

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): May 12, 2005

Analog Devices, Inc.

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(Exact name of registrant as specified in its charter)

Massachusetts

1-7819

04-2348234

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(State or other juris-  
diction of incorporation)

(Commission  
File Number)

(IRS Employer  
Identification No.)

One Technology Way, Norwood, MA

02062

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(Address of principal executive offices)

(Zip Code)

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

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

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

Item 2.02. Results of Operations and Financial Condition

On May 12, 2005, Analog Devices, Inc. announced its financial results for the quarter ended April 30, 2005. The full text of the press release issued in connection with the announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Form 8-K and the exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits

(c) The following are filed as exhibits to this report:

99.1 Press release dated May 12, 2005

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: May 12, 2005

ANALOG DEVICES, INC.

By: /s/ Joseph E. McDonough

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

EXHIBIT INDEX

Exhibit No.  
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Description  
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99.1

Press release dated May 12, 2005

Analog Devices Reports Increased Revenue and Profits for the Second Quarter of Fiscal Year 2005; Board raises cash dividend to \$0.10 from \$0.06 per share and increases share repurchase program by \$500 million.

NORWOOD, Mass.--(BUSINESS WIRE)--May 12, 2005--Analog Devices, Inc. (NYSE: ADI), a global leader in high-performance semiconductors for signal processing applications, today announced financial results for the second quarter of fiscal 2005, which ended April 30, 2005. For the second quarter, revenue was \$604 million, diluted earnings per share (EPS) was \$0.31, and net income totaled \$118 million, or 19% of sales.

ADI also announced that the company's Board of Directors declared a cash dividend of \$0.10 per outstanding share of common stock for the second quarter, up from \$0.06 in the first quarter. The dividend is payable on June 15, 2005 to all stockholders of record at the close of business on May 27, 2005. The Board also approved a \$500 million increase to the company's share repurchase program.

"Our second quarter turned out to be a good quarter for ADI. Revenue increased 4% sequentially and diluted EPS increased 11% to \$0.31," said Mr. Jerald G. Fishman, President and CEO. "Revenue increased sequentially in every geographic region, except China, as customer inventory declines appear to be completed after a six-month correction. Revenue increased sequentially in both the OEM and distributor channels.

"Looking at the end markets, the highest growth on a dollar basis came from the industrial end markets, which grew 11% sequentially, driven by growth from our instrumentation and automotive customers and the resumption of growth from some automatic test equipment (ATE) customers. Sales to consumer customers grew 16% sequentially, primarily as a result of increased market share in digital cameras and advanced digital TVs. Computer product revenue was down sequentially. Revenue from communications applications was approximately flat sequentially, as strong gains in wireless infrastructure were offset by continuing weakness in wireless handsets, particularly among customers in China," Mr. Fishman explained.

By end market, approximately 41% of second quarter revenue was from industrial applications, which span a broad range of medical, security, automotive, instrumentation, and defense electronics applications, 31% from communications applications, 15% from consumer applications, and 13% from computer applications.

According to Mr. Fishman, "Revenue from analog products increased by 6% compared to the immediately prior quarter and totaled 81% of sales. Most noteworthy was 12% sequential revenue growth in converters and 10% sequential revenue growth in amplifiers -- two product areas at the heart of ADI's franchise and where our market share is very high. Sales of other analog products, including power management, declined sequentially.

DSP revenue, which was 19% of sales in the second quarter, declined 4% sequentially, as strong sequential growth in general-purpose DSP products was offset primarily by sequential declines in wireless handsets and broadband products.

Gross margins for the second quarter were 57.4%, down 40 basis points from the immediately prior quarter as a result of lower factory utilization.

"Operating expenses were approximately flat for the second quarter compared to both the immediately prior quarter and the same quarter last year. We kept tight control of expenses, despite absorbing the effect of annual salary increases and higher employee bonus accruals," said Mr. Fishman. "As a result, operating profits for the second quarter increased to approximately \$134 million or 22% of sales."

Turning to the balance sheet, Mr. Fishman explained, "Our balance sheet continued to strengthen in the second quarter. Inventories declined sequentially by \$5 million. Days cost of sales in inventory was 124 days in the second quarter, down from 132 days in the first quarter. Days sales in accounts receivable decreased to 48 days compared to 51 days in the immediately prior quarter.

