MARVELL TECHNOLOGY GROUP LTD
Form DEF 14A
September 14, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x
Filed by a Party other than the Registrant o
Check the appropriate box:

o	Preliminary Proxy Statement
o	**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
x	Definitive Proxy Statement
o	Definitive Additional Materials
o	Soliciting Material Pursuant to §240.14a-12

MARVELL TECHNOLOGY GROUP LTD.

(Name of Registrant as Specified In Its Charter)
N/A
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

MARVELL TECHNOLOGY GROUP LTD.
Canon s Court
22 Victoria Street
Hamilton HM 12
Bermuda

September 14, 2007

Dear Shareholder:

You are cordially invited to attend the 2007 annual general meeting of shareholders of Marvell Technology Group Ltd., a Bermuda company, scheduled to be held at the Hyatt Regency Hotel, Santa Clara Convention Center, 5101 Great America Parkway, Santa Clara, California 95054, on Friday, October 19, 2007 at 3:30 p.m. local time.

As described in the accompanying notice of annual general meeting of shareholders and proxy statement, shareholders will be asked to (1) vote on the election of one Class 1 director, (2) re-appoint PricewaterhouseCoopers LLP as the company s auditors and independent registered public accounting firm for the 2008 fiscal year, and authorize our audit committee, acting on behalf of the board of directors, to fix the remuneration of the auditors and independent registered public accounting firm, and (3) approve the 2007 Director Stock Incentive Plan. Directors and executive officers will be present at the annual general meeting to respond to any questions that our shareholders may have regarding the business to be transacted.

Your vote is very important, regardless of the number of shares you own. Whether or not you plan to attend in person, I urge you to sign, date and promptly return the enclosed proxy card in the accompanying postage-prepaid envelope to ensure that your common shares are represented at the annual general meeting. You may, of course, attend the annual general meeting and vote in person even if you have previously returned your proxy card.

We have also enclosed a copy of our 2007 annual report.

On behalf of the board of directors and all of our employees, I wish to thank you for your continued support.

Sincerely yours,

DR. SEHAT SUTARDJA
Chairman of the Board of Directors, President and Chief Executive Officer

MARVELL TECHNOLOGY GROUP LTD.
Canon s Court
22 Victoria Street
Hamilton HM 12
Bermuda

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
To Be Held on October 19, 2007

The 2007 annual general meeting of shareholders of Marvell Technology Group Ltd., a Bermuda company, is scheduled to be held at the Hyatt Regency Hotel, Santa Clara Convention Center, 5101 Great America Parkway, Santa Clara, California 95054, on Friday, October 19, 2007 at 3:30 p.m. local time for the following purposes:

1. To elect one Class 1 director to our board of directors, to hold office for a three-year term or until his successor is duly elected and qualified;

2. To re-appoint PricewaterhouseCoopers LLP as the company s auditors and independent registered public accounting firm, and authorize our audit committee, acting on behalf of the board of directors, to fix the remuneration of the auditors and independent registered public accounting firm, in both cases for our fiscal year ending January 26, 2008;

3. To approve the 2007 Director Stock Incentive Plan; and

4. To transact such other business as may properly come before the annual general meeting or any or all adjournments or postponements thereof.

The company will also lay before the meeting our financial statements for the fiscal year ended January 27, 2007 pursuant to the provisions of the Bermuda Companies Act 1981 and the company s bye-laws as currently in effect.

Only holders of record of common shares of the company as of August 31, 2007 will be entitled to notice of, and to vote at, the annual general meeting and any adjournment or postponement thereof.

Your attention is directed to the accompanying proxy statement. To assure your representation at the annual general meeting, please date, sign and mail the enclosed proxy, for which a postage-prepaid return envelope is provided. Execution of a proxy will not in any way affect your right to attend the annual general meeting and vote in person, and any person giving a proxy has the right to revoke it at any time before it is exercised.

By Order of the Board of Directors,

ERIC B. JANOFSKY
Acting Secretary

Santa Clara, California
September 14, 2007

PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD PROMPTLY.
NO POSTAGE IS REQUIRED IF MAILED IN THE ENCLOSED POSTAGE-PREPAID ENVELOPE
WITHIN THE UNITED STATES.

