

ANALOG DEVICES INC
Form DEF 14A
February 08, 2006

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission
Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

Analog Devices, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

February 8, 2006

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders to be held at 10:00 a.m. on Tuesday, March 14, 2006, at **Babson College, Babson Park, Massachusetts in the Sorenson Center for the Arts.**

At the Annual Meeting, we will consider the matters set forth in the accompanying notice of annual meeting and proxy statement, which includes a recommendation by the Company for a new stock incentive plan.

If approved, the new plan will decrease the total number of shares available for issuance and will diversify the equity-based portion of our compensation awards to allow for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards. If our proposed plan is approved, our existing stock option plans will terminate, except for the options currently outstanding under those plans. We believe that the flexibility of using alternative forms of equity compensation will enhance the retention of key employees while being less dilutive to shareholders' ownership.

Analog Devices has successfully used stock options to attract and retain employees since the Company was founded 40 years ago. As shown in the tables on pages 36 and 37, in order to facilitate our objective of attracting and retaining valuable technical talent, we have regularly granted most options to a very broad base of employees. Approximately 93% of our employees receive stock options and only a small portion of options are granted to officers. Historically, we have also generally distributed 95% of our annual option grants to employees who are not named executive officers. We believe that our stock option program has been very successful throughout Analog's history in both motivating employees and enhancing shareholder value.

Despite the importance of stock options to the retention of our key employees, we have been sensitive to the potential dilution to our shareholders. As a result, during the past five years, we have been steadily reducing our net option grants from 4.3% of outstanding shares in fiscal 2001 to 2.3% in fiscal 2006. We have a goal of reducing our net annual dilution from equity-based compensation to below 2% in future years.

The 2006 Stock Incentive Plan proposal is more fully described beginning on page 35. We encourage you to review the proposal and urge you to vote in favor of the new plan.

We have long believed that good corporate governance is important to ensure that Analog Devices is managed for the long-term benefit of its shareholders. During the past year, our Board of Directors has taken a number of actions more fully described on page 11 to enhance our governance practices. These actions include the following:

Adopted a new voting policy regarding the election of our directors;

Terminated our stockholder rights plan (also frequently referred to as a "poison pill");

Adopted stock ownership guidelines for our executive officers and directors;

Expanded our Board of Director evaluation process; and

Created the position of Chief Compliance and Business Ethics Officer.

Please carefully review the attached proxy materials and take the time to cast your vote.

Yours sincerely,

Ray Stata
Chairman of the Board

Jerald G. Fishman
President and Chief Executive Officer

Table of Contents

**ANALOG DEVICES, INC.
ONE TECHNOLOGY WAY
NORWOOD, MASSACHUSETTS 02062-9106**

NOTICE OF 2006 ANNUAL MEETING OF SHAREHOLDERS

To Be Held On March 14, 2006

To our Shareholders:

The 2006 Annual Meeting of Shareholders of Analog Devices, Inc. will be held at Babson College, Sorenson Center for the Arts, 231 Forest Street, Babson Park, Massachusetts 02457, on Tuesday, March 14, 2006 at 10:00 a.m. local time. At the meeting, shareholders will consider and vote on the following matters:

1. To elect three members to our Board of Directors to serve as Class I directors, each for a term of three years.
2. To approve our 2006 Stock Incentive Plan.
3. To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending October 28, 2006.
4. To act on the shareholder proposal entitled Shareholder Proposal to Amend our Governance Documents .

The shareholders will also act on any other business that may properly come before the meeting.

Shareholders of record at the close of business on January 13, 2006 are entitled to vote at the meeting. Your vote is important regardless of the number of shares you own. Whether you expect to attend the meeting or not, please complete, sign, date and promptly return the enclosed proxy card in the postage-prepaid envelope we have provided. You can also vote your shares over the Internet or by telephone as provided in the instructions set forth on the proxy card. Your prompt response is necessary to assure that your shares are represented at the meeting. You can change your vote and revoke your proxy at any time before the polls close at the meeting by following the procedures described in the accompanying proxy statement.

All shareholders are cordially invited to attend the meeting.

