

# *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 THIRD QUARTER OF FISCAL 2002**

SUNNYVALE, CA–April 29, 2002–Maxim Integrated Products, Inc., (MXIM) reported net revenues of \$258.5 million for its fiscal third quarter ending March 30, 2002, a decrease from the \$397.8 million reported for the third quarter of fiscal 2001 but up from the \$247.1 million reported for the second quarter of fiscal 2002. Net income for the quarter was \$66.7 million, a decrease from the \$109.9 million reported last year but an increase over the \$62.6 million reported for the previous quarter. Diluted earnings per share were \$0.19 for the third quarter, a decrease from the \$0.31 reported for the same period a year ago but up from the \$0.18 reported for the second quarter of fiscal 2002.

During the quarter, the Company repurchased approximately 2.7 million shares of its common stock for \$141.9 million and acquired a total of \$23.1 million of capital equipment. During the fourth quarter of fiscal 2002 to date, the Company has repurchased an additional 3.0 million shares of its common stock for \$160.7 million. Accounts receivable increased \$13.8 million in the third quarter to \$108.6 million, primarily as a result of increased revenues, while inventories decreased \$6.7 million to \$147.7 million.

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Gross margin for the third quarter increased slightly to 70.2%, after increasing inventory reserves \$2.1 million, compared to 70.1% reported for the second quarter. Research and development expense increased from the \$68.6 million reported in the second quarter or 27.7% of net revenues to \$69.0 million or 26.7% of net revenues. Selling, general and administrative expenses decreased from \$22.9 million in the second quarter to \$22.0 million in the third quarter.

Third quarter bookings were approximately \$299 million, a 30% increase over the second quarter's level of \$230 million. Turns orders received during the quarter were \$140 million, a 12% increase over the \$125 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). Order cancellations remained low for the second consecutive quarter. Bookings increased in all geographic regions and in all but one of the Company's business units.

Third quarter ending backlog shippable within the next 12 months was approximately \$219 million, including \$195 million requested for shipment in the fourth quarter of fiscal 2002. Second quarter ending backlog shippable within the next 12 months was approximately \$187 million, including \$170 million requested for shipment in the third quarter of fiscal 2002.

Jack Gifford, Chairman, President, and Chief Executive Officer, commented on the quarter: "Maxim's third quarter was encouraging in many respects. Bookings were up in every geographic region and in all but one of our business units. In addition, cancellations continued to fall to 5% of net bookings in the third quarter. For the first time in six quarters, we have begun to build backlog which, if continued, should improve visibility in future quarters."

Mr. Gifford continued: "Although our outlook for the fiber and telecommunications markets remains conservative, we have seen quarter over quarter bookings growth in the third quarter."

Mr. Gifford concluded: “Based on our estimate of end market consumption of our products, except for fiber and telecommunications equipment, we believe that our customers have worked through their inventories and are ordering for their near-term needs.”

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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 the Company’s expectations as to the consequences of increasing backlog, the Company’s assessment of the outlook for the fiber and telecommunications markets, and the Company’s assessment of its customers’ current ordering activities. Results could differ materially from those forecasted based upon, among other things, the Company incorrectly assessing customer end-user demand and willingness to commit to inventories and orders, and order cancellation levels; technical difficulties in bringing new products and processes to market in a timely manner; market developments that could adversely affect the growth of the mixed-signal analog market such as further declines in customer forecasts or greater than expected cyclical downturns within the mixed-signal analog segment of the semiconductor market or possible effects of capacity constraints affecting other suppliers to equipment manufacturers; and the Company being unable to sustain its successes in recruiting and retaining high-quality personnel and its successes in the markets its products are introduced in, as well as other risks described in the Company's Form 10-K for the fiscal year ended June 30, 2001.

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)	3/30/02 (unaudited)	6/30/01 (audited)
Assets	Current assets:	
	Cash and cash equivalents	\$ 71,189
	Short-term investments	\$ 93,796
	Total cash, cash equivalents and short-term investments	1,126,556
	Accounts receivable, net	1,015,278
	Inventories	152,488
	Deferred tax assets and other current assets	162,656
	Total current assets	179,859
	Property, plant and equipment, at cost	1,451,430
	Less accumulated depreciation	1,408,546
	Net property, plant and equipment	(671,530)
	Other assets	(696,507)
	Total assets	737,689
		712,039
		27,545
		19,400
		\$2,216,664
		\$2,430,531
Liabilities and Stockholders' Equity	Current liabilities:	
	Accounts payable	\$ 45,332
	Accrued expenses	\$ 100,921
	Deferred income on shipments to distributors	170,097
	Income taxes payable	28,218
	Total current liabilities	45,396
	Other liabilities	8,680
	Total liabilities	325,377
	Stockholders' equity:	7,298
	Common stock	4,000
	Retained earnings	231,362
	Accumulated other comprehensive income (loss)	329,377
	Total stockholders' equity	49,984
	Total liabilities and stockholders' equity	351,982
		1,936,213
		(895)
		3,534
		1,985,302
		2,101,154
		\$2,216,664
		\$2,430,531

