

SEMTECH CORP
Form DEF 14A
May 03, 2004

SCHEDULE 14A

(Rule 14a-101)

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
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- Soliciting Material Pursuant to 14a-12

Semtech Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Semtech Corporation

200 Flynn Road

Camarillo, California 93012-8790

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held June 10, 2004

To our Stockholders:

Notice is hereby given that the Annual Meeting of Stockholders of Semtech Corporation will be held at the Hyatt Westlake Plaza, 880 S. Westlake Boulevard, Westlake Village, California 91361 (Westlake Village Boulevard exit off the 101 Freeway) on Thursday, June 10, 2004 at 1:00 p.m., Pacific Daylight Savings time, for the following purposes:

1. To elect eight Directors to hold office until the next annual meeting or until their successors are duly elected and qualified.
2. To ratify and approve the appointment of Ernst & Young LLP as the independent public accountant for the Company.
3. To transact any other business which may properly come before the Meeting or any adjournment or postponements thereof.

The record date for the determination of the stockholders entitled to notice of and to vote at the Annual Meeting was the close of business on April 23, 2004. Holders of a majority of the outstanding stock must be present in person or by proxy in order for the meeting to be held.

IT IS IMPORTANT THAT YOUR STOCK BE REPRESENTED AT THE MEETING. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, YOU ARE URGED TO COMPLETE, DATE, SIGN AND PROMPTLY RETURN THE ENCLOSED PROXY WHICH MAY BE REVOKED AT ANY TIME PRIOR TO ITS USE. A return envelope is enclosed for your convenience.

This Proxy Statement, proxy and the Company's Annual Report to Stockholders are being mailed on or about May 5, 2004.

By Order of the Board of Directors

Suzanna Fabos

Secretary

April 29, 2004

Camarillo, California

SEMTECH CORPORATION

ANNUAL MEETING OF STOCKHOLDERS

June 10, 2004

PROXY STATEMENT

The Board of Directors (Board) of Semtech Corporation (the Company) 200 Flynn Road, Camarillo, California, 93012-8790, furnishes this Proxy Statement in connection with its solicitation of proxies to be voted at the Annual Meeting of Stockholders to be held at the Hyatt Westlake Plaza, 880 S. Westlake Boulevard, Westlake Village, California 91361 (101 Freeway, exit Westlake Boulevard) on Thursday, June 10, 2004 at 1:00 p.m., Pacific Daylight Savings Time, or at any adjournments or postponements thereof. The Company is paying the cost of this solicitation of proxies. The mailing of proxy materials will commence on or about May 5, 2004.

Here is some important information regarding the Annual Meeting and this Proxy Statement:

What am I voting on?

- (1) To elect eight directors to hold office until the next Annual Meeting or until their successors are duly elected and qualified. The nominees are

Mr. John D. Poe
Mr. Rockell N. Hankin
Mr. Glen M. Antle
Mr. James P. Burra

Mr. Jason L. Carlson
Mr. James T. Lindstrom
Gen. John L. Piotrowski USAF (Ret.)
Mr. James T. Schraith

- (2) To ratify the appointment of Ernst & Young LLP as the independent public accountant for the Company.

Who is entitled to vote?

Stockholders as of the close of business on April 23, 2004 (the Record Date) are entitled to vote and are entitled to attend the Annual Meeting. Each stockholder is entitled to one vote for each share of common stock held on the Record Date. Stockholders do not have the right to cumulate votes.

How do I vote?

Indicate your voting preferences on the proxy, sign and date it, and return it in the prepaid envelope. If you return your signed proxy but do not indicate your voting preferences, we will vote FOR the two proposals on your behalf. You have the right to revoke your proxy any time before

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the meeting by (1) notifying the Company's Secretary, or (2) returning a later-dated proxy. You may also revoke your proxy by voting in person at the meeting.

What does it mean if I get more than one proxy card?

It means you hold shares registered in more than one account. You must return all proxies to ensure that all your shares are voted.

Who will count the vote?

Mellon Investor Services will tabulate the votes and act as inspector of election.

What constitutes a quorum?

A majority of the outstanding shares present or represented by proxy constitutes a quorum for the Annual Meeting. As of the Record Date, 75,381,537 shares of Semtech Corporation common stock were issued and outstanding. Proxies submitted by brokers that do not indicate a vote for some of the proposals because the holders do not have discretionary voting authority and have not received instructions from the beneficial owners on how to vote on those proposals are called broker non-votes. Abstentions and broker non-votes are each included in the determination of shares present and voting, with each tabulated separately. Abstentions are counted in tabulations of votes cast on proposals presented to the stockholders, whereas broker non-votes are not counted for purposes of determining whether a proposal has been approved.

How many votes are needed for approval of each item?

