How do we measure success?
Corporate Profile: Founded in 1981, Integrated Device Technology, Inc. (IDT) today is a leading provider of value-added communications ICs. Our silicon solutions are designed into a wide range of products for the world’s converging voice, data and wireless networks. World-class communications companies choose our ICs to boost their time to market and meet rigorous demands for increased network bandwidth and intelligence. IDT products include a broad selection of FIFOs and multi-ports; communications application-specific products (ASSPs), such as communications processors, IP co-processors, TSI/TDM switches, high-speed physical interfaces (PHYs), SARs, and ATM switches; and a range of clock management, high-performance logic, and high-speed SRAM solutions.

IDT is headquartered in Santa Clara, California with manufacturing, design and sales locations in more than 50 countries throughout the world. Our stock is traded on the Nasdaq market under the symbol "IDTI."

—Jerry Taylor, President and CEO
Fiscal 2001 was an extraordinary year for IDT. We achieved record revenue and net income, and greatly enhanced our product portfolio. At the same time, we kept tight control over operating costs and dramatically strengthened our balance sheet—increasing our cash and investments by almost $400 million.

Market conditions changed significantly during our fourth fiscal quarter, however, with a slowing of end-market demand and the beginning of an industry-wide inventory correction. While the business environment entering fiscal 2002 presents significant challenges, we strongly believe IDT has the right business strategy, products, customers, and operating infrastructure in place to achieve long-term success. We entered fiscal 2002 with a very strong balance sheet, and continue to actively pursue design activities in all of our market segments worldwide.

More than two years ago, we put a strategy in place to focus on our core business — providing value-added products for the communications market. We set out to aggressively drive new product execution and leverage our existing manufacturing infrastructure. This strategy has positioned us well to weather difficult business conditions going into fiscal 2002, and to accelerate our financial performance when the market recovers.

IDT is becoming a stronger, more focused communications IC company, with upward of 80 percent of our revenue now generated by products sold to the world’s leading communications and storage area network companies.
Financial Highlights
For the year ended on April 1, 2001, we reported revenue of $991.8 million, up 41 percent from last year. On an operating basis*, net income for fiscal 2001 rose 214 percent, from $95.8 million last year to $301.0 million this year. We delivered earnings of $2.73 per diluted share compared with $0.97 per diluted share in fiscal 2000. As our revenue has climbed, our sales, general and administrative (SG&A) spending has remained relatively flat on an operating basis — a key accomplishment.

During the year, on an operating basis, our gross margin was approximately 59 percent, operating margin was approximately 34 percent, and net income before taxes was nearly 38 percent. Despite increasingly difficult industry conditions during the fourth quarter, the Company’s cash and investments, excluding equity investments, continued to grow to more than $820 million, even after considering the $36 million we spent repurchasing shares of IDT’s common stock during the quarter. As of the end of April 2001, we had repurchased a total of approximately 2.7 million shares.

We believe that these results point to the strength of our business model and demonstrate its potential to deliver outstanding financial performance.

Expanding Communications Product Portfolio
Recognizing that new products are the lifeblood of our business, we continued to extend our core competencies in product development in several emerging areas — telecommunications products, integrated communications processors, IP co-processors, and timing and clock management devices. At the same time, we strengthened our leadership positions in FIFOs and multi-ports.

During the year, we introduced a number of significant communications-specific products:

- We introduced an IP co-processor for Cisco’s Catalyst® family of multi-layer switches, and quickly grew sales to $20 million for the fiscal year. We are currently shipping this custom IP co-processor, which is one of the industry’s fastest products combining content addressable memory (CAM) technology with specialized logic and a high-speed control interface. At the end of April 2001, we launched a family of commercially available IP co-processor products.

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* Net income, gross margin and diluted earnings per share are presented on an operating basis. Operating basis information excludes equity-investment gains and losses, principally associated with the Company’s investment in PMC-Sierra, Inc., and other special charges and gains.
• We unveiled the RC32332 and RC32334 integrated processors and have secured numerous design wins including LAN switches and integrated access devices from leading communications customers. We further strengthened this family of products shortly after the close of fiscal 2001, introducing the RC32355 processor to target embedded network applications by integrating key communications functions such as Ethernet, ATM and TDM.

