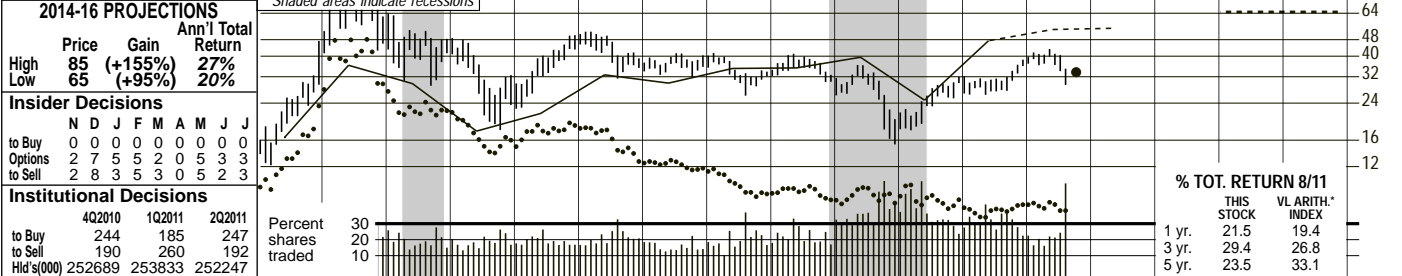


# ANALOG DEVICES

NYSE-ADI
RECENT PRICE **33.60**
P/E RATIO **12.7** (Trailing: 11.9; Median: 27.0)
RELATIVE P/E RATIO **0.95**
DIV'D YLD **3.0%**
**VALUE LINE**

TIMELINESS <b>3</b> Lowered 8/26/11	SAFETY <b>2</b> Raised 7/9/10	TECHNICAL <b>4</b> Lowered 9/16/11	BETA .95 (1.00 = Market)	High: 103.0 Low: 41.3	64.0 29.0	48.8 17.9	50.3 22.6	52.4 31.4	41.4 31.7	41.5 26.1	41.1 30.2	36.3 15.3	31.9 17.8	38.6 26.3	43.3 29.2	Target Price Range 2014 2015 2016
--	----------------------------------	---------------------------------------	--------------------------	--------------------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------------------------------