Directors will be elected by a plurality of the votes cast in person or by proxy at the Annual Meeting, meaning the eight nominees receiving the most votes will be elected directors. A stockholder may not cumulate his or her votes for individual directors. The selection of our independent public accountant will be ratified if a majority of the votes present in person or by proxy are voted in favor of the proposal.

What percentages of stock do the directors and officers own?

Together, they own approximately 9.1% of Semtech common stock as of January 25, 2004. See the section titled Beneficial Ownership of Securities .

Who are the largest principal shareholders?

The chart in the section titled Beneficial Ownership of Securities sets forth each owner of greater than 5% of the Company's common stock.

How do I receive additional copies of these proxy materials or obtain a copy of the Company's Bylaws?

Any stockholder desiring additional proxy materials or a copy of the Company's Bylaws should contact Suzanna Fabos, Secretary, Semtech Corporation at (805) 498-2111 or 200 Flynn Road, Camarillo, California 93012-8790.

What are the Board's recommendations?

The Board recommends a vote:

for the election of each of the nominated directors; and,

for ratification of the appointment of Ernst & Young LLP as the Company's independent public accountant for fiscal year 2005.

We undertake to provide upon written request and without charge a copy of the Company's annual report on Form 10-K for the fiscal year ended January 25, 2004, including financial statements and financial statement schedules, to any person whose proxy is solicited by this statement. Written requests should be directed to Suzanna Fabos, Secretary, 200 Flynn Road, Camarillo, California 93012-8790.

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We maintain a website at www.semtech.com. We make available free of charge, either by direct access or a link to the SEC website, our proxy statement, our annual report to stockholders, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after such reports are submitted to the SEC. Our reports filed with, or furnished to, the SEC are also available directly at the SEC's website at www.sec.gov.

The information under the captions "Report of the Compensation Committee," "Report of the Audit Committee," and "Performance Graph" and in Appendix A is not soliciting material, is not deemed filed with the SEC, and is not incorporated by reference in any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

ELECTION OF DIRECTORS

(Proposal No. 1)

Eight directors are to be elected at the Meeting, each to serve until the following annual meeting or until a successor is elected and qualified. Messrs. Poe, Hankin, Antle, Burra, Lindstrom, Piotrowski and Schraith were elected to their present terms of office by the stockholders. The Bylaws of the Company were amended to fix the number of directors at eight and Mr. Carlson joined the Board as of October 6, 2003 by vote of the Board. All of the nominees have consented to be named and have indicated their intent to serve if elected. Unless a proxy directs otherwise, it is intended that the proxies solicited by management will be voted for the election of the nominees listed in the following table. If any nominee should refuse or be unable to serve, the proxyholders will vote the shares for such other person, if any, as shall be designated by the Board of Directors.

THE BOARD RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF THE NOMINEES LISTED BELOW:

NOMINEES FOR DIRECTORS

Name, Age as of June 10, 2004

Principal Occupation, Business Experience and Directorships

John D. Poe

Age 52

Director since 1985

Chairman of the Board

Chairman of the Board of Directors of the Company since March 1998, Chief Executive Officer of the Company from October 1985 to October 2003. Served as President of the Company from October 1985 until November 2002. Owner of Kirschbaum LLC, a private farming company.

Rockell N. Hankin

Age 57

Director since 1988

Vice Chairman of the Board

Chairman, Audit Committee

Vice Chairman of the Board of Directors since March 1998. Chief Executive of Hankin & Co., a diversified business advisory firm, since June 1986. Director of Sparta, Inc. and a number of private companies. Previously Chairman of the Board of House of Fabrics and a Director of Quidel, Inc, Techniclone, Nichols Institute, DDL Electronics and NQLI.

Glen M. Antle

Age 65

Director since 2002

Compensation Committee

Chairman of the Board of Directors of Quickturn Design Systems, Inc., an electronic design automation company, from June 1993 to June 1999. Co-founded ECAD, Inc., now Cadence Design Systems, Inc., and served as Chairman of the Board of Directors 1982-1989. Director of Trident Microsystems, Inc., a company that designs, develops and markets integrated circuits. Director of several private electronics companies.

James P. Burra

Age 61

Director since 1991

Chief Executive Officer of the Endural Division of Hoover Materials Handling Group, Inc. and its predecessor W. D. Adam Co., Inc., a manufacturer of a proprietary line of vacuum formed, high density polyethylene containers, since June 1989. Director of Hoover Group, Inc., the parent of Endural. Director of Earl Scheib, Inc., an operator of retail automobile paint and body shops. Chairman of Phi Delta Theta Educational Foundations. Former Director of

Jason L. Carlson

Age 42

Director since 2003

Joined Semtech in November 2002 as President and Chief Operating Officer; elected Chief Executive Officer in October 2003. Employed by Cirrus Logic, Inc. as Vice President & General Manager for the Crystal Product Division (2001-2002) and the Consumer Products & Data Acquisition Division (1999-2001). Formerly President and Chief Operating Officer of Audiologic, Inc. and co-founder of Resound Corporation. Sole Director of our wholly-owned subsidiaries Semtech Limited, Semtech Corpus Christi Corporation, Semtech New York Corporation and Semtech San Diego Corporation. President of Semtech Corpus Christi Corporation and Semtech New York Corporation.

