at cost:			
Land and buildings	201,488	166,130	162,840
Machinery and equipment	1,195,596	1,088,939	1,066,595
Office equipment	83,334	74,530	73,627
Leasehold improvements	115,945	108,530	106,685
	1,596,363	1,438,129	1,409,747
Less accumulated depreciation and amortization	892,481	795,323	763,423
Net property, plant and equipment	703,882	642,806	646,324
Investments	249,566	119,301	104,297
Intangible assets, net	36,652	30,563	29,619
Other assets	27,822	46,574	46,702
Total other assets	314,040	196,438	180,618
	$2,951,299	$2,218,354	$2,076,177

See accompanying notes.

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

Liabilities and Stockholders' Equity	JULY 29, 2000	OCTOBER 30, 1999	JULY 31, 1999
Short-term borrowings and current portion of long-term debt	$ 8,832	$ 82,344	$ 2,606
Obligations under capital leases	11,884	14,717	14,607
Accounts payable	162,744	103,368	88,115
Deferred income on shipments to distributors	134,269	100,788	103,763
Income taxes payable	161,667	66,761	61,582
Accrued liabilities	138,251	111,285	87,119
Total current liabilities	617,647	479,263	357,792
Long-term debt	--	--	80,000
Non-current obligations under capital leases	11,168	16,214	19,842
Deferred income taxes	49,000	40,002	38,000
Other non-current liabilities	214,730	66,844	61,458
Total non-current liabilities	274,898	123,060	199,300
Commitments and Contingencies			
Stockholders' equity:			
Preferred stock, $1.00 par value, 471,934 shares authorized, none outstanding	--	--	--
Common stock, $.16 2/3 par value, 600,000,000 shares authorized, 357,314,704 shares issued (178,049,189 in October 1999 and 177,481,502 in July 1999)	59,554	29,675	29,581
Capital in excess of par value	479,532	523,106	501,609
Retained earnings	1,518,071	1,110,811	1,037,593
Accumulated other comprehensive income	3,765	12,209	7,942
	2,060,922	1,675,801	1,576,725
Less 26,593 shares in treasury, at cost (3,161,774 in October 1999 and 3,133,179 in July 1999)	2,168	59,770	57,640
Total stockholders' equity	2,058,754	1,616,031	1,519,085
	$2,951,299	$2,218,354	$2,076,177

See accompanying notes.

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

	NINE MONTHS ENDED	
	JULY 29, 2000	JULY 31, 1999
OPERATIONS		
Cash flows from operations:		
Net income	$ 407,260	$ 123,601
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization	110,444	106,827
Gain on sale of investment	(43,857)	--
Write-off of purchased research and development	--	5,140
Equity in loss of WaferTech, net of dividends	--	1,149
Deferred income taxes	(20,865)	9,314
Other non-cash expense	558	3,127
Changes in operating assets and liabilities	(17,984)	14,798
Total adjustments	28,296	140,355
Net cash provided by operations	435,556	263,956
INVESTMENTS		
Cash flows from investments:		
Purchase of short-term investments available for sale	(589,408)	(356,918)
Maturities of short-term investments available for sale	556,638	166,988
Payments for acquisitions, net of cash acquired	(5,176)	(20,019)
Proceeds from sale of investment	64,641	--
Change in long-term investments	348	105,501
Additions to property, plant and equipment, net	(167,895)	(46,451)
Decrease in other assets	4,904	5,040
Net cash used for investments	(135,948)	(145,859)
FINANCING ACTIVITIES		
Cash flows from financing activities:		
Proceeds from employee stock plans	41,093	31,444
Payments on capital lease obligations	(7,878)	(10,591)
Net (decrease) increase in variable rate borrowings	(73,317)	2,265
Net cash (used for) provided by financing activities	(40,102)	23,118
Effect of exchange rate changes on cash	3,687	1,081
Net increase in cash and cash equivalents	263,193	142,296
Cash and cash equivalents at beginning of period	355,891	263,331
Cash and cash equivalents at end of period	$ 619,084	$ 405,627

SUPPLEMENTAL INFORMATION Non-cash disclosure:
Conversion of 3 1/2% Subordinated Notes

to common stock	$ --	$ 229,952

See accompanying notes.