If you have any questions, or have any difficulty voting your shares, please contact Eric B. Janofsky, Esq., Vice President and Acting General Counsel of Marvell Semiconductor, Inc., at (408) 222-2500.

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Canon s Court
22 Victoria Street
Hamilton HM 12
Bermuda

PROXY STATEMENT
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October 19, 2007

INTRODUCTION

This proxy statement is furnished in connection with the solicitation by the board of directors of Marvell Technology Group Ltd., a Bermuda company (Marvell), of proxies for use at the company s 2007 annual general meeting of shareholders scheduled to be held at the Hyatt Regency Hotel, Santa Clara Convention Center, 5101 Great America Parkway, Santa Clara, California 95054, on Friday, October 19, 2007 at 3:30 p.m. local time, and at any and all postponements and adjournments thereof.

INFORMATION REGARDING VOTING AT THE ANNUAL GENERAL MEETING

General

At the annual general meeting, the company s shareholders are being asked to consider and to vote upon: (1) the election of one Class 1 director of the board of directors as recommended by the company s governance committee and nominated by the board of directors, such director to serve until the annual general meeting of shareholders to be held in calendar year 2010 or until his successor is duly elected and qualified (see Election of Directors at page 4 of this proxy statement); (2) the re-appointment of PricewaterhouseCoopers LLP (PricewaterhouseCoopers) as our auditors and independent registered public accounting firm, and authorization of the company s audit committee, acting on behalf of the board of directors, to fix the remuneration of the auditors and independent registered public accounting firm, in both cases for the fiscal year ending January 26, 2008 (see Re-appointment of Auditors and Independent Registered Public Accounting Firm and Authorization of the Audit Committee to Fix Remuneration at page 32 of this proxy statement); and (3) the approval of the 2007 Director Stock Incentive Plan, or 2007 Director Plan (see Approval of 2007 Director Plan at page 34 of this proxy statement).

Your board of directors asks you to appoint Sehat Sutardja, Ph.D., our Chairman, President and Chief Executive Officer, and Michael Rashkin, our Vice President and Interim Chief Financial Officer, as your proxy holders to vote your shares at the annual general meeting. You make this appointment by completing the enclosed proxy card as described below. If appointed by you, your shares represented by properly executed proxies received by the company will be voted at the annual general meeting in the manner specified therein or, if no instructions are marked on the proxy card, as follows: FOR the director nominee identified on such card; FOR the re-appointment of PricewaterhouseCoopers as our auditors and independent registered public accounting firm, and authorization of the audit committee, acting on behalf of the board of directors, to fix the remuneration of the auditors and independent registered public accounting firm, in both cases for the 2008 fiscal year; and FOR the approval of the 2007 Director Plan. Although management does not know of any other matter to be acted upon at the annual general meeting, unless contrary instructions are given, shares represented by valid proxies will be voted by the persons named on the accompanying proxy card in accordance with their respective best judgment with respect to any other matters that may properly come before the annual general meeting.

The approximate date on which this proxy statement and the enclosed proxy card are first being sent to shareholders is September 14, 2007.

Principal Executive Offices

The mailing address of our principal executive offices is Canon s Court, 22 Victoria Street, Hamilton HM 12, Bermuda, and the telephone number is (441) 296-6395.

Record Date and Voting

The record date for the annual general meeting has been set as Friday, August 31, 2007. Only shareholders of record as of such date will be entitled to notice of and to vote at the annual general meeting. On the record date, 590,473,023 of the company s common shares, par value $0.002 per share (common shares), were outstanding. Each outstanding common share is entitled to one vote on each matter to be voted on at the annual general meeting. There is no cumulative voting in the election of directors.

The presence, in person or by proxy, of two or more persons holding at least a majority of the voting power of the common shares issued and outstanding and entitled to vote is necessary to constitute a quorum at the annual general meeting. In the event there are not sufficient votes for a quorum at the time of the annual general meeting, the annual general meeting will stand adjourned for one week or otherwise as may be determined by the board of directors in accordance with our Second Amended and Restated Bye-Laws (the Bye-Laws) in order to permit the further solicitation of proxies.

