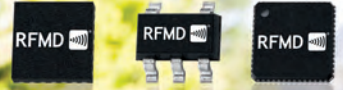


**RFMD** 





## About RFMD®

RFMD is a global leader in the design and manufacture of high-performance semiconductor components. Our products enable worldwide mobility, provide enhanced connectivity, and support advanced functionality in the cellular handset, wireless infrastructure, WiFi, CATV/broadband, and aerospace and defense markets. Our Company is recognized for its diverse portfolio of semiconductor technologies and RF systems expertise and is a preferred supplier to the world's leading mobile device, customer premises, and communications equipment providers.

Headquartered in Greensboro, North Carolina, we are an ISO9000, ISO14001, and AS9100 certified manufacturer with worldwide engineering, design, sales, and service facilities.

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## Global Locations

### MANUFACTURING LOCATIONS

**Beijing, China:** Semiconductor assembly, internal module packaging, test, and tape and reel assembly

**Brooksville, FL:** Multi-chip module manufacturing and test

**Broomfield, CO:** Defense and power device assembly and test

**Greensboro, NC:** Molecular beam epitaxial (MBE), compound semiconductor fabrication and test, and GaN foundry services

**Newton Aycliffe, UK:** GaAs pHEMT fabrication facility

**Nuremberg, Germany:** CATV component manufacturing

### DESIGN, SUPPORT AND SALES LOCATIONS

**Boston, MA (DC)**

**Brooksville, FL (DC)**

**Broomfield, CO (DC)**

**Carlsbad, CA (S, CS, DC)**

**Cedar Rapids, IA (DC)**

**Chandler, AZ (DC)**

**Charlotte, NC (DC)**

**Dallas, TX (DC)**

**Greensboro, NC (HQ)**

**San Jose, CA (DC)**

**Torrance, CA (DC)**

**Aalborg, Denmark (DC)**

**Bangalore, India (S)**

**Beijing, China (S, CS)**

**Malmo, Sweden (S)**

**Munich, Germany (S, DC)**

**Newton Aycliffe, United Kingdom (DC)**

**Nuremberg, Germany (DC)**

**Reading, United Kingdom (S, DC, CS)**

**Seoul, Korea (S, CS)**

**Shanghai, China (DC, S)**

**Shenzhen, China (S, CS)**

**Taipei, Taiwan (S, CS)**

**Tokyo, Japan (S)**

**Toulouse, France (DC)**

HQ = Headquarters

DC = Design Center

S = Sales

CS = Customer Support

## Financial Highlights

<i>Fiscal Year</i> <i>(in thousands, except per share data)</i>	<b>2010</b>	2009	2008	2007	2006
Total revenue	<b>\$ 978,393</b>	\$ 886,506	\$ 956,270	\$ 1,023,615	\$ 770,247
Income (loss) from operations	<b>\$ 106,406</b>	\$ (869,296)	\$ (50,901)	\$ 114,551	\$ 18,706
Net income (loss)	<b>\$ 71,019</b>	\$ (887,904)	\$ (3,394)	\$ 83,416	\$ 16,330
Diluted net income (loss) per share	<b>\$ 0.25</b>	\$ (3.38)	\$ (0.01)	\$ 0.39	\$ 0.08
Cash and cash equivalents	<b>\$ 104,778</b>	\$ 172,989	\$ 129,750	\$ 228,940	\$ 81,588
Current assets	<b>\$ 548,824</b>	\$ 517,434	\$ 616,147	\$ 580,439	\$ 406,435
Total assets	<b>\$ 1,014,008</b>	\$ 1,088,642	\$ 2,011,309	\$ 1,089,634	\$ 938,835
Current liabilities	<b>\$ 152,733</b>	\$ 99,344	\$ 135,591	\$ 113,216	\$ 103,032
Total liabilities	<b>\$ 483,924</b>	\$ 656,680	\$ 715,208	\$ 369,967	\$ 339,478
Shareholders' equity	<b>\$ 530,084</b>	\$ 431,962	\$ 1,296,101	\$ 719,667	\$ 599,357





OUR **COMMITMENT**  
TO CORPORATE SOCIAL  
RESPONSIBILITY

RFMD's strong commitment to Corporate Social Responsibility (CSR) forms the basis of our ethical standards, policies, and business practices.