By order of the Board of Directors,

Margaret K. Seif
Secretary

Norwood, Massachusetts
February 8, 2006

Table of Contents

TABLE OF CONTENTS

<u>INFORMATION ABOUT THE ANNUAL MEETING AND VOTING</u>	1
<u>What is the purpose of the annual meeting?</u>	1
<u>Who can vote?</u>	1
<u>How many votes do I have?</u>	1
<u>Is my vote important?</u>	2
<u>How do I vote?</u>	2
<u>Can I change my vote after I have mailed my proxy card or after I have voted my shares over the Internet or by telephone?</u>	2
<u>Can I vote if my shares are held in <u>street name</u> ?</u>	2
<u>How do I vote my 401(k) shares?</u>	3
<u>How do I vote my shares held in trust in the Analog Ireland Success Sharing Share Plan?</u>	3
<u>What constitutes a quorum?</u>	3
<u>What vote is required for each item?</u>	3
<u>How will votes be counted?</u>	4
<u>Who will count the votes?</u>	4
<u>Will my vote be kept confidential?</u>	4
<u>How does the Board of Directors recommend that I vote on the proposals?</u>	4
<u>Will any other business be conducted at the meeting or will other matters be voted on?</u>	4
<u>Where can I find the voting results?</u>	5
<u>How and when may I submit a shareholder proposal, including a shareholder nomination for director, for the 2007 annual meeting?</u>	5
<u>What are the costs of soliciting these proxies?</u>	5
<u>How can I obtain an Annual Report on Form 10-K?</u>	6
<u>Whom should I contact if I have any questions?</u>	6
<u>Householding of Annual Meeting Materials</u>	6
<u>Security Ownership of Certain Beneficial Owners and Management</u>	7
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	8
<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	9
<u>Nominees for Class I Directors (Terms Expire at the 2009 Annual Meeting)</u>	9
<u>Class II Directors (Terms Expire at the 2007 Annual Meeting)</u>	9
<u>Class III Directors (Terms Expire at the 2008 Annual Meeting)</u>	10
<u>CORPORATE GOVERNANCE</u>	11
<u>General</u>	11
<u>Determination of Independence</u>	12
<u>Director Candidates</u>	12
<u>Communications from Shareholders and Other Interested Parties</u>	13
<u>Board of Directors Meetings and Committees</u>	14
<u>Audit Committee</u>	14
<u>Compensation Committee</u>	14
<u>Nominating and Corporate Governance Committee</u>	15
<u>Report of the Audit Committee</u>	15
<u>Independent Registered Public Accounting Firm Fees and Other Matters</u>	16
<u>Audit Fees</u>	16
<u>Audit-Related Fees</u>	16

Table of Contents

<u>Tax Fees</u>	16
<u>Audit Committee's Pre-approval Policy and Procedures</u>	17
<u>Directors' Compensation</u>	17
<u>Fees</u>	17
<u>Stock Options</u>	17
<u>Certain Relationships and Related Transactions</u>	18
<u>INFORMATION ABOUT EXECUTIVE COMPENSATION</u>	19
<u>Summary Compensation</u>	19
<u>Option Grants in Fiscal 2005</u>	21
<u>Aggregated Option Exercises During Fiscal 2005 and Fiscal Year-End Option Values</u>	22
<u>Pension Plan</u>	22
<u>The Analog Devices B.V. Executive Pension Scheme</u>	22
<u>Option Program Description</u>	23
<u>Securities Authorized for Issuance Under Equity Compensation Plans</u>	24
<u>2001 Broad-Based Stock Option Plan</u>	25
<u>1998 International Employee Stock Purchase Plan</u>	25
<u>Employee Service Award Program</u>	26
<u>Severance and Other Agreements</u>	26
<u>Deferred Compensation Plan</u>	27
<u>Report of the Compensation Committee</u>	28
<u>Compensation Philosophy</u>	29
<u>Executive Compensation Program</u>	29
<u>Deferred Compensation Plan</u>	30
<u>Chief Executive Officer Fiscal 2005 Compensation</u>	30
<u>Change in Control Arrangements</u>	31
<u>Compliance with Internal Revenue Code Section 162(m)</u>	32
<u>Compensation Committee Interlocks and Insider Participation</u>	32
<u>Comparative Stock Performance Graph</u>	33
<u>Tentative Settlement of Stock Option Investigation</u>	34
<u>PROPOSAL 2 APPROVAL OF 2006 STOCK INCENTIVE PLAN</u>	35
<u>PROPOSAL 3 RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	44
<u>PROPOSAL 4 SHAREHOLDER PROPOSAL TO AMEND OUR GOVERNANCE DOCUMENTS</u>	44
<u>OTHER MATTERS</u>	46
<u>ELECTRONIC VOTING</u>	46
<u>APPENDIX A 2006 STOCK INCENTIVE PLAN</u>	A-1

