

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 FOURTH QUARTER AND FISCAL YEAR 2003
AND DOUBLES QUARTERLY DIVIDEND
FROM \$0.04 PER SHARE TO \$0.08 PER SHARE**

SUNNYVALE, CA—August 12, 2003—Maxim Integrated Products, Inc., (MXIM) reported net revenues of \$295.0 million for its fiscal fourth quarter ending June 28, 2003, an \$8.8 million increase over the \$286.2 million reported for the third quarter of fiscal 2003. Diluted earnings per share were \$0.24 for the fourth quarter on net income of \$81.7 million compared to diluted earnings per share of \$0.23 on net income of \$77.6 million reported for the third quarter of fiscal 2003. Dallas Semiconductor contributed 18.6% of the Corporation's fourth quarter earnings per share.

For the 2003 fiscal year, Maxim reported net revenues of \$1.153 billion compared to \$1.025 billion for last year, a 12.5% increase. Net income for the 2003 fiscal year was \$309.6 million compared to \$259.2 million reported for fiscal 2002. Dallas Semiconductor contributed 16.8% of the Company's fiscal 2003 net income. Diluted earnings per share for the Company grew 24.7% from the \$0.73 per share reported for fiscal 2002 to \$0.91 per share in fiscal 2003.

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During the fourth quarter of fiscal 2003, the Company repurchased 1.3 million shares of its common stock for \$46.7 million and acquired \$28.4 million of property and equipment. Year-end cash, cash equivalents, and short-term investments increased \$107.3 million during the quarter to \$1.2 billion and increased \$398.5 million or 52.1% from the end of fiscal 2002. Accounts receivable increased by \$2.9 million in the fourth quarter to \$126.8 million on increased revenues, and inventories decreased \$2.6 million to \$121.2 million.

Gross margin increased slightly from 69.9% in the third quarter to 70.0% in the fourth quarter after increasing inventory reserves \$2.7 million. Operating margin increased from 39.2% in the third quarter to 40.1% in the fourth quarter. Operating margin for Dallas Semiconductor improved from 24.4% in the third quarter to 30.7% in the fourth quarter. Research and development expense increased to \$67.2 million or 22.8% of net revenues in the fourth quarter, compared to \$66.8 million or 23.3% of net revenues in the third quarter. The increase in research and development spending was the result of hiring additional engineers and increased spending to support new product development efforts. Selling, general and administrative expenses remained relatively unchanged during the quarter.

Fourth quarter bookings were approximately \$313 million. Turns orders received in the quarter were \$161 million (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). Fourth quarter ending backlog shippable within the next 12 months was approximately \$227 million, including approximately \$199 million requested for shipment in the first quarter of fiscal 2004. The Company's third quarter ending backlog shippable within the next 12 months was approximately \$219 million, including approximately \$196 million that was requested for shipment in the fourth quarter.

Jack Gifford, Chairman, President, and Chief Executive Officer, commented on the fiscal year: “Maxim’s net revenues for the 2003 fiscal year increased 12% from fiscal 2002 net revenues, and our diluted earnings per share for the year were up 25% for the same period. Revenues for Dallas Semiconductor grew 4% year over year, and their earnings per share grew 42%. As a comparison, Maxim without Dallas Semiconductor saw revenue growth of 15% year over year and earnings per share growth of 21%. The Company’s gross margins and operating margins improved year over year as we controlled costs and improved efficiencies. Unlike many semiconductor companies, Maxim has been highly profitable during the industry downturn, in part because of the success of our proprietary products and in part because of our effective expense management.”

Mr. Gifford continued: “Maxim remained committed to investing in new product and process development this year, with an annual R&D expense of 23.6% of net revenues. Our continued focus on R&D resulted in the introduction of 1959 engineering man-months of new products this past product announcement year, and we have had important design wins in the next generation of cellular phones, digital cameras, 802.11 wireless LAN, high-speed data networks, flat panel displays, and other new electronics. We believe that Maxim continues to be well positioned to gain market share as corporate and consumer spending levels improve and our customers become more confident.”

Mr. Gifford concluded: “With consideration for our stockholders and the Company’s profitability, strong cash position, and business outlook, the Company’s Board of Directors has increased this quarter’s dividend from \$0.04 per share to \$0.08 per share. Payment will be made on September 5, 2003 to stockholders of record on August 22, 2003.”

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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 positioning to gain market share, increased confidence among the Company's customers, and the Company's profitability and business outlook. Actual results could differ materially from those forecasted based upon, among other things, the Company's incorrectly assessing customer end-user demand, order cancellation levels, inventory levels, consumption levels for the Company's products and general market conditions; 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; and the Company's being unable to sustain its successes in the markets its products are introduced in, as well as other risks described in the Company's Form 10K for the fiscal year ended June 29, 2002.