2014-16 PROJECTIONS		Ann'l Total		© VALUE LINE PUB. LLC 14-16																																																																																																																																																																																
Price	Gain	Ann'l Total	Return	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Sales per sh <sup>A</sup>	13.00																																																																																																																																																													
High	85	(+155%)	27%	3.08	3.76	3.84	3.84	4.15	7.21	6.27	4.70	5.53	7.01	6.51	7.52	8.28	8.87	6.90	9.25	10.05	10.15	"Cash Flow" per sh	4.25																																																																																																																																																													
Low	65	(+95%)	20%	.60	.81	.87	.77	.97	2.14	1.75	1.04	1.26	1.92	1.76	2.06	2.07	2.33	1.46	2.79	3.15	3.20	Earnings per sh <sup>AB</sup>	3.75																																																																																																																																																													
				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="4">Insider Decisions</td> <td colspan="4">Institutional Decisions</td> <td colspan="4">% TOT. RETURN 8/11</td> <td colspan="4"></td> </tr> <tr> <td colspan="4"> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td></td><td>N</td><td>D</td><td>J</td><td>F</td><td>M</td><td>A</td><td>M</td><td>J</td><td>J</td> <td colspan="4">4Q2010</td> <td colspan="4">1Q2011</td> <td colspan="4">2Q2011</td> </tr> <tr> <td>to Buy</td> <td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td> <td>244</td><td>185</td><td>247</td> <td>244</td><td>185</td><td>247</td> <td>244</td><td>185</td><td>247</td> <td>244</td><td>185</td><td>247</td> <td colspan="4">THIS STOCK</td> </tr> <tr> <td>Options</td> <td>2</td><td>7</td><td>5</td><td>5</td><td>2</td><td>0</td><td>5</td><td>3</td><td>3</td> <td>190</td><td>260</td><td>192</td> <td>190</td><td>260</td><td>192</td> <td>190</td><td>260</td><td>192</td> <td>190</td><td>260</td><td>192</td> <td colspan="4">VLARITH: INDEX</td> </tr> <tr> <td>to Sell</td> <td>2</td><td>8</td><td>3</td><td>5</td><td>3</td><td>0</td><td>5</td><td>2</td><td>3</td> <td>252689</td><td>253833</td><td>252247</td> <td>252689</td><td>253833</td><td>252247</td> <td>252689</td><td>253833</td><td>252247</td> <td>252689</td><td>253833</td><td>252247</td> <td colspan="4">1 yr. 21.5</td> </tr> <tr> <td colspan="4"></td> <td colspan="4">Percent shares traded</td> <td colspan="4"></td> <td colspan="4"></td> <td colspan="4">3 yr. 29.4</td> </tr> <tr> <td colspan="4"></td> <td colspan="4"></td> <td colspan="4"></td> <td colspan="4"></td> <td colspan="4">5 yr. 23.5</td> </tr> </table> </td> </tr> </table>																	Insider Decisions				Institutional Decisions				% TOT. RETURN 8/11								<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td></td><td>N</td><td>D</td><td>J</td><td>F</td><td>M</td><td>A</td><td>M</td><td>J</td><td>J</td> <td colspan="4">4Q2010</td> <td colspan="4">1Q2011</td> <td colspan="4">2Q2011</td> </tr> <tr> <td>to Buy</td> <td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td> <td>244</td><td>185</td><td>247</td> <td>244</td><td>185</td><td>247</td> <td>244</td><td>185</td><td>247</td> <td>244</td><td>185</td><td>247</td> <td colspan="4">THIS STOCK</td> </tr> <tr> <td>Options</td> <td>2</td><td>7</td><td>5</td><td>5</td><td>2</td><td>0</td><td>5</td><td>3</td><td>3</td> <td>190</td><td>260</td><td>192</td> <td>190</td><td>260</td><td>192</td> <td>190</td><td>260</td><td>192</td> <td>190</td><td>260</td><td>192</td> <td colspan="4">VLARITH: INDEX</td> </tr> <tr> <td>to Sell</td> <td>2</td><td>8</td><td>3</td><td>5</td><td>3</td><td>0</td><td>5</td><td>2</td><td>3</td> <td>252689</td><td>253833</td><td>252247</td> <td>252689</td><td>253833</td><td>252247</td> <td>252689</td><td>253833</td><td>252247</td> <td>252689</td><td>253833</td><td>252247</td> <td colspan="4">1 yr. 21.5</td> </tr> <tr> <td colspan="4"></td> <td colspan="4">Percent shares traded</td> <td colspan="4"></td> <td colspan="4"></td> <td colspan="4">3 yr. 29.4</td> </tr> <tr> <td colspan="4"></td> <td colspan="4"></td> <td colspan="4"></td> <td colspan="4"></td> <td colspan="4">5 yr. 23.5</td> </tr> </table>					N	D	J	F	M	A	M	J	J	4Q2010				1Q2011				2Q2011				to Buy	0	0	0	0	0	0	0	0	0	244	185	247	244	185	247	244	185	247	244	185	247	THIS STOCK				Options	2	7	5	5	2	0	5	3	3	190	260	192	190	260	192	190	260	192	190	260	192	VLARITH: INDEX				to Sell	2	8	3	5	3	0	5	2	3	252689	253833	252247	252689	253833	252247	252689	253833	252247	252689	253833	252247	1 yr. 21.5								Percent shares traded												3 yr. 29.4																				5 yr. 23.5			
Insider Decisions				Institutional Decisions				% TOT. RETURN 8/11																																																																																																																																																																												
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td></td><td>N</td><td>D</td><td>J</td><td>F</td><td>M</td><td>A</td><td>M</td><td>J</td><td>J</td> <td colspan="4">4Q2010</td> <td colspan="4">1Q2011</td> <td colspan="4">2Q2011</td> </tr> <tr> <td>to Buy</td> <td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td> <td>244</td><td>185</td><td>247</td> <td>244</td><td>185</td><td>247</td> <td>244</td><td>185</td><td>247</td> <td>244</td><td>185</td><td>247</td> <td colspan="4">THIS STOCK</td> </tr> <tr> <td>Options</td> <td>2</td><td>7</td><td>5</td><td>5</td><td>2</td><td>0</td><td>5</td><td>3</td><td>3</td> <td>190</td><td>260</td><td>192</td> <td>190</td><td>260</td><td>192</td> <td>190</td><td>260</td><td>192</td> <td>190</td><td>260</td><td>192</td> <td colspan="4">VLARITH: INDEX</td> </tr> <tr> <td>to Sell</td> <td>2</td><td>8</td><td>3</td><td>5</td><td>3</td><td>0</td><td>5</td><td>2</td><td>3</td> <td>252689</td><td>253833</td><td>252247</td> <td>252689</td><td>253833</td><td>252247</td> <td>252689</td><td>253833</td><td>252247</td> <td>252689</td><td>253833</td><td>252247</td> <td colspan="4">1 yr. 21.5</td> </tr> <tr> <td colspan="4"></td> <td colspan="4">Percent shares traded</td> <td colspan="4"></td> <td colspan="4"></td> <td colspan="4">3 yr. 29.4</td> </tr> <tr> <td colspan="4"></td> <td colspan="4"></td> <td colspan="4"></td> <td colspan="4"></td> <td colspan="4">5 yr. 23.5</td> </tr> </table>					N	D	J	F	M	A	M	J	J	4Q2010				1Q2011				2Q2011				to Buy	0	0	0	0	0	0	0	0	0	244	185	247	244	185	247	244	185	247	244	185	247	THIS STOCK				Options	2	7	5	5	2	0	5	3	3	190	260	192	190	260	192	190	260	192	190	260	192	VLARITH: INDEX				to Sell	2	8	3	5	3	0	5	2	3	252689	253833	252247	252689	253833	252247	252689	253833	252247	252689	253833	252247	1 yr. 21.5								Percent shares traded												3 yr. 29.4																				5 yr. 23.5																																								
	N	D	J	F	M	A	M	J	J	4Q2010				1Q2011				2Q2011																																																																																																																																																																		
to Buy	0	0	0	0	0	0	0	0	0	244	185	247	244	185	247	244	185	247	244	185	247	THIS STOCK																																																																																																																																																														
Options	2	7	5	5	2	0	5	3	3	190	260	192	190	260	192	190	260	192	190	260	192	VLARITH: INDEX																																																																																																																																																														
to Sell	2	8	3	5	3	0	5	2	3	252689	253833	252247	252689	253833	252247	252689	253833	252247	252689	253833	252247	1 yr. 21.5																																																																																																																																																														
				Percent shares traded												3 yr. 29.4																																																																																																																																																																				
																5 yr. 23.5																																																																																																																																																																				