James T. Lindstrom

Age 58

Director since 2002

Audit Committee

Chief Financial Officer of AmmoCore Technology, Inc., a provider of design implementation solutions for the rapid delivery of complex deep sub-micron system ICs, since August 2002. From May 2001 to August 2002, Vice President, Finance and Administration and Chief Financial Officer of Silicon Perspective Corp., which merged with Cadence Design Systems, one of the largest suppliers of electronic design technologies methodology services and design services. From October 1999 to May 2001, Vice President, Chief Operating Officer of Lexra, Inc., a supplier of microprocessor cores designed for the embedded system-on-a-chip market. Director of Lexra, Inc. since 1999. More than 25 years of financial management experience in the EDA and fabless semiconductor industry.

John L. Piotrowski USAF (Ret.)

Age 70

Director since 2002

Compensation Committee

Consultant on National Security Programs to aerospace corporations, Senior Advisor to aerospace corporations, the Air Force Research Lab, Joint National Integration Facility (JNIC), the Ground Based Midcourse Ballistic Missile Defense Program Manager, and Missile Defense Agency. Vice President of Science Applications International Corporation (SAIC) from 1995 through January 2000, then consulting employee of SAIC until retirement in February 2004. Member of the Defense Science Board 1992 to 1995. Previously served as a consultant and advisor for Lawrence Livermore National Lab and Los Alamos National Lab. Retired from the USAF in 1990. While with the USAF, served as Commander-in-Chief (CINC) North American Aerospace Defense (NORAD) Command reporting to the President and Canadian Prime Minister (1987-1990). During the same period served as CINC US Space Command. Also served as Vice Chief of Staff United States Air Force (1985-1987). Director of Sparta, Inc. and the Space Foundation.

James T. Schraith

Age 46

Director since 1995

Chairman, Compensation Committee

Private investor and consultant to technology companies. Former Chairman and CEO of Snap Appliances, Inc., a wholly owned subsidiary of Quantum Corporation, which he joined in 1999 as Executive Vice President of Worldwide Sales & Corporate Marketing. President and CEO of ShareWave, Inc., a developer of wireless networking products from February 1998 to September 1999. Vice President and General Manager of the North America division of Compaq Computer from 1996 to 1998. Employed by AST Research, Inc. from 1987 to 1995, most recently as President and COO. Director of Atone Software, Inc., Sierra Logic, Inc. and VisualCalc. Inc. Former director of SONICblue, PurchasePro, Diamond Multimedia and several private technology companies.

INFORMATION ABOUT THE BOARD OF DIRECTORS

Independence

The Board is comprised of a majority of independent Directors. The Board has determined that Directors Antle, Burra, Hankin, Lindstrom, Piotrowski and Schraith are independent under the Marketplace Rules of The NASDAQ Stock Market, Inc. (NASDAQ), as well as in the assessment of the Board. Directors Poe and Carlson are or were recently employed by the Company and thus do not meet the independence standards.

Code of Conduct

The Board has adopted a written Code of Conduct that applies to the Directors and everyone in the Company, including the Chief Executive Officer and Chief Financial Officer. The Code of Conduct is the Company's written code of ethics under NASDAQ and Securities and Exchange Commission (SEC) rules and has been filed with the SEC as Exhibit 14 to the Company's Form 10-K for fiscal year 2004.

Meetings

During the Company's last fiscal year, the Board of Directors held five regular meetings and three special meetings. During such fiscal year, each of the incumbent Directors attended 75% or more of the sum of the number of such meetings plus the number of meetings of the committees of which such person was a member. The average attendance by current directors was over 95%. During fiscal year 2004, the Board of Directors also conducted some business by resolution without meeting, as provided in the Company's Bylaws. It is expected that the Board will meet on a regular basis during the ensuing year and the Board has adopted a resolution calling for the independent directors to meet quarterly in executive sessions to be held following regularly scheduled Board meetings.

Attendance at Annual Meeting

All of the nominees for Director at the Annual Meeting of Stockholders held in June 2003 were in attendance. The following policy has been adopted by the Board: The Company considers attendance at the Annual Meeting of Stockholders to be a fundamental duty of each Board member, as it provides an opportunity for shareholders to communicate directly with the Directors about issues affecting the Company. Therefore, it is the policy of Semtech Corporation that Board members attend the Annual Meeting of Stockholders unless health, family or other important personal matters prohibit such attendance.

Committees

The Board has a standing Compensation Committee and a standing Audit Committee. The Board does not have a standing nominating committee. Nominating functions will be handled by an *ad hoc* Nominating Committee.