Analog Devices, Inc.
Notes to Condensed Consolidated Financial Statements
For the three months and nine months ended July 29, 2000
(all tabular amounts in thousands except per share amounts)

Note 1 - In the opinion of management, the information furnished in the accompanying condensed consolidated financial statements reflects all normal recurring adjustments that are necessary to fairly state the results for this interim period and should be read in conjunction with Analog Devices, Inc. (the "Company") Annual Report to Stockholders on Form 10-K for the fiscal year ended October 30, 1999 (1999 Annual Report).

Note 2 - Certain amounts reported in the previous year have been reclassified to conform to the fiscal 2000 presentation.

Note 3 - Comprehensive Income

Total comprehensive income, i.e., net income plus available-for-sale securities valuation adjustments and currency translation adjustments to stockholders' equity, for the third quarters of fiscal 2000 and fiscal 1999 was $170 million and $55 million, respectively. For the first nine months of fiscal 2000 and fiscal 1999, total comprehensive income was $399 million and $126 million, respectively.

Note 4 - Earnings Per Share

Basic earnings per share is computed based only on the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of common shares outstanding during the period, plus the dilutive effect of future issues of common stock relating to stock option programs and convertible debt financing. In calculating diluted earnings per share, the dilutive effect of stock options is computed using the average market price for the period. The following table sets forth the computation of basic and diluted earnings per share:

	THREE MONTHS ENDED	
	JULY 29, 2000	JULY 31, 1999
Basic:		
Net income	$192,201	$ 54,601
Weighted shares outstanding	355,018	345,420
Earnings per share	$ 0.54	$ 0.16
Diluted:		
Net income	$192,201	$ 54,601
Weighted shares outstanding	355,018	345,420
Assumed exercise of common stock equivalents	28,526	21,540
Weighted average common and common equivalent shares	383,544	366,960
Earnings per share	$ 0.50	$ 0.15

	NINE MONTHS ENDED	
	JULY 29, 2000	JULY 31, 1999
Basic:		
Net income	$407,260	$123,601
Weighted shares outstanding	352,359	332,862
Earnings per share	$ 1.15	$ 0.37
Diluted:		
Net income	$407,260	$123,601
Interest related to convertible subordinated notes, net of tax	--	1,906
Earnings available for common stock	$407,260	$125,507
Weighted shares outstanding	352,359	332,862
Assumed exercise of common stock equivalents	27,748	27,828
Weighted average common and common equivalent shares	380,107	360,690
Earnings per share	$ 1.07	$ 0.35

Note 5 - Investments

During the third quarter of fiscal 2000, the Company sold its investment in the common stock of Chartered Semiconductor Manufacturing Pte., Ltd. The Company received approximately $65 million in cash and realized a pretax gain of approximately $44 million. The realized gain is included in other nonoperating income.

During the first quarter of fiscal 1999, the Company completed the sale of approximately 78% of its equity ownership in WaferTech, LLC, its joint venture with Taiwan Semiconductor Manufacturing Company and other investors. As a result of this sale, the Company's equity ownership in WaferTech was reduced from 18% to 4%. The Company sold 78% of its investment to other WaferTech partners and received $105 million in cash, which was equal to the carrying value of the 14% equity ownership at October 31, 1998.

Note 6 - Convertible Debt

As of March 11, 1999 the Company had converted $229,967,000 of the $230 million principal amount of its 3 1/2% Convertible Subordinated Notes (Notes) due 2000 into an aggregate of 10,983,163 shares of the Company's common stock, and the remaining Notes were redeemed by a cash payment of $33,000. This conversion did not have an impact on diluted earnings per share.

