

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

	<u>Q2'08</u>	<u>Q3'08</u>	<u>Q4'08</u>	<u>Q1'09</u>	<u>Q2'09</u>	<u>Q3'09</u>	<u>Q4'09</u>	<u>Q1'10</u>
	(1)	(2)	(3)(4)(5)(6)	(7)			(8)	(9)
Net revenue	\$ 656,711	\$ 758,246	\$ 844,686	\$ 804,075	\$ 842,575	\$ 791,046	\$ 512,867	\$ 521,434
Operating costs and expenses:								
Cost of goods sold	335,530	396,209	438,640	388,842	405,913	379,137	252,732	257,630
Research and development	236,194	252,205	266,464	238,475	249,714	234,222	207,579	200,249
Selling and marketing	53,942	46,423	60,504	46,088	41,834	41,158	31,893	32,646
General and administrative	33,775	32,537	48,340	12,951	30,989	28,869	31,979	101,496
Amortization and write-off of acquired intangible assets	37,293	37,311	43,810	35,247	34,988	34,814	48,274	30,356
Restructuring	-	-	7,856	-	-	-	9,689	8,336
Total operating costs and expenses	<u>696,734</u>	<u>764,685</u>	<u>865,614</u>	<u>721,603</u>	<u>763,438</u>	<u>718,200</u>	<u>582,146</u>	<u>630,713</u>
Operating income (loss)	(40,023)	(6,439)	(20,928)	82,472	79,137	72,846	(69,279)	(109,279)
Interest and other income (expense), net	(7,732)	(9,409)	14,910	(4,692)	(754)	11,543	(440)	(160)
Income (loss) before income taxes	(47,755)	(15,848)	(6,018)	77,780	78,383	84,389	(69,719)	(109,439)
Provision (benefit) for income taxes	8,701	(9,412)	(7,311)	7,841	7,016	13,443	(4,709)	2,018
Net income (loss)	<u>\$ (56,456)</u>	<u>\$ (6,436)</u>	<u>\$ 1,293</u>	<u>\$ 69,939</u>	<u>\$ 71,367</u>	<u>\$ 70,946</u>	<u>\$ (65,010)</u>	<u>\$ (111,457)</u>
Basic net income (loss) per share	<u>\$ (0.10)</u>	<u>\$ (0.01)</u>	<u>\$ 0.00</u>	<u>\$ 0.12</u>	<u>\$ 0.12</u>	<u>\$ 0.12</u>	<u>\$ (0.11)</u>	<u>\$ (0.18)</u>
Diluted net income (loss) per share	<u>\$ (0.10)</u>	<u>\$ (0.01)</u>	<u>\$ 0.00</u>	<u>\$ 0.11</u>	<u>\$ 0.11</u>	<u>\$ 0.11</u>	<u>\$ (0.11)</u>	<u>\$ (0.18)</u>
Weighted average shares — basic	<u>587,534</u>	<u>590,759</u>	<u>595,512</u>	<u>601,222</u>	<u>606,860</u>	<u>611,945</u>	<u>614,960</u>	<u>618,677</u>
Weighted average shares — diluted	<u>587,534</u>	<u>590,759</u>	<u>626,699</u>	<u>624,351</u>	<u>637,832</u>	<u>630,810</u>	<u>614,960</u>	<u>618,677</u>

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

- (1) General and administrative expense in Q2 2008 included a gain of \$5.1 million from the sale of an asset under construction;
- (2) Income tax benefit in Q3 2008 included an income tax benefit of \$13.0 million related to the reversal of tax reserves after the conclusion of a foreign tax audit;
- (3) General and administrative expense in Q4 2008 included a \$16.0 million expense related to anticipated payments pursuant to a tentative settlement;
- (4) Interest and penalties of \$7.2 million associated with payroll tax on certain stock option exercises were included in the respective operating costs and expenses recorded in Q4 2008;
- (5) Other income of \$22.1 million associated with a one-time adjustment to the fair market value liability under the Intel supply agreement recorded in Q4 2008;
- (6) Income tax benefit in Q4 2008 included a benefit of \$8.3 million related to the recognition of tax net operating losses which were considered to be realizable following the planned merger of certain foreign subsidiary entities to be effected in fiscal 2009;
- (7) General and administrative expense in Q1 2009 included a \$24.5 million payment from the Company's directors and officers liability insurers in connection with pending securities litigation related to the Company's past stock option grants practices, including the tentative settlement of the shareholder derivative litigation. In addition, general and administrative expense included a \$10M settlement with the Securities and Exchange Commission ("SEC") in connection with the SEC's investigation into the Company's past stock option practices;
- (8) In Q4 2009, Marvell recorded a reversal of remaining payroll related tax liabilities totaling \$5.3 million recorded in prior years in connection with historic stock option granting practices;
- (9) General and administrative expense in Q1 2010 included a \$72.0 million expense to resolve a shareholder class action lawsuit.

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

	13 weeks Q2'08	13 weeks Q3'08	14 weeks Q4'08 (1) (2)	13 weeks Q1'09	13 weeks Q2'09	13 weeks Q3'09	13 weeks Q4'09 (1) (2) (3)	13 weeks Q1'10 (1) (4) (5)
Reconciliation of GAAP net (loss) income to non-GAAP net income:								
GAAP net (loss) income	\$ (56,456)	\$ (6,436)	\$ 1,293	\$ 69,939	\$ 71,367	\$ 70,946	\$ (65,010)	\$ (111,457)
Stock-based compensation included in:								
Cost of goods sold	3,275	4,326	4,911	3,073	3,755	1,795	3,021	4,116
Research and development	34,591	39,989	45,627	29,932	32,998	30,607	33,358	21,737
Selling and marketing	10,997	6,949	13,925	7,348	6,159	6,896	4,677	3,711
General and administrative	10,033	4,092	5,497	4,873	4,715	280	3,645	2,084
Reversal of remaining payroll related liabilities in connection with historic stock option granting practices included in:								
Research and development	-	-	-	-	-	-	(3,652)	-
Selling and marketing	-	-	-	-	-	-	(1,323)	-
General and administrative	-	-	-	-	-	-	(317)	-
Litigation settlement included in general and administrative	-	-	-	-	-	-	-	72,000
Amortization and write-off of acquired intangible assets	37,293	37,311	43,810	35,247	34,988	34,814	48,274	30,356
Restructuring	-	-	7,856	-	-	-	9,689	8,336
Other	-	-	-	-	-	-	-	990
Non-GAAP net income (see note below)	<u>\$ 39,733</u>	<u>\$ 86,231</u>	<u>\$ 122,919</u>	<u>\$ 150,412</u>	<u>\$ 153,982</u>	<u>\$ 145,338</u>	<u>\$ 32,362</u>	<u>\$ 31,873</u>
GAAP weighted average shares - diluted	587,534	590,759	626,699	624,351	637,832	630,810	614,960	618,677
Non-GAAP adjustment (b)	42,724	39,854	542	91	2,315	1,740	14,032	17,928
Non-GAAP weighted average shares - diluted	<u>630,258</u>	<u>630,613</u>	<u>627,241</u>	<u>624,442</u>	<u>640,147</u>	<u>632,550</u>	<u>628,992</u>	<u>636,605</u>
GAAP diluted net (loss) income per share	<u>\$ (0.10)</u>	<u>\$ (0.01)</u>	<u>\$ 0.00</u>	<u>\$ 0.11</u>	<u>\$ 0.11</u>	<u>\$ 0.11</u>	<u>\$ (0.11)</u>	<u>\$ (0.18)</u>
Non-GAAP diluted earnings per share (a)	<u>\$ 0.06</u>	<u>\$ 0.14</u>	<u>\$ 0.20</u>	<u>\$ 0.24</u>	<u>\$ 0.24</u>	<u>\$ 0.23</u>	<u>\$ 0.05</u>	<u>\$ 0.05</u>
GAAP gross margin	48.9%	47.7%	48.1%	51.6%	51.8%	52.1%	50.7%	50.6%
Non-GAAP gross margin	49.4%	48.3%	48.7%	52.0%	52.3%	52.3%	51.3%	51.6%
Headcount	5,644	5,753	5,331	5,320	5,453	5,541	5,552	5,308

(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 SFAS 123R 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 and also includes the dilutive/antidilutive effects of warrants, common stock options and restricted stock.

Note: In addition to stock-based compensation and amortization and write-off of purchased intangibles, the following items are excluded in unaudited non-GAAP net income:

- (1) In Q4 2008, Q4 2009 and Q1 2010, Marvell recorded restructuring charges of \$7.9 million, \$9.7 million and \$8.3 million, respectively;
- (2) Includes an asset impairment charge of \$7.2 million in Q4 2008 and \$15.6 million in Q4 2009;
- (3) In Q4 2009, Marvell recorded a reversal of remaining payroll related tax liabilities totaling \$5.3 million recorded in prior years in connection with historic stock option granting practices;
- (4) Other of \$1.0 million consists of underutilization charges in connection with the rampdown of Malaysia test operations in Q1 2010;
- (5) General and administrative expense in Q1 2010 included a \$72.0 million expense to resolve a shareholder class action lawsuit.