

Analog Devices, Inc.
Revenue from Continuing Operations by End Market

<i>(millions)</i>	Q112	Q212	Q312	Q412	Q113	Q213	Q313	Q413	Q114	Q214	Q314	Q414	FY 2012	FY 2013	FY 2014
Industrial	\$ 291.0	\$ 324.8	\$ 323.3	\$ 305.4	\$ 280.5	\$ 310.8	\$ 313.0	\$ 311.5	\$ 288.8	\$ 325.8	\$ 349.8	\$ 369.2	\$ 1,244.5	\$ 1,215.8	\$ 1,333.7
Q-Q Growth	-8%	12%	0%	-6%	-8%	11%	1%	0%	-7%	13%	7%	6%			
Y-Y Growth	-15%	-16%	-12%	-4%	-4%	-4%	-3%	2%	3%	5%	12%	19%	-12%	-2%	10%
% Total Product Revenue	45%	48%	47%	44%	45%	47%	46%	46%	46%	47%	48%	45%	46%	46%	47%
Automotive	\$ 120.8	\$ 118.2	\$ 115.0	\$ 110.6	\$ 108.0	\$ 123.0	\$ 121.0	\$ 131.4	\$ 124.6	\$ 135.8	\$ 130.0	\$ 134.5	\$ 464.6	\$ 483.4	\$ 524.9
Q-Q Growth	6%	-2%	-3%	-4%	-2%	14%	-2%	9%	-5%	9%	-4%	3%			
Y-Y Growth	27%	10%	13%	-3%	-11%	4%	5%	19%	15%	10%	7%	2%	11%	4%	9%
% Total Product Revenue	19%	18%	17%	16%	17%	19%	18%	19%	20%	20%	18%	17%	17%	18%	18%
Consumer	\$ 113.9	\$ 106.3	\$ 107.3	\$ 136.7	\$ 107.5	\$ 101.5	\$ 100.4	\$ 95.1	\$ 74.4	\$ 77.6	\$ 80.9	\$ 92.3	\$ 464.2	\$ 404.5	\$ 325.2
Q-Q Growth	-21%	-7%	1%	27%	-21%	-6%	-1%	-5%	-22%	4%	4%	14%			
Y-Y Growth	-21%	-20%	-19%	-6%	-6%	-5%	-6%	-30%	-31%	-24%	-19%	-3%	-16%	-13%	-20%
% Total Product Revenue	18%	16%	16%	20%	17%	15%	15%	14%	12%	11%	11%	11%	17%	15%	11%
Communications	\$ 122.3	\$ 125.8	\$ 137.5	\$ 142.2	\$ 126.1	\$ 123.9	\$ 139.7	\$ 140.1	\$ 140.4	\$ 155.3	\$ 167.1	\$ 218.2	\$ 527.8	\$ 529.9	\$ 681.0
Q-Q Growth	-13%	3%	9%	3%	-11%	-2%	13%	0%	0%	11%	8%	31%			
Y-Y Growth	-17%	-22%	-11%	1%	3%	-2%	2%	-1%	11%	25%	20%	56%	-13%	0%	29%
% Total Product Revenue	19%	19%	20%	20%	20%	19%	21%	21%	22%	22%	23%	27%	20%	20%	24%
Total Revenue (1)	\$ 648.1	\$ 675.1	\$ 683.0	\$ 695.0	\$ 622.1	\$ 659.3	\$ 674.2	\$ 678.1	\$ 628.2	\$ 694.5	\$ 727.8	\$ 814.2	\$ 2,701.1	\$ 2,633.7	\$ 2,864.8
Q-Q Growth	-9%	4%	1%	2%	-10%	6%	2%	1%	-7%	11%	5%	12%			
Y-Y Growth	-11%	-15%	-10%	-3%	-4%	-2%	-1%	-2%	1%	5%	8%	20%	-10%	-2%	9%

(1) The sum of the individual amounts may not equal the total due to rounding.