With regard to the matters scheduled to come before the annual general meeting, votes may be cast in favor or against. A shareholder may also abstain or, with respect to the election of directors, withhold such shareholder s vote. The required vote is, assuming the presence of a quorum, a majority of votes cast. Abstentions, broker non-votes and withheld votes are counted for the purpose of determining the presence or absence of a quorum for the transaction of business. However, abstentions, broker non-votes and withheld votes are not considered negative votes under the Bermuda Companies Act 1981 and our Bye-Laws, and as such none will effect the calculation of the requisite vote.

Shareholders should complete and return proxy cards as soon as possible. To be valid, a proxy card must be completed in accordance with the instructions on it and received at the address set forth below by 5:00 p.m., local time, on October 18, 2007:

Marvell Technology Group Ltd.
c/o American Stock Transfer & Trust Company
59 Maiden Lane
New York, NY 10038
U.S.A.

No postage is required if the proxy is mailed in the enclosed postage-prepaid envelope within the United States to the address set forth immediately above.

Revocation of Proxies

Execution of a proxy will not in any way affect a shareholder s right to attend the annual general meeting and vote in person, and any person giving a proxy has the right to revoke it at any time before it is exercised. A proxy may be revoked by:

- delivering to the Secretary of the company, prior to the commencement of the annual general meeting, either a written notice of revocation or a duly executed proxy bearing a later date at the address set forth above; or

- voting in person at the annual general meeting.

Solicitation

The company is making this solicitation, and the cost of preparing, assembling and mailing the notice of annual general meeting of shareholders, this proxy statement and the enclosed proxy card will be paid by us. Following the mailing of this proxy statement, our directors, officers and other employees may solicit proxies by mail, telephone, e-mail or in person. These persons will receive no additional compensation for these services. We have retained Georgeson Shareholder Services to assist us in the solicitation of proxies. Georgeson Shareholder Services will receive a fee of $7,500 for such services plus out-of-pocket expenses, which fees and expenses will be paid by us. Brokerage houses and other nominees, fiduciaries and custodians nominally holding common shares of record will be requested to forward proxy soliciting material to the beneficial owners of such shares, and will be reimbursed by us for their reasonable charges and expenses in connection therewith.

IMPORTANT

Please promptly complete and submit your proxy by signing, dating and returning the enclosed proxy card in the postage-prepaid return envelope so that your shares can be voted. This will not limit your rights to attend or vote at the annual general meeting.

PRESENTATION OF FINANCIAL STATEMENTS

In accordance with Section 84 of the Bermuda Companies Act 1981 and Bye-Law 73 of our Bye-Laws, the company s audited consolidated financial statements for the fiscal year ended January 27, 2007 will be presented at the annual general meeting. These statements have been approved by our board of directors. There is no requirement under Bermuda law that these statements be approved by shareholders, and no such approval will be sought at the meeting.

PROPOSAL NO. 1
ELECTION OF DIRECTORS

Nominee

Our Bye-Laws provide for two or more directors, and the number of directors is currently fixed at nine. The number of directors currently appointed to the board of directors is six. Douglas King, currently a Class 1 director, has informed the company of his intention not to seek reelection to the board of directors, and his term will expire at the annual general meeting.

The board of directors is divided into three classes, with all three classes currently having two members. One class of the board of directors is elected by the shareholders each year. Each class serves staggered three-year terms, which means that as a general matter only one class of directors is elected at each annual general meeting with the other classes continuing for the remainder of their respective terms. At the annual general meeting, shareholders will be asked to vote on the election of one Class 1 director. The Class 1 director elected at the annual general meeting will serve a three-year term or until his or her successor has been duly elected and qualified. Directors may only be removed for cause by a special resolution of the company, pursuant to the terms of our Bye-Laws.

Our nominee for the Class 1 director is Paul R. Gray, Ph.D., biographical information for whom can be found on page 6 on this proxy statement. The company has been advised by Dr. Gray that he is willing to be named as such herein and is willing to serve as a director if elected.

Board Recommendation and Required Vote

The board of directors recommends that you vote FOR the nominee for director identified above.