Table of Contents

**ANALOG DEVICES, INC.
ONE TECHNOLOGY WAY
NORWOOD, MASSACHUSETTS 02062-9106**

PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS

March 14, 2006

This proxy statement contains information about the 2006 Annual Meeting of Shareholders of Analog Devices, Inc. The meeting will be held on Tuesday, March 14, 2006, beginning at 10:00 a.m. local time, at Babson College, Sorenson Center for the Arts, 231 Forest Street, Babson Park, Massachusetts 02457.

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Analog Devices, which is also referred to as Analog, ADI or the Company in this proxy statement, for use at the annual meeting and at any adjournment of that meeting. All proxies will be voted in accordance with the instructions they contain. If no instruction is specified on a proxy, it will be voted in favor of the matters set forth in the notice of the meeting other than the shareholder proposal and it will be voted against the shareholder proposal. A shareholder may revoke any proxy at any time before it is exercised by giving our secretary written notice to that effect.

Our Annual Report to Shareholders for the fiscal year ended October 29, 2005 is being mailed to shareholders with the mailing of these proxy materials on or about February 8, 2006.

A copy of our Annual Report on Form 10-K for the fiscal year ended October 29, 2005 as filed with the Securities and Exchange Commission, except for exhibits, will be furnished without charge to any shareholder upon written or oral request to Analog Devices, Inc., Attention of Maria Tagliaferro, Director, Corporate Communications, Analog Devices, Inc., One Technology Way, Norwood, MA 02062; telephone: 781-461-3282.

INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

What is the purpose of the annual meeting?

At the annual meeting, shareholders will consider and vote on the following matters:

1. The election of three members to our Board of Directors to serve as Class I directors, each for a term of three years.
2. The approval of our 2006 Stock Incentive Plan.
3. The ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending October 28, 2006.
4. To act on the shareholder proposal entitled Shareholder Proposal to Amend our Governance Documents .

The shareholders will also act on any other business that may properly come before the meeting.

Who can vote?

To be able to vote, you must have been a shareholder of record at the close of business on January 13, 2006. This date is the record date for the annual meeting.

Shareholders of record at the close of business on January 13, 2006 are entitled to vote on each proposal at the annual meeting. The number of outstanding shares entitled to vote on each proposal at the meeting is 365,585,491 shares of our common stock.

How many votes do I have?

Each share of our common stock that you owned on the record date entitles you to one vote on each matter that is voted on.

Table of Contents

Is my vote important?

Your vote is important regardless of how many shares you own. Please take the time to vote. Take a moment to read the instructions below. Choose the way to vote that is easiest and most convenient for you and cast your vote as soon as possible.

How do I vote?

You may vote in one of four ways. You may vote by submitting your proxy by mail, over the Internet, or by telephone, or you may vote in person at the meeting.

You may vote by mail. You may vote by completing and signing the proxy card that accompanies this proxy statement and promptly mailing it in the enclosed postage-prepaid envelope. You do not need to put a stamp on the enclosed envelope if you mail it in the United States. The shares you own will be voted according to the instructions on the proxy card you mail. If you return the proxy card, but do not give any instructions on a particular matter described in this proxy statement, the shares you own will be voted in accordance with the recommendations of our Board of Directors. The Board of Directors recommends that you vote FOR Proposals 1, 2 and 3 and AGAINST Proposal 4.

You may vote over the Internet. If you have Internet access, you may vote your shares from any location in the world by following the *Vote-by-Internet* instructions set forth on the enclosed proxy card.

You may vote by telephone. You may vote your shares by following the *Vote-by-Telephone* instructions set forth on the enclosed proxy card.

You may vote in person. If you attend the meeting, you may vote by delivering your completed proxy card in person or you may vote by completing a ballot. Ballots will be available at the meeting.

Can I change my vote after I have mailed my proxy card or after I have voted my shares over the Internet or by telephone?

Yes. You can change your vote and revoke your proxy at any time before the polls close at the meeting by doing any one of the following things:

signing another proxy with a later date;

giving our secretary a written notice before or at the meeting that you want to revoke your proxy; or

voting in person at the meeting.