• We expanded our presence in the telecommunications market with a new family of time slot interchange (TSI) switch products, targeting emerging voice-over-IP solutions. IDT shipped first production revenue of these products in the first quarter of fiscal 2001 and plans to continue to expand its family of telecommunications products in fiscal 2002.

• We continued to strengthen our leadership position in multi-port products with the industry’s fastest and highest-density dual-ports. IDT is shipping 9-Mbit bank-switchable dual-ports and 4-Mbit true dual-ports at speeds of up to 166 MHz for customers such as Ericsson and Siemens. These products are meeting the needs of 3G base stations, high-speed switching applications and storage area networks.

• We also expanded our clock offerings for communications systems with the introduction of the Zero Delay PLL and TurboClock® product families, including TurboClock Plus and TurboClock II devices. In today’s high-speed telecommunications, networking and storage area network markets, these products are greatly assisting board designers in solving clock distribution problems. Clock management products have become a significant portion of IDT’s timing and logic business.

“More than two years ago, we put a strategy in place to focus on our core business—providing value-added products for the communications market.”
An Increasingly Global Market Our design-win activity continued at a rapid pace throughout the world. As demand re-accelerates in the markets we serve, we believe that IDT will emerge as an even stronger player.

During the year, we continued to report solid growth in all of our international markets — including Asia Pacific, Europe and Japan. In particular, we believe there is exceptional growth potential in China.

Just after the year closed, we announced our acquisition of Newave Semiconductor Corporation, a telecommunications IC provider with design operations based in Shanghai, China. This acquisition gives IDT a more complete telecommunications product portfolio, including voice processing ICs and transport ICs. When combined with our own TSI family of digital switching products, the acquisition strengthens our ability to respond to the increased rapid demand for telecommunications ICs worldwide.

Newave’s design center is located in the heart of China’s rapidly growing technology corridor. According to the Semiconductor Industry Association, the Asia Pacific region is the world’s fastest-growing chip market, having grown more than 46 percent in 2000.

Looking Forward As IDT faces today’s market, we are prepared to weather the downturn and accelerate our performance when the market recovers. The business model we put in place more than two years ago provides the flexibility to meet changing economic conditions and emerge in a stronger competitive position when the industry improves. Our continued focus on product development and execution of both existing product families as well as new families of communications ICs has resulted in a tremendous pipeline of new design wins at our customers. These new designs position IDT well for recovery as the market returns to growth. The right markets, the right products, a strong infrastructure and top-tier performance. That’s how we measure success at IDT.

“Design-win activity continued at a rapid pace throughout the world.”

Jerry G. Taylor, President and Chief Executive Officer
How does Mark Baumann measure success?

“Meeting customers’ unique market requirements.”
“No product in our portfolio better exemplifies our ability to quickly meet customers’ fast-evolving requirements than our IP co-processor. Network switches and routers face an ever more complex job forwarding and classifying the onslaught of voice, video and data traffic hitting today’s networks. Our IP co-processors, initially designed for Cisco’s Catalyst family of switches and now offered as standard products, accelerate packet forwarding and classification, ultimately enabling our customers’ switches to provide a higher-bandwidth, more intelligent switching solution. Given our expertise, we were able to design, build, and ship our first custom IP co-processor in roughly 15 months, greatly exceeding market expectations.” — Mark Baumann, Director of Engineering, Systems Technology Group

Meeting Today’s Biggest Communications Demand: Smart Bandwidth

The need for smarter and faster network bandwidth is driving a whole new market for silicon solutions. As voice and video begin flowing over Internet protocol (IP) networks, communications products must be able to quickly classify the type of packet and then forward it at the right time, with the right priority, to the right end point. These complex classification and forwarding processes require silicon products that support much greater network bandwidth and intelligence.

