

Press Information

FOR IMMEDIATE RELEASE
NASDAQ SYMBOL MXIM

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President and Chief Executive Officer
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**MAXIM REPORTS REVENUES AND EARNINGS
FOR THE FIRST QUARTER OF FISCAL 2004
AND DECLARES QUARTERLY DIVIDEND**

SUNNYVALE, CA—October 28, 2003—Maxim Integrated Products, Inc., (MXIM) reported net revenues of \$310.2 million for its fiscal first quarter ending September 27, 2003, a 5.1% increase over the \$295.0 million reported for the Company's last reported quarter, the fourth quarter of fiscal 2003. Net income for the quarter was \$87.4 million, a 19.4% increase over the \$73.2 million reported last year and a 6.9% increase over the \$81.7 million reported for the fourth quarter. Diluted earnings per share were \$0.25 for the first quarter, a 13.6% increase over the \$0.22 reported for the same period a year ago and a 4.2% increase over the \$0.24 reported for the fourth quarter of fiscal 2003.

During the quarter, cash and short-term investments increased \$130.6 million after the Company repurchased 379,000 shares of its common stock for \$15.5 million, paid dividends of \$26.1 million, and acquired \$23.0 million in capital equipment. Accounts receivable increased \$4.2 million in the first quarter to \$131.0 million due to the increase in net revenues, and inventories decreased \$5.7 million to \$115.4 million.

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Gross margin for the first quarter remained consistent with the prior quarter at 70.0%, after inventory reserves were increased by \$2.2 million. Research and development expense was \$70.1 million or 22.6% of net revenues in the first quarter, compared to \$67.2 million or 22.8% of net revenues in the fourth quarter of fiscal 2003. The increase in research and development expense in the first quarter was due to hiring additional engineers and increased expenses to support the Company's new product development efforts. Selling, general and administrative expenses increased slightly from \$21.0 million in the fourth quarter to \$21.4 million in the first quarter but decreased as a percentage of net revenues from 7.1% to 6.9%.

First quarter bookings were approximately \$349 million, a 12% increase over the fourth quarter's level of \$313 million. Turns orders received in the quarter were approximately \$180 million, a 12% increase over the \$161 million received in the prior quarter (turns orders are customer orders that are for delivery within the same quarter and may result in revenue within the same quarter if the Company has available inventory that matches those orders). Bookings increased in all geographic locations, with the greatest bookings improvement in the Pacific Rim region.

First quarter ending backlog shippable within the next 12 months was approximately \$252 million, including approximately \$233 million requested for shipment in the second quarter of fiscal 2004. The Company's fourth quarter ending backlog shippable within the next 12 months was approximately \$227 million, including approximately \$199 million that was requested for shipment in the first quarter of fiscal 2004.

Jack Gifford, Chairman, President, and Chief Executive Officer, commented: "We were pleased to see such a broad-based improvement in bookings this quarter, with 11 of our 14 business units seeing improved orders over last quarter.

This is the third consecutive quarter of improved bookings, and bookings are at their highest level since the second quarter of fiscal 2001.”

Mr. Gifford concluded: “The Company’s Board of Directors has declared a quarterly cash dividend of \$0.08 per share. Payment will be made on November 28, 2003 to stockholders of record on November 10, 2003.”

Certain statements in this press release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve risk and uncertainty. They include statements regarding the Company’s profitability and business outlook. Actual results could differ materially from those forecasted based upon, among other things, general market conditions and market developments that could adversely affect the growth of the mixed-signal analog market, such as declines in customer forecasts or greater than expected cyclical downturns within the mixed-signal analog segment of the semiconductor market, as well as other risks described in the Company’s Form 10K for the fiscal year ended June 28, 2003.

All forward-looking statements included in this news release are made as of the date hereof, based on the information available to the Company as of the date hereof, and the Company assumes no obligation to update any forward-looking statement.

Maxim Integrated Products is a leading international supplier of quality analog and mixed-signal products for applications that require real world signal processing.

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Consolidated Balance Sheets

(In thousands)	9/27/03 (unaudited)	6/28/03 (audited)
Assets	Current assets:	
	Cash and cash equivalents	\$ 163,835
	Short-term investments	\$ 210,841
	Total cash, cash equivalents and short-term investments	1,130,805
	Accounts receivable, net	953,166
	Inventories	1,294,640
	Deferred tax assets and other current assets	1,164,007
	Total current assets	1,30,982
	Property, plant and equipment, at cost	126,760
	Less accumulated depreciation	115,449
	Net property, plant and equipment	121,192
	Other assets	153,485
	Total assets	152,683
Liabilities and Stockholders' Equity	Current liabilities:	
	Accounts payable	\$ 49,623
	Accrued expenses	\$ 42,041
	Deferred income on shipments to distributors	147,957
	Income taxes payable	21,582
	Total current liabilities	10,900
	Deferred tax liabilities	229,607
	Other liabilities	215,917
	Total liabilities	81,633
	Stockholders' equity:	
	Common stock	171,024
	Retained earnings	112,497
	Accumulated other comprehensive income	2,017,730
	Total stockholders' equity	1,956,491
	Total liabilities and stockholders' equity	463
	Total liabilities and stockholders' equity	2,189,217
	Total liabilities and stockholders' equity	2,070,412
	Total liabilities and stockholders' equity	\$ 2,504,457
	Total liabilities and stockholders' equity	\$ 2,367,962