The categorization of revenue by end market is determined using a variety of data points including the technical characteristics of the product, the "sold to" customer information, the "ship to" customer information and the end customer product or application into which our product will be incorporated. As data systems for capturing and tracking this data evolve and improve, the categorization of products by end market can vary over time. When this occurs we reclassify revenue by end market for prior periods. Such reclassifications typically do not materially change the sizing of, or the underlying trends of results within, each end market.

Analog Devices, Inc.
Summary P&L from Continuing Operations

<i>(millions, except per share amounts)</i>	Q112	Q212	Q312	Q412	Q113	Q213	Q313	Q413	Q114	Q214	Q314	Q414	FY 2012	FY 2013	FY 2014
Total Revenue	\$ 648.1	\$ 675.1	\$ 683.0	\$ 695.0	\$ 622.1	\$ 659.3	\$ 674.2	\$ 678.1	\$ 628.2	\$ 694.5	\$ 727.8	\$ 814.2	\$ 2,701.1	\$ 2,633.7	\$ 2,864.8
Less: Hittite Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5.4)	\$ -	\$ -	\$ -	\$ (5.4)
Non-GAAP Revenue (1)	\$ 648.1	\$ 675.1	\$ 683.0	\$ 695.0	\$ 622.1	\$ 659.3	\$ 674.2	\$ 678.1	\$ 628.2	\$ 694.5	\$ 722.4	\$ 814.2	\$ 2,701.1	\$ 2,633.7	\$ 2,859.4
Q-Q %	-9%	4%	1%	2%	-10%	6%	2%	1%	-7%	11%	4%	13%			
Y-Y %	-11%	-15%	-10%	-3%	-4%	-2%	-1%	-2%	1%	5%	7%	20%	-10%	-2%	9%
Gross Margin	\$ 409.4	\$ 440.5	\$ 447.9	\$ 443.3	\$ 390.3	\$ 422.2	\$ 435.1	\$ 444.9	\$ 409.1	\$ 458.7	\$ 476.3	\$ 486.0	\$ 1,741.0	\$ 1,692.4	\$ 1,830.2
Less: Hittite Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3.0)	\$ -	\$ -	\$ -	\$ (3.0)
Acquisition Related Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6.8	\$ 54.4	\$ -	\$ -	\$ 61.2
Less: Stock Based Compensation Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.1)	\$ -	\$ -	\$ (0.1)
Non-GAAP Gross Margin (1)	\$ 409.4	\$ 440.5	\$ 447.9	\$ 443.3	\$ 390.3	\$ 422.2	\$ 435.1	\$ 444.9	\$ 409.1	\$ 458.7	\$ 480.1	\$ 540.3	\$ 1,741.0	\$ 1,692.4	\$ 1,888.3
% Revenue	63.2%	65.2%	65.6%	63.8%	62.7%	64.0%	64.5%	65.6%	65.1%	66.1%	66.5%	66.4%	64.5%	64.3%	66.0%
GAAP Operating Expense	\$ 226.0	\$ 227.5	\$ 235.4	\$ 228.0	\$ 236.8	\$ 230.8	\$ 226.7	\$ 245.0	\$ 229.5	\$ 238.3	\$ 273.7	\$ 336.1	\$ 917.0	\$ 939.3	\$ 1,077.7
Less: Hittite Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2.0)	\$ -	\$ -	\$ -	\$ (2.0)
Less: Acquisition-Related Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5.3)	\$ (27.2)	\$ -	\$ -	\$ (32.5)
Less: Acquisition-Related Transaction Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (21.1)	\$ (6.0)	\$ -	\$ -	\$ (27.1)
Less: Restructuring-Related Expense	\$ -	\$ -	\$ (5.8)	\$ -	\$ (14.1)	\$ -	\$ -	\$ (15.8)	\$ (2.7)	\$ -	\$ -	\$ (34.6)	\$ (5.8)	\$ (29.8)	\$ (37.3)
Less: Stock Based Compensation Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6.3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.3	\$ -	\$ (6.3)	\$ 1.3
Non-GAAP Operating Expense (1)	\$ 226.0	\$ 227.5	\$ 229.6	\$ 228.0	\$ 222.7	\$ 224.5	\$ 226.7	\$ 229.2	\$ 226.8	\$ 238.3	\$ 245.3	\$ 269.6	\$ 911.1	\$ 903.2	\$ 980.1
% Revenue	34.9%	33.7%	33.6%	32.8%	35.8%	34.1%	33.6%	33.8%	36.1%	34.3%	34.0%	33.1%	33.7%	34.3%	34.3%
GAAP Operating Income from Continuing Operations	\$ 183.4	\$ 212.9	\$ 212.5	\$ 215.3	\$ 153.5	\$ 191.4	\$ 208.3	\$ 199.9	\$ 179.6	\$ 220.4	\$ 202.5	\$ 149.9	\$ 824.0	\$ 753.1	\$ 752.5
Less: Hittite Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1.0)	\$ -	\$ -	\$ -	\$ (1.0)
Less: Acquisition-Related Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12.1	\$ 81.6	\$ -	\$ -	\$ 93.7
