

Marvell Technology Group Ltd.
Unaudited GAAP Consolidated Statements of Operations
(In thousands, except per share amounts)

	<u>Q3'09</u>	<u>Q4'09</u>	<u>Q1'10</u> (1)	<u>Q2'10</u>	<u>Q3'10</u> (2)	<u>Q4'10</u>	<u>Q1'11</u>	<u>Q2'11</u>
Net revenue	\$ 791,046	\$ 512,867	\$ 521,434	\$ 640,620	\$ 803,098	\$ 842,535	\$ 855,579	\$ 896,474
Operating costs and expenses:								
Cost of goods sold	379,137	252,732	257,630	288,059	341,617	339,790	343,985	366,682
Research and development	234,222	212,861	206,089	196,190	212,873	213,024	219,111	228,211
Selling and marketing	41,158	32,623	33,910	32,907	35,442	37,144	38,423	36,863
General and administrative	28,869	35,656	102,728	29,469	16,660	22,506	23,108	25,440
Amortization and write-off of acquired intangible assets	34,814	48,274	30,356	26,446	26,450	24,282	22,549	21,214
Total operating costs and expenses	<u>718,200</u>	<u>582,146</u>	<u>630,713</u>	<u>573,071</u>	<u>633,042</u>	<u>636,746</u>	<u>647,176</u>	<u>678,410</u>
Operating income (loss)	72,846	(69,279)	(109,279)	67,549	170,056	205,789	208,403	218,064
Interest and other income (expense), net	11,543	(440)	(160)	279	(1,373)	10,249	(3,752)	4,212
Income (loss) before income taxes	84,389	(69,719)	(109,439)	67,828	168,683	216,038	204,651	222,276
Provision (benefit) for income taxes	13,443	(4,709)	2,018	9,335	(32,916)	11,217	(1,116)	2,499
Net income (loss)	<u>\$ 70,946</u>	<u>\$ (65,010)</u>	<u>\$ (111,457)</u>	<u>\$ 58,493</u>	<u>\$ 201,599</u>	<u>\$ 204,821</u>	<u>\$ 205,767</u>	<u>\$ 219,777</u>
Basic net income (loss) per share	<u>\$ 0.12</u>	<u>\$ (0.11)</u>	<u>\$ (0.18)</u>	<u>\$ 0.09</u>	<u>\$ 0.32</u>	<u>\$ 0.32</u>	<u>\$ 0.32</u>	<u>\$ 0.34</u>
Diluted net income (loss) per share	<u>\$ 0.11</u>	<u>\$ (0.11)</u>	<u>\$ (0.18)</u>	<u>\$ 0.09</u>	<u>\$ 0.31</u>	<u>\$ 0.31</u>	<u>\$ 0.30</u>	<u>\$ 0.33</u>
Weighted average shares — basic	<u>611,945</u>	<u>614,960</u>	<u>618,677</u>	<u>620,881</u>	<u>623,613</u>	<u>631,118</u>	<u>640,926</u>	<u>648,028</u>
Weighted average shares — diluted	<u>630,810</u>	<u>614,960</u>	<u>618,677</u>	<u>648,110</u>	<u>659,739</u>	<u>668,623</u>	<u>678,059</u>	<u>675,220</u>

Note: Included in unaudited GAAP net income (loss) are the following items:

(1) General and administrative expense included a \$72.0 million expense to resolve a shareholder class action lawsuit;

(2) Marvell recorded an income tax benefit of \$27.3 million as a result of the expiration of the statute of limitations related to a tax contingency reserve. In addition, a \$5.3 million income tax benefit was recorded relating to the true-up of a prior year deferred tax asset;

Marvell Technology Group Ltd.
Unaudited Reconciliation of Non-GAAP Adjustments
(In thousands, except per share amounts)