Unless authority to do so is withheld, the proxy holders named in each proxy will vote the shares represented thereby FOR the election of such nominee. Assuming the presence of a quorum, the required vote is the affirmative vote of at least a majority of votes cast and entitled to vote at the annual general meeting. Withheld votes and broker non-votes will be entirely excluded from the vote and will have no effect on the outcome.

BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD

Directors

The following table sets forth information with respect to our directors, including the Class 1 director nominee, as of the date of this proxy statement:

Name of Director	Age	Class of Director	Term Expires	Background
Sehat Sutardja, Ph.D.	46	3	2009	Dr. Sehat Sutardja, one of our co-founders, has served as the President, Chief Executive Officer and Co-Chairman of the board of directors of Marvell since 1995, and Chairman of the board of directors since 2003. In addition, he serves as President, Chief Executive Officer and a director of the company s U.S. subsidiary, Marvell Semiconductor, Inc. (MSI). Dr. Sehat Sutardja holds Master of Science and Ph.D. degrees in Electrical Engineering and Computer Science from the University of California at Berkeley. Dr. Sehat Sutardja was elected as a Fellow to the IEEE in 2007 and holds over 90 U.S. Patents. Dr. Sehat Sutardja is the brother of Dr. Pantas Sutardja.
Pantas Sutardja, Ph.D.	44	3	2009	Dr. Pantas Sutardja, one of our co-founders, has served as Vice President and a director since Marvell s inception in 1995. He was appointed Chief Technical Officer in 2000, Chief Technology Officer in 2003 and Acting Chief Operating Officer and Chief Research and Development Officer in 2007. Dr. Pantas Sutardja holds Bachelor of Science, Master of Science and Ph.D. degrees in Electrical Engineering and Computer Science from the University of California at Berkeley. Dr. Pantas Sutardja is the brother of Dr. Sehat Sutardja.
Kuo Wei (Herbert) Chang(1)	45	2	2008	Kuo Wei (Herbert) Chang has served as a director since November 1996. Since April 1996, Mr. Chang has been President of InveStar Capital, Inc., a technology venture capital management firm based in Taiwan. Since February 1998, Mr. Chang has also been the managing member of Forefront Associates LLC, which is the general partner of Forefront Venture Partners, L.P. From 1994 to 1996, Mr. Chang was Senior Vice President of WK Technology Fund, a venture capital fund. Mr. Chang serves as a director for Monolithic Power Systems, Inc. and a number of private companies. Mr. Chang holds a Bachelor of Science degree from National Taiwan University and a Master of Business Administration degree from National Chiao-Tung University in Taiwan.

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Paul R. Gray, Ph.D.(2)(3)	64	1	2010	Dr. Paul R. Gray has served as a director since March 2000. Dr. Gray is Professor Emeritus and Professor of the Graduate School, University of California at Berkeley. From July 2000 to June 2006, Dr. Gray served as Executive Vice Chancellor and Provost at the University of California at Berkeley. During his over 30 year tenure with the University, Dr. Gray has held numerous administrative posts, including Director of the Electronics Research Laboratory, Vice Chairman of the EECS Department for Computer Resources, Dean of the College of Engineering and Chairman of the Department of Electrical Engineering and Computer Science. Dr. Gray holds Bachelor of Science, Master of Science and Ph.D. degrees in Electrical Engineering from the University of Arizona, Tucson.
Douglas King(2)(3)	65	1	2007*	Douglas King has served as a director since April 2004. Mr. King is a retired audit partner of Ernst & Young LLP. Mr. King began his career at Ernst & Young in Tulsa, Oklahoma in 1970. Mr. King retired as an audit partner of Ernst & Young in September 2002, having been an audit partner for 20 years, as well as managing Ernst & Young s San Francisco office from March 1998 to September 2000. Mr. King is a Certified Public Accountant with a Masters Degree in Business Administration from the University of Arkansas. Mr. King is a director of SJW Corp., chairing its audit committee and serving on its executive compensation committee. Mr. King is also a director of Fuel Systems Solutions, Inc., chairing its audit committee and serving on its governance committee.
Arturo Krueger (1)(3)	68	2	2008	Arturo Krueger has served as a director since August 2005. Mr. Krueger has more than 40 years experience in semiconductor business management, having served as a corporate officer for a major, multi-national semiconductor company. Since February 2001, Mr. Krueger has been a consultant to OEM automobile manufacturers and semiconductor companies that serve global automotive and telecom markets. Mr. Krueger was corporate Vice President and General Manager of Motorola s Semiconductor Products Sector for Europe, the Middle East and Africa (EMEA) from January 1998 until February 2001. Mr. Krueger holds a Masters of Science degree in Electrical Engineering from the Institute of Technology in Switzerland, and has studied Advanced Computer Science at the University of Minnesota. Mr. Krueger serves as a director of QuickLogic Corporation.