Less: Acquisition-Related Transaction Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21.1	\$ 6.0	\$ -	\$ -	\$ 27.1
Restructuring-Related Expense	\$ -	\$ -	\$ 5.8	\$ -	\$ 14.1	\$ -	\$ -	\$ 15.8	\$ 2.7	\$ -	\$ -	\$ 34.6	\$ 5.8	\$ 29.8	\$ 37.3
Stock Based Compensation Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1.4)	\$ -	\$ 6.3	\$ (1.4)
Non-GAAP Operating Income from Continuing Operations (1)	\$ 183.4	\$ 212.9	\$ 218.3	\$ 215.3	\$ 167.6	\$ 197.7	\$ 208.3	\$ 215.6	\$ 182.3	\$ 220.4	\$ 234.8	\$ 270.7	\$ 829.9	\$ 789.2	\$ 908.2
% Revenue	28.3%	31.5%	32.0%	31.0%	26.9%	30.0%	30.9%	31.8%	29.0%	31.7%	32.5%	33.2%	30.7%	30.0%	31.8%
GAAP Other (Income) Expense	\$ 3.3	\$ 1.5	\$ 3.0	\$ 2.8	\$ 3.4	\$ 3.7	\$ 13.3	\$ (82.7)	\$ 3.7	\$ 3.0	\$ 5.2	\$ 11.2	\$ 10.5	\$ (62.3)	\$ 23.1
Acquisition-Related Debt Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1.5)	\$ (4.8)	\$ -	\$ -	\$ (6.3)
Gain on Sale of Product Line	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85.4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85.4	\$ -
Loss on Extinguishment of Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10.2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10.2)	\$ -
Non-GAAP Other (Income) Expense (1)	\$ 3.3	\$ 1.5	\$ 3.0	\$ 2.8	\$ 3.4	\$ 3.7	\$ 3.1	\$ 2.8	\$ 3.7	\$ 3.0	\$ 3.6	\$ 6.4	\$ 10.5	\$ 13.0	\$ 16.8
% Revenue	0.5%	0.2%	0.4%	0.4%	0.5%	0.6%	0.5%	0.4%	0.6%	0.4%	0.5%	0.8%	0.4%	0.5%	0.6%
GAAP Diluted EPS from Continuing Operations	\$ 0.46	\$ 0.53	\$ 0.56	\$ 0.58	\$ 0.42	\$ 0.52	\$ 0.56	\$ 0.64	\$ 0.48	\$ 0.59	\$ 0.57	\$ 0.34	\$ 2.13	\$ 2.14	\$ 1.98
Add: Impact of Loss on Extinguishment of Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.021	\$ -
Less: Hittite Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Add: Acquisition-Related Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.020	\$ 0.250	\$ -	\$ -	\$ 0.270
Add: Acquisition-Related Transaction Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.038	\$ 0.012	\$ -	\$ -	\$ 0.050
Add: Acquisition-Related Debt Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.010	\$ -	\$ -	\$ 0.013
Add: Acquisition-Related Tax Impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.020)	\$ -	\$ -	\$ (0.020)
Less: Impact of Gain on Sale of Product Line	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.185)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.187)	\$ -
Add: Restructuring-Related Expense	\$ -	\$ -	\$ 0.013	\$ -	\$ 0.038	\$ -	\$ -	\$ 0.046	\$ 0.007	\$ -	\$ -	\$ 0.094	\$ 0.013	\$ 0.083	\$ 0.101
Less: Impact of Reversal of Prior Period Tax Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.021)	\$ -	\$ (0.007)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.028)	\$ -
Add: Stock-Based Compensation Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.013	\$ -
Add: Impact of Tax Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.131	\$ -
Less: Impact of Reinstatement of R&D Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ (0.020)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.020)	\$ -
Less: Impact of Expired Tax Statute	\$ -	\$ -	\$ (0.010)	\$ -	\$ -	\$ -	\$ (0.005)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.010)	\$ (0.005)	\$ -
Non-GAAP Diluted EPS from Continuing Operations (1)	\$ 0.46	\$ 0.53	\$ 0.56	\$ 0.58	\$ 0.44	\$ 0.52	\$ 0.57	\$ 0.62	\$ 0.49	\$ 0.59	\$ 0.63	\$ 0.69	\$ 2.13	\$ 2.15	\$ 2.39
Diluted Shares	305.5	305.9	305.4	308.0	310.3	313.4	315.3	317.2	318.0	318.3	318.9	316.9	306.2	314.0	318.0

