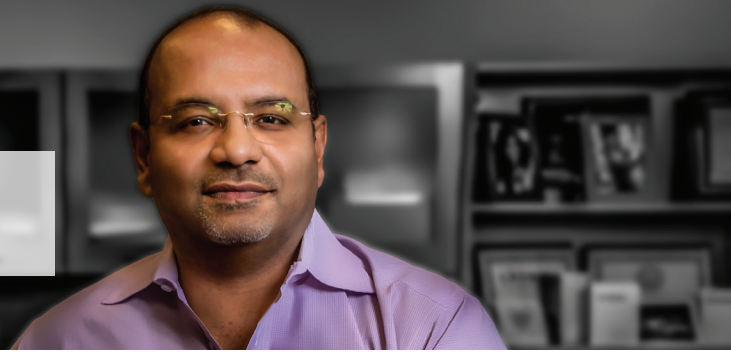


Letter To Our Shareholders



While fiscal year 2015 provided its share of challenges, it was also a year in which Semtech made significant progress in positioning the Company for future growth.

Net sales for 2015 totaled \$557.9 million, a decline of 6 percent compared to the prior fiscal year, driven by the anticipated decline from our optical long-haul products. Excluding the revenue from these products, our net sales would have actually increased by nearly 10 percent from the prior year, demonstrating the underlying strength of our core business.

Despite these headwinds, we maintained a strict operational focus in fiscal year 2015 that resulted in improved gross profit margins of 58.9% for the year compared to 56.3% for fiscal year 2014. This operational focus also helped us to generate \$106 million in cash.

The real story for fiscal year 2015 is the numerous key initiatives that position us for future growth. These initiatives include:

1. The implementation of a scalable, integrated enterprise resource planning system from SAP. This new ERP system will provide us the ability to integrate current and potential future acquisitions while increasing overall operational efficiencies in the Company.
2. Further diversifying our high performance analog/mixed-signal portfolio and market focus with the acquisition of Triune Systems for Wireless Charging Systems in Automotive and Industrial applications and the acquisition of EnVerv for Power Line Communications (PLC) systems in Smart Grid and Smart City applications.
3. Further investments and customer penetration of fast growing markets with highly differentiated platforms, such as our LoRa™ wireless platform targeted at IoT applications, our Proximity Sensing platform targeted at mobile applications and our 1Gbps through 100Gbps Optical platforms targeted at Enterprise Computing applications.

We also maintained our product launch momentum and expanded on our tier-one customer relationships in 2015 with more than 8,000 design wins and 85 new product introductions. Semtech remains squarely on the path to becoming a \$1 billion company, and I am confident that the most exciting phase of our journey is yet to come.

Thank you for your confidence and loyalty to Semtech.

A handwritten signature in black ink that reads "M. Maheswaran". The signature is fluid and cursive.

Mohan Maheswaran
President and Chief Executive Officer