CAPITAL STRUCTURE as of 7/30/11																	© VALUE LINE PUB. LLC 14-16	
Total Debt \$890.3 mill. Due in 5 Yrs. \$836.0 mill.			2276.9	1707.5	2047.3	2633.8	2388.8	2573.2	2511.1	2582.9	2014.9	2761.5	3010	3040	Sales (\$mill) <sup>A</sup>	3900		
LT Debt \$875.8 mill. LT Interest \$23.0 mill.			32.0%	24.5%	26.5%	32.3%	29.4%	30.0%	28.9%	30.1%	23.7%	37.6%	38.5%	39.5%	Operating Margin	43.0%		
Incl. \$375 million of 2014 senior unsec'd notes. (19% of Cap'l)			210.5	172.4	168.3	152.6	155.6	172.2	154.8	153.5	139.9	120.9	125	130	Depreciation (\$mill)	155		
Leases, Uncapitalized Annual rentals \$21.9 mill.			424.5	205.6	298.3	570.7	488.7	533.0	474.4	525.2	285.4	712.1	825	825	Net Profit (\$mill)	1125		
Pension Assets \$176.2 mill. Oblig. \$215.0 mill.			31.1%	23.3%	21.9%	22.1%	21.1%	23.5%	24.0%	21.2%	18.7%	21.0%	20.0%	20.5%	Income Tax Rate	20.0%		
Pfd Stock None			18.6%	12.0%	14.6%	21.7%	20.5%	20.7%	18.9%	20.3%	14.2%	25.8%	27.4%	27.1%	Net Profit Margin	27.0%		
Common Stock 299,437,920 shs.			2906.9	3140.6	2422.2	2961.6	2913.6	2520.4	1430.9	1520.5	2104.0	2835.5	3700	3900	Working Cap'l (\$mill)	4000		
MARKET CAP: \$10.1 billion (Large Cap)			1206.0	1274.5	--	--	--	--	--	379.6	400.6	700	700	Long-Term Debt (\$mill)	600			
CURRENT POSITION			2843.0	2900.0	3288.1	3799.6	3691.5	3435.8	2338.1	2420.3	2529.1	3199.7	3825	4300	Shr. Equity (\$mill)	5375		
			11.2%	5.5%	9.6%	15.0%	13.2%	15.5%	20.3%	21.7%	9.9%	19.9%	18.0%	16.5%	Return on Total Cap'l	19.0%		
			14.9%	7.1%	9.1%	15.0%	13.2%	15.5%	20.3%	21.7%	11.3%	22.3%	21.5%	19.0%	Return on Shr. Equity	21.0%		
			14.9%	7.1%	9.1%	13.0%	10.0%	9.6%	10.5%	12.5%	2.1%	14.4%	14.0%	12.0%	Retained to Com Eq	14.0%		
			--	--	--	13%	24%	38%	48%	42%	82%	35%	35%	36%	All Div'ds to Net Prof	32%		

**BUSINESS:** Analog Devices, Inc. makes linear, mixed-signal, and digital integrated circuits for real-world signal processing applications. Sold to OEMs (original equipment manufacturers) for incorporation into equipment and systems for computer, communications, industrial, instrumentation, military/aerospace, and consumer electronics applications. Foreign business: 81% of sales in '10.