(1) The sum of the individual amounts may not equal the total due to rounding.

Analog Devices, Inc.
Non-GAAP Financial Information

These financial schedules include non-GAAP financial measures that are not in accordance with, nor an alternative to, generally accepted accounting principles and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles.

Manner in Which Management Uses the Non-GAAP Financial Measures

Management uses non-GAAP revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margins, non-GAAP other expense, and non-GAAP diluted earnings per share to evaluate the Company's operating performance from continuing operations against past periods and to budget and allocate resources in future periods. These non-GAAP measures also assist management in understanding and evaluating the Company's operating results and trends in the Company's business.

The following item is excluded from our Non-GAAP revenue:

Hittite Operations. The results of operations of Hittite from July 22, 2014 through August 2, 2014 have been excluded from our non-GAAP measures in the third quarter of 2014 because they are not reflective of ongoing operating results.

The following items are excluded from our Non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margin, and non-GAAP diluted earnings per share:

Hittite Operations. The results of operations of Hittite from July 22, 2014 through August 2, 2014 have been excluded from our non-GAAP measures in the third quarter of 2014 because they are not reflective of ongoing operating results.

Acquisition-Related Expenses. Expenses incurred as a result of the Hittite acquisition in the third and fourth quarter of fiscal 2014 primarily include: severance payments, expense associated with the fair value adjustment to inventory, property, plant and equipment and distributor deferred costs; and amortization of acquisition related intangibles, which include acquired intangibles such as purchased technology and customer relationships. We excluded these costs from our non-GAAP measures because they relate to a specific transaction and are not reflective of our ongoing financial performance.

Stock-Based Compensation Expense: In the fourth quarter of 2014, the Company canceled certain stock awards in conjunction with the restructuring charge which resulted in the recognition of income for stock-based compensation expense recorded in prior periods for these awards. This stock-based compensation income and the related tax effect have no direct correlation to the operation of our business in the future.

The following items are excluded from our non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margin, and non-GAAP diluted earnings per share:

The exclusion of these items allows management to evaluate the Company's core business and trends across different reporting periods on a consistent basis. Management presents these Non-GAAP items to enable investors and analysts to evaluate our core business.