Your attendance at the meeting alone will not revoke your proxy.

Can I vote if my shares are held in street name ?

If the shares you own are held in *street name* by a bank or brokerage firm, your bank or brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. In order to vote your shares, you will need to follow the directions your bank or brokerage firm provides you. Many banks and brokerage firms also offer the option of voting over the Internet or by telephone, instructions for which would be provided by your bank or

brokerage firm on your vote instruction form. Under the rules of the New York Stock Exchange, if you do not give instructions to your bank or brokerage firm, it will still be able to vote your shares with respect to certain discretionary items, but will not be allowed to vote your shares with respect to certain non-discretionary items. In the case of non-discretionary items, the shares will be treated as broker non-votes. The election of directors (proposal one) and the ratification of Ernst & Young LLP as our independent registered public accounting firm (proposal three) are each considered to be a discretionary item under the New York Stock Exchange Rules. The approval of our 2006 Stock Incentive Plan (proposal two) and the shareholder proposal (proposal four) are each considered to be a non-discretionary item. Accordingly, if you do not give your record holder voting instructions with respect to proposal two or four, or if the record holder does not exercise its discretionary authority with respect to proposal one or three, your shares will be treated as broker non-votes on the particular matter.

Table of Contents

If your shares are held in street name, you must bring an account statement or letter from your brokerage firm or bank showing that you are the beneficial owner of the shares as of the record date in order to be admitted to the meeting on March 14, 2006. To be able to vote your shares held in street name at the meeting, you will need to obtain a proxy card from the holder of record.

How do I vote my 401(k) shares?

If you participate in the Analog Devices Stock Fund through The Investment Partnership Plan of Analog Devices, or TIP, your proxy will also serve as a voting instruction for Fidelity Management Trust Company, the administrator of TIP, with respect to shares of ADI common stock attributable to your TIP account, or TIP shares, as of the record date. The combined proxy/instruction card should be signed and returned in the enclosed envelope to Computershare Trust Company, N.A., our transfer agent and registrar, or you may submit your proxy/instruction over the Internet or by telephone by following the instructions on the enclosed card. Computershare Trust Company, N.A. will notify Fidelity Management Trust Company, or Fidelity, of the manner in which you have directed your TIP shares to be voted. Fidelity will vote your TIP shares as of the record date in the manner directed by you. If Computershare Trust Company, N.A. does not receive voting instructions from you by 11:59 p.m. eastern time on March 9, 2006, Fidelity will vote your TIP shares as of the record date in the same manner, proportionally, as it votes the other shares of common stock for which proper and timely voting instructions of other TIP participants have been received by Fidelity.

How do I vote my shares held in trust in the Analog Ireland Success Sharing Share Plan?

If you participate in the Analog Ireland Success Sharing Share Plan, or the Analog Ireland Share Plan, you may vote an amount of shares of common stock equivalent to the interest in our common stock which Mercer Trustees Limited, or Mercer, the trustee of the Analog Ireland Share Plan, holds on your behalf as of the record date. Mercer will send a voting card to you that you may use to direct Mercer how to vote your shares. The voting card should be signed and returned in the enclosed envelope to Mercer. Mercer will vote the shares in the manner directed on the voting card. If Mercer does not receive your voting card by 5:00 p.m. Greenwich Mean Time (GMT) on Friday, March 3, 2006, Mercer will not vote your shares.

What constitutes a quorum?

In order for business to be conducted at the meeting with respect to a particular matter, a quorum must be present for that particular matter. For each of the proposals described in the accompanying notice, a quorum consists of the holders of a majority of the shares of common stock issued, outstanding and entitled to vote at the meeting, or at least 182,792,746 shares.

Shares of common stock represented in person or by proxy (including broker non-votes and shares that abstain or do not vote with respect to a particular proposal to be voted upon) will be counted for the purpose of determining whether a quorum exists at the meeting for that proposal. Broker non-votes are shares that are held in street name by a bank or brokerage firm that indicates on its proxy that it does not have discretionary authority to vote on a particular matter.

If a quorum is not present, the meeting will be adjourned until a quorum is obtained.

What vote is required for each item?

Election of directors. As provided in our bylaws, the three nominees receiving the highest number of votes cast at the meeting will be elected, regardless of whether that number represents a majority of the votes cast.