Compensation Committee

The Compensation Committee, which met four times during fiscal year 2004, is comprised of Directors Antle, Piotrowski and Schraith. Director Schraith serves as chairman. The Board has determined that each member of the Compensation Committee is independent as defined by NASDAQ rules. The Compensation Committee determines the compensation of the Chief Executive Officer and all other executive officers, in accordance with NASDAQ rules. Its responsibilities also include monitoring the performance of the Company's key executives; reviewing the Company's management succession plan; assessing the Company's overall compensation and benefit structure; and administering the Company's stock option plans and certain of its benefit plans.

During fiscal year 2004 and until committee responsibilities were realigned in the first quarter of fiscal year 2005, the Compensation Committee was also responsible for making recommendations to the Board of Directors regarding the size and composition of the Board and the various Board committees, reviewing the qualifications of potential director candidates and making recommendations to the Board with respect to nominees to be submitted to the stockholders or to be elected by the Board to fill vacancies and newly created directorships, and recommending assignment of specific directors to specific committees. In the future, these functions will be carried out by an *ad hoc* Nominating Committee, as discussed below.

Audit Committee

The Audit Committee is comprised of Directors Hankin, Burra, and Lindstrom, with Director Hankin serving as chairman. The Board has determined that each member of the Audit Committee is independent as defined by NASDAQ and SEC rules. The Board has also determined that Directors Hankin, Burra, and Lindstrom are financially sophisticated as defined by NASDAQ rules and audit committee financial experts as defined by SEC rules.

The Audit Committee met five times during fiscal year 2004. The Audit Committee's responsibilities include appointing and overseeing the engagement of the Company's independent accountant; reviewing the scope and results of the audit conducted

by the independent accountant; reviewing the Company's significant accounting policies; reviewing the independent accountant's assessment of the adequacy of the Company's internal controls; and reviewing and approving the financial statements to be included in the Company's Annual Report on Form 10-K. The Audit Committee meets periodically with the Company's independent accountant without the presence of Company management. The Audit Committee was recently designated by the Board to serve as the Qualified Legal Compliance Committee, within the meaning of Section 205 of the SEC's Standards of Professional Conduct for Attorneys. The current responsibilities of the Audit Committee are more fully described in its written charter, the last revision of which was adopted by the Board in April 2004. The revised charter is included as Appendix A to this Proxy Statement. The Committee has also adopted a policy regarding pre-approval of services to be provided by the Company's independent public accountant, which is described under the heading "Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services" on page 20, and procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, which are described under the heading "Contacting the Board of Directors" on page 8.

***Ad Hoc* Nominating Committee**

During the first quarter of fiscal year 2005, the Board realigned committee responsibilities. Nominating functions will now be carried out by an *ad hoc* Nominating Committee rather than by the Compensation Committee. When needed, the Nominating Committee will be appointed by the Chairman of the Board from among the independent directors. The work of the Nominating Committee generally is not spread throughout the year and selecting its members closer to the time the work begins, rather than almost a year in advance, will facilitate the functioning of the Committee by ensuring all members have ample time to devote to the task. In lieu of a charter, the Board has adopted resolutions addressing Nominating Committee matters. These resolutions are attached to this Proxy Statement as Appendix B.

Board of Directors Compensation

In 1998, the directors who are not also employees of our Company were converted from a cash compensation program to 100% equity based compensation. On July 15, 1998 each non-employee director received a stock option grant that vested pro-rata over five years. This option grant was to compensate the non-employee directors for their service over the five-year period of July 15, 1998 to July 15, 2003 and was granted in lieu of cash compensation. This plan was developed by an independent consulting firm, and was established to align the interests of the Board with those of stockholders, to reduce the expense associated with directors' compensation and to attract and retain high quality directors.

In continuation of this policy, on December 5, 2002, a stock option grant was made to each then non-employee director in lieu of a cash retainer and meeting fees for the period July 15, 2003 through July 15, 2008. The number of options was computed by multiplying the forgone cash compensation over the five-year period by four (multiplier), and then dividing that amount by the Company's stock price on the date of grant, to compute the number of options to be granted. The multiplier was set to recognize the relative risk of taking stock options, compared to cash compensation. As a result, Director Hankin, Vice-Chairman of the Board, was granted 46,047 stock options, and Directors Antle, Burra, Lindstrom, Piotrowski and Schraith were each granted 30,698 stock options. A cash retainer of \$12,500 was paid to each of the Directors who first joined the Board on December 5, 2002 (Directors Antle, Lindstrom and Piotrowski) for services from their date of election through July 14, 2003, the beginning of the vesting period for the options described above. Twenty percent of these options vest each year, but the annual vesting will not occur, and that portion of the award will be forfeited, if a Director does not attend three of the four most recent regularly scheduled meetings for that year, with certain exceptions. Director Poe's status changed to that of a non-employee Director in October 2003. In lieu of cash retainers and meeting fees for the period from October 6, 2003 through July 15, 2008, Director Poe was granted an option for 45,960 shares of the Company's stock, based on the same formula used for the December 2002 grants to other non-employee directors and taking into consideration the leadership role of the Chairman. The vesting schedule and other terms and conditions of his options are the same as those applicable to the options granted to the other non-employee directors for service through July 15, 2008.