Consolidated Statements of Income

(In thousands
except per share data)

	Three Months Ending	
	9/27/03 (unaudited)	9/28/02 (unaudited)
Net revenues	\$ 310,169	\$ 285,881
Cost of goods sold	93,028	87,123
Gross margin	217,141	198,758
	70.0%	69.5%
Operating expenses:		
Research and development	70,096	71,111
Selling, general and administrative	21,389	22,296
Operating income	125,656	105,351
	40.5%	36.9%
Interest income, net	4,751	3,868
Income before provision for income taxes	130,407	109,219
Provision for income taxes	43,034	36,042
Net income	\$ 87,373	\$ 73,177
Basic earnings per share	\$ 0.27	\$ 0.23
Shares used in the calculation of basic earnings per share	326,247	319,498
Diluted earnings per share	\$ 0.25	\$ 0.22
Shares used in the calculation of diluted earnings per share	347,333	337,946
Dividends declared per share	\$ 0.08	\$ -

Maxim Integrated Products, Incorporated

Company Profile

NASDAQ Symbol: MXIM

Founded 1983

Public since: February 29, 1988

OPERATIONS

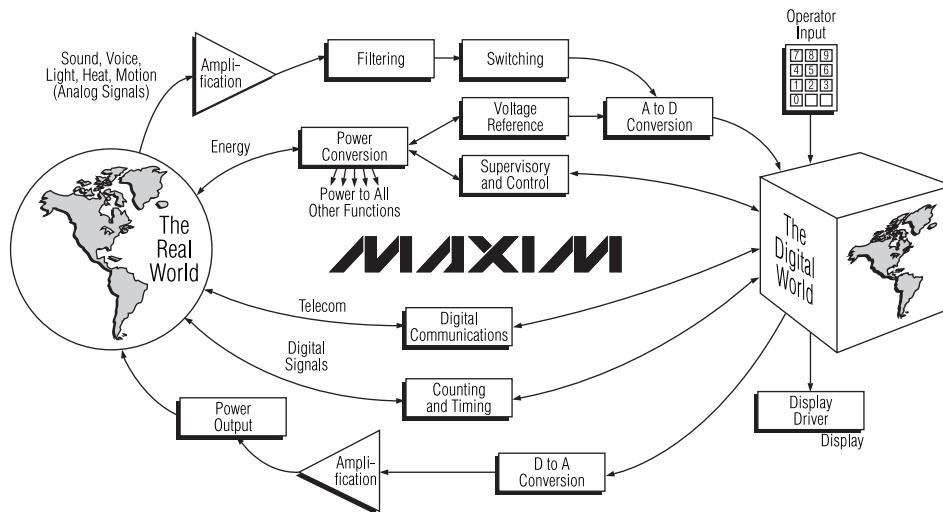
Corporate Offices: 120 San Gabriel Drive, Sunnyvale, California 94086

U.S. Sales Offices: Sunnyvale and Costa Mesa, CA; Wheeling, IL; Roswell, GA; Chelmsford, MA; Austin and Dallas, TX; Beaverton, OR; Horsham, PA

Foreign Offices: Munich, Germany; Tokyo, Japan; London, UK; Paris, France; Taipei, Taiwan; Seoul, South Korea; Hong Kong; Singapore; Milan, Italy; Beijing, China; Stockholm, Sweden; Zurich, Switzerland; Viborg, Denmark; Helsinki, Finland

PRODUCTS

Maxim designs, develops, manufactures and markets a broad range of linear and mixed-signal integrated circuits for use in a variety of electronic products. Maxim circuits "connect" the real world and the digital world by detecting, measuring, amplifying, and converting real world and communication signals, such as temperature, pressure, sound, voice, or light into the digital signals necessary for computer and DSP processing.



- **Maxim serves approximately 35,000 customers worldwide.**
- **Maxim has developed more products than any other analog company in the past 18 years.**
- **Maxim is recognized as the leader in CMOS analog and bipolar high-frequency technologies.**
- **70% international sales for Q1 FY04.**

FINANCIAL HIGHLIGHTS (In thousands, except EPS)

	FY2000	FY2001	FY2002	FY2003	Q1 FY2004
Net Revenues	\$ 1,376,085	\$ 1,576,613	\$ 1,025,104	\$ 1,153,219	\$ 310,169
Net Income	\$ 373,083	\$ 334,939	\$ 259,183	\$ 309,601	\$ 87,373
Shares	359,548	361,620	355,821	341,253	347,333
Diluted EPS	\$ 1.04	\$ 0.93	\$ 0.73	\$ 0.91	\$ 0.25
Cash and Short-Term Investments	\$ 896,936	\$ 1,220,352	\$ 765,501	\$ 1,164,007	\$ 1,294,640
Total Assets	\$ 2,087,438	\$ 2,430,531	\$ 2,010,812	\$ 2,367,962	\$ 2,504,457
Stockholders' Equity	\$ 1,719,939	\$ 2,101,154	\$ 1,741,151	\$ 2,070,412	\$ 2,189,217
ROE	24.2%	17.5%	13.5%	16.2%	16.4%
Market Cap	\$ 25,276,091	\$ 14,535,766	\$ 13,391,992	\$ 11,870,840	\$ 13,875,965

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