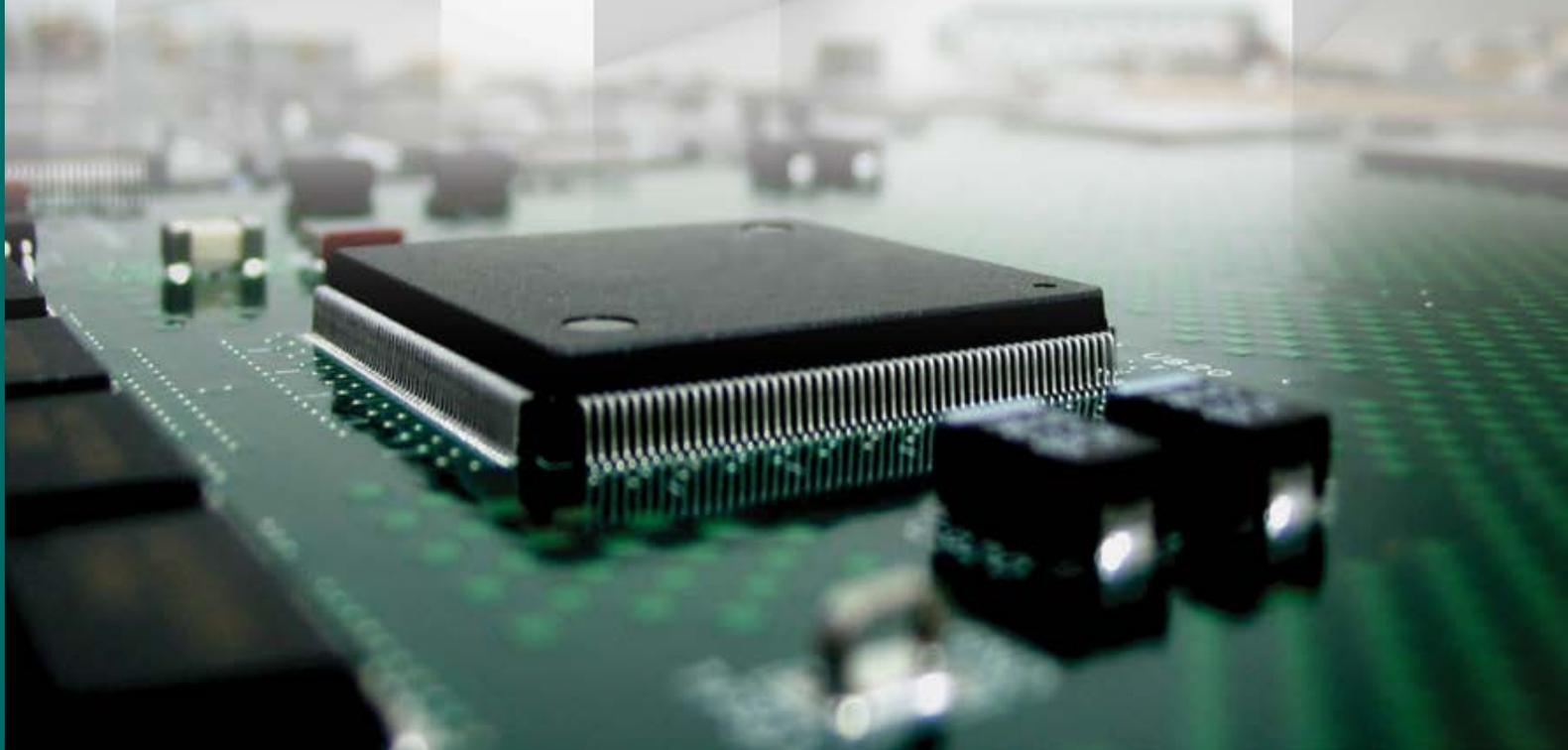


strength from *every* angle

the right **time** | *the right* **markets** | *the right* **products**



SEMTECH



2013 financial highlights



* FY2010 EPS impacted by transaction related costs, primarily a one-time tax expense related to the Sierra Monolithics, Inc. acquisition.