Each January 1 and July 1, each non-employee director also receives a stock option grant to purchase 5,000 shares at the market price as of the date of grant. These options, and all options awarded to non-employees for service as a director during fiscal year 2004, are governed by the terms of the Company's Long Term Stock Incentive Plan, which was approved by the stockholders in June 1998 and is on file with the SEC.

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Non-employee directors are also reimbursed for expenses related to Board membership and are covered by the travel accident policy maintained by the Company for officers and employees. Directors who are Company employees are not paid fees or additional compensation for attending Board or committee meetings. Mr. Carlson is currently the only employee on the Board.

In addition to the compensation provided to outside directors generally, the following arrangements were made with Mr. Poe upon his termination of employment and change to non-employee Director status in October 2003:

He is entitled to continue participation in Company-sponsored medical and dental plans on an individual or family basis, as he elects, until he reaches the age of sixty-five. The Company is not obligated to provide any insurance not available to Company

employees generally and the allocation of premiums between the Company and Mr. Poe will be calculated in the same manner as for Company employees generally. Mr. Poe will pay his allocated portion of the premiums on an annual basis.

Should Mr. Poe leave the Board in good standing prior to the final vesting date for employee stock options awarded to him prior to October 6, 2003, and if he so requests, the Company will employ him on a part time basis from the date he ceases to be a Director until September 21, 2007 on such terms and conditions as the Compensation Committee may then establish.

The Company will continue to provide to Mr. Poe, without charge, a computer, cell phone and similar items for use on Company business.

Compensation Committee Interlocks and Insider Participation

Directors Antle, Piotrowski and Schraith currently comprise the Compensation Committee. No member of the Compensation Committee was, during fiscal year 2004, an officer or employee of the Company or any of its subsidiaries; or was formerly an officer of the Company or any of its subsidiaries. During fiscal year 2004, no executive officer of the Company served as an executive officer, director or member of the compensation committee (or other board committee performing equivalent functions, or in the absence of such committee, the entire board of directors) of another entity, one of whose executive officers served as a member of the Compensation Committee or as a director of the Company.

CONTACTING THE BOARD OF DIRECTORS

Nomination of Candidates for the Board of Directors

The Nominating Committee will consider recommendations for director nominations submitted by stockholders entitled to vote generally in the election of directors. Submissions for the 2005 Annual Meeting must be received no later than December 31, 2004; must otherwise be made in accordance with the procedures set forth in Section D of Appendix B to this Proxy Statement; and must include all information specified in that section. The Nominating Committee will only consider candidates who satisfy the Company's minimum qualifications for director, as set forth in Appendix B, including that directors represent the interests of all stockholders. One of the factors that will be taken into account in considering a stockholder recommendation is the size and duration of the recommending stockholder's ownership interest in the Company and whether the stockholder intends to continue holding that interest through the annual meeting date. Stockholders should be aware that it is the general policy of the Company to re-nominate qualified incumbent directors and that, absent special circumstances, the Nominating Committee will not consider other candidates when a qualified incumbent consents to stand for re-election. See Appendix B for more information on the nominating process.

Shareholder Proposals

The Company must receive stockholder proposals for the 2005 Annual Meeting no later than January 5, 2005 in order to be considered for inclusion in the Company's proxy materials. Furthermore, proposals by stockholders submitted outside the process of Rule 14a-8 under the Securities Exchange Act of 1934 will be considered untimely and ineligible to properly come before the Company's 2005 Annual Meeting if such proposal is not received by the Company by March 21, 2005. Stockholder proposals must be submitted in writing to the Company's Secretary at the Company's headquarters at 200 Flynn Road, Camarillo, California 93012-8790.

Accounting Matters

The Audit Committee has established procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters (Accounting Matters). Employees with concerns regarding Accounting Matters may report their concerns in writing to the Chief Financial Officer, Chief Executive Officer or the Corporate Counsel. Employees may also report concerns regarding Accounting Matters anonymously directly to the Audit Committee via the confidential reporting system maintained by the Company. Non-employee complaints regarding Accounting Matters may be reported by writing to the Audit Committee c/o the Secretary at the Company s headquarters at 200 Flynn Road, Camarillo, California 93012-8790.

