

Press Information

FOR IMMEDIATE RELEASE
NASDAQ SYMBOL MXIM

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MAXIM REAFFIRMS TREASURY STOCK METHOD OF ACCOUNTING FOR THE COST OF STOCK OPTIONS

SUNNYVALE, CA—August 13, 2002—Maxim Integrated Products, Inc., (Nasdaq: MXIM) reaffirmed today that the Company will continue to account for the cost of its stock option program using the treasury stock method.

Jack Gifford, Chairman, President, and Chief Executive Officer, commented: “Maxim believes that employee stock options clearly are a form of compensation and their costs should be accurately reflected in the Company’s financial performance. In our view, the treasury stock method is the most accurate, objective, and reliable method for presenting the true cost of employee stock options, namely through the diluted earnings per share line on the income statement. It achieves the goal of providing investors with credible, transparent, and comparable financial information. We strongly believe that the treasury stock method of accounting for option cost is accounting rigorous and conservative. For the year ending June 29, 2002, this accounting method reduced Maxim’s reported earnings per share by \$0.07 or 9%.

Mr. Gifford continued: “We believe that the Black-Scholes option pricing model, while a useful tool for the pricing of short-term freely tradable options (the purpose for which it was developed), is severely flawed in valuing long-term, illiquid employee options.”

Maxim has prepared a paper that explains the pros and cons of the treasury stock method and the Black-Scholes method of accounting for employee options. This paper is available from Amanda Lazare, Managing Director of Investor Relations (email address alazare@maxim-ic.com) or under “Investor Information” on Maxim’s website in pdf format at:

www.maxim-ic.com/AboutMaxim/Investor.htm

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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