Approval of 2006 Stock Incentive Plan. Under our bylaws, the affirmative vote of a majority of the total number of votes cast at the meeting is needed to approve our 2006 Stock Incentive Plan. Under the listing requirements of the New York Stock Exchange, the proposal must be approved by a majority of votes cast on the proposal, and the total votes cast on the proposal must represent 50 percent in interest of all securities entitled to vote on the proposal.

Table of Contents

Ratification of independent public accounting firm and shareholder proposal. Under our bylaws, the affirmative vote of a majority of the total number of votes cast at the meeting is needed to ratify Ernst & Young LLP as our independent public accounting firm and to approve the shareholder proposal.

How will votes be counted?

Each share of common stock will be counted as one vote according to the instructions contained on a proper proxy card, whether submitted by mail, over the Internet or by telephone, or on a ballot voted in person at the meeting. With respect to proposals one, three and four, shares will not be voted in favor of the matter, and will not be counted as voting on the matter, if they either (1) abstain from voting on a particular matter, or (2) are broker non-votes. Accordingly, votes withheld for a particular director nominee and broker non-votes will have no effect on the outcome of the election of directors. Abstentions and broker non-votes will have no effect on the voting on the ratification of our independent registered public accounting firm or on the approval of the shareholder proposal. Under our bylaws, neither abstentions nor broker non-votes will have an effect on the outcome of the approval of the 2006 stock incentive plan. For the listing requirements of the New York Stock Exchange, approval of proposal two requires that (1) a majority of common stock issued, outstanding and entitled to vote at the Annual Meeting must actually vote on the matter (with abstentions counting as votes and broker non-votes not counting as votes) and (2) votes in favor must constitute at least a majority of the votes cast (with abstentions counting as votes cast and broker non-votes not counting as votes cast).

Who will count the votes?

The votes will be counted, tabulated and certified by our transfer agent and registrar, Computershare Trust Company, N.A. A representative of Computershare Trust Company, N.A. will serve as the inspector of elections at the meeting.

Will my vote be kept confidential?

Yes, your vote will be kept confidential and we will not disclose your vote, unless (1) we are required to do so by law (including in connection with the pursuit or defense of a legal or administrative action or proceeding), or (2) there is a contested election for the Board of Directors. The inspector of elections will forward any written comments that you make on the proxy card to management without providing your name, unless you expressly request disclosure on your proxy card.

How does the Board of Directors recommend that I vote on the proposals?

The Board of Directors recommends that you vote:

FOR the election of each of the three nominees to serve as Class I directors on the Board of Directors, each for a term of three years;

FOR the approval of the 2006 Stock Incentive Plan;

FOR the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the 2006 fiscal year; and

AGAINST the approval of the shareholder proposal.

Will any other business be conducted at the meeting or will other matters be voted on?

The Board of Directors does not know of any other matters that may come before the meeting. If any other matter properly comes before the meeting, the persons named in the proxy card that accompanies this proxy statement, whether you submit your proxy by mail, through the Internet or by telephone, will exercise their judgment in deciding how to vote, or otherwise act, at the meeting with respect to that matter or proposal.

Table of Contents

Where can I find the voting results?

We will report the voting results in our quarterly report on Form 10-Q for the second quarter of fiscal 2006, which we expect to file with the Securities and Exchange Commission in May 2006.

How and when may I submit a shareholder proposal, including a shareholder nomination for director, for the 2007 annual meeting?

If you are interested in submitting a proposal for inclusion in the proxy statement for the 2007 annual meeting, you need to follow the procedures outlined in Rule 14a-8 of the Securities Exchange Act of 1934, or the Exchange Act. To be eligible for inclusion, we must receive your shareholder proposal intended for inclusion in the proxy statement for the 2007 annual meeting of shareholders at our principal corporate offices in Norwood, Massachusetts as set forth below no later than October 11, 2006.

ADI's amended and restated bylaws require that ADI be given advance written notice of shareholder nominations for election to ADI's Board of Directors and of other matters which shareholders wish to present for action at an annual meeting of shareholders (other than matters included in ADI's proxy materials in accordance with Rule 14a-8 under the Exchange Act). The Secretary must receive such notice at the address noted below not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting, provided, however, that in the event that the date of the annual meeting is advanced by more than 20 days, or delayed by more than 60 days, from such anniversary date, ADI must receive such notice at the address noted below not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of (1) the 90th day prior to such annual meeting or (2) the seventh day following the day on which notice of the meeting date was mailed or public disclosure was made, whichever occurs first. Assuming that the 2007 annual meeting is not advanced by more than 20 days nor delayed by more than 60 days from the anniversary date of the 2006 annual meeting, appropriate notice would need to be provided to ADI at the address noted below no earlier than November 14, 2006, and no later than December 14, 2006. If a shareholder fails to provide timely notice of a proposal to be presented at the 2007 annual meeting, the proxies designated by ADI's Board of Directors will have discretionary authority to vote on any such proposal which may come before the meeting.

ADI's amended and restated bylaws also specify requirements relating to the content of the notice which shareholders must provide to the Secretary of Analog Devices for any matter, including a shareholder nomination for director, to be properly presented at a shareholder meeting. A copy of the full text of our amended and restated bylaws is on file with the SEC.

Any proposals, nominations or notices should be sent to:

Secretary, Analog Devices, Inc.
c/o: Maria Tagliaferro
Director, Corporate Communications
Analog Devices, Inc.
One Technology Way
Norwood, MA 02062
Phone: 781-461-3282
Fax: 781-461-3491
Email: investor.relations@analog.com

What are the costs of soliciting these proxies?

We will bear the costs of solicitation of proxies. We have engaged The Altman Group, Inc. to assist us with the solicitation of proxies. We expect to pay The Altman Group less than \$15,000 for their services. In addition to solicitations by mail, The Altman Group and our directors, officers and regular employees may solicit proxies by telephone, email and personal interviews without additional remuneration. Brokers, custodians and fiduciaries will be requested to forward proxy soliciting material to the owners of shares of our common stock that they hold in their names. We will reimburse banks and brokers for their reasonable out-of-pocket expenses incurred in connection with the distribution of our proxy materials.

Table of Contents

How can I obtain an Annual Report on Form 10-K?

Our annual report is available on our website at www.analog.com. If you would like a copy of our Annual Report on Form 10-K for the fiscal year ended October 29, 2005, we will send you one without charge. Please contact:

Maria Tagliaferro
Director, Corporate Communications
Analog Devices, Inc.
One Technology Way
Norwood, MA 02062
Phone: 781-461-3282
Email: investor.relations@analog.com

Whom should I contact if I have any questions?

If you have any questions about the annual meeting or your ownership of our common stock, please contact Maria Tagliaferro, our director of corporate communications, at the address, telephone number or email address listed above.

Householding of Annual Meeting Materials

Some banks, brokers and other nominee record holders may be participating in the practice of householding proxy statements and annual reports. This means that only one copy of our proxy statement and annual report to shareholders may have been sent to multiple shareholders in your household. We will promptly deliver a separate copy of either document to you if you contact us at the following address or telephone number: Investor Relations Department, Analog Devices, Inc., One Technology Way, Norwood, Massachusetts 02062, telephone: 781-461-3282. If you want to receive separate copies of the proxy statement or annual report to shareholders in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker, or other nominee record holder, or you may contact us at the above address, telephone number or email address.

Table of Contents**Security Ownership of Certain Beneficial Owners and Management**

The following table contains information regarding the beneficial ownership of our common stock as of November 25, 2005 by:

the shareholders we know to beneficially own more than 5% of our outstanding common stock;

each director;

each executive officer named in the Summary Compensation Table included in this proxy statement; and

all of our directors and executive officers as a group.

Name and Address of Beneficial Owner(1)	Number of	+	Shares	=	Total	Percent
	Shares		Acquirable		Beneficial	of
	Beneficially		Within		Ownership	Common
	Owned(2)		60			Stock
			Days(3)			Beneficially
						Owned(4)
<i>5% Shareholders:</i>						
Capital Research and Management Company(5) 333 South Hope Street, 55th Floor Los Angeles, California 90071	38,181,666		0		38,181,666	10.2%
FMR Corp.(6) 82 Devonshire Street Boston, Massachusetts 02109	39,982,058		0		39,982,058	10.7%
T. Rowe Price Associates, Inc.(7) 100 East Pratt Street Baltimore, Maryland 21202	26,078,987		0		26,078,987	7.0%
<i>Directors and Executive Officers:</i>						
James A. Champy	6,666		24,667		31,333	*
John L. Doyle	12,028		146,300		158,328	