Balance Sheet Data (in thousands)

	FY2009	FY2010	FY2011	FY2012	FY2013
Cash, cash equivalents and investments	\$258,815	\$162,223	\$258,342	\$327,665	\$ 236,072
Working capital	\$279,887	\$146,086	\$259,873	\$360,330	\$ 248,311
Total assets	\$420,795	\$514,294	\$659,943	\$726,321	\$1,171,013
Long-term debt -less current	—	—	—	—	\$ 282,286
Other long-term liabilities	\$ 8,960	\$ 35,173	\$ 37,503	\$ 29,151	\$ 34,177
Total stockholders' equity	\$378,020	\$405,741	\$528,615	\$630,188	\$ 694,826

Whether we're staying connected with friends and family via social networking, collaborating with clients and colleagues via web conferencing, or navigating our way through town using dashboard GPS devices, our lives have been transformed by, and inextricably linked to, information technology. This increasing reliance on information technology in every aspect of our lives has manifested into three major trends driving growth in the semiconductor industry—first, the explosive growth in global demand for network **bandwidth**; second, the ongoing need for **miniaturization** in electronics; and third, the heightened focus on **green technologies**.

The rapid rise in the use of personal devices like tablets, smartphones, and eReaders to provide continuous access to the Internet and to exchange higher bit-rate content, like streaming video and real-time gaming, is creating major bottlenecks in networking infrastructure. In addition, businesses are increasingly migrating to “the cloud,” putting additional pressure on network infrastructure and bandwidth. The industry-wide transition from Standard Definition to High Definition video and other next-generation broadcast video systems is further taxing the networking infrastructure. Semtech's high-performance and high-quality analog and mixed-signal semiconductor platforms are integral components of the electronic devices used in some of the most innovative products, systems, and infrastructure equipment enabling broadband communications today.

Electronics are continually becoming miniaturized as consumers and businesses demand electronic devices that are smaller, faster, energy efficient, and more portable while providing greater functionality. Smaller chip size correlates to reduced internally integrated ESD (Electrostatic Discharge) protection, thus creating a compelling market for our external ESD protection ICs. Semtech leads the industry with some of the smallest form factors combined with the highest performance and most reliable ESD protection.

Global energy issues are driving a need for greater

efficiency and forcing technology companies to develop systems that incorporate smarter power concepts. This growing demand for improving energy efficiency is creating attractive market opportunities for Semtech. Our power management products require less energy to run and facilitate efficient energy usage in the products they power. Our products sense when devices are not in use and will power down to “sleep” mode and quickly start up again when needed, reducing energy waste and extending battery life. Our wireless and sensing products sense ambient light, temperatures, movement and other factors to help automate and efficiently manage energy usage in lighting systems, security systems, and other industrial and home automation applications.

Semtech is addressing these key trends in multiple end markets with solutions distinguished by ultra-low power consumption, small form factor, a high degree of integration and highly complex analog performance. Our solutions can be found in today's sophisticated consumer electronics, enterprise computing applications, wired and wireless communications infrastructure, home and industrial automation applications, medical equipment, and automotive applications. We are becoming ubiquitous in the new media driven electronics world, and chances are that any video watched by a consumer today has passed through several Semtech devices.

Bandwidth Expansion

While today's mobile communications devices provide continuous access to the Internet, their higher bit-rate content creates bottlenecks in networking infrastructure. The solution comes with Semtech's high-performance and high-quality analog and mixed-signal semiconductor platforms. They have become integral components of the electronic devices that are used in some of today's most innovative products, systems, and infrastructure equipment.

A smiling man with his arms crossed in a modern architectural setting. The man is wearing a light blue button-down shirt. The background features geometric shapes and a bright, airy atmosphere.

innovation



A culture of innovation

Semtech drives innovation by fostering an engineering rich culture—more than half of Semtech’s salaried employees are engineers. With such a large percentage of engineers, Semtech is well-positioned to design and develop new products that provide our customers the added value and innovation they need to be successful. This is no accident: our ability to generate breakthrough ideas is founded on a company-wide commitment to innovation. At Semtech, we recognize that there is no magic formula for accomplishing this. It requires in-house visionaries and business leaders committed to exploring ways of making innovation a day-to-day reality.

