PART I

ITEM 1. BUSINESS

Skyworks Solutions, Inc., together with its consolidated subsidiaries, (“Skyworks” or the “Company”) is an innovator of high performance analog semiconductors. Leveraging core technologies, Skyworks supports automotive, broadband, cellular infrastructure, energy management, GPS, industrial, medical, military, wireless networking, smartphone and tablet applications. Our portfolio consists of amplifiers, attenuators, circulators, demodulators, detectors, diodes, directional couplers, front-end modules, hybrids, infrastructure RF subsystems, isolators, lighting and display solutions, mixers, modulators, optocouplers, optoisolators, phase shifters, PLLs/synthesizers/VCOs, power dividers/combiners, power management devices, receivers, switches and technical ceramics. Our key customers include Cisco, Ericsson, Foxconn, General Electric, Google, Honeywell, HTC, Huawei, Itron, LG Electronics, Nokia, Northrop Grumman, Philips, Samsung, Sensus, Siemens, Toshiba and ZTE. Our competitors include Analog Devices, Avago Technologies, Hittite Microwave, Linear Technology, Maxim Integrated Products, Peregrine Semiconductor, RF Micro Devices and Triquint Semiconductor.

In January 2012, we acquired Advanced Analogic Technologies Inc. ("AATI") and expanded our entry into vertical markets with highly complementary analog semiconductor products including battery chargers, DC/DC converters, voltage regulators and LED drivers. The analog power management semiconductors represent a strategic growth market for us with wireless connectivity and energy-efficient power management devices for consumer electronics, computing and communications markets.

In June 2011, we acquired SiGe Semiconductor, Inc. (“SiGe”) and expanded our RF front-end solutions that facilitate wireless multimedia across a wide range of applications. The acquisition of SiGe complements our strong position in wide area front-end solutions by adding SiGe's innovative short range, silicon-based products. As a result, we now offer customers a more comprehensive wireless networking product portfolio, supporting all key operating frequencies with greater architectural flexibility to address a variety of high growth applications.

Headquartered in Woburn, Massachusetts, we are a Delaware corporation that was formed in 1962. We changed our corporate name from Alpha Industries, Inc. to Skyworks Solutions, Inc. on June 25, 2002, following a business combination. We operate worldwide with engineering, manufacturing, sales and service facilities throughout Asia, Europe and North America. Our Internet address is www.skyworksinc.com. We make available on our website our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, Section 16 filings on Forms 3, 4 and 5, and amendments to those reports as soon as practicable after we electronically submit such material to the SEC. The information contained on our website is not incorporated by reference in this Annual Report. You may read and copy materials that we have filed with the SEC at the SEC public reference room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public on the SEC's Internet address at www.sec.gov.

INDUSTRY BACKGROUND

Insatiable consumer demand for anytime, anywhere, always-on wireless connectivity is creating an unprecedented need for high performance analog semiconductor solutions at the wireless access point, within the network cloud and across the supporting infrastructure. This phenomenon has and continues to radically change the way we live, work and play as well as how we communicate. Given that the initial proliferation of these technologies is taking place predominantly in developed countries, we expect further worldwide penetration over the coming years. In fact, according to a June 2012 market research report from Infonetics, the number of global mobile broadband subscribers is expected to grow from 846 million in 2011 to over 2.5 billion subscribers by 2016. In a September 2012 report, the research firm NPD Group said it expects that annual shipments of smartphones, which are at the heart of the mobile Internet, will surpass one billion units by 2016, up from 491 million units in 2011. Similarly, annual shipments of computing tablets, a lower cost alternative to personal computers, are expected to grow significantly, from 73 million units in 2011 as estimated by NPD in a January 2012 report to over 250 million units by 2016. Today's smartphones and tablets can seamlessly take and share pictures, download music, connect to social media networks, provide GPS navigation, stream videos, enable video conferencing, provide voice support services and advice and access a host of Web-based content and applications. This list of ever increasing features and functionalities is delivered in ever thinner platforms with need for extended battery life.

Meanwhile, content providers such as Google Inc., Microsoft Corporation, HBO (a division of Time Warner, Inc.), and Amazon.com, Inc., are building massive libraries of cloud-based, on-demand content. The result is an exploding desire to be connected to the cloud for both entertainment content and personal storage. Supporting cloud-based services requires adding Bluetooth, HSPA, Wi-Fi, GPS and ZigBee® technologies to 2G, 3G and 4G air interface capabilities and embedding them into products ranging from smartphones to tablets, media players and set top boxes.