Acquisition-Related Transaction Costs. Costs incurred as a result of the Hittite acquisition in the third and fourth quarter of fiscal 2014 include legal, accounting and other professional fees directly related to the Hittite acquisition. We excluded these costs from our non-GAAP measures because they relate to a specific transaction and are not reflective of our ongoing financial performance.

Restructuring-Related Expenses. These expenses were incurred in connection with facility closures, consolidation of manufacturing facilities, severance, and other cost reduction efforts. Apart from ongoing expense savings as a result of such items, these expenses and the related tax effects have no direct correlation to the operation of our business in the future.

The following items are excluded from our non-GAAP other expense and non-GAAP diluted earnings per share:

Acquisition-Related Debt Costs. The Company incurred debt financing costs and interest expense during the third and fourth quarters of fiscal 2014 on its 90-day term loan facility used to finance the Hittite acquisition. We excluded these costs from our non-GAAP measures because they are not reflective of our ongoing financial performance.

Gain on Sale of Product Line. In the fourth quarter of fiscal 2013, the Company completed the sale of its microphone product line and recorded a gain of \$85.4 million in non-operating income. We excluded the gain and related tax effect from our non-GAAP measures as these items have no direct correlation to the operation of our business in the future.

Debt Extinguishment Costs. In the third quarter of fiscal 2013, the Company redeemed its outstanding 5.0% senior unsecured notes due July 1, 2014. The Company recognized a net loss on debt extinguishment of approximately \$10.2 million, which was comprised of a make-whole premium, the recognition of unamortized proceeds received on an interest rate swap associated with the debt and the write off of unamortized debt issuance and discount costs. We excluded these costs from our non-GAAP measures because they are one time in nature and have no direct correlation to the operation of our business in the future.

The following items are excluded from our non-GAAP diluted earnings per share:

Tax-Related Items. In the first quarter of fiscal 2013, the Company recorded a \$6.3 million tax benefit related to the reinstatement of the R&D tax credit in January 2013, retroactive to January 1, 2012. In the second quarter of fiscal 2013, the Company recorded a \$6.6 million tax benefit as a result of the reversal of prior period tax liabilities. In the third quarter of fiscal 2013, the Company recorded a \$1.7 million tax benefit related to the release of a tax reserve for an expired tax year. In the fourth quarter of fiscal 2013, as a result of a ruling by the U.S. Tax Court in a matter not involving the Company, the Company recorded a potential liability for \$36.5 million plus \$4.6 million of interest related to its petition with the U.S. Tax Court regarding the beneficial tax treatment of dividends paid from foreign owned companies under The American Jobs Creation Act. The Company also recorded a \$2.2 million tax benefit as a result of the reversal of prior period tax liabilities. Also in the fourth quarter of 2013, the Company completed the sale of its microphone product line, resulting in \$26.7 million of income tax expense. In the fourth quarter of 2014, the Company recorded \$5.5 million of tax adjustments related to the Hittite acquisition. We excluded these tax-related items from our non-GAAP measures because they are not associated with the tax expense on our current operating results.

Why Management Believes the Non-GAAP Financial Measures Provide Useful Information to Investors

Management believes that the presentation of non-GAAP revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margins, non-GAAP other expenses and non-GAAP diluted EPS is useful to investors because it provides investors with the operating results that management uses to manage the Company.

Material Limitations Associated with Use of the Non-GAAP Financial Measures

Analog Devices believes that non-GAAP revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margins, non-GAAP other expenses and non-GAAP diluted EPS have material limitations in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with GAAP and that these measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP measures. In addition, our non-GAAP measures may not be comparable to the non-GAAP measures reported by other companies. The Company's use of non-GAAP measures, and the underlying methodology when excluding certain items, is not necessarily an indication of the results of operations that may be expected in the future, or that the Company will not, in fact, record such items in future periods.

Investors should consider our non-GAAP financial measures in conjunction with the corresponding GAAP measures.