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)	6/28/03	6/29/02 (audited)
Assets	Current assets:	
	\$ 210,841	\$ 173,807
	953,166	591,694
	1,164,007	765,501
	126,760	129,812
	121,192	139,206
	152,683	201,145
	1,564,642	1,235,664
	1,507,546	1,432,184
	(737,661)	(686,023)
	769,885	746,161
	33,435	28,987
	\$ 2,367,962	\$ 2,010,812
Liabilities and Stockholders' Equity	Current liabilities:	
	\$ 42,041	\$ 45,284
	141,394	145,927
	21,582	27,183
	10,900	10,633
	215,917	229,027
	77,633	36,634
	4,000	4,000
	297,550	269,661
	Stockholders' equity:	
	112,497	55,255
	1,956,491	1,686,816
	1,424	(920)
	2,070,412	1,741,151
	\$ 2,367,962	\$ 2,010,812

Consolidated Statements of Income

(In thousands except per share data)	Three Months Ending		Twelve Months Ending	
	6/28/03 (unaudited)	6/29/02 (unaudited)	6/28/03	6/29/02 (audited)
Net revenues	\$ 295,029	\$ 280,089	\$ 1,153,219	\$ 1,025,104
Cost of goods sold	88,454	89,428	348,264	312,223
Gross margin	206,575 70.0%	190,661 68.1%	804,955 69.8%	712,881 69.5%
Operating expenses:				
Research and development	67,210	72,032	272,322	275,547
Selling, general and administrative	20,991	22,083	85,597	91,982
Operating income	118,374 40.1%	96,546 34.5%	447,036 38.8%	345,352 33.7%
Interest income, net	3,631	5,854	15,055	41,488
Income before provision for income taxes	122,005	102,400	462,091	386,840
Provision for income taxes	40,262	33,792	152,490	127,657
Net income	\$ 81,743	\$ 68,608	\$ 309,601	\$ 259,183
Basic earnings per share	\$ 0.25	\$ 0.21	\$ 0.96	\$ 0.80
Shares used in the calculation of basic earnings per share	324,821	321,273	322,106	325,527
Diluted earnings per share	\$ 0.24	\$ 0.20	\$ 0.91	\$ 0.73
Shares used in the calculation of diluted earnings per share	344,882	349,387	341,253	355,821
Dividends declared per share	\$ 0.04	\$ -	\$ 0.08	\$ -

Maxim Integrated Products, Incorporated

Company Profile

NASDAQ Symbol: MXIM

Founded 1983

Public since: February 29, 1988

OPERATIONS

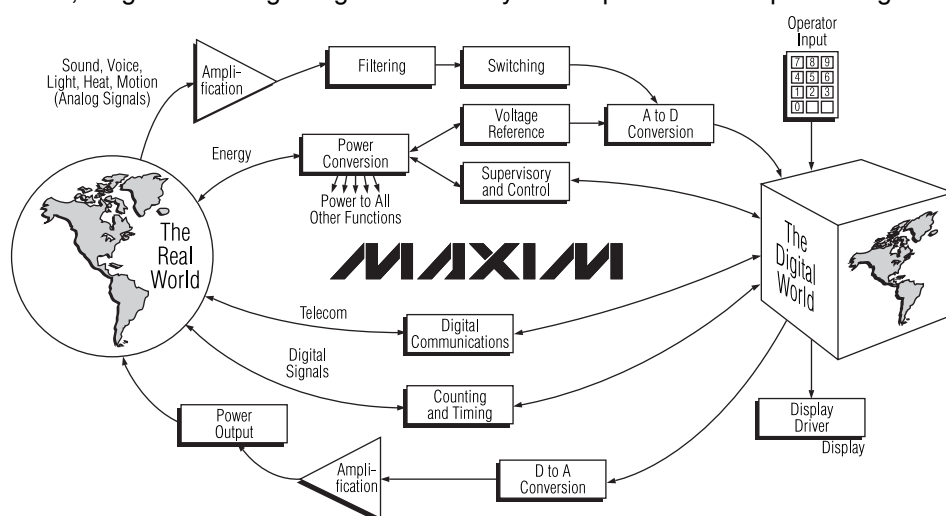
Corporate Offices: 120 San Gabriel Drive, Sunnyvale, California 94086

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.**
- **68% international sales for Q4 FY03.**

FINANCIAL HIGHLIGHTS (In thousands, except EPS)

	FY1999	FY2000	FY2001	FY2002	FY2003
Net Revenues	\$ 1,002,849	\$ 1,376,085	\$ 1,576,613	\$ 1,025,104	\$ 1,153,219
Net Income	\$ 265,281	\$ 373,083	\$ 334,939	\$ 259,183	\$ 309,601
Shares	344,360	359,548	361,620	355,821	341,253
Diluted EPS	\$ 0.77	\$ 1.04	\$ 0.93	\$ 0.73	\$ 0.91
Cash and Short-Term Investments	\$ 710,074	\$ 896,936	\$ 1,220,352	\$ 765,501	\$ 1,164,007
Total Assets	\$ 1,603,122	\$ 2,087,438	\$ 2,430,531	\$ 2,010,812	\$ 2,367,962
Stockholders' Equity	\$ 1,369,449	\$ 1,719,939	\$ 2,101,154	\$ 1,741,151	\$ 2,070,412
ROE	22.1%	24.2%	17.5%	13.5%	16.2%
Market Cap	\$ 11,026,352	\$ 25,276,091	\$ 14,535,766	\$ 13,391,992	\$ 11,870,840

RESEARCH COVERAGE

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