All of this activity is stressing traditional infrastructure networks. According to Cisco Systems, Inc.'s 2012 VNI global IP traffic forecast, or the Cisco Report, traffic from wireless networking and mobile access is expected to exceed traffic from wireline devices by 2014, with mobile data expected to increase 18-fold between 2011 and 2016. The significant increase in traffic is being driven by more Internet users and exploding video content. The Cisco Report projects there will be nearly 18.9 billion network connections, almost 2.5 connections for each person on earth, compared to 10.3 billion in 2011 and that by 2016, 1.2 million minutes of video, the equivalent of 833 days, will travel the Internet every second.

High Performance Analog Semiconductors

Outside of the smartphone and tablet markets, wireless technologies are growing across a number of new and exciting vertical applications. The market for analog semiconductors, characterized by longer product lifecycles and relatively high gross margins, is fragmented and diversified spanning a wide variety of end markets including smart energy, power management and machine-to-machine applications, to name just a few.

Smart Energy
Following a decade of promise, smart energy is poised to grow significantly. According to a 2010 study by ABI Research, cumulative global investment in smart grids will exceed $45 billion by 2015, as both governments and utilities repair, upgrade and transform their aging energy supply and transmission infrastructure. Smart grids offer utilities real-time, two-way communications with each segment of the electrical grid, assessing loads, usage, and efficiency twenty-four hours a day. Much of the developed world relies on energy transmission technology and infrastructure that was built between 60 to 80 years ago, and it's beginning to show its age, particularly as consumers experience usage restrictions and brownouts globally. Home and building automation applications in particular are beginning to gain real momentum given consumer demand for green technologies, enhanced security and energy conservation.

Power Management
Power management also provides us with significant growth and diversification opportunities, representing a market potential itself of approximately $2 billion for camera flash drivers and related analog devices in smartphones, as well as products in e-book readers and displays, cable modems and LED lighting. For example, the adoption of cameras in smartphones, along with consumers' expectations for high-quality photographs, is driving accelerated implementation of camera flash drivers in mobile platforms. According to Gartner, Inc., in its September 2011 Market Trends: Digital Camera Function in Mobile and Consumers Electronics report, or the Gartner Camera Report, mobile phone cameras will grow from approximately 1.6 billion units in 2011 to over 2.2 billion units by 2015, penetrating 92 percent of mobile phones worldwide.

Machine to Machine
Beyond connecting places and people, the next phase of the Internet's evolution will be to connect things. Commonly referred to as machine-to-machine connectivity, the internet of things or hyper connectivity, connecting things is based on the simple principle that anything that can be connected to the network will be connected to the network. Smaller, more powerful processors, the growing availability of LTE, higher resolution sensors, and technologies such as thin-film and embedded software are helping make machine- to-machine a reality. In fact, according to an October 2012 Scotiabank report, Ericsson estimates that by 2020 there will be 50 billion machines connected to the Internet, versus an estimated 140 million today. In that same report, Scotiabank estimates that by 2022, there will be 6.1 billion devices with a cellular connection to the network with 2.3 billion added that same year. Scotiabank also believes automotive and medical business sectors will likely be the biggest markets in machine-to-machine connectivity, expected to represent an estimated $1.2 trillion by 2020. For example, while only roughly 5% of cars have mobile communications today, within three to five years, all new cars are expected to have mobile connections. The automobile, in particular, encompasses an array of solutions that connectivity would allow from public safety and reduced fuel consumption to enhanced entertainment features and increased integration into one's smartphone.

Each of these macro trends represents significant growth opportunities for Skyworks given our differentiated product portfolio, scale, original equipment manufacturer relationships and integration skill sets.

SKYWORKS' STRATEGY

Skyworks' overall strategy is to enable mobile connectivity through semiconductor innovation. Key elements in our strategy include:

Diversifying Our Business

We are diversifying our business in three areas: our addressed markets, our customer base and our product offerings. This multi-level diversification results in stronger and more consistent financial returns. By leveraging our core analog and mixed signal technology, we are able to deliver a growing family of solutions to an expanding set of increasingly diverse end markets and customers. We have steadily grown our business beyond just mobile devices (where we support all top-tier manufacturers including the leading smartphone suppliers and key baseband vendors) into additional high-performance analog markets including infrastructure, smart energy, wireless networking, automotive and medical. In these markets, we take advantage of our scale, intellectual property and worldwide distribution network and invest in our product pipeline so we can expand our addressable markets beyond the over 2,000 customers and over 2,500 analog components currently marketed. We are growing our product portfolio beyond our traditional served markets through a combination of internal developments and targeted acquisitions. This enables us to add incremental addressable content per device to our core available market and generate market traction by cross-selling these products throughout a rapidly expanding customer base.

Leveraging Industry-Leading Technology

As the industry migrates to multimode, multiband EDGE, WEDGE, WCDMA and LTE architectures across a multitude of wireless broadband applications, we are uniquely positioned to help mobile device manufacturers handle growing levels of RF complexity in the transmit and receive chain. The trend towards increasing RF complexity in smartphones and other mobile devices plays directly into Skyworks' core strengths and uniquely positions us to address these challenges. We believe that we offer the broadest portfolio of RF and analog solutions from the transceiver to the antenna as well as all required process technologies. Our expertise includes SOI, high power, GaAs, CMOS, HBT, pHEMT, BiFET and silicon germanium processes. We also hold strong technology leadership positions in passive devices, as well as advanced integration including proprietary shielding and 3-D die stacking. Our product portfolio is reinforced by a library of nearly 1,000 patents and other intellectual property. Together, our industry-leading core competencies enable us to deliver the highest levels of product performance and integration.

Broadening and Deepening Customer Relationships

Given our scale and technology leadership, we are engaged with all handset original equipment manufacturers, smartphone providers and baseband reference design partners. Our customers leverage the strength of our supply chain, our technology and our system engineering expertise in a way that allows us to create a deep customer loyalty. We sit side by side with our customers and focus on meeting their complex RF needs. We partner with our customers to support their long term product road maps and are valued as a system solutions provider rather than just a point product vendor.

Delivering Operational Excellence

We either vertically integrate our supply chain where we can create a competitive advantage, or enter into alliances and strategic relationships for leading-edge capabilities where we do not identify a competitive advantage. This hybrid manufacturing approach allows us to better balance our capacity with the demands of the marketplace. Internally, our capacity utilization remains high and we have therefore been able to maintain margins and been able to achieve our desired return on invested capital on a broader range of revenue.

Additionally, we continue to focus on trying to achieve the industry's shortest product cycle times and highest yields. The combination of agile, flexible capacity combined with world-class module capabilities gives us significant scale, along with a low product cost structure for integrating multiple technologies into highly sophisticated multi-chip modules.

Maintaining a Performance Driven Culture

We consider our people and corporate culture to be a competitive advantage and a key element of our overall strategy. We create key performance indicators that align employee performance with corporate strategy and link responsibilities with performance measurement. Accountability is paramount and we compensate our employees through a pay-for-performance methodology. We strive to be an employer-of-choice among peer companies and have created a work environment in which turnover is well below semiconductor industry averages.

Generating Superior Operating Results and Shareholder Returns

We seek to generate financial returns that are comparable to a highly diversified analog semiconductor company while delivering growth rates representative of a mobile internet company. Given our business mix, volume and utilization we strive to achieve a best in-class return on investment and operating income to reward shareholders with increasing returns.

SKYWORKS' PRODUCT PORTFOLIO

Our product portfolio consists of:

- Amplifiers: the modules that strengthen the signal so that it has sufficient energy to reach a base station
- Attenuators: circuits that allow a known source of power to be reduced by a predetermined factor (usually expressed as decibels)
- Circulators/Isolators: ferrite-based components commonly found on the output of high-power amplifiers used to protect receivers in wireless transmission systems
- Demodulators: a device or an RF block used in receivers to extract the information that has been modulated onto a carrier from the carrier itself
- Detectors: devices used to measure and control RF power in wireless systems
- Diodes: semiconductor devices that pass current in one direction only
- Directional Couplers: transmission coupling devices for separately sampling the forward or backward wave in a transmission line
- Filters: devices for recovering and separating mixed and modulated data in RF stages
- Front-End Modules: power amplifiers that are integrated with switches, diplexers, filters and other components to create a single package front-end solution
- Hybrid: a type of directional coupler used in radio and telecommunications
- Infrastructure RF Subsystems: highly integrated transceivers and power amplifiers for wireless base station applications
- MIS Silicon Chip Capacitors: used in applications requiring DC blocking and RF bypassing, or as a fixed capacitance tuning element in filters, oscillators, and matching networks
- Mixers: devices that enable signals to be converted to a higher or lower frequency signal and thereby allowing the signals to be processed more effectively
- Modulators: devices that take a baseband input signal and output a radio frequency modulated signal
- Optocouplers/Optoisolators: a semiconductor device that allows signals to be transferred between circuits or systems while ensuring that the circuits or systems are electrically isolated from each other
- Phase Locked Loops (PLL): closed-loop feedback control system that maintains a generated signal in a fixed phase relationship to a reference signal
- Phase Shifters: designed for use in power amplifier distortion compensation circuits in base station applications
- Power Dividers/Combiners: utilized to equally split signals into in-phase signals as often found in balanced signal chains and local oscillator distribution networks
- Receivers: electronic devices that change a radio signal from a transmitter into useful information
- Switches: components that perform the change between the transmit and receive function, as well as the band function for cellular handsets
- Synthesizers: devices that provide ultra-fine frequency resolution, fast switching speed, and low phase-noise performance
- Technical Ceramics: polycrystalline oxide materials used for a wide variety of electrical, mechanical, thermal and magnetic applications
- Transceivers: devices that have both a transmitter and a receiver which are combined and share common circuitry or a single housing
- VCOs/Synthesizers: fully integrated, high performance signal source for high dynamic range transceivers

We believe we possess broad technology capabilities and one of the most complete wireless communications product portfolios in the industry.

MARKETING AND DISTRIBUTION

Our products are primarily sold through a direct Skyworks sales force. This team is globally deployed across all of our major market regions. In some markets we supplement our direct sales effort with independent manufacturers' representatives and distribution partners, some of which are franchised globally with others focused in specific regional markets.

Our sales engagement begins at the earliest stages of the design of an existing or potential customer's product. We strive to provide close technical collaboration with our customers and reference design partners at the inception of new programs. These relationships allow our team to facilitate customer-driven solutions, which leverage the unique strength of our intellectual property and product portfolio while providing high value and greatly reducing time-to-market.

We believe the technical and complex nature of our products and markets demand an extraordinary commitment to maintain close ongoing relationships with our customers. As such, we strive to expand the scope of our customer relationship to include design, engineering, manufacturing, procurement, logistics and project management. We also employ a collaborative approach in developing these relationships by combining the support of our design teams, applications engineers, manufacturing personnel, sales and marketing staff and senior management.

We believe that maintaining frequent and interactive contact with our customers is paramount to our continuous efforts to provide world-class sales and service support. By listening and responding to feedback, we are able to mobilize resources to raise our level of customer satisfaction, improve our ability to anticipate future product needs, and enhance our understanding of key market dynamics. We are confident that diligence in following this path will position Skyworks to participate in numerous opportunities for growth in the future.

CUSTOMER CONCENTRATION

In fiscal year 2012, Foxconn Technology Group ("Foxconn") and Samsung Electronics were our largest customers, each of which accounted for greater than ten percent of our net revenue. For further information regarding concentrations see Note 18 to Item 8 of this Annual Report on Form 10-K.

INTELLECTUAL PROPERTY AND PROPRIETARY RIGHTS

We own or have a license to use numerous United States and foreign patents and patent applications related to our products, our manufacturing operations and processes, and our other activities. In addition, we own a number of trademarks and service marks applicable to certain of our products and services. We believe that our intellectual property, including patents, patent applications, trade secrets and trademarks, is of material importance to our business. We rely on patent, copyright, trademark, trade secret and other intellectual property laws, as well as non-disclosure and confidentiality agreements and other methods, to protect our confidential and proprietary technologies, devices, algorithms, processes and other intellectual property. Our efforts may not meaningfully protect our intellectual property, and others may independently develop substantially equivalent or superior proprietary technologies, devices, algorithms, processes or other intellectual property. In addition, the laws of some foreign countries do not protect proprietary rights to the same extent as the laws of the United States, and effective copyright, patent, trademark and trade secret protection may not be available in those jurisdictions. In addition to protecting our intellectual property, we strive to strengthen our intellectual property portfolio to enhance our ability to obtain cross-licenses of intellectual property from others, to obtain access to intellectual property we do not possess and to more favorably resolve potential intellectual property claims against us. Furthermore, we seek to generate high gross margin revenue through the sale and license of non-core intellectual property and we occasionally purchase intellectual property. Due to rapid technological changes in the industry, we believe establishing and maintaining a technological leadership position depends primarily on our ability to develop new innovative products through the technical competence of our engineering personnel.

COMPETITIVE CONDITIONS

The competitive environment in the semiconductor industry is in a constant state of flux, with new products continually emerging and existing products approaching technological obsolescence. We compete on the basis of time-to-market, new product innovation, quality, performance, price, compliance with industry standards, strategic relationships with customers and baseband vendors, personnel and protection of our intellectual property. We participate in highly competitive markets against numerous competitors that may be able to adapt more quickly than we can to new or emerging technologies and changes in customer requirements, or may be able to devote greater resources to the development, promotion and sale of their products than we can.

RESEARCH AND DEVELOPMENT

Our products and markets demand rapid technological advancements requiring a continuous effort to enhance existing products and develop new products and technologies. Accordingly, we maintain a high level of research and development activity. We invested $212.5 million, $168.6 million and $134.1 million in research and development activities during the fiscal years ended September 28, 2012, September 30, 2011, and October 1, 2010, respectively. The increase in research and development expense is a result of the additional headcount and development activities associated with the acquisitions of AATI and SiGe, as well as

increases in our internal product design and development for our target markets. Our research and development activities include new product development and innovations in integrated circuit design, investment in advanced semiconductor manufacturing processes, developing new packaging and test capabilities and researching next generation technologies and product opportunities. We maintain close collaborative relationships with many of our customers to help identify market demands and target our development efforts to meet those demands.

RAW MATERIALS

Raw materials for our products and manufacturing processes are generally available from several sources. It is our policy not to depend on a sole source of supply unless market or other conditions dictate otherwise. Consequently, there are limited situations where we procure certain components and services for our products from single or limited sources. We purchase materials and services primarily pursuant to individual purchase orders. However, we have entered into certain supply agreements for the purchase of raw materials or other manufacturing related services that specify minimum prices and purchase quantity based on our anticipated future requirements. Certain of our suppliers consign raw materials to us at our manufacturing facilities which we take title to as needed in our manufacturing process. We believe we have adequate sources for the supply of raw materials and components for our manufacturing needs with suppliers located around the world.

BACKLOG AND INVENTORY

Our sales are made pursuant to standard purchase orders and/or specified customer contracts for delivery of products, with such purchase orders officially acknowledged by us according to our own terms and conditions. We also maintain Skyworks-owned finished goods inventory at certain customer “hub” locations. We do not recognize revenue until these customers consume the Skyworks-owned inventory from these hub locations. Due to industry practice, which allows customers to cancel orders with limited advance notice to us prior to shipment, and with little or no penalty, we believe that backlog as of any particular date may not be a reliable indicator of our future revenue levels. The cancellation or deferral of product orders, the return of previously sold products, or overproduction due to a change in anticipated order volume could result in a reduction in revenue and us holding excess or obsolete inventory, which could result in inventory write-downs and, in turn, could have a material adverse effect on our financial condition.

ENVIRONMENTAL REGULATIONS

Federal, state and local requirements relating to the discharge of substances into the environment, the disposal of hazardous wastes, and other activities affecting the environment have had, and will continue to have, an impact on our manufacturing operations. Most of our customers have mandated that our products comply with various local, regional and national “green” initiatives initiated by our customers or the locations in which they operate. We believe that our current expenditures for environmental capital investment and remediation necessary to comply with present regulations governing environmental protection, and other expenditures for the resolution of environmental claims, will not have a material adverse effect on our liquidity and capital resources, competitive position or financial condition. Environmental regulations are subject to change in the future, and accordingly we are unable to assess the possible effect of compliance with future requirements.

SEASONALITY

Sales of our products are subject to seasonal fluctuation and periods of increased demand in end-user consumer applications, such as smartphones and tablet computing devices. The highest demand for our products generally occurs in our first fiscal quarter ending in December. The lowest demand for our handset products generally occurs in our second fiscal quarter.

GEOGRAPHIC INFORMATION

For information regarding net revenue by geographic region for each of the last three fiscal years, see Note 18 of Item 8 of this Annual Report on Form 10-K.

EMPLOYEES

As of September 28, 2012, we employed approximately 4,700 employees world-wide (as compared to 4,400 as of September 30, 2011). Approximately 550 of our employees in Mexico are covered by collective bargaining agreements.