(1) Member of the governance committee.

(2) Member of the executive compensation committee.

(3) Member of the audit committee.

* Mr. King has informed the company of his intention not to seek reelection.

Except as noted above, there are no family relationships among any of our directors and officers.

Meetings, Independence and Compensation of the Board of Directors

Meetings of the Board of Directors; Attendance

There were 22 meetings of the board of directors in the 2007 fiscal year. Our former director, Dr. John Cioffi, attended two of the three meetings of the board of directors and the executive compensation committee held in the 2007 fiscal year prior to his resignation from both the board of directors and the executive compensation committee effective as of April 1, 2006. Kuo Wei (Herbert) Chang attended one of two meetings of the executive compensation committee held in the 2007 fiscal year prior to his resignation from the committee effective as of March 10, 2006.

Except as noted above, all other directors attended at least 75% of the total number of board and committee meetings on which such director served.

Although directors are encouraged to attend annual general meetings, we do not have a formal policy requiring such attendance. Four directors attended the 2006 annual general meeting.

Director Independence

Our board of directors has determined that, among current directors with continuing terms and the director nominee standing for reelection, each of Kuo Wei (Herbert) Chang, Paul R. Gray, Ph.D., and Arturo Krueger is independent as such term is defined by the applicable listing standards of The Nasdaq Stock Market (Nasdaq) and the rules of the Securities and Exchange Commission (SEC).

Compensation of Directors

Our non-employee directors each receive $1,000 per board meeting attended in person and $250 per meeting attended telephonically. Effective as of September 6, 2007, non-employee directors also receive an annual retainer of $40,000. We intend to appoint a non-executive chairman to the board of directors, and will pay such individual an annual retainer of $25,000. Our non-employee directors also receive $5,000 per committee membership for the audit (increased to $7,500 effective as of September 6, 2007), executive compensation and governance committees, and $1,000 per committee meeting attended in person and $250 per meeting attended telephonically, except that the member of the stock option internal review special committee and its successor, the special committee regarding derivative litigation, received $2,500 per diem plus reimbursement of expenses. In addition, the chair of the audit committee receives an additional cash retainer of $7,500 per year and chairs of the other committees of the board of directors receive an additional cash retainer of $2,500 per year. Directors who are also employees do not receive any cash compensation for their services as directors.

In addition, under our 1997 Directors Stock Option Plan, each new non-employee director receives an option to purchase 30,000 common shares upon joining the board of directors. The options vest over a period of five years, with 20% vesting on the first anniversary of the grant date, and 1.67% vesting each month thereafter provided that the non-employee director remains a director through such period. In addition, under the plan, each incumbent non-employee director is granted an option to purchase an additional 6,000 common shares on the date of our annual general meeting, provided that on such date the director has served on the board for at least six months prior to the date of such annual general meeting. This option vests 20% on the day that is one month after the fourth anniversary of the grant date, and 8.3% vesting each month thereafter provided that the non-employee director remains a director through such period. All options will vest in full upon a change of control. The exercise price per share for each option is equal to the fair market value on the date of grant.

If shareholders approve the 2007 Director Plan at the annual general meeting, the 1997 Directors Stock Option Plan will terminate and will be replaced by the 2007 Director Plan. See Approval of 2007 Director Plan starting at page 32 of this proxy statement for details.

Director Compensation Table Fiscal 2007

The following table details the total compensation paid to our non-employee directors in the 2007 fiscal year.