Note 7 - Acquisitions

On June 30, 2000, the Company announced an offer to acquire BCO Technologies plc (BCO), a company incorporated in Northern Ireland and based in Belfast, in a cash-for-stock transaction valued at approximately $150 million. BCO is a leading supplier of silicon-on-insulator wafers used for fabricating micromechanical optical devices for optical switching and communications applications. The offer has been unconditionally accepted by BCO's shareholders under applicable laws and the transaction is anticipated to be completed in the fourth quarter of fiscal 2000. The Company expects no significant in-process research and development charge related to this acquisition.

During the second quarter of fiscal 1999, the Company acquired two DSP tools companies, White Mountain DSP, Inc. of Nashua, New Hampshire and Edinburgh Portable Compilers Limited, of Edinburgh, Scotland. The total cost of these acquisitions was approximately $21 million in cash and $2 million in common stock of the Company, with additional contingent cash consideration up to a maximum of $10 million (to be accounted for as additional goodwill) payable if the acquired companies achieve certain revenue and operational objectives. As of July 29, 2000, approximately $7 million of contingent consideration had been paid. These acquisitions were accounted for as purchases. The excess of the purchase price over the fair value of assets acquired was allocated to existing technology, workforce in place, and tradenames, which are being amortized over periods ranging from six to ten years and goodwill which is being amortized on the straight-line basis over ten years. In connection with these acquisitions, the Company recorded a charge of $5.1 million for the write-off of in-process research and development in the second quarter of fiscal 1999.

Note 8 - Segment Information

The Company operates in two segments: the design, manufacture and marketing of a broad range of integrated circuits, which comprises approximately 97% of the Company's revenue, and the design, manufacture and marketing of a range of assembled products, which accounts for the remaining 3% of the Company's revenue. Effectively, the Company operates in one reportable segment.

Note 9 - New Accounting Standard

Effective October 31, 1999, the Company adopted Statement of Position 98-1, (SOP 98-1), "Accounting for the Cost of Computer Software Developed for or Obtained for Internal Use." The adoption of SOP 98-1 did not have a material impact on the results of operations or financial position.

Note 10 - Stock Split

On February 15, 2000, the Company's Board of Directors approved a 2-for-1 split of the Company's common stock, effected as a 100% stock dividend on March 15, 2000 by the distribution of one share of common stock for every share held on the record date of February 28, 2000. All historical per share amounts in this report have been restated to reflect the split.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This information should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto included in Item 1 of this Quarterly Report and the audited consolidated financial statements and notes thereto and Management Analysis for the fiscal year ended October 30, 1999, contained in the Company's 1999 Annual Report.

The following discussion and analysis may contain forward-looking statements. Such statements are subject to certain risks and uncertainties, including those discussed below or in the Company's 1999 Annual Report, which could cause actual results to differ materially from the Company's expectations. Readers are cautioned not to place undue reliance on any forward-looking statements, as they reflect management's analysis only as of the date hereof. The Company undertakes no obligation to release the results of any revision to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Results of Operations

Net sales for the third quarter of fiscal 2000 were $701 million, an increase of 85% from the $379 million reported for the third quarter of fiscal 1999. Net sales for the first nine months of fiscal 2000 were $1,772 million, an increase of 74% from the $1,019 million reported for the comparable period of fiscal 1999. Analog IC product sales increased by 71% over the same quarter in fiscal 1999 and 62% over the same nine month period in fiscal 1999. Sales of DSP products increased 143% from the same quarter in fiscal 1999 and 124% over the same nine month period in fiscal 1999. For the quarter and the nine months ended July 29, 2000, sales increased in all markets with communications showing the highest increase. For the third quarter of fiscal 2000, sales to the communications market increased by 131% over the prior year quarter and represented 45% of total sales. The sales increase and growth in the communications market was driven by continued growth in demand for high-speed broadband access to the Internet, wireless infrastructure applications and wireless Internet appliances.