	<u>Q3'09</u>	<u>Q4'09</u>	<u>Q1'10</u>	<u>Q2'10</u>	<u>Q3'10</u>	<u>Q4'10</u>	<u>Q1'11</u>	<u>Q2'11</u>
Reconciliation of GAAP net income (loss) to non-GAAP net income:								
GAAP net income (loss)	\$ 70,946	\$ (65,010)	\$ (111,457)	\$ 58,493	\$ 201,599	\$ 204,821	\$ 205,767	\$ 219,777
Stock-based compensation included in:								
Cost of goods sold	1,795	3,021	4,116	1,810	2,389	2,375	2,236	1,692
Research and development	30,607	33,358	21,737	22,193	24,134	21,702	18,851	22,089
Selling and marketing	6,896	4,677	3,711	3,659	4,087	3,841	3,173	2,397
General and administrative	280	3,645	2,084	2,353	3,767	2,641	2,636	4,511
Adjustment of payroll related liabilities initially recorded in connection with historic stock option granting practices included in:								
Research and development	-	(3,652)	-	(1,820)	-	-	-	-
Selling and marketing	-	(1,323)	-	(659)	-	-	-	-
General and administrative	-	(317)	-	(158)	-	-	-	-
Interest expense	-	-	-	1,435	-	-	-	-
Litigation settlement included in general and administrative	-	-	72,000	-	-	-	4,373	-
Tax related matters	-	-	-	-	(32,569)	-	-	-
Amortization and write-off of acquired intangible assets	34,814	48,274	30,356	26,446	26,450	24,282	22,549	21,214
Restructuring	-	9,689	8,336	4,956	1,919	6,452	586	1,660
Other	-	-	990	-	-	-	-	-
Non-GAAP net income (see note below)	<u>\$ 145,338</u>	<u>\$ 32,362</u>	<u>\$ 31,873</u>	<u>\$ 118,708</u>	<u>\$ 231,776</u>	<u>\$ 266,114</u>	<u>\$ 260,171</u>	<u>\$ 273,340</u>
GAAP weighted average shares - diluted	630,810	614,960	618,677	648,110	659,739	668,623	678,059	675,220
Non-GAAP adjustment (b)	1,740	14,032	17,928	3,651	4,297	3,598	3,310	3,131
Non-GAAP weighted average shares - diluted	632,550	628,992	636,605	651,761	664,036	672,221	681,369	678,351
GAAP diluted net (loss) income per share	<u>\$ 0.11</u>	<u>\$ (0.11)</u>	<u>\$ (0.18)</u>	<u>\$ 0.09</u>	<u>\$ 0.31</u>	<u>\$ 0.31</u>	<u>\$ 0.30</u>	<u>\$ 0.33</u>
Non-GAAP diluted earnings per share (a)	<u>\$ 0.23</u>	<u>\$ 0.05</u>	<u>\$ 0.05</u>	<u>\$ 0.18</u>	<u>\$ 0.35</u>	<u>\$ 0.40</u>	<u>\$ 0.38</u>	<u>\$ 0.40</u>
GAAP gross margin	52.1%	50.7%	50.6%	55.0%	57.5%	59.7%	59.8%	59.1%
Non-GAAP gross margin	52.3%	51.3%	51.6%	55.3%	57.8%	60.0%	60.6%	59.3%
Headcount	5,541	5,552	5,308	5,079	5,145	5,241	5,354	5,518

(a) Non-GAAP net income per share is calculated by dividing non-GAAP net income by non-GAAP weighted average shares - diluted.

(b) For purposes of calculating non-GAAP net income per share, the GAAP diluted weighted average shares outstanding is adjusted to exclude the benefits of stock-based compensation costs attributable to future services and not yet recognized in the financial statements that are treated as proceeds assumed to be used to repurchase shares under the GAAP treasury stock method.

Marvell believes that the presentation of non-GAAP financial measures provides important supplemental information to management and investors regarding financial and business trends relating to its financial condition and results of operations. Marvell uses non-GAAP financial measures as a tool to enhance its understanding of certain aspects of its financial performance, Marvell does not consider these measures to be a substitute for, or superior to, the information provided by GAAP financial measures. Consistent with this approach, Marvell believes that disclosing non-GAAP financial measures to the readers of its financial statements provides such readers with useful supplemental data that, while not a substitute for GAAP financial measures, allows for greater transparency in the review of its financial and operational performance. Marvell has chosen to provide this information to investors to enable them to perform comparisons of operating results in a manner similar to how Marvell analyzes its operating results internally. Management also believes that these non-GAAP financial measures may be used to facilitate comparisons of Marvell's results with that of other companies in its industry.