As a global corporation, we are accountable for our actions and policies that affect people, their local and extended communities, and the environment. We promote the well-being of our employees, our associates, our customers, and our global environment by contributing to programs and initiatives that enhance quality of life in each of these areas.

RFMD has adopted the United Nations Global Compact (UNGC) as the framework for its CSR programs. RFMD policies support every aspect of the UNGC.

- **Human rights** – We respect the human rights of all people.
- **Fair labor** – We are committed to providing our employees with the best possible working environment.
- **Environment** – We strive to be good stewards of the air, water, and land, and continually take steps to reduce our impact on the local community and environment.
- **Health and safety** – Our environmental, health, and safety programs ensure a safe working environment for all employees and visitors worldwide.

- **Business ethics** – We operate in a very competitive business industry where the protection of confidential information remains vital to our continued growth and ability to compete. Protecting our internal documents, inventions, and records as well as information from third parties granted to us as part of non-disclosure agreements or similar restrictions, is critical to maintaining our high level of corporate integrity. RFMD does not condone bribes and adheres to antitrust laws that prohibit price fixing or collusion in dividing customers, territories, or markets. We have a documented whistle-blower policy and prohibitions on insider trading. We ensure that all U.S. employees, whose job responsibilities involve communication with third parties (suppliers, customers, contractors), are aware of and understand The Foreign Corrupt Practices Act.
- **RFMD suppliers** – We encourage and challenge our partners to embrace and adopt similar CSR programs. A CSR section is included in our *Supplier Assessment* document as part of new supplier and new facility audits.

For more information on RFMD's initiatives involving Corporate Social Responsibility, visit us at [www.rfmd.com](http://www.rfmd.com).

## Global Sustainability Principles

As an ISO-certified global corporation, we are committed to finding ways to run our business to build exceptional products while minimizing the environmental impact of our operations. RFMD's environmental management system uses a comprehensive approach for identifying and managing the specific environmental impact for each division within the Company. Our approach is supported by every level of the organization.

### Environmental Policy and Objectives

RFMD's Corporate Policy provides the framework for our environmental management system and drives its implementation throughout the Company.

### Corporate Environmental Policy Statement

RFMD is committed to complying with applicable environmental regulations and all other requirements to which RFMD subscribes, prevention of pollution and the continual improvement of the Company's environmental management system.

This will be done through a set of Objectives and Targets established to direct the efforts of the organization, which strives to reduce, reuse, recycle, and promote environmental awareness to preserve our natural resources.





### Corporate Environmental Objectives

RFMD has established objectives, which are reviewed and approved by RFMD Management annually. Employees are aware of these objectives and support Management and the Company in achieving them. For 2010 and 2011, these objectives include:

- Reduce electrical energy usage through energy-savings projects
- Reduce water usage through water conservation projects
- Monitor, track, and engineer a solution for reducing metals discharge from plating
- Reduce toxic metals loading to wastewater
- Monitor greenhouse gas data to prepare for pending greenhouse gas permit rules and proposed cap-and-trade programs