Other Business Matters

A process for security holders to send communications to the Board, including procedures for collecting, organizing, and otherwise handling such communications, has been adopted by a majority of the independent members of the Board. Security holders may communicate with the Board, or any Committee or Director, about Company business by writing to such party in care of the Company Secretary at the Company s headquarters at 200 Flynn Road, Camarillo, California, 93012-8790. Security holders are encouraged to include evidence of their holdings with their communications.

PERFORMANCE GRAPH
Comparison of Five Year Cumulative Total Return

This chart and graph show the value of a \$100 cash investment on the last day of our 1999 fiscal year in (i) the Company's Common Stock, (ii) the NASDAQ Stock Market U.S., and (iii) the NASDAQ Electronic Components Stocks. All values assume reinvestment of all dividends and are calculated as of the last day of each of our fiscal years. Note that historic stock price performance is not necessarily indicative of future stock price performance.

	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
Semtech Corporation	\$ 100	\$ 350	\$ 303	\$ 376	\$ 146	\$ 290
NASDAQ Stock Market U.S.	\$ 100	\$ 154	\$ 110	\$ 77	\$ 53	\$ 85
NASDAQ Electronic Components Stocks	\$ 100	\$ 180	\$ 151	\$ 93	\$ 48	\$ 99

BENEFICIAL OWNERSHIP OF SECURITIES

The chart below indicates the number of shares owned by each person known to the Company to be the beneficial owner of more than 5% of the outstanding shares of the Company's common stock. All information regarding shareholders who are not directors or officers is based on the Company's review of information filed with the SEC on Schedule 13G. The information provided to the SEC is as of December 31, 2003.

This chart also shows the number of shares held as of January 25, 2004, and stock options exercisable within 60 days of such date, by each director, each executive officer named in the Summary Compensation Table below and by all directors and executive officers as a group.

Beneficial Ownership of Common Stock (1)		
	Number of Shares	%
Franklin Resources, Inc. (2)		
One Franklin Parkway, San Mateo, CA 94403	8,512,003	11.5
T. Rowe Price Associates, Inc. (3)		
100 E. Pratt Street, Baltimore, Maryland 21202	7,125,000	9.6
John D. Poe (4) (5) (6)		
Chairman of the Board of the Company		
200 Flynn Road, Camarillo, CA 93012-8790	3,242,039	4.3
Rockell N. Hankin, Vice Chairman of the Board (5) (6)	536,690	*
Glen M. Antle, Director (5) (6)	3,750	*
James P. Burra, Director (4) (5) (6)	366,210	*
Jason L. Carlson, Director, President, Chief Executive Officer (5) (6)	87,500	*
James T. Lindstrom, Director (5) (6)	23,750	*
John L. Piotrowski, Director (5) (6)	1,250	*
James T. Schraith, Director (5) (6)	411,210	*
David G. Franz, Jr. (5) (6)		
Vice President and Chief Financial Officer	949,102	1.3
Lawrence A. King, Vice President (5) (6)	166,578	*
Paul D. Peterson, Vice President (5) (6)	67,500	*
Jeffrey T. Pohlman, Vice President (5) (6)	318,400	*
All Executive Officers and Directors as a group		
(22 persons including those named above) (4) (5) (6)	7,153,761	9.1

* Less than 1%

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- (1) Unless otherwise indicated below, each person has sole voting and investment power with respect to the shares listed.

- (2) As reported in Schedule 13G/A filed February 9, 2004 by Franklin Resources, Inc (FRI). The reported shares are held in investment companies or other managed accounts which are advised by Franklin Advisors, Inc. (FA), Franklin Private Client Group, Inc. (FPCG), and Fiduciary Trust Company International (FTCI), investment advisory subsidiaries of FRI. FRI reported that (a) FA has sole voting and dispositive power with respect to 7,410,500 shares, (b) FTCI has sole

dispositive and voting power with respect to 8,300 shares, and (c) FPCG has sole dispositive and voting power with respect to 1,093,203 shares. FRI also reported that FPCG may hold some of the shares under wrap fee investment management arrangements under which the underlying client may retain the power to vote the shares and, to the extent any underlying clients retain voting power, FPCG disclaims sole power to vote those shares. FRI, FA, FPCG, FTCI and Charles B. Johnson and Rupert H. Johnson, Jr., principal shareholders of FRI, disclaim any economic interest in or beneficial ownership of the reported shares.