"Cash flow from operations totaled \$175 million or 29% of sales. In the second quarter, we spent \$22 million on capital expenditures and we returned \$146 million to shareholders by repurchasing

approximately 3.4 million shares of ADI common stock for \$124 million and by paying \$22 million in dividends. As a result, cash, cash equivalents, and short-term investments increased slightly to \$2.62 billion at the end of the second quarter.

"For the past three quarters, since we announced the share repurchase program in August of 2004, ADI has generated approximately \$474 million of cash flow from operations. We have spent \$84 million on capital expenditures and returned \$489 million to our shareholders through dividends and share repurchases. The total number of shares repurchased to date under this program represents approximately 3% of shares outstanding. We are planning for cash flow to remain strong for the foreseeable future.

"Orders increased sequentially during the second quarter and were particularly strong in April. Cancellations declined in the second quarter to the lowest levels in the most recent four quarters. At the end of the second quarter, our backlog of products requested for shipment during the third quarter increased by 4% compared to the backlog at the end of first quarter."

Regarding the near-term outlook, Mr. Fishman said, "We continue to believe we are in the early stages of a gradual recovery after six months of inventory corrections at many of our customers worldwide. Demand in many of our end markets is good, with particular strength in the consumer market and across the industrial end markets, which represent tens of thousands of customers worldwide. Our converter, amplifier, and general-purpose DSP products have resumed growth. Wireless handset and ATE products, which were responsible for a large portion of our sales decline for the past few quarters, appear to be stabilizing. Our lead times are short and we intend to keep them short to minimize order volatility throughout the cycle.

"While it is difficult to plan at this stage of the business cycle, based on our opening backlog, our turns order estimates, and assuming normal seasonality, we are planning for third quarter revenue to be flat to up 3% sequentially.

"We are planning for third quarter gross margins to improve toward 58%, depending on product mix. We are planning for inventory to remain approximately flat in the third quarter. We are also planning to hold operating expenses in the third quarter relatively flat to the second quarter levels. This should produce diluted EPS in the range of \$0.31 to \$ 0.33 for the third quarter of fiscal year 2005."

Mr. Fishman will discuss the second quarter's results and the near-term outlook via webcast, accessible from [www.analog.com](http://www.analog.com), today beginning at 4:30 pm EST. Investors who prefer to join by telephone may call 706-634-7193 ten minutes before the call begins and provide the password "ADI."

A replay will be available almost immediately after the call. The replay may be accessed for up to one week by dialing 800-642-1687 (replay only) and providing the conference ID: 5738082 or by visiting the Investor Relations page on ADI's web site.

#### About Analog Devices

Innovation, performance, and excellence are the cultural pillars on which Analog Devices has built one of the longest standing, highest growth companies within the technology sector. Acknowledged industry-wide as the world leader in data conversion and signal conditioning technology, Analog Devices serves over 60,000 customers, representing virtually all types of electronic equipment. Celebrating 40 years as a leading global manufacturer of high-performance integrated circuits used in analog and digital signal processing applications, Analog Devices is headquartered in Norwood, Massachusetts, with design and manufacturing facilities throughout the world. Analog Devices' common stock is listed on the New York Stock Exchange under the ticker "ADI" and is included in the S&P 500 Index. For more information, visit our web site at [www.analog.com](http://www.analog.com).

Safe harbor statement under the Private Securities Litigation Reform Act of 1995: This press release contains forward-looking statements, including our statements regarding planned revenue, earnings, and operating margins, that are based on our current expectations, beliefs, assumptions, estimates, forecasts, and projections about the industry and markets in which Analog Devices operates. The statements contained in this release are not guarantees of future performance and involve certain risks, uncertainties, and assumptions that are difficult to predict. Therefore, actual outcomes

and results may differ materially from what is expressed in such forward-looking statements, and such statements should not be relied upon as representing Analog Devices' expectations or beliefs as of any date subsequent to the date of this press release. Important factors that may affect future operating results include the effects of adverse changes in overall economic conditions, currency exchange rate fluctuations, the timing and duration of market upturns and downturns, the growth or contraction of the markets we serve, demand for semiconductors generally and for our products in particular, the risk that our backlog could decline significantly, our ability to hire engineers and other qualified employees needed to meet the expected demands of our customers, reversals or slowdowns in the markets or customers served by our products, the adverse effects of building inventories to meet planned growth that fails to materialize, the occurrence and frequency of inventory and lead-time reduction cycles, raw material availability, availability of both internal and external manufacturing capacity, technological and product development risks, competitors' actions and technological innovations, and other risk factors described in our most recent Form 10-Q for the fiscal quarter ended January 29, 2005, as filed with the Securities and Exchange Commission.

Analog Devices Supplemental Information, Second Quarter, Fiscal 2005

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

	2Q 05	1Q 05	2Q 04
Three Months Ended	April 30, 2005	January 29, 2005	May 1, 2004
Net Sales	\$ 603,726	\$ 580,536	\$ 678,530
Y/Y Growth	-11%	-4%	35%
Q/Q Growth	4%	-8%	12%
Cost of Sales	257,327	245,008	277,008
Gross Margin	346,399	335,528	401,522
Percent of Sales	57.4%	57.8%	59.2%
Operating Expenses:			
R&D	126,642	127,534	128,478
Selling, Marketing and G&A	85,813	83,341	85,282
Operating Income	133,944	124,653	187,762
Percent of Sales	22.2%	21.5%	27.7%
Other (Income) Expense	(16,768)	(13,983)	(7,232)
Income Before Tax	150,712	138,636	194,994
Provision for Taxes	33,113	31,193	42,411
Tax Rate	22%	22%	22%
Net Income	\$ 117,599	\$ 107,443	\$ 152,583
Percent of Sales	19%	19%	22%
Shares used for EPS - Basic	370,674	375,561	374,864
Shares used for EPS - Diluted	382,337	388,107	395,052
Earnings per Share - Basic	\$ 0.32	\$ 0.29	\$ 0.41
Earnings per Share - Diluted	\$ 0.31	\$ 0.28	\$ 0.39
Dividends declared per share	\$ 0.06	\$ 0.06	\$ 0.04

Six Months Ended	April 30, 2005	May 1, 2004
Net Sales	\$ 1,184,262	\$ 1,283,883
Y/Y Growth	-8%	32%
Cost of Sales	502,335	536,896
Gross Margin	681,927	746,987
Percent of Sales	57.6%	58.2%
Operating Expenses:		
R&D	254,176	249,108
Selling, Marketing and G&A	169,154	164,520
Operating Income	258,597	333,359
Percent of Sales	21.8%	26.0%

Other (Income) Expense	(30,751)	(11,429)
Income Before Tax	289,348	344,788
Provision for Taxes	64,306	75,366
Tax Rate	22%	22%
Net Income	\$ 225,042	\$ 269,422
Percent of Sales	19%	21%
Shares used for EPS - Basic	373,117	373,458
Shares used for EPS - Diluted	385,222	393,978
Earnings per Share - Basic	\$ 0.60	\$ 0.72
Earnings per Share - Diluted	\$ 0.58	\$ 0.68
Dividends declared per share	\$ 0.12	\$ 0.08

Analog Devices Supplemental Information, Second Quarter, Fiscal 2005

Selected Balance Sheet Information  
(In thousands)

	2Q 05	1Q 05	2Q 04
	April 30, 2005	January 29, 2005	May 1, 2004
Cash & Short-term Investments	\$2,617,259	\$2,598,372	\$2,541,582
Accounts Receivable, Net	320,366	324,033	328,318
Inventories	348,446	353,291	308,539
Other Current Assets	160,611	164,796	171,815
Total Current Assets	3,446,682	3,440,492	3,350,254
PP&E, Net	636,249	653,608	666,826
Investments	303,806	318,813	307,638
Intangible Assets	168,063	168,723	170,700
Other	30,470	30,499	22,902
Total Assets	\$4,585,270	\$4,612,135	\$4,518,320
Deferred Income-Shipments to Distributors	\$128,957	\$152,112	\$150,429
Other Current Liabilities	407,410	381,018	429,437
Non-Current Liabilities	333,035	344,575	339,559
Stockholders' Equity	3,715,868	3,734,430	3,598,895
Total Liabilities & Equity	\$4,585,270	\$4,612,135	\$4,518,320

Capital Expenditures, Depreciation & Amortization  
(In thousands)

	2Q 05	1Q 05	2Q 04
Three Months Ended	April 30, 2005	January 29, 2005	May 1, 2004
Capital Expenditures	\$21,632	\$23,884	\$43,353
Depreciation	\$39,013	\$38,313	\$37,272
Amortization of Intangibles	\$685	\$684	\$676
Six Months Ended	April 30, 2005	May 1, 2004	
Capital Expenditures	\$45,516	\$70,426	
Depreciation	\$77,326	\$74,837	
Amortization of Intangibles	\$1,369	\$1,353	

CONTACT: Analog Devices  
Maria Tagliaferro, 781-461-3282  
investor.relations@analog.com