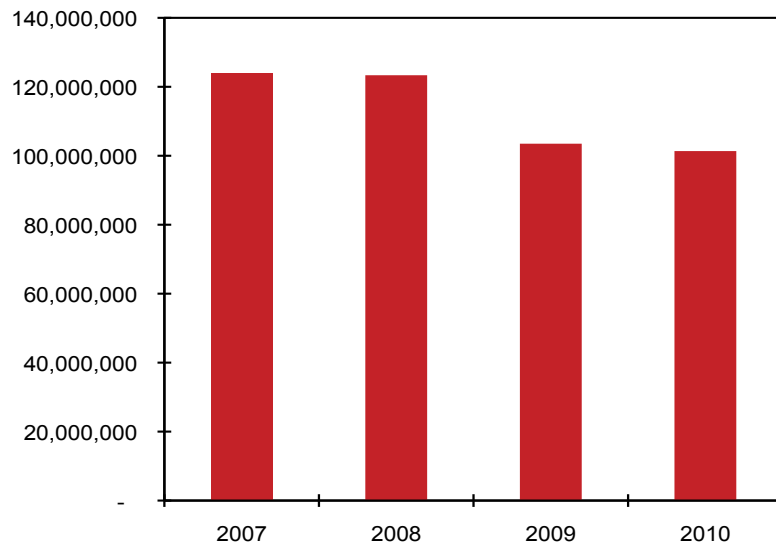
### Our Environmental Performance: What the Data Shows

RFMD is committed to managing electrical energy, water, waste, and air emissions through the use of established goals, operational improvements, and engineering controls. Since 2007, we have made significant strides in these areas as part of our comprehensive effort toward remaining an environmentally sound Company.

#### Electrical Energy Reductions

Saving electrical energy has been an ISO14001 program objective at RFMD as these efforts reduce the environmental impact on air and water quality from local power utility operations. Over the last few years, our Fabrication (or “Fab”) Facility Operations have implemented energy-saving projects to reduce electrical energy consumption. Projects have included insulating to reduce air loss, minimizing air exchanges, balancing exhaust systems, improving makeup air temperature controls, and installing energy-efficient lighting. As a result of these efforts, RFMD has saved more than 43 million kilowatt hours since 2007. In addition to reducing electrical energy use, the carbon dioxide (CO<sub>2</sub>) air emissions at the local utility have also been minimized.

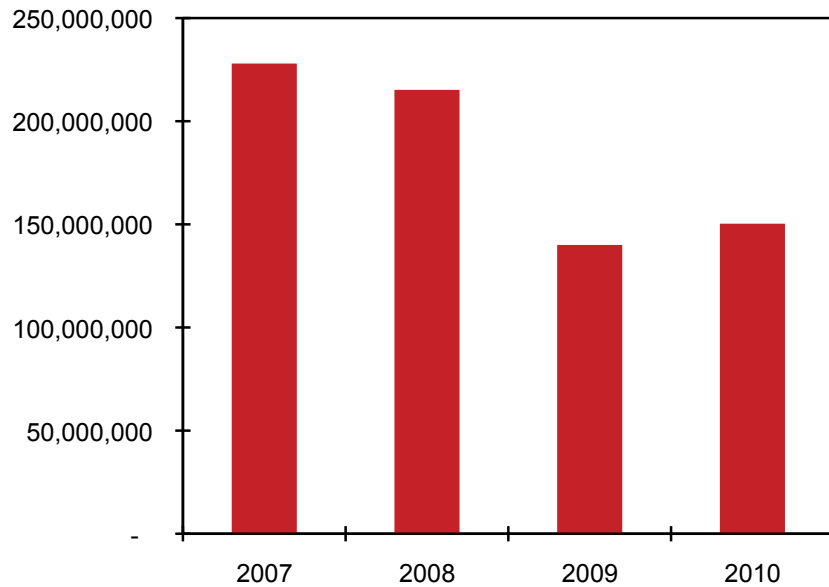
**Fab Electrical Use in kWh**  
(includes US and UK Fabs)



### **Water Conservation**

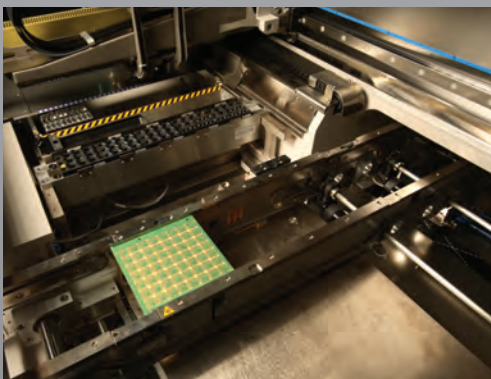
We have implemented various water-saving projects that have helped conserve water in our Fab Manufacturing Facilities. Implemented as a part of our ISO14001 program, these projects include efforts such as improving reverse osmosis recovery, economizing the water flows to air pollution control systems, rerouting analyzer water, and minimizing process rinse water flows. These actions have reduced our Fab Facilities' water use by 87 million gallons over the last four years. Which is enough water to run about 900 households for a year.

**Fab Total Water Use in Gallons**  
(includes US and UK Fabs)

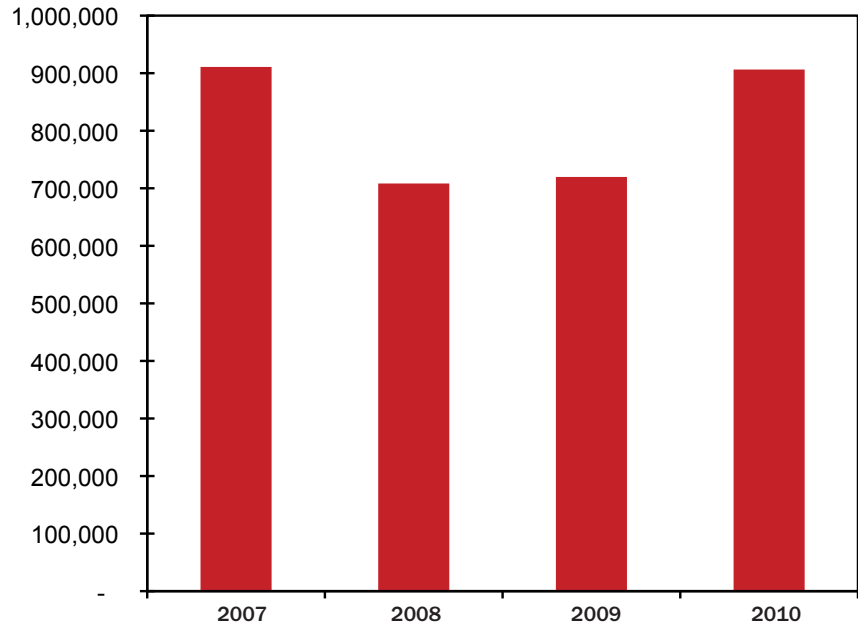


### **Hazardous Waste Management**

RFMD has made improvements in waste management and improved process efficiencies in an effort to help reduce the amount of hazardous waste generated. We have also pursued recycling and reclamation efforts that have allowed various waste streams to be recycled, thereby preserving natural resources and reducing waste. Since 2007, RFMD has reduced the amount of hazardous waste generated by 400,000 pounds. As we greatly reduced volatile organic compounds (VOC) emissions in 2010, there was a slight increase in hazardous waste volume as solvent was captured and shipped as waste. The overall impact to the environment is positive as the solvent was properly managed as waste and not directly emitted.