With more than 50 years of experience, Semtech has established long-term collaborative relationships with our customers. Our engineers have an in-depth understanding of our customers’ business needs and are thus able to design innovative solutions to help them succeed.

Innovation is about more than ideas; it is also about execution. The Semtech Innovation Process is driven by the leadership of senior executives who provide informed commitment, guidance and inspiration while ensuring our R&D efforts remain aligned with overall company goals. It requires our team’s continual reinvention of the development process—a willingness to continually change in order to enhance experimentation and risk-taking (and to reward innovative breakthroughs). Semtech is committed to building

individual competencies to improve innovation-readiness and creative thinking skills. Finally, it is also about the entire team, not just the leaders. Semtech works hard to increase cross-functional collaboration and knowledge sharing.

This culture of innovation has provided the industry leadership and competitive differentiation that has grown our business over the last half century. It has made us the leader in advanced analog and mixed signal architecture through our world-class engineering capability. Our proprietary platforms, differentiated by innovation, size, efficiency, performance and reach, are used in some of the most innovative systems and products in the market today.

This innovation has established Semtech as an industry leader in many areas: we deliver the only merchant solution for 40 Gbps and 100 Gbps serdes platforms for high-speed optical networking; we are the sole provider of clock and data recovery technology in Thunderbolt cables; we offer the longest-range radio frequency technology for automated meter reading; we ensure the highest level of ESD protection capability; and we provide the longest distance touch sensing capability.

Miniaturization

Consumers increasingly demand sophisticated portable devices in smaller packages that are more mobile, consume less power and provide more functionality. Their smaller chip size requires reduced internally integrated ESD protection, demanding Semtech's external ESD protection ICs, with the smallest form factors, highest performance and most reliable ESD protection available.



convergence



A **convergence** of timing, markets and products

Semtech has the good fortune of being in the right place at the right time with the right products—a happy convergence of timing, markets and products that is no accident. The company's analog and mixed signal semiconductor platforms are integral components of the electronic devices that have become so commonplace in modern consumer and business life.

Semtech's products are integral to some of the most innovative systems and fastest growing markets in the industry. Wireless technologies in homes and industries align with Semtech's innovative low-power, long-range wireless RF capabilities targeted at Smart Metering and Smart Lighting solutions. Power management platforms enable office equipment and household appliance manufacturers to meet stringent ENERGY STAR® specifications.

The high-end consumer market is increasingly sophisticated, mobile and integrated. The growth in smartphones, tablets, HD televisions, gaming devices and set-top boxes provides ample growth opportunities for Semtech's protection, power management, wireless, and touch sensing products. The accelerating transition from Standard Definition to High Definition video and other next-generation broadcast video systems requires both advanced technology within the devices, and also in the networking infrastructure.

Consumer demand for faster and more reliable communications networks is met by a host of Semtech solutions: our 40 Gbps and 100 Gbps platforms provide the fastest signal speeds in optical networks, our timing synchronization platforms facilitate new backhaul infrastructure, our CDR technology in Thunderbolt cables enable the fastest download of content for personal computing devices, and our new microwave platforms enable point-to-point communications. We also deliver the most advanced protection and power management for networking equipment.

The computer industry depends on Semtech's smart power management to maximize energy efficiency and reduce end user costs for servers, workstations, notebooks, computer gaming systems, printers and copiers.

In addition, our extremely small form factor power and protection devices are ideally suited for the latest generation of mobile devices.

Manufacturers of mobile communication devices rely on Semtech's protection platforms for high-speed, low-voltage interfaces that require the highest ESD protection. These platforms are ultra-small and thin and protect virtually all ports in mobile electronic devices. Semtech also provides the most advanced lightning protection platforms for telecommunications and networking equipment.

On the larger communications network front, Semtech provides telecommunications equipment manufacturers the highest-performance 40 Gbps and 100 Gbps SerDes platforms (1 Gbps to 26 Gbps platforms for the access and metro markets), timing synchronization platforms, and advanced microwave platforms to enable communications within buildings, between cities and around the globe.

Semtech broadcast video and surveillance products are an integral part of our customers' video production workflow and also provide a smooth transition from Standard Definition to High Definition video and other next-generation broadcast video systems. In the video surveillance market, our video surveillance products enable customers to upgrade their standard definition systems to full digital HDcctv platforms.

