

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 20, 2006

Analog Devices, Inc.

(Exact name of registrant as specified in its charter)

Massachusetts

1-7819

04-2348234

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

One Technology Way, Norwood, MA

02062

(Address of principal executive offices)

(Zip Code)

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

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e)

Executive Performance Bonus Plan for Fiscal Year 2007

On December 20, 2006, the Compensation Committee of the Board of Directors of Analog Devices, Inc. (the "Company") approved the terms of an Executive Performance Bonus Plan for fiscal year 2007 (the "Executive Bonus Plan"). All executive officers and other senior management selected by the Chief Executive Officer will participate in the Executive Bonus Plan. Bonus payments under the Executive Bonus Plan are calculated and paid as follows:

1. Each participant's Fiscal 2007 Bonus Target is obtained by multiplying his or her Eligible Earnings by his or her Bonus Target Percentage:
 - o Eligible Earnings - the individual's base pay during the applicable bonus period.
 - o Bonus Target Percentage - a percentage of the individual's Eligible Earnings, determined individually for each participant by the Compensation

Committee and ranging from 35% to 160%.

2. Each participant's Fiscal 2007 Bonus Target is then multiplied by the Bonus Payout Factor. The Bonus Payout Factor is based on the Company's operating profit before tax as a percentage of revenue for the applicable bonus period, which is adjustable by the Compensation Committee in its sole discretion to exclude special items, including but not limited to: stock-based compensation expense, restructuring-related expense, acquisition-related expense, gain or loss on disposition of businesses, non-recurring royalty payments, and other similar non-cash or non-recurring items. The Bonus Payout Factor can range from zero to three.

The product obtained by multiplying a participant's Fiscal 2007 Bonus Target by the Bonus Payout Factor shall be the Fiscal 2007 Bonus Payment for each participant. Each participant's Fiscal 2007 Bonus Payment can therefore be reduced to zero, or increased by up to three times his or her Fiscal 2007 Bonus Target.

3. Each participant's Fiscal 2007 Bonus Payment is then subject to adjustment by his or her Individual Payout Factor as follows. The Individual Payout Factor can increase the calculated bonus payment by as much as 50% or decrease the calculated bonus payment by as much as 50%, based on an evaluation of the participant's performance against a set of individual goals that are focused on key performance indicators, including business unit financial performance, strategic initiatives and overall leadership. At the end of fiscal year 2007, the Chief Executive Officer will review and assess the performance of each of the other participants with respect to his or her goals, and provide his recommendations thereon to the Compensation Committee. In addition, the Compensation Committee will review and assess the Chief Executive Officer's performance with respect to his goals. The Compensation Committee will then determine the Individual Payout Factor for the Chief Executive Officer and each of the other participants, based on the Committee's review and assessment of the performance of each individual toward his or her goals.

4. Bonus payments, if any, under the Executive Bonus Plan will be calculated at the end of each fiscal quarter and distributed after the first half and second half of fiscal year 2007. The Individual Payout Factor adjustments are only assessed and calculated annually at the end of the fiscal year. Therefore, the distribution paid after the first half of fiscal year 2007 will be based only on paragraphs 1 and 2 above. Any Individual Payout Factor adjustments pursuant to paragraph 3 above will be assessed and calculated after the fiscal year end for the full fiscal year and applied only to the distribution which would be otherwise due and payable after the second half of fiscal year 2007 using the calculation described above.

Revised Forms for Usage under 2006 Stock Incentive Plan

All of the Registrant's employees (including executive officers), directors, consultants and advisors are eligible to receive options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards under the Company's 2006 Stock Incentive Plan (the "2006 Plan"). On December 13, 2006, the Compensation Committee approved a revised form of Confirming Memorandum for Grants of Non-Qualified Stock Options to Employees for usage under the 2006 Plan. The revised form of Confirming Memorandum for Grants of Non-Qualified Stock Options to Employees is filed as an exhibit hereto and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
99.1	Form of Confirming Memorandum for Grants of Non-Qualified Stock Options to Employees for usage under the Registrant's 2006 Stock Incentive Plan.

SIGNATURE

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

Date: December 22, 2006

ANALOG DEVICES, INC.

By: /s/ Joseph E. McDonough

Joseph E. McDonough
Vice President, Finance and Chief
Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
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99.1	Form of Confirming Memorandum for Grants of Non-Qualified Stock Options to Employees for usage under the Registrant's 2006 Stock Incentive Plan.

STOCK OPTION CONFIRMING MEMORANDUM
 GRANT OF NON-QUALIFIED STOCK OPTION
 Private & Confidential (Addressee Only)

2006 STOCK INCENTIVE PLAN: GENERAL VERSION Division: --- COMPANY
 CODE: 1010 --- VESTING CODE: G5 Location: --- PLAN CODE:
 06RT/2006-R1

We are pleased to advise you that you have been granted an option to purchase #,### shares of Analog Devices, Inc. Common Stock on the terms and conditions set forth below (the "Option"). The grant of this Option reflects Analog's confidence in your commitment and contributions to the success and continued growth of Analog Devices, Inc. (the "Company").