**R&D:** 17.8% of sales. '10 depr. rate: 5.8%. Employed 8,500 (10/31/10). Stock owners: Off & dirs, 3.4%; Wellington Management, 9.2%; Capital Research Global Inv., 6.4% (2/11 proxy). Chairman: Ray Stata. President & CEO: Jerald Fishman, Inc.: MA. Address: 3 Technology Way, Norwood, MA 02062-9106. Telephone: 781-329-4700. Internet: www.analog.com.

**Analogue Devices reported solid results on a year-over-year basis during the fiscal third quarter. The fiscal year ends October 29, 2011.** Earnings per share increased 9% relative to last year's comparable quarter, on a sales gain of about 5%. Most end markets remained quite stable, and the top line would have been stronger if not for some supply-chain issues during the period.

**We have pared our bottom-line expectations for both this year and next.** Our view of the global chip market has been tempered by the current uncertain economic landscape. Though we look for GDP growth of 2% or so, on average, over the next few quarters, our outlook is quite tenuous at this juncture. We believe that a recession remains a 50/50 proposition at present. Indeed, if one occurs this would sharply curtail results for the cyclical semiconductor industry. Management noted in its recent conference call that there are some supply-chain problems, due to elevated inventory in some segments. Hence, a slowdown in end demand would perpetuate this problem. We still look for Analog to post a solid earnings gain this fiscal year, with flat results likely in fiscal 2012.

**Earnings are poised to grow at a double-digit annual clip over the pull to 2014-2016.** Our cautious optimism is based on a strengthening global economy over that time period, which would result in improved supply and demand conditions in the broader chip market. There are currently some inventory issues in the distribution channel. Generally, it takes time for such a situation to be ironed out. Indeed, should the U.S. go into a recession this would exacerbate the problem. Nevertheless, assuming better days lie ahead, Analog's earnings should approach \$3.75 a share by 2014-2016. The company's Industrial and Automotive units are poised for a sharp bounce back should economic fortunes turn for the positive.

**We have lowered these shares' Timeliness rank by a notch since our July review.** Hence, they are now likely to be market performers in the year ahead. Return potential for the 3- to 5-years ahead is substantial at the current price. Risk is also below average relative to peers.

Fiscal Year Ends	QUARTERLY SALES (\$ mill.) <sup>A</sup>				Full Fiscal Year
	Jan.Per	Apr.Per	Jul.Per	Oct.Per	
2008	613.9	649.3	659.0	660.7	2582.9
2009	476.6	474.7	492.0	571.6	2014.9
2010	603.0	668.2	720.3	770.0	2761.5
2011	728.5	790.8	757.9	732.8	3010
2012	720	740	780	800	3040

Fiscal Year Ends	EARNINGS PER SHARE <sup>AB</sup>				Full Fiscal Year
	Jan.Per	Apr.Per	Jul.Per	Oct.Per	
2008	.40	.44	.44	.49	1.77
2009	.18	.21	.22	.36	.97
2010	.43	.55	.65	.70	2.33
2011	.66	.75	.71	.63	2.75
2012	.62	.68	.70	.75	2.75

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>C</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2007	.18	.18	.18	.18	.72
2008	.18	.20	.20	.20	.78
2009	.20	.20	.20	.20	.80
2010	.20	.22	.22	.22	.86
2011	.22	.25	.25	.25	.92

(A) Fiscal year ends on Saturday closest to October 31st. (B) Fully diluted earnings. Excludes nonrecurring charges: '98, \$0.21; '01, \$0.19; '02, \$0.26; '05, \$0.18; '06, \$0.05; '09, \$0.13. Excl. disc. ops: '08, \$0.88. Next earnings report due mid-Nov. (C) Dividends historically paid in mid-March, June, September, and December. (D) Includes intangibles. In '10: \$367.2 mill., \$1.23/share. (E) In millions, adjusted for stock split.

© 2011, Value Line Publishing LLC. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

Company's Financial Strength	A+
Stock's Price Stability	80
Price Growth Persistence	25
Earnings Predictability	60

**To subscribe call 1-800-833-0046.**