**Fab Hazardous Waste in Pounds**  
(Total per year)

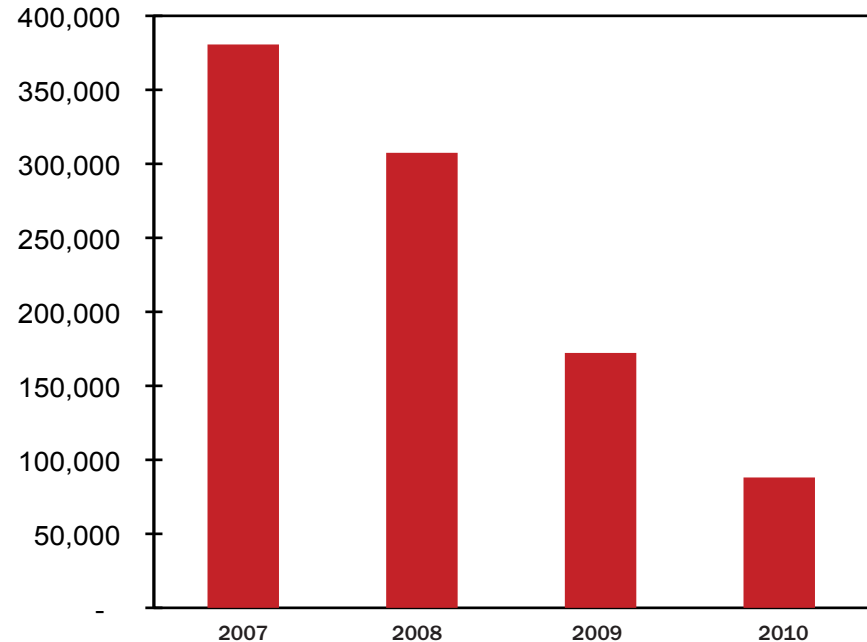


**Note:** In 2010, as we greatly reduced volatile organic compounds (VOC) emissions, there was a slight increase in hazardous waste volume as solvent was captured and shipped as waste.

***Volatile Organic Compounds Emissions Management***

RFMD has made significant strides in reducing the volatile organic compounds (VOC) emissions from our Fab operations through the introduction of modern efficient tooling and condensation equipment. These actions helped improve local air quality by reducing solvent emissions by over 290,000 pounds. Equipment improvements have also helped reduce process solvent use and processing costs.

**Total VOC Emissions**  
(Total per year)



## Our Products: Green Now and into the Future



Developing Green products and material sets is a natural extension of our overall environmental and corporate social responsibilities. “RFMD Green” products help to protect the environment by eliminating potentially hazardous material from the products we produce that end up in commercial goods used by consumers. RFMD offers products that are lead-free and meet other international requirements such as RoHS, REACH, and low-halogen content.

The “RFMD Green” classification covers multiple environmental compliance requirements found in legislation regarding banned substances around the world. Regulatory compliance started with lead- (Pb-) free initiatives and has progressed from there to ever-cleaner products. Depicted below is an evolution of compliance levels developed within our industry and followed by RFMD.



**Lead-Free** - Lead-free is now a subset of the European Union (EU) RoHS directive. It was the first movement toward environmentally clean products that had this heavy metal removed.



**RoHS (Restriction of Hazardous Substances)** - This is a European Union (EU) directive for setting limits of allowable concentration of certain substances within a sellable product. These substances were identified as harmful to the environment and to one’s health. The table below shows the six substances identified for restriction by RoHS, along with their allowable concentrations.

Substance	Allowable concentration in PPM by weight
Cadmium (Cd)	100
Lead (Pb)	1000
Mercury (Hg)	1000
Hexavalent Chromium (Cr <sup>6+</sup> )	1000
Polybrominated Biphenyls (PBBs)	1000
Polybrominated Diphenylethers (PBDEs)	1000



**Halogen-Free** - The halogen-free classification starts with a product that is already designated as RoHS compliant. In addition to the six RoHS substances, we limit the concentration of bromine and chlorine within the product. Neither bromine nor chlorine is to exceed 900 PPM (parts per million). If both substances are detected in the product, their sum is not to exceed 1,500 PPM. Additionally, two flame retardants—antimony trioxide (Sb<sub>2</sub>O<sub>3</sub>) and red phosphorus—are included within the HF definition. Neither is allowed to exceed 1,000 PPM. Although antimony, oxygen, and phosphorus are not halogens, some customers have placed these elements under this definition.



**RFMD Green** - Our RFMD Green icon indicates the cleanest designation we can assign to a product. It is the accumulation of the preceding definitions, plus it limits elemental antimony in solder to no more than two percent by weight.

The icons above comprise the RFMD environmental compliance designators. They are displayed on our product data sheets, and each icon’s definition is available on our Company website.

## Environmental Stewardship

RFMD is recognized by the North Carolina Department of the Environment and Natural Resources as a Rising Steward in the N.C. Environmental Stewardship Initiative Program, which recognizes companies with sound environmental practices. We are proud to be a member of the program and continue to support this effort through annual sponsorship, reporting, and outreach efforts. With a strong environmental management system in place and the ongoing commitment and support from all levels of the Company, we will continue to look for ways to build exceptional products while minimizing the environmental impact of our operations.

### A Focus on Health and Safety

We have a proactive Health and Safety Program, which highlights health and safety as a top priority for RFMD along with the commitment of providing a safe workplace. Our Company policy provides the framework for these programs.

#### *RFMD Corporate Health and Safety Policy*

The Health and Safety of RFMD employees and visitors is our utmost concern. It is therefore the policy and commitment of RFMD management to strive for the highest possible level of safety in all activities and operations. RFMD will comply with all applicable health and safety regulations and provide a work environment as free as practicable from recognized hazards. RFMD processes and procedures will be periodically evaluated to ensure conformity to applicable standards and to direct continuous improvement of the RFMD Health and Safety Program.

#### **Our Health and Safety Programs: What the Data Shows**

The RFMD Health and Safety Program is very effective in reducing injuries and illnesses in the workplace. We have never had a work-related fatality or a disabling injury in the history of the Company. Occupational Safety and Health Administration (OSHA) Injury rates for RFMD have routinely run at or below one over the last 10 years of operation. The types of injuries recorded at RFMD have typically been of a minor nature.

Our Health and Safety Program is always looking to improve its operations and reduce injuries or exposure incidents. We emphasize safety training, monitoring, and audits to improve employee knowledge and support to keep our operations safe and orderly. We address all incidents and recognized hazards in a responsive manner in an effort to avoid workplace injuries or illnesses.

When injuries do occur, RFMD provides an in-house, first-response effort aimed to stabilize conditions for personnel until professional medical care is available. We encourage employees to take the needed steps and time to heal properly and to return to work once appropriate accommodations can be provided to avoid further injury.

RFMD is committed to maintaining the health and safety of employees and visitors as a key business function.



## Community

RFMD is a global Company that strives to make a positive impact upon the local communities within which it operates. Through food and toy drives, community volunteerism, and in participation with charitable organizations, we aim to be good stewards within the global network and continually contribute to the betterment of the societies in which we live.

### **Bike MS: Tour to Tanglewood**

For the past ten years, RFMD's "Signal Strength" team has participated in the Bike MS: Tour to Tanglewood annual bike ride. Employees participate in the ride and raise funds that support local families who are battling multiple sclerosis.

### **Second Harvest and Salvation Army Food Bank Food Drives**

In 2004, RFMD initiated a yearly food drive which has delivered thousands of pounds of food to help stock local food pantries. Beginning in 2009, we increased the number of food drives to two times per year.

### **Salvation Army Empty Stocking Fund Toy Drives**

For the past seven years, RFMD has hosted an annual holiday toy drive in coordination with the local chapter of the Jaycees. Triad charities have come to rely on the toys, bicycles, games, etc. donated by RFMD employees for distribution to our area's most needy families.

### **Charitable Book Fair**

Twice a year beginning in 2002, RFMD sponsors a book fair for employees to purchase books and gift items. A portion of the proceeds are donated to charities including the American Cancer Society, the Mental Health Association, the American Pediatric Association, Ruff Love Rescue, and many others.

For more information about RFMD's sustainability initiatives or to download a copy of this report, visit us at [www.rfmd.com](http://www.rfmd.com).

RFMD® Corporate Headquarters

7628 Thorndike Road

Greensboro, NC 27409-9421

[www.rfmd.com](http://www.rfmd.com)