- (3) As reported in Schedule 13G/A filed on February 11, 2004 by T. Rowe Price Associates (Price Associates). Price Associates reported that these securities are owned by various individual and institutional investors for which Price Associates serves as investment adviser with power to direct investments and/or sole power to vote the securities. For purposes of the reporting requirements of the Securities Exchange Act of 1934, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities. Price Associates reported sole dispositive power for all 7,125,000 shares, sole voting power for 1,601,500 of the shares, and no shared voting power.
- (4) Mr. Poe disclaims beneficial ownership of 125,008 of the reported shares, as they are owned by his adult children. Mr. Burra's spouse has voting power with respect to 37,500 of the reported shares that are held in a revocable family trust. Other shares reported under All Executive Officers and Directors as a group may be held jointly by Executive Officers and their spouses, solely by their spouses, or by other persons through whom they are deemed to have beneficial ownership of the shares.
- (5) The number of shares shown in the table includes shares which could be acquired within 60 days of January 25, 2004 by the exercise of stock options: for Mr. Poe 1,226,507; Mr. Hankin 506,690; Mr. Antle 3,750; Mr. Burra 328,710; Mr. Carlson 87,500; Mr. Lindstrom 3,750; Mr. Piotrowski 1,250; Mr. Schraith 321,210; Mr. Franz 712,762; Mr. King 158,599; Mr. Peterson 67,500; Mr. Pohlman 168,268 and for the group 4,552,239.
- (6) The percentage is based on 74,120,684 shares outstanding as of January 25, 2004 and the numerator and denominator include the shares, if any, which the individual has the right to acquire within 60 days thereof through the exercise of stock options.

EXECUTIVE OFFICERS AND SIGNIFICANT EMPLOYEES

<u>Name</u>	Age as of	<u>Position</u>
	<u>January 25, 2004</u>	
Jason L. Carlson	41	President and Chief Executive Officer
David G. Franz, Jr.	42	Vice President, Finance and Chief Financial Officer
Anthony E. Giraudo	52	Chief Operating Officer
Paul D. Peterson	41	Vice President, Sales and Marketing
John T. Shaw	51	Vice President, Worldwide Operations
R. Nejo Nekar	60	Vice President, Business Development
Mark R. Drucker	40	Vice President, Test and Measurement Products
Lawrence A. King	45	Vice President of Engineering, Portable Products
Edward Y. Yeow	40	Vice President of Business, Portable Products
Jeffrey T. Pohlman	54	Vice President, Protection Products
J. Michael Wilson	47	Vice President, Desktop and Telecom Power Products
Kenneth W. Bauer	54	Vice President, Human Resources
Stewart Kelly	58	Director, Advanced Communications
John M. Baumann	35	Treasurer
Suzanna Fabos	48	Corporate Counsel and Secretary

Mr. Carlson joined Semtech in November 2002 as President and Chief Operating Officer. He was elected Chief Executive Officer and a Director of the Company in October 2003. He was previously employed by Cirrus Logic, Inc. as Vice President & General Manager for the Crystal Product Division (2001-2002) and the Consumer Products & Data Acquisition Division (1999-2001). He was formerly President and Chief Operating Officer of Audiologic, Inc. and was a co-founder of Resound Corporation. He is the sole Director of our wholly-owned subsidiaries Semtech Limited, Semtech Corpus Christi Corporation, Semtech New York Corporation and Semtech San Diego Corporation. He also serves as President of Semtech Corpus Christi Corporation and Semtech New York Corporation.

Mr. Franz was elected Vice President of Finance and Chief Financial Officer when he joined us in August 1993 and also served as Secretary until November 2003. Prior to joining the Company, Mr. Franz was employed by Teradata Corporation, Wickes Companies and Arthur Andersen LLP. He serves as a director of Semtech (International) AG and Semtech Switzerland GmbH, our wholly-owned subsidiaries in Switzerland, and as an officer of some of our other wholly-owned subsidiaries.

Mr. Giraudo joined the Company in April 2004 as Chief Operating Officer. He was employed by TelASIC as Chief Executive Officer and President from 2001 through 2003. He was employed by Atmel Corporation from 1989 to 2001, last serving as Vice President and General Manager of the RF wireless division. Mr. Giraudo has also been employed by Honeywell, NCR Corporation and IBM.

Mr. Peterson was appointed Vice President of Sales and Marketing in January 2002. He joined the Company in August 2000 as Vice President of North American Sales. Mr. Peterson worked for Advanced Micro Devices for 13 years, where he last served as Director of Sales, and has also been employed by Texas Instruments.

Mr. Shaw was appointed Vice President of Worldwide Operations in Dec 2000. He has worked for the Company in various manufacturing roles since March 1991 and was previously employed by Philips Semiconductor PLC.

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Mr. Nekar was appointed Vice President of Business Development in November 1999. He joined us in 1997 as Director of Business Development. Mr. Nekar previously held engineering and marketing management positions with Exar and Interdesign.

Mr. Drucker joined us as a result of the 1997 acquisition of Edge Semiconductor, where he was Director of Operations. He was appointed Vice President, Test and Measurement Products in January 2002. He was previously employed by Brooktree, Analog Devices, and Westinghouse Electric. He also serves as President of Semtech San Diego Corporation, one of our wholly-owned subsidiaries.