At IDT, we are uniquely well positioned to meet these needs. The communications market has entered an era where expertise in integrating complex, high-performance memory and logic is critical to delivering next-generation products. We have nearly 20 years of experience integrating processor, logic and advanced memory technologies into silicon solutions. Today, we are leveraging our technology and integration expertise, our process and manufacturing resources, and our global design talent to deliver high-value silicon solutions to the companies building the world’s global network infrastructure. Targeting enterprise/carrier-class, wireless and access networks — the three core communications infrastructure markets — our products speed our customers’ time to market and enhance network performance, bandwidth and quality of service.

IDT Worldwide Design Centers:

- Atlanta
- Dallas
- Santa Clara
- Shanghai
- Sydney

More Than 200 Design Engineers Worldwide
How does Mario Montana measure success?

“Delivering true value-added solutions.”
“Our strategy as a company is straightforward. We work closely with both world-class enterprises and dynamic young companies to identify communications market needs that remain unmet. We then focus on those needs that leverage our unique strength in integrating core switching, processor and advanced memory technologies. Our goal is to be a top-tier player in every market that we serve. Our SuperSync™ II family of FIFOs showcases our value-added product strategy. Today, we have more than 65 percent share of the FIFO market and the world’s broadest FIFO product portfolio.”

— Mario Montana, Product Line Director, Telecommunications and FIFO Products

IDT’s Share of the FIFO and Multi-port Markets is More Than 65%*

Focusing on Proprietary, Value-Added Products

For more than two decades, IDT has been providing semiconductor solutions to leading technology manufacturers. Increasingly, we have focused our resources and talent on the communications sector. Today, we are a leading provider of proprietary, high value-added communications ICs. Accordingly, our product portfolio comprises a growing foundation of communications-specific semiconductors and solutions that provide unique value and present significant barriers to entry by competitors.

In 2000, we introduced our first integrated processors. These powerful ASSPs, currently used by leading communications companies, are designed for managed LAN switches, xDSL gateways, SOHO routers and integrated access devices. Following the successful launch of our custom IP co-processor for Cisco, we’ve unveiled a family of IP co-processor standard products. We also continue to strengthen our leadership in multi-port products for high-speed switching applications. And we have expanded our proprietary family of clock offerings. Together, these families of products and solutions comprise a high-value, high-growth portfolio that is the foundation of our ongoing success.

500 Design Wins on the SuperSync II FIFO Since 1999 Introduction

*Source: Insight Onsite and IDT
How does Goran Andersson measure success?

“Cultivating partnerships and building strong relationships.”
“When you transition from a strategy based on commodity products to one focused on high-value solutions, your entire operating infrastructure must also evolve. That is exactly what has happened with IDT in the past several years. To deliver specialized communications products, we must build strong and lasting relationships with our customers in order to fully understand their unique system requirements.

We must also engage much earlier in their design cycles, and aggressively execute well-defined product roadmaps. On each of these fronts we’ve made extraordinary progress and now count a majority of the world’s top communications companies as our customers.” — Goran Andersson, Director of North American Sales

Building a Rock-Solid Operating Infrastructure  

The success of our product portfolio is the most dramatic sign of the transformation underway at IDT. Underlying this success is an operating structure that combines aggressive product development, sales and customer support capabilities with an efficient manufacturing strategy and highly disciplined financial execution. Our design resources have increased significantly in the last couple of years, and we now have design centers in Atlanta, Georgia; Dallas, Texas; Santa Clara, California; Sydney, Australia; and — with the acquisition of Newave Semiconductor in April 2001 — Shanghai, China. The Newave acquisition not only adds design engineers with analog and mixed-signal experience to our team, but also expands our presence in Asia Pacific and significantly broadens our telecommunications product portfolio.

By optimizing our existing manufacturing resources and executing on a very lean and disciplined financial model, we have the resources to identify market opportunities and move quickly to develop solutions — either through internal capabilities and/or through collaborations and acquisitions. As a result, our design activity continues at a strong pace in all of our market segments throughout the world.

Leading Communications Customers:

- Alcatel
- Cisco
- EMC
- Ericsson
- Fujitsu
- Lucent
- NEC
- Nokia
- Nortel
- Siemens

Revenue and SG&A Spending

- Revenue
- SG&A

Goran Andersson, Director of North American Sales
How does Mike Sullivan measure success?

“Setting world-class goals and having the focus to execute.”
Achieving Top-Tier Performance  Fiscal 2001 was a great year for IDT. On virtually every metric that we use to gauge our business, we performed at top-tier levels: revenue, net income, operating margin, cash flow, gross margins, product design wins, supplier recognition, and many more. As we successfully transition to high value-added communications products, our goal is to focus on only those markets where we can achieve top performance. We’ve made significant progress. In the FIFO and multi-port segments, we’ve achieved more than 65 percent market share. We’re also a leader in the emerging market for IP co-processors, and are a top provider of high-end clock management solutions. Despite the impact of slow end-market demand and an industry-wide inventory correction, we believe the strategy we set in place more than two years ago has placed IDT in a strong, long-term position. We are focusing our business strategy, driving new value-added product execution, controlling our costs, and leveraging our existing manufacturing assets. Working closely with our customers, our goal is to play a decisive role in building the next generation of the global communications infrastructure.

"Good products in high-growth markets. This is the fundamental measure of a top-tier company. But when evaluating the viability and value of a company over the long term, financial fundamentals are critical. How much cash does a company generate? How does it choose which projects and products to invest in? How prepared is the company for the inevitable industry downturns? IDT has successfully targeted high-growth markets with specialized communications ICs. Equally important, we’ve executed against a highly structured financial model that gives us excellent leverage in industry growth cycles, and the resources and discipline to weather the industry retractions." — Mike Sullivan, Director of Financial Planning and Analysis

Named #1 Supplier
By NEC and Nokia

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Earnings Per Share
(Excludes special items)
## Selected Financial Data

### Statements of Operations Data:

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<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>$ 991,789</td>
<td>$ 701,722</td>
<td>$ 601,017</td>
<td>$ 649,827</td>
<td>$ 581,901</td>
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<tr>
<td><strong>Cost of revenues</strong></td>
<td>406,450</td>
<td>364,832</td>
<td>392,748</td>
<td>404,364</td>
<td>355,894</td>
</tr>
<tr>
<td><strong>Restructuring, asset impairment and other</strong></td>
<td>-</td>
<td>(4,726)</td>
<td>204,244</td>
<td>-</td>
<td>45,223</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>585,339</td>
<td>341,616</td>
<td>4,025</td>
<td>245,463</td>
<td>180,784</td>
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<tr>
<td><strong>Research and development expenses</strong></td>
<td>128,749</td>
<td>108,009</td>
<td>143,355</td>
<td>130,730</td>
<td>158,402</td>
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<tr>
<td><strong>Gain on equity investments, net</strong></td>
<td>86,994</td>
<td>11,335</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>415,203</td>
<td>130,611</td>
<td>(298,939)</td>
<td>8,457</td>
<td>(43,582)</td>
</tr>
<tr>
<td><strong>Net income (loss) per share</strong></td>
<td>3.76</td>
<td>1.32</td>
<td>(3.42)</td>
<td>0.10</td>
<td>(0.53)</td>
</tr>
<tr>
<td><strong>Weighted average diluted shares outstanding</strong></td>
<td>110,287</td>
<td>99,002</td>
<td>87,397</td>
<td>88,871</td>
<td>82,252</td>
</tr>
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### Other Data:

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<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>1,470,401</td>
<td>1,162,182</td>
<td>741,847</td>
<td>1,038,787</td>
<td>956,105</td>
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<tr>
<td><strong>Cash, cash equivalents and non-equity investments</strong></td>
<td>821,092</td>
<td>422,045</td>
<td>201,114</td>
<td>233,654</td>
<td>198,229</td>
</tr>
<tr>
<td><strong>Net property, plant and equipment</strong></td>
<td>284,702</td>
<td>260,107</td>
<td>299,235</td>
<td>498,299</td>
<td>442,296</td>
</tr>
<tr>
<td><strong>Additions to property, plant and equipment</strong></td>
<td>116,195</td>
<td>84,489</td>
<td>111,867</td>
<td>167,546</td>
<td>196,043</td>
</tr>
<tr>
<td><strong>Convertible subordinated notes, net of issuance costs</strong></td>
<td>-</td>
<td>179,550</td>
<td>184,354</td>
<td>183,756</td>
<td>183,157</td>
</tr>
<tr>
<td><strong>Other long term obligations</strong></td>
<td>76,018</td>
<td>92,172</td>
<td>78,022</td>
<td>86,929</td>
<td>65,387</td>
</tr>
<tr>
<td><strong>Stockholders’ equity</strong></td>
<td>1,139,897</td>
<td>681,151</td>
<td>299,326</td>
<td>590,028</td>
<td>554,583</td>
</tr>
</tbody>
</table>

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Certain amounts for fiscal 1997-1999 have been restated as a result of a pooling-of-interests merger.

The selected, condensed financial information presented above is intended as a convenient reference. For a full explanation of our financial position, results of operations, cash flows, and changes in stockholders’ equity, please see our Annual Report on Form 10-K, which also provides other important information, such as a detailed description of risk factors.
Directors
Federico Faggin
Chairman of the Board
Chairman, Synaptics, Inc.
Jerry G. Taylor
President and Chief Executive Officer
John C. Bolger
Investor
Ken Kannappan
President and CEO, Plantronics, Inc.
John Schofield
President and CEO, Advanced Fibre Communications, Inc.

Executive Officers
Jerry G. Taylor
President and Chief Executive Officer
Dave Côté
Vice President, Communications ASSPs and Worldwide Marketing
Bill Franciscovich
Vice President, Worldwide Sales
Mike Hunter
Vice President, Worldwide Manufacturing
Alan Krock
Vice President and Chief Financial Officer

Jimmy J. M. Lee
Vice President, Logic, FIFO and Telecommunications Products
Chuen-Der Lien
Vice President and Chief Technical Officer
Christopher P. Schott
Vice President, IP Co-Processors, SRAM and Multi-Port Products

Officers
Brian Boisserée
Vice President, Finance
Phil A. Bourekas
Vice President, Internetworking Products
William G. C. Cowing
Vice President, European Sales
Gary Dean
Vice President, Materials
Jerry Fielder
Vice President, Administration and Human Resources and Secretary
Anne T. Katz
Vice President, Assembly and Test Operations
Rick Kepple
Vice President, Strategic Marketing
John R. Mick
Vice President and General Manager, Dallas Design Center

Michael Miller
Vice President, Engineering, Systems Technology Group
Mika Murakami
Treasurer
Dave Neu
Vice President, Information Technology
John R. Payne
Vice President, Far Eastern Operations
James R. Shih
Vice President, Quality and Reliability
Howard Yang
Vice President and General Manager, IDT-Newave (China)
Except for historical information, matters discussed in this Corporate Report are forward-looking statements that are based on management’s estimates, projections and assumptions as of the date hereof. Risks and uncertainties that may cause actual results to differ materially include, but are not limited to: operating results, new product introductions and sales, competitive conditions, manufacturing capacity utilization, customer demand and inventory levels, intellectual property issues and other risks as described in our filings with the Securities and Exchange Commission (SEC), including Form 10-K.

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Independent Accountants
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San Jose, California

Registrar/Transfer Agent
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Providence, Rhode Island
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781-575-3120
www.equiserve.com

Stock Market
Stock Symbol: IDTI
Nasdaq National Market®

Form 10-K
A copy of the Company’s Annual Report on Form 10-K can be obtained by contacting:
Investor Relations
Integrated Device Technology, Inc.
2975 Stender Way
Santa Clara, California 95054
ir@idt.com

All documents filed with the SEC are accessible through the Company’s investor relations Web site at www.idt.com.

Electronic Access
Web site: www.idt.com
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