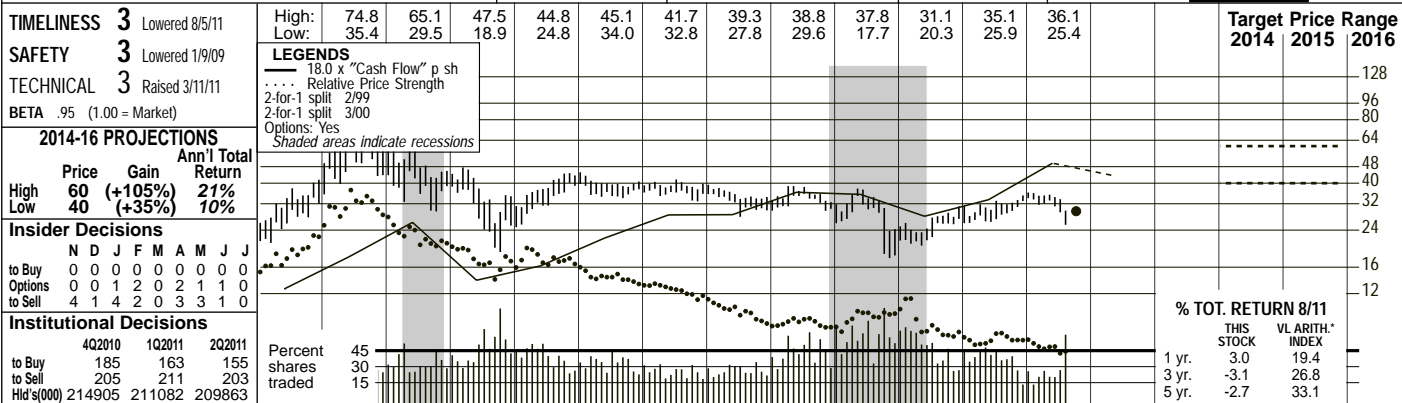


LINEAR TECH CORP NDQ-LLTC

RECENT PRICE **29.52** P/E RATIO **13.2** (Trailing: 11.8; Median: 24.0) RELATIVE P/E RATIO **0.99** DIV'D YLD **3.3%** VALUE LINE



1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
.90	1.27	1.25	1.58	1.65	2.24	3.05	1.62	1.94	2.62	3.42	3.61	4.72	5.31	4.36	5.22	6.52	6.10	Sales per sh ^A	7.60
.32	.49	.48	.65	.70	.99	1.45	.77	.90	1.22	1.57	1.58	2.01	1.97	1.55	1.86	2.77	2.40	"Cash Flow" per sh	3.25
.28	.43	.43	.57	.61	.88	1.29	.61	.74	1.02	1.38	1.37	1.39	1.71	1.34	1.62	2.50	2.15	Earnings per sh ^{AB}	3.00
.03	.04	.06	.06	.07	.08	.13	.17	.21	.28	.36	.50	.66	.78	.86	.90	.94	.98	Div'ds Decl'd per sh ^C	1.10
.08	.24	.07	.08	.13	.25	.40	.06	.02	.07	.20	.23	.27	.16	.18	.17	.53	.35	Cap'l Spending per sh	.45
1.05	1.48	1.94	2.46	2.95	4.20	5.59	5.63	5.80	5.87	6.55	6.94	d3.08	d1.96	d1.20	.18	2.22	3.40	Book Value per sh	8.50
294.35	297.32	303.82	307.29	307.29	315.17	318.91	316.15	312.71	308.55	306.59	303.09	229.66	221.51	222.28	224.23	227.61	230.0	Common Shs Outst'g ^D	230.00
23.1	22.8	24.7	29.5	35.2	48.6	42.3	65.5	39.8	38.5	27.2	26.6	23.6	19.2	18.5	17.1	13.1		Avg Ann'l P/E Ratio	16.0
1.55	1.43	1.42	1.53	2.01	3.16	2.17	3.58	2.27	2.03	1.45	1.44	1.25	1.16	1.23	1.09	.80		Relative P/E Ratio	1.05
.5%	.4%	.5%	.4%	.3%	.2%	.2%	.4%	.7%	.7%	1.0%	1.4%	2.0%	2.4%	3.5%	3.2%	2.9%		Avg Ann'l Div'd Yield	2.3%