Sales increased in all geographic regions for both the third quarter and first nine months of fiscal 2000 over the same periods in fiscal 1999, with the largest quarter over quarter increases occurring in Europe and Southeast Asia. International sales for the third quarter of fiscal 2000 represented 57% of sales compared to 54% of sales for the third quarter of fiscal 1999.

Gross margin was 57.1% for the third quarter of fiscal 2000, compared to 49.7% for the third quarter of fiscal 1999. Gross margin was 55.8% for the first three quarters of fiscal 2000 compared to 48.0% for the first three quarters of fiscal 1999. For the quarter and nine months ended July 29, 2000, the improvement in gross margin was primarily due to the favorable effect of fixed costs allocated across a higher sales base and improved manufacturing efficiencies at the Company's wafer fabrication, assembly and test facilities.

Research and development (R&D) expenses were $103 million and $277 million for the three months and nine months ended July 29, 2000, respectively, compared to $67 million and $182 million for the corresponding periods of fiscal 1999. As a percentage of sales, R&D spending decreased during the third quarter of fiscal 2000 to 14.8%, down from 17.7% in the third quarter of fiscal 1999. However, R&D spending in absolute dollar amounts increased by 54% and 53% in the quarter and first nine months ended July 29, 2000, respectively, over the same periods in fiscal 1999 as the Company continued to invest in various opportunities in the Company's served markets. The Company believes that a continued commitment to research and development is essential in order to further exploit existing product offerings and to provide innovative new product offerings. As a result, the Company expects to continue to make significant R&D investments in the future.

On June 30, 2000, the Company announced an offer to acquire BCO Technologies plc (BCO), a company incorporated in Northern Ireland and based in Belfast, in a cash-for-stock transaction valued at approximately $150 million. BCO is a leading supplier of silicon-on-insulator wafers used for fabricating micromechanical optical devices for optical switching and communications applications. The offer has been unconditionally accepted by BCO's shareholders under applicable laws and the transaction is anticipated to be completed in the fourth quarter of fiscal 2000. The Company expects no significant in-process research and development charge related to this acquisition.

During the second quarter of fiscal 1999, the Company incurred a charge of $5,140,000 for the write-off of in-process R&D in connection with the acquisition of two DSP tools companies, White Mountain DSP, Inc. of Nashua, New Hampshire and Edinburgh Portable Compilers Limited, of Edinburgh, Scotland. The total cost of these acquisitions was approximately $21 million in cash and $2 million in common stock of the Company, with additional contingent cash consideration of up to a maximum of $10 million (to be accounted for as goodwill) payable if the acquired companies achieve certain revenue and operational objectives. Through the third quarter of fiscal 2000, $7 million of the additional consideration has been paid.

Selling, marketing, general & administrative (SMG&A) expenses for the third quarter of fiscal 2000 were $77 million, an increase of $22 million from the $55 million reported for the third quarter of fiscal 1999. SMG&A expenses for the nine months ended July 29, 2000 were $213 million, compared to $150 million for the nine months ended July 31, 1999. As a percentage of sales, SMG&A expenses decreased from 14.4% for the third quarter of fiscal 1999 to 11.0% for the third quarter of fiscal 2000 as a result of the significant growth in revenue and continuing control over SMG&A spending.

The effective income tax rate increased to 31.1% for the third quarter of fiscal 2000 from 24.0% for the third quarter of fiscal 1999. The effective income tax rate increased to 29.8% for the first nine months of fiscal 2000 from 22.7% for the first nine months of fiscal 1999. These increases are primarily due to increased profits in higher tax jurisdictions.

Liquidity and Capital Resources

At July 29, 2000, cash, cash equivalents and short-term investments totaled $1,058 million, an increase of $296 million from the fourth quarter of fiscal 1999 and an increase of $421 million from the third quarter of fiscal 1999. The increase in cash, cash equivalents and short-term investments in the first nine months of fiscal 2000 was primarily due to operating cash inflows of $436 million and cash proceeds of $65 million received in the third quarter from the sale of an investment, partially offset by increased capital expenditures and debt repayment.