## Consolidated Statements of Income

(In thousands except per share data)	Three Months Ending		Nine Months Ending	
	3/30/02 (unaudited)	3/31/01 (unaudited)	3/30/02 (unaudited)	3/31/01 (unaudited)
Net revenues	\$258,481	\$397,840	\$745,015	\$1,258,466
Cost of goods sold	76,989	138,390	222,795	440,917
Gross margin	181,492	259,450	522,220	817,549
	70.2%	65.2%	70.1%	65.0%
Operating expenses:				
Research and development	68,974	72,131	203,515	210,247
Selling, general and administrative	21,951	36,484	69,899	121,465
Operating income	90,567	150,835	248,806	485,837
	35.0%	37.9%	33.4%	38.6%
Interest income, net	9,026	15,350	35,634	43,645
Income before provision for income taxes	99,593	166,185	284,440	529,482
Provision for income taxes	32,866	56,329	93,865	178,377
Net income	\$ 66,727	\$109,856	\$190,575	\$ 351,105
Basic earnings per share	\$ 0.20	\$ 0.34	\$ 0.58	\$ 1.08
Shares used in the calculation of basic earnings per share	326,228	326,716	326,945	324,718
Diluted earnings per share	\$ 0.19	\$ 0.31	\$ 0.53	\$ 0.97
Shares used in the calculation of diluted earnings per share	358,598	360,071	357,965	362,042
Dividends declared per share	\$ -	\$ 0.006	\$ -	\$ 0.018

# Maxim Integrated Products, Incorporated

## Company Profile

NASDAQ Symbol: MXIM

Founded 1983

Public since: February 29, 1988

### OPERATIONS

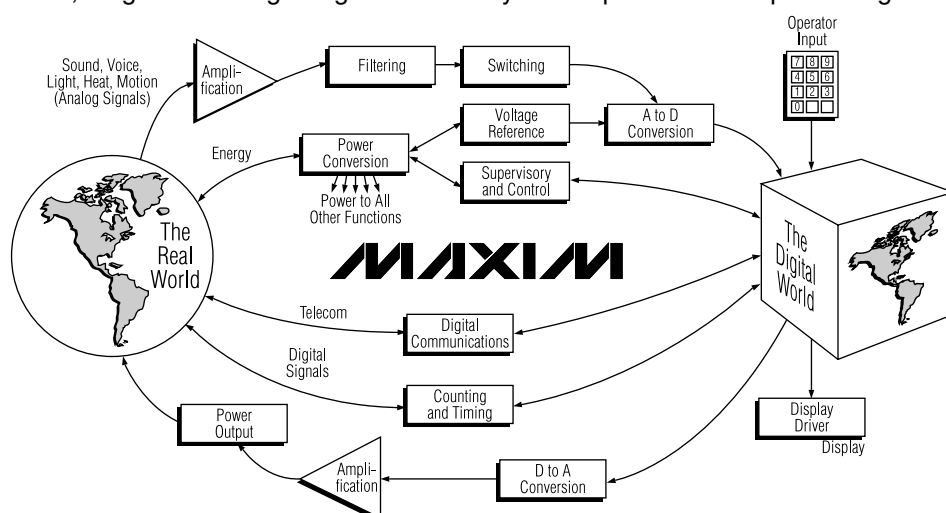
Corporate Offices: 120 San Gabriel Drive, Sunnyvale, California 94086

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 16 years.**
- **Maxim is recognized as the leader in CMOS analog and bipolar high-frequency technologies.**
- **67% international sales for Q3 FY02.**

### FINANCIAL HIGHLIGHTS (In thousands, except EPS)

	FY1998	FY1999	FY2000	FY2001	Q3 FY2002
Net Revenues	\$ 904,438	\$ 1,002,849	\$ 1,376,085	\$ 1,576,613	\$ 258,481
Net Income	\$ 234,000	\$ 265,281	\$ 373,083	\$ 334,939	\$ 66,727
Shares	340,356	344,360	359,548	361,620	358,598
Diluted EPS	\$ 0.69	\$ 0.77	\$ 1.04	\$ 0.93	\$ 0.19
Cash and Short-Term Investments	\$ 453,302	\$ 710,074	\$ 896,936	\$ 1,220,352	\$ 1,015,278
Total Assets	\$ 1,242,190	\$ 1,603,122	\$ 2,087,438	\$ 2,430,531	\$ 2,216,664
Stockholders' Equity	\$ 1,034,422	\$ 1,369,449	\$ 1,719,939	\$ 2,101,154	\$ 1,985,302
ROE	25.4%	22.1%	24.2%	17.5%	13.4%
Market Cap	\$ 5,297,748	\$ 11,026,352	\$ 25,276,091	\$ 14,535,766	\$ 19,977,513

### RESEARCH COVERAGE

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