Director	Fees Earned or Paid in Cash		Option Awards(1)(2)(3)	Total(2)
Kuo Wei (Herbert) Chang	$ 26,750		$ 138,848	$ 165,598
Dr. Paul R. Gray	$ 66,000		$ 138,848	$ 204,848
Douglas King	$ 78,000		$ 376,579	$ 454,579
Arturo Krueger	$ 139,750	(4)	$ 353,270	$ 490,020

(1) Amounts listed in this column represent the compensation expense of option awards we recognized, before forfeitures, under FAS 123R for fiscal 2007, rather than amounts paid to or realized by the named individual, and includes expense recognized for awards granted prior to 2007. Please refer to Note 9 to our consolidated financial statements for the underlying assumptions for this expense. There can be no assurance that options will be exercised (in which case no value will be realized by the individual) or that the value on exercise will approximate the compensation expense we recognized.

(2) Amounts have been updated to correct certain inadvertent errors in the data provided in our Annual Report on Form 10-K for the year ended January 27, 2007 (the Annual Report). In the Annual Report, amounts reported under the column heading Option Awards represented the grant-date fair value of options awarded by the company, before forfeitures, under FAS 123R for fiscal 2007.

(3) The following table provides the number of common shares subject to outstanding options held at January 27, 2007 for each director, as applicable:

Name	Number of Shares Underlying Unexercised Options
Kuo Wei (Herbert) Chang	240,000
Dr. Paul R. Gray	148,000
Douglas King	184,000
Arturo Krueger	100,000

(4) Amounts include special committee fees earned during fiscal 2007 of $78,750.

Committees of the Board of Directors

Our board of directors has a standing audit committee, governance committee and executive compensation committee. The board of directors has adopted written charters for each of these committees, copies of which are available on our Investors Relations Website (*www.marvell.com/investors*).

Audit Committee	
Number of Members:	Three
Current Members:	Douglas King, Chairman* Paul R. Gray, Ph.D. Arturo Krueger
Fiscal 2007 Changes:	At the beginning of fiscal 2007 the audit committee was comprised of Douglas King, Arturo Krueger and Kuo Wei (Herbert) Chang. Mr. Chang resigned effective as of March 10, 2006, and Paul R. Gray, Ph.D., was appointed effective as of March 10, 2006.
Number of Meetings in Fiscal 2007:	20
Functions:	The audit committee s responsibilities are generally to assist the board of directors in fulfilling its responsibility to oversee management s conduct of the company s accounting and financial reporting processes. The audit committee also, among other things, appoints the company s independent registered public accounting firm, oversees the company s internal audit function and those of its independent registered public accounting firm, reviews and discusses with management and the company s independent registered public accounting firm the adequacy and effectiveness of the company s internal controls as reported by management. The audit committee meets quarterly and at such additional times as are necessary or advisable.
Qualifications:	The board of directors has determined that each member of the audit committee meets the applicable independence and financial literacy requirements of Nasdaq and the SEC. Further, the board of directors has determined that Douglas King is an audit committee financial expert as required by applicable Nasdaq and SEC rules. We are actively searching for a candidate to join the board of directors and audit committee that will fulfill the criteria of an audit committee financial expert as required by applicable Nasdaq and SEC rules following the completion of Mr. King s term as a director.

Executive Compensation Committee	
Number of Members:	Two
Current Members:	Paul R. Gray, Ph.D., Chairman Douglas King*
Fiscal 2007 Changes:	At the beginning of fiscal 2007 the executive compensation committee was comprised of John Cioffi, Ph.D., Kuo Wei (Herbert) Chang and Paul R. Gray, Ph.D. Dr. Cioffi resigned effective as of April 1, 2006, Mr. Chang resigned effective as of March 10, 2006, and Mr. King was appointed effective as of March 10, 2006.
Number of Meetings in Fiscal 2007:	23

Functions:	The executive compensation committee has the authority to approve salaries and bonuses and other compensation matters for our executive officers, is responsible for administering equity award programs for non-executive employees, assists the board of directors in developing and evaluating potential candidates for any executive officer position and administers executive officer compensation within the terms of any applicable company compensation plans.
Qualifications:	The board of directors has determined that each member of the executive compensation committee meets the applicable independence requirements of Nasdaq and the SEC. In addition, each member of the executive compensation committee is an outside director under Section 162(m) of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code) and a non-employee director under Section 16 of the Securities Exchange Act of 1934, as amended (the Exchange Act).
	* Mr. King has informed the company of his intention not to seek reelection to the board of directors, and his term will expire immediately following the annual general meeting.