GRANT OF OPTION: This memorandum confirms that, subject to the terms and conditions of the Analog Devices, Inc. 2006 Stock Incentive Plan (the "Plan"), the Company has granted to you (the "Optionee"), effective on the Date of Grant set forth below, an option to purchase shares of the Company's Common Stock (the "Option Shares") as follows:

Date of Grant: 99/99/9999
 Number of Option Shares Granted: #,###
 Option Exercise Price Per Share: \$ ##.##

ALL TERMS NOT DEFINED HEREIN SHALL HAVE THE MEANINGS ASSIGNED TO SUCH TERMS IN THE PLAN. EXERCISE OF OPTION: The Option is exercisable as follows:

EXERCISE PERIOD	NUMBER OF SHARES
Vesting Period #1	#,###
Vesting Period #2	#,###
Vesting Period #3	#,###

The right of exercise is cumulative, so that if the Option is not exercised to the maximum extent permissible during any period, it is exercisable, in whole or in part, with respect to all shares not so purchased at any time during any subsequent period prior to the expiration or termination of the Option.

TERM OF OPTION; TERMINATION OF EMPLOYMENT:

- The term of the Option is ten (10) years after the Date of Grant, subject, however, to the early termination provisions set forth herein.
- Except as otherwise provided herein, the Option shall be exercisable by the Optionee (or his/her successor in interest) following the termination of the Optionee's employment only to the extent that the Option was exercisable on or prior to the date of such termination.
- The Option shall terminate on the date the Optionee voluntarily terminates employment with the Company or one of its subsidiaries (except by reason of retirement after attaining age 60 as provided below) or on the date his/her employment is terminated by the Company without "Cause" (as defined in paragraph 4), but any Option Shares that are exercisable on the date of such termination shall continue to be exercisable for a period of three (3) months following such termination date.
- The Option shall terminate on the date the Optionee's employment with the Company or one of its subsidiaries is terminated by the Company for "Cause", and all Option Shares that are then exercisable shall forthwith cease to be exercisable. "Cause" for this purpose means unsatisfactory job performance (as determined by the Company), willful misconduct, fraud, gross negligence, disobedience or dishonesty.
- Upon the death of the Optionee while he/she is an employee of the Company or one of its subsidiaries, the Option shall become exercisable in full on the date of death and shall continue to be exercisable (by the Optionee's successor in interest) over the remaining term of the Option.
- If the Optionee's employment with the Company terminates by reason of the retirement of the Optionee after attaining age 60, the Option shall terminate on the date of such retirement, but any Option Shares that are exercisable on the date of such retirement shall continue to be exercisable over the remaining term of the Option; provided that all then-exercisable Option Shares held by such Optionee shall immediately cease to be exercisable in the event that such Optionee becomes an employee of any competitor of the Company (as determined in the sole discretion of the Company).

7. If the employment of the Optionee terminates due to disability (as determined by the Company), the Option Shares that are not exercisable as of the date of disability shall become exercisable on the date or dates (over the remaining term of the Option) that they otherwise would have become exercisable if the Optionee's employment had not been terminated due to disability. Any Option Shares that are exercisable upon disability prior to giving effect to this provision shall continue to be exercisable over the remaining term of the Option.

As used herein, the terms "employment" and "employee" shall mean and include any one of the following relationships with the Company: director, employee, consultant or advisor.

PAYMENT OF PURCHASE PRICE: The following payment methods may be used to purchase Option Shares:

1. A cashless exercise in a manner described in the Plan.
2. Cash or check payable to the Company.
3. Delivery by the Optionee of shares of Common Stock of the Company that have been owned by the Optionee for at least six months and subject to such other terms and conditions contained in the Plan.
4. Any combination of the above methods.

NON-TRANSFERABILITY OF OPTION: Except as provided by will or the laws of descent and distribution, this Option is personal and no rights granted hereunder shall be transferred, assigned, pledged, or hypothecated in any way (whether by operation of law or otherwise), nor shall any such rights be subject to execution, attachment or similar process.

ADJUSTMENT: This Option is subject to adjustment (including with respect to vesting of the Option Shares) upon certain changes in the Company's common stock and certain other events, including a Change in Control Event or a Reorganization Event, as provided in Section 11 of the Plan.

WITHHOLDING TAXES: As a condition to the issuance of shares upon exercise of the Option, the Optionee shall pay to the Company, or make provision satisfactory to the Company for payment of, an amount sufficient to satisfy federal, state and local withholding tax requirements.

A copy of the Plan prospectus and brochure describing the principal features of the Plan is available on the Company's Intranet at www.analog.com/employee (from Signals home page, click Knowledge Centers, Employee Stock Programs. The related documents can be found in the right-hand column). If you have any questions regarding your stock option, please contact your regional stock plan administrator, Jennifer Baptiste at (781)461-3889 or Jennifer.Baptiste@Analog.com; or Fran Sarro, Assistant Treasurer, at (781) 461-3907 or email Fran.Sarro@Analog.com. If you are unable to access this information via the Intranet, your regional stock plan administrator can provide you with copies.

/s/ Ray Stata

Ray Stata
Chairman of the Board

/s/ Jerald G. Fishman

Jerald G. Fishman
President & Chief Executive Officer