Mr. King was appointed Vice President of Engineering, Portable Products in February 2004. He joined the Company as the North Carolina Design Center Manager in 1998 and was named Vice President of Portable Products in April 2001. He was employed by Harris Semiconductor for 10 years, most recently as an Engineering Manager. He has also been employed by Texas Instruments.

Mr. Yeow was appointed Vice President of Business, Portable Products in February 2004. He joined us in December 1999 as Director of Marketing, Portable Products. Mr. Yeow previously held management and engineering positions at ON Semiconductor, Motorola and GM-Hughes Electronics.

Mr. Pohlman was named Vice President of Protection Products in 1998. He has worked for the Company in various engineering roles since 1988. Mr. Pohlman was previously employed by Supertex Inc., Fairchild Camera and Instrument, Inc., and National Semiconductor in various technical and managerial roles.

Mr. Wilson was appointed Vice President of Desktop and Telecom Power Products in May 2001. Mr. Wilson joined us as the result of the 1995 acquisition of ECI Semiconductor where he was Vice President and Chief Operating Officer. He has more than 20 years experience in the semiconductor industry in a broad range of technical and management positions.

Mr. Bauer was appointed Vice President of Human Resources in May 2002. He was Vice President Human Resources at Line 6 Inc. from 2000 to 2001, Vice President Human Resources & Administration at eLinkCommerce.com during 2000, and Vice President, Human Resources & Facilities at Xircom, Inc. from 1995 to 2000. He has also held human resources positions at L.A. Gear and ARCO Products Company. He also serves as an officer of some of our wholly-owned subsidiaries.

Mr. Kelly joined the Company in 1997 as Director of Advanced Communications. He has also been employed by Brooktree/Rockwell, Intel Corporation, GTE Microcircuits, General Instruments Microelectronics, and Honeywell Computer.

Mr. Baumann joined Semtech in 1993 and was elected Treasurer in 1994. Prior to joining Semtech, he held financial related positions with NCR Corporation and Teredata Corporation. He also serves as an officer of some of our wholly-owned subsidiaries.

Ms. Fabos joined us as Corporate Counsel in April 2000 and was elected Assistant Secretary in June 2000 and Secretary in November 2003. She had been employed in the legal department of Lockheed Martin Corporation for twelve years, where her last post was as Assistant General Counsel Finance. She has also been employed by Owens-Illinois, Inc. and Coopers & Lybrand. She also serves as an officer of some of our wholly-owned subsidiaries.

All personnel listed above are employed on at-will basis. The Board of Directors elects officers annually and those elected serve at the discretion of the Board.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

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Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), requires the Company s directors, officers and holders of more than 10% of the Company s Common Stock to file with the SEC initial reports of ownership and reports of changes of ownership of Common Stock and other equity securities of the Company. Based solely on its review of the forms received by it, or written representations from reporting persons that they were not required to file a Form 5, the Company believes that, with respect to transactions during the fiscal year ended January 25, 2004, its officers and directors complied with all Section 16(a) filing requirements.

EXECUTIVE COMPENSATION

The following table shows information regarding total compensation paid to each person who served as Chief Executive Officer during fiscal year 2004 and each of the four other mostly highly compensated executive officers of the Company during fiscal year 2004 (collectively, the Named Executive Officers) for services rendered to the Company in all capacities during each of the past three fiscal years:

SUMMARY COMPENSATION TABLE

	Fiscal Year	Annual Compensation			Long-Term	All Other Compensation (\$)(3)
		Salary (\$)(1)	Bonus (\$)(5)	Other Annual Compensation (\$)(2)	Stock Options Awarded	
					(#) (4) (5) (6)	
John D. Poe (1) (3) (5) (6)						
Chairman of the Board	2004	266,829	61,968	4,791	119,956	142,468
	2003	375,003	120,000	5,597	61,728	154,676
CEO through October 6, 2003	2002	375,003	54,900	8,845	80,685	155,302
Jason L. Carlson (1) (2) (3)	2004	314,422	100,000	208,103	250,000	5,400
President and CEO	2003	63,461	21,426	923	350,000	0
	2002					
David G. Franz, Jr. (3) (5)	2004	202,688	63,022	10,601	60,000	40,237
	2003	186,403	47,093	9,302	50,678	33,579
Vice President and CFO	2002	180,003	21,547	9,371	46,466	31,516
Lawrence A. King (2) (3) (5)	2004	178,858	98,139	8,357	73,349	7,353
	2003	175,011	89,034	7,675	50,000	3,865
Vice President	2002	163,081	40,265	22,334	40,000	3,298
Paul D. Peterson (2) (3)	2004	202,320	59,549	9,020	60,000	8,193
	2003	192,548	43,400	8,174	40,000	4,631
Vice President	2002	180,592	20,000	28,616	25,000	3,776
Jeffrey T. Pohlman (3)	2004	171,570	60,000	5,019		
	2003	169,998	70,078	6,557		
Vice President	2002	169,998	17,136	6,156		