CAPITAL STRUCTURE as of 7/3/11		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Sales (\$mill) ^A		1750
Total Debt \$785.7 mill. Due in 5 Yrs 785.7 mill.		972.6	512.3	606.6	807.3	1049.7	1093.0	1083.1	1175.2	968.5	1170.0	1484.0	1400	1400	1400	Operating Margin		59.0%
LT Debt \$785.7 mill. LT Interest \$54.0 mill.		59.8%	53.0%	56.1%	60.1%	60.8%	56.1%	53.1%	52.5%	47.9%	52.0%	55.1%	53.0%	53.0%	53.0%	Depreciation (\$mill)		53.0
Incl. \$785.7 mill. in 3.0% senior notes (2027) each conv. into LLTC stock at \$50/share.		35.8	46.3	45.9	48.7	48.8	49.3	50.7	48.1	48.0	45.5	50.1	50.0	50.0	50.0	Net Profit (\$mill)		700
Leases, Uncapitalized Annual rentals \$2.5 mill.		427.5	197.6	236.6	328.2	434.0	428.7	411.7	387.6	297.2	371.8	580.8	500	500	500	Income Tax Rate		25.0%
No Defined Benefit Pension Plan		30.0%	29.0%	29.0%	29.0%	30.0%	30.5%	27.8%	28.3%	23.1%	25.8%	19.8%	22.0%	22.0%	22.0%	Net Profit Margin		40.0%
Pfd Stock None		43.9%	38.6%	39.0%	40.7%	41.3%	39.2%	38.0%	33.0%	30.7%	31.8%	39.1%	35.7%	35.7%	35.7%	Working Cap'l (\$mill)		2230
Common Stock 227,909,042 shs. as of 7/29/11		1525.7	1558.6	1614.0	1629.5	1799.6	1840.3	681.2	1070.3	964.0	681.8	1063.5	1220	1220	1220	Long-Term Debt (\$mill)		780
MARKET CAP: \$6.7 billion (Large Cap)		--	--	--	--	--	--	1700.0	1700.0	1405.6	767.0	785.7	780	780	780	Shr. Equity (\$mill)		1955
CURRENT POSITION 2009 2010 7/3/11 (\$MILL.)		24.0%	11.1%	13.0%	18.1%	21.6%	20.4%	42.1%	32.9%	28.4%	49.2%	47.1%	33.5%	33.5%	33.5%	Return on Total Cap'l		26.5%
Cash Assets 868.7 958.1 922.5		24.0%	11.1%	13.0%	18.1%	21.6%	20.4%	--	--	--	NMF	NMF	NMF	NMF	NMF	Return on Shr. Equity		35.5%
Receivables 95.4 176.9 169.6		21.7%	8.1%	9.4%	13.3%	16.1%	13.1%	--	--	--	NMF	NMF	NMF	NMF	NMF	Retained to Com Eq		22.5%
Inventory (FIFO) 52.5 54.0 72.2		10%	27%	28%	27%	26%	36%	47%	46%	66%	55%	37%	46%	46%	46%	All Div'ds to Net Prof		37%
Other 72.7 75.3 82.0																		
Current Assets 1089.3 1264.3 1246.3																		
Accts Payable 10.5 21.2 11.6																		
Debt Due -- 392.9 --																		
Other 114.8 168.4 171.2																		
Current Liab. 125.3 582.5 182.8																		

BUSINESS: Linear Technology designs and manufactures high-end linear chips, which monitor, condition, amplify, or transform continuous analog signals associated with real-world phenomena (temperature, pressure, weight, position, light, sound, and speed). Markets about 4,700 products to more than 15,000 OEMs directly and via distributors. Rev's: telecom, 33%; indust'l, 32%; PC & consumer, 25%; autos, 6%; space, 4%. Sales: U.S., 27%; Europe, 20%; Japan, 15%; other, 38%. R&D, 15.0%. Had 4,505 empl. at 7/3/11. Ownership: Capital Res. Glob. Inv., 11.5%; Capital World Inv., 12.2%; off/dir., 2.5% (9/11 proxy). Chrmn.: Robert Swanson; CEO: Lothar Maier. Inc.: CA. Addr.: 1630 McCarthy Blvd., Milpitas, CA 95035. Tel.: 408-432-1900. Internet: www.linear.com.

Linear Technology likely posted weaker results in the first quarter of fiscal 2012 (ended September 25, 2011). Sales probably declined around 14% compared to the year-earlier figure, as end customers became more cautious about the general near-term economic outlook. Indeed, bookings decreased moderately in the fiscal fourth quarter, reflecting greater-than-expected inventory absorption by its customers. Furthermore, in light of general economic uncertainty, several customers pushed out or put on hold orders, pending a clearer picture of global demand prospects. On a positive note, we think that most of the supply-chain and end-demand concerns related to the earthquake in Japan (which comprises 15% of consolidated revenues) have likely been resolved. What's more, management hasn't seen a tangible weakening of customer end-demand and, in fact, expects automotive production to pick up in the next few months. Nonetheless, we think the high degree of macroeconomic uncertainty will result in further inventory absorption and order delays, likely causing decreases in both the top and bottom lines in fiscal 2012.

Management is rebalancing the company's product portfolio. Rather than focusing on purely consumer-related end markets, management aims to diversify the company's product base with traditional analog businesses. Indeed, it seeks to position itself to benefit from the longer-term global buildup of infrastructure, higher electronics content in gas-driven and hybrid vehicles, and the general trend toward energy efficiency across various industrial applications. All told, the strategy should allow the company to reduce risk through diversification, as well as to serve several niche markets.

Longer-term prospects are solid. The company is poised to benefit from the strong global appetite for advanced electronics. Moreover, given its size and scope, Linear Technology is well positioned to take advantage of economies of scale, as well as gain further market share.

These shares are ranked to mirror the broader market in the year ahead. The stock has below-average price appreciation potential over the pull to 2014-2016.

Simon E. Shnyder *October 7, 2011*

Fiscal Year Ends	Q1	Q2	Q3	Q4	Full Fiscal Year
2008	281.5	288.7	297.9	307.1	1175.2
2009	310.4	249.2	200.9	208.0	968.5
2010	236.1	256.4	311.3	366.2	1170.0
2011	388.6	383.6	353.2	358.6	1484.0
2012	335	345	355	365	1400

Fiscal Year Ends	Q1	Q2	Q3	Q4	Full Fiscal Year
2008	.40	.41	.44	.46	1.71
2009	.48	.36	.25	.25	1.34
2010	.27	.33	.44	.58	1.62
2011	.59	.62	.61	.68	2.50
2012	.50	.50	.55	.60	2.15

Calendar	Q1	Q2	Q3	Q4	Full Year
2007	.18	.18	.18	.18	.72
2008	.21	.21	.21	.21	.84
2009	.22	.22	.22	.22	.88
2010	.23	.23	.23	.23	.92
2011	.24	.24	.24	.24	.96

(A) Fiscal year ends on the Sunday nearest June 30th. (B) Based on primary shares through 1997, diluted thereafter. Includes stock-based compensation. Next earnings report due late October. (C) Dividends historically paid mid- to late February, May, August, and November. (D) In millions, adjusted for stock splits.