Semtech's innovative power management platforms allow customers to develop highly efficient applications for a broad range of devices and are optimized for extremely space-constrained devices to extend battery life, reduce overall energy consumption, and minimize waste.

Our ultra-low-power, long-range sub-GHz, RF technology enables the replacement of power-hungry wired systems with smart wireless systems and inefficient lighting with smarter automated systems. Semtech's products provide critical functionality for wireless alarm systems, remote keyless entry systems, smart gas meters, water meters and temperature sensors, simplifying everyday life for millions of consumers and businesses.



Green Technology

The global greening of technology requires smarter power concepts, creating growing demand for Semtech's power management products, which facilitate efficient energy usage and require less energy. They are critical components of numerous consumer, computing and communications devices, lighting and security systems, and other industrial and home automation applications that benefit from reduced energy waste and extended battery life.

relationships



Established and trusted **relationships** *with* our customers

A major component of Semtech's competitive advantage is our customer relationships, which drive innovation and the ultimate success of our enterprise. Strong customer relationships are any company's best competitive advantage and the lifeblood of any business, and Semtech's relationships are world-class. It starts with communication—answering our customers' concerns and needs and listening to them. It's about delivering on our commitments—always. It's about trust. It's about helping beyond their immediate requirements and about giving our customers more than they ask. It's about knowing our customers' businesses as well as they do and anticipating their needs.

In other words, it's about being a committed partner in their success.

We at Semtech are proud of our track record in helping our customers bring innovative technology to the marketplace. Our strategy gives customers the differentiated performance they need, while reducing their costs and negative impact on the planet. Our design teams partner with our client development team to optimize technologies for efficient performance and manufacturing effectiveness. It's all about Semtech's unique ability to create tremendous value for customers.

We have many programs and processes that guarantee our partners' success, including a rock solid quality control process. This includes a formal Quality Control pledge that provides innovative and technically superior products and services that meet or exceed their expectations. We are dedicated to continuously improving our organizational performance and capabilities to achieve the lowest cost of ownership for our customers and suppliers.

Not least important is the Semtech Reliability Assurance team, which establishes qualification systems that guarantee the quality and reliability of our products, processes, and suppliers. It can become part of our client's development effort. A primary value of the team is its ability, in partnership with our customer, to establish a proactive presence early in the product development cycle and provide feedback regarding the performance of Semtech's products and processes for early design considerations. This helps make the ultimate success of our customer's design more certain.

The value of this process was demonstrated when one of our key customers was experiencing Electrical Overstress (EOS) failures on high-speed video lines and turned to us for help. The Semtech team quickly took action to identify the cause of the failures. We determined that charging an external video cable was resulting in a high potential difference between the cable and the equipment's PCB (Printed Circuit Board) and that this was causing high energy surges during cable insertion. The magnitude of the surges was beyond the capability of the on-board IC protection circuitry, resulting in catastrophic failure of the video IC. Our protection products application team used state-of-the-art Transmission Line Pulse (TLP) and Electrostatic Discharge (ESD) scanning analysis to isolate the failure site and recommend a suitable solution that would not interfere with normal circuit operation. As a result, failures were virtually eliminated.

Letter to our **shareholders**

Fiscal year 2013 was another record year for Semtech with revenue growth of 20%, surpassing that of our industry and peers. During the year we generated \$579 million in revenue, \$102 million in operating cash flow, and ended the year with \$236 million in cash and investments. In addition to generating record revenue, we achieved record gross profit, record bookings, and a record number of design wins.

In fiscal year 2013 we acquired Gennum Corporation, the largest acquisition in company history. Gennum gives us entry into lucrative growth markets such as passive optical networks, storage networks, data centers, high definition video surveillance and ultra-high-definition broadcast video. Gennum's optical products, together with our existing advanced communications platforms, enable us to deliver the highest performance, lowest power and broadest range of 1 Gbps, 10 Gbps, 40 Gbps and 100 Gbps SerDes, CDRs, and physical media device platforms to the long-haul telecommunications market and the shorter-reach metro and access data communications markets.

