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Marvell Transitions XScale Based Processors to Customary Fabrication Facilities

SANTA CLARA, Calif., Jan. 8 /PRNewswire-FirstCall/ -- Marvell Technology Group Ltd. (Nasdaq: MRVL) a leader in storage, communications, and consumer silicon solutions, today announced that the Company is completing the planned transition of several mobile products to its customary fabrication facilities from Intel manufacturing operations. Upon completion of this transition all of Marvell's communication processors will be manufactured utilizing the Company's standard fabrication partners.

(Logo: http://www.newscom.com/cgi-bin/prnh/20070411/SFW034LOGO)

Marvell has spent more than a year working on the porting of these products, going through an extensive qualification process. This time consuming effort was undertaken with extreme care to maintain a smooth customer supply chain by creating buffers on both sides with the Intel fabrication facilities and Marvell's customary channels. The Company feels confident that customer supply will not be affected.

"This transition has required a great deal of hard work and planning to ensure a seamless conversion for our customers. We are pleased to complete this transition well ahead of schedule," said Dr. Sehat Sutardja, Marvell's President and CEO. "We expect that by converting these parts to our traditional fabrication partners, Marvell will be able to further lower its cost structure, improve profitability and support our efforts to bring Marvell in line with our financial model. This is an important achievement for Marvell and we remain committed to implementing further cost improvement initiatives that we began in the third quarter to improve our gross margin."

On November 8, 2006, Marvell completed the acquisition of Intel Corporation's cellular and applications processor business. Under the terms of the purchase agreement, Marvell entered into a supply agreement with Intel whereby Intel would fabricate and supply chips to Marvell through June 2008. By leveraging strong relationships with manufacturing partners Marvell has successfully shortened the time needed for the planned transition of XScale based communications processors and certain application processors. The transition for the manufacture of communications processors is expected to be completed before the end of Q1 FY09. Marvell will continue to utilize Intel fabrication facilities to manufacture certain previous generation application processors.

About Marvell

Marvell (NASDAQ: MRVL) is a leader in the development of storage, communications, and consumer silicon solutions. The company's diverse product portfolio includes switching, transceiver, communications controller, wireless, and storage solutions that power the entire communications infrastructure including enterprise, metro, home, and storage networking.

As used in this release, the terms "company" and "Marvell" refer to Marvell Technology Group Ltd. and its subsidiaries. For more information, visit http://www.marvell.com.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995:

This release contains forward-looking statements based on assumptions about our operations. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "may," "will," "should," and their variations identify forward-looking statements. Statements that refer to, or are based on projections, uncertain events or assumptions also identify forward-looking statements. These statements include statements regarding expected benefits to the Company upon completion of the transition of the manufacture of certain products to traditional fabrication partners, the Company's anticipated ability to achieve further cost improvement initiatives and improve its gross margin, the anticipated timing for the completion of the transition of the manufacture of certain parts to traditional manufacturers, the Company's plans to continue to utilize Intel fabrication facilities to manufacture certain products, These statements are not guarantees of results and are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statements. Actual results will be subject to the Company's ability to execute the transition of the manufacture of certain products as planned and on the Company's operating performance during the remainder of fiscal year 2008 and beyond. For other factors that could cause Marvell's results to vary from expectations, please see the risk factors identified in the Marvell's latest Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as filed with the Securities and Exchange Commission and other factors detailed from time to time in Marvell's filings with the Securities and Exchange Commission. Marvell undertakes no obligation to revise or update publicly any forward-looking statements.

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