Accounts receivable totaled $420 million at the end of the third quarter of fiscal 2000, an increase of $160 million from the fourth quarter of 1999 and of $173 million from the third quarter of fiscal 1999 due to higher sales levels. The Company's days sales outstanding improved from 60 days at July 31, 1999 to 55 days at July 29, 2000.

Inventories of $314 million at July 29, 2000 were $65 million higher than the inventory levels at October 30, 1999 and $58 million higher than at the end of the third quarter of fiscal 1999. The increase in inventory levels was a result of production increases in response to increased demand for the Company's products. Quarter over quarter, days cost of sales in inventory improved by 27 days.

During the third quarter of fiscal 2000, the Company sold its investment in the common stock of Chartered Semiconductor Manufacturing Pte., Ltd. The Company received approximately $65 million in cash and recognized a pretax gain of approximately $44 million.

During the first quarter of fiscal 1999, the Company completed the sale of approximately 78% of its equity ownership in WaferTech, LLC, its joint venture with Taiwan Semiconductor Manufacturing Company (TSMC) and other investors. As a result of this sale, the Company's equity ownership in WaferTech was reduced from 18% to 4%. The Company sold 78% of its investment to other WaferTech partners and received $105 million in cash, which was equal to the carrying value of the 14% equity ownership at October 31, 1998.

Net additions to property, plant and equipment of $168 million for the first nine months of fiscal 2000 were funded with a combination of cash on hand and cash generated from operations. Capital spending in the first nine months of fiscal 2000 was up substantially from the $46 million spent in the first nine months of fiscal 1999. The increase in capital expenditures was attributable to the expansion of manufacturing capability to meet current sales growth. The Company currently plans to make capital expenditures of approximately $260 million during fiscal 2000.

At July 29, 2000, the Company's principal sources of liquidity were $1,058 million of cash and cash equivalents and short-term investments. In addition, the Company has various lines of credit both in the U.S. and overseas, including a $60 million credit facility in the U.S., which expires in October 2000, all of which were substantially unused at July 29, 2000.

As of March 11, 1999 the Company had converted $229,967,000 of the $230 million principal amount of its 3 1/2% Convertible Subordinated Notes (Notes) due 2000 into an aggregate of 10,983,163 shares of the Company's common stock, and the remaining Notes were redeemed by a cash payment of $33,000.

The Company believes that its existing sources of liquidity and cash expected to be generated from future operations, together with current and anticipated available long-term financing, will be sufficient to fund operations, capital expenditures and research and development efforts for the foreseeable future.

Factors Which May Affect Future Results

The Company's future operating results are difficult to predict and may be affected by a number of factors including the timing of new product announcements or introductions by the Company and its competitors, competitive pricing pressures, fluctuations in manufacturing yields, adequate availability of wafers and manufacturing capacity, the ability of the Company to continue hiring engineers and other qualified employees needed to meet the expected demands of its largest customers, 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. The Company's business is subject to rapid technological changes and there can be no assurance, depending on the mix of future business, that products stocked in inventory will not be rendered obsolete before they are shipped by the Company. 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.

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 where the Company has limited experience and competition is intense. There can be no assurance that the markets being served by the Company will grow in the future; that the Company's existing and new products will meet the requirements of such markets; that the Company's products will achieve customer acceptance in such markets; that competitors will not force prices to an unacceptably low level or take market share from the Company; or that the Company can achieve or maintain profits in these markets. Also, some of the Company's customers in these markets are less well established which could subject the Company to increased credit risk.

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.