Governance Committee	
Number of Members:	Two
Current Members:	Arturo Krueger, Chairman Kuo Wei (Herbert) Chang
Fiscal 2007 Changes:	At the beginning of fiscal 2007 the governance committee was comprised of Arturo Krueger, Douglas King and Paul G. Gray, Ph.D. Mr. King and Dr. Gray resigned effective as of March 10, 2006, and Mr. Chang was appointed effective as of March 10, 2006.
Number of Meetings in Fiscal 2007:	One
Functions:	The governance committee is responsible for developing and implementing policies and practices relating to corporate governance, including reviewing and monitoring implementation of our corporate governance guidelines. The governance committee also makes recommendations to the board of directors regarding the size and composition of the board of directors and its committees and screens and recommends candidates for election to the board of directors. Our corporate governance guidelines are available on the company s investors relations website (*www.marvell.com/investors*).
Qualifications:	The board of directors has determined that each member of the governance committee meets the applicable independence requirements of Nasdaq and the SEC.

Nominations for Election of Directors

Our governance committee identifies, recruits and recommends to the board of directors, and the board of directors approves, director nominees for election at each annual general meeting of shareholders and new directors for election by the board of directors to fill vacancies that may arise. The governance committee is actively recruiting and screening candidates to fill vacancies to our current board of directors. If a suitable candidate is identified after the date of this proxy statement but prior to the upcoming annual general meeting, the board of directors intends, under our Bye-Laws, to appoint such individual as a director for an initial term lasting up to the annual general meeting and then to appoint that individual for a further term until the 2008 annual general meeting, at which time the shareholders of the company would vote on his reappointment.

The candidate for election at this annual general meeting was unanimously recommended and approved by our governance committee and the board of directors, respectively. The governance committee will consider proposals for nomination from shareholders that are made in writing to the Secretary that are timely and that contain sufficient background information concerning the nominee to enable proper judgment to be made as to his or her qualifications. For general information regarding shareholder proposals, see Shareholder Proposals for the 2008 Annual General Meeting on page 41.

Director Qualifications

The board of directors believes that the following specific, minimum qualifications must be met by a nominee for the position of director:

- the ability to work together with other directors, with full and open discussion and debate as an effective, collegial group;

- current knowledge and experience in our business or operations, or contacts in the community in which we do business and in the industries relevant to our business, or substantial business, financial or industry-related experience; and

- the willingness and ability to devote adequate time to our business.

Other than the foregoing there are no stated minimum criteria for director nominees. We believe, however, that it is appropriate for at least one member of the board of directors to meet the criteria for an audit committee financial expert as defined by Nasdaq and the SEC, and that a majority of the members of the board of directors meet the definition of independent director under applicable Nasdaq and SEC rules. We also believe it is appropriate for certain key members of management to participate as members of the board of directors.

When making its determination whether a nominee is qualified for the position of director, the board of directors may also consider such other factors as it may deem are in the best interests of the company and its shareholders, such as the following qualities and skills:

- relationships that may affect the independence of the director or conflicts of interest that may affect the director s ability to discharge his or her duties;

- diversity of experience and background, including the need for financial, business, academic, public sector or other expertise on the board of directors or its committees; and

- the fit of the individual s skills and experience with those of the other directors and potential directors in comparison to the needs of the company.

When evaluating a candidate for nomination, the board of directors does not assign specific weight to any of these factors or believe that all of the criteria necessarily apply to every candidate.

Identifying and Evaluating Nominees for Director

The governance committee reviews the appropriate skills and characteristics required of directors in the context of the current composition of the board of directors. Candidates considered for nomination to the board of directors may come from several sources, including current and former directors, professional search firms and shareholder nominations. Nominees for director are evaluated by the governance committee, which may retain the services of a professional search firm to assist them in identifