

Linear Tech F2Q Revenue Light, Bookings Improve

| LLTC | | <i>Linear Technology</i> | |
|-------------|--------|--------------------------|----------|
| Qtr: | F2Q | Grade: | <i>D</i> |
| Rev: | 305.3 | Rev: | -8.9% |
| GM: | 75.0% | EPS: | +++ |
| EPS: | \$0.44 | Fcst: | -- |
| | | Growth(qtr-qtr) | |
| | | Rev: | -8.9% |
| | | Fcst: | +1+4% |
| | | Div: | \$0.26 |

Linear Technology (LLTC, \$35.55 -0.24, Rated 'Not Compelling/Hold')

LLTC F2Q Earnings: LLTC released F2Q earnings after the close yesterday and will be holding a conference call today at 11:30am ET. Reported revenue and guidance missed expectations, although earnings exceeded the high-end of the range of published expectations. While I am not surprised to see revenue weakness, I consider expectations for sequential growth this quarter and its recent recovery in bookings to be unexpectedly encouraging.

From the press release: "As we reported at this time last quarter, we expected a difficult second fiscal quarter given the tough economic climate existing domestically and globally. Revenue declined 9% compared to the preceding quarter. This was within our guidance, though at the low end, as bookings continued to be weak throughout the first two months of the quarter. Though we were disappointed in the revenue decline, we are encouraged that we saw stronger bookings momentum exiting the quarter and this improvement has continued through the early stage of the current quarter. Innovation is prevalent in our end markets and our product positioning is strong. Based upon our current bookings rate, and assuming business confidence improves, we expect to resume moderate revenue growth."

QLGC preannounced upside early yesterday with 4Q revenue slightly above the high-end of original guidance, and TSMC will be reporting 4Q earnings in Taiwan very late tonight.

| LEGEND | | Grade | |
|---------------|---|--------------|------------|
| +++ | exceeded the high-end of the range | A | all +++ |
| ++ | above consensus, within the high-end of the range | B | all + |
| + | slightly above consensus | C | all o/+ |
| o | met consensus | D | mixed -o/+ |
| - | slightly below consensus | E | all o/- |
| -- | missed consensus, within the low-end of the range | F | all - |
| --- | missed the low-end of the range | | |

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