The cyclical nature of the industry has resulted in sustained or short-term periods when demand for the Company's products has increased or decreased rapidly. The semiconductor industry and the Company have experienced a period of rapid increases in demand during fiscal 1999 and the first nine months of fiscal 2000. The Company has increased its manufacturing capacity over the past three years through both expansion of its production facilities and increased access to third-party foundries. However, the Company cannot be sure that it 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 assembly and test subcontractors and on third-party wafer fabricators to supply most of its wafers that can be manufactured using industry-standard digital processes. Such reliance involves several risks, including reduced control over delivery schedules, manufacturing yields and costs. In addition, the Company's capacity additions resulted in a significant increase in operating expenses. If revenue levels are not sufficient to offset these additional expense levels, the Company's future operating results could be adversely affected. In addition, asset values could be impaired if the additional capacity is underutilized for an extended period of time. Also, noncompliance with "take or pay" covenants in certain of its supply agreements could adversely impact operating results. The Company believes that other semiconductor manufacturers have expanded their production capacity over the past 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. In addition, the Company and many companies in the semiconductor industry rely on internal manufacturing capacity located in California and Taiwan as well as wafer fabrication foundries in Taiwan and other subcontractors in geographically unstable locations around the world. Such reliance involves risks associated with the impact of earthquakes on the Company and the semiconductor industry including temporary loss of capacity, availability and cost of key raw materials and equipment, and availability of key services including transport.

In the first nine months of fiscal 2000, 56% of the Company's revenues were derived from customers in international markets. The Company has manufacturing facilities outside the U.S. in Ireland, the Philippines and Taiwan. In addition to being exposed to the ongoing economic cycles in the semiconductor industry, the Company is also subject to the economic and political risks inherent in international operations, including the risks associated with the ongoing uncertainties in many developing economies around the world. These risks include air transportation disruptions, expropriation, currency controls and changes in currency exchange rates, tax and tariff rates and freight rates. Although the Company engages in certain hedging transactions to reduce its exposure to currency exchange rate fluctuations, there can be no assurance 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.

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 the Company's 1999 Annual Report for information concerning certain pending litigation involving the Company. An adverse outcome in such litigation may, in certain cases, 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 litigation is resolved.

Because of these and other factors, past financial performance should not be considered an indicator of future performance. Investors should not use historical trends to anticipate future results and should be aware that 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, general conditions in the semiconductor industry, changes in earnings estimates and recommendations by analysts or other events.

Year 2000

Over the past several years the Company made significant investments in new manufacturing, financial and operating hardware and software. These investments were made to support the growth of its operations; however, the by-product of this effort was that the Company had year 2000 compliant hardware and software running on many of its major platforms. The Company established a task force to evaluate the remaining systems and equipment and upgrade or replace systems that were not year 2000 compliant. The cost of this effort, which commenced at the beginning of fiscal 1998 and continued through fiscal 1999, was approximately $10 million.

The Company's computer systems and equipment did not experience any significant disruptions as a result of the advent of the year 2000. However, there may be latent problems that surface at key dates or events in the future. The Company has not experienced, and does not anticipate, any significant problems related to the transition to the year 2000. Furthermore, the Company does not anticipate any significant expenditure in the future related to year 2000 compliance.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

The information required by this item is incorporated herein by reference to the "Management Analysis" set forth on pages 1 through 7 of the 1999 Annual Report to Shareholders.

ITEM 6. Exhibits and reports on Form 8-K

(a) See Exhibit Index.
(b) Report on Form 8-K There were no reports on Form 8-K filed for the three months ended July 29, 2000.

Items 1, 2, 3, 4 and 5 of PART II are not applicable and have been omitted.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ANALOG DEVICES, INC.

(Registrant)

Date: September 12, 2000

By: /s/ Jerald G. Fishman

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

Date: September 12, 2000

By: /s/ Joseph E. McDonough

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

EXHIBIT INDEX
ANALOG DEVICES, INC.

Item	
27	Financial Data Schedule

5
1,000
U.S. DOLLARS

9-MOS
OCT-28-2000
OCT-31-1999
JUL-29-2000
1
619,084
439,323
420,440
0
313,901
1,933,377
1,596,363
892,481
2,951,299
617,647
0
0
0
59,554
1,999,200
2,951,299
1,771,930
1,771,930
782,790
782,790
489,938
0
2,863
580,366
173,106
407,260
0
0
0
407,260
1.15
1.07

Asset value represents net amount.