Semtech continues to be one of the fastest growing diversified analog companies in the industry. Our end market and geographical balance, in conjunction with our close customer relationships, has enabled us to balance exciting growth with downside risk mitigation in recessionary environments. We believe our ability to outgrow the market arises from our strategy of selectively targeting the fastest growing segments in our industry while exiting mature segments that are commoditizing.

In the consumer end market, we are positioned to benefit from the continued growth in smartphones, tablets, LCD TVs, set top boxes and Thunderbolt cables. In communications, Semtech provides industry-leading products in many segments facilitating the global build-out of high-bandwidth infrastructure. In the enterprise computing space, we provide critical solutions to the cloud computing and storage networking markets. And industrial customers increasingly turn to Semtech to solve their needs in smart lighting, energy management, home automation, security systems, and automotive.

For fiscal year 2014, our financial goals are to grow revenue faster than the industry, drive non-GAAP operating margin toward the midpoint of our target range of 25% to 30%, generate free cash flow in our target range of 20% to 25% of revenue, and pay down our debt.

I am very excited by the opportunities that lie ahead for Semtech and believe we have the growth engines in place to drive toward our long-term goal of \$1 billion in annual revenue. Thank you for your confidence and loyalty.



Mohan Maheswaran

President and Chief Executive Officer

corporate information

SEMTECH LEADERSHIP TEAM

Mohan Maheswaran

President and Chief Executive Officer

Jean-Paul Bardyn

Chief Technical Officer and Vice President,
R&D, Wireless and Sensing Product Group

Gary Beauchamp

Senior Vice President and General Manager,
Gennum Product Group

Emeka Chukwu

Senior Vice President, Finance and
Chief Financial Officer

Alain Dantec

Senior Vice President and General Manager,
Wireless & Sensing Product Group

Sharon Faltemier

Vice President, Human Resources

Jonathan Hahn

Vice President, Information Technology,
Chief Information Officer

Charles E. Harper

Senior Vice President, Strategy and
Systems Innovation Group

Randall H. Holliday

Senior Vice President, General Counsel
and Secretary

James Kim

Senior Vice President, Worldwide Sales
and Marketing

Jeff Pohlman

Executive Vice President and General
Manager, Protection and Power Management &
High Reliability Product Groups

Asaf Silberstein

Senior Vice President, Worldwide Operations

Sameer Vuyyuru

Senior Vice President and General Manager,
Advanced Communications Product Group

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Executive Vice President, Quality
and Reliability

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Former President and CEO, Attensity, Inc.

Sylvia Summers

Board Member, Headwaters, Inc.
Former Chief Executive Officer, President
and Director, Trident Microsystems, Inc.

TRANSFER AGENT

ComputerShare Trust Company, N.A.
250 Royall St.
Canton, MA 02021
Telephone: 877-868-8019
Web: www.computershare.com/investor

EXCHANGE

NASDAQ

TICKER SYMBOL

SMTC

CORPORATE HEADQUARTERS

200 Flynn Road
Camarillo, CA 93012
Telephone: 805-498-2111

SEMTECH WEBSITE

www.semtech.com

CONTACT WEB E-MAIL

webir@semtech.com

INVESTOR RELATIONS

Telephone: 805-480-2004

FORWARD LOOKING STATEMENTS

Our shareholder letter may contain certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding the Company's financial position and long-term projections and strategy. These forward-looking statements are based on current information and expectations, and are subject to risks and uncertainties discussed in our filings with the Securities and Exchange Commission. The Company's actual results may differ materially from expected results. We undertake no obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.



Semtech Corporation
200 Flynn Road
Camarillo, CA 93012
Phone: 805-498-2111
Web: www.semtech.com

This is a greener annual report.

Semtech Corporation is committed to reducing its impact on the environment. By producing our printed report using paper made from 30 percent (10-K section) and 10 percent (editorial section) post-consumer recycled fiber as opposed to 100 percent virgin wood fiber, we lessened the impact on the environment in the following ways:

8 trees preserved for the future
5,940,480 BTUs of energy conserved
3,563 gallons of water reduced



The 10-K portion of this annual report uses paper with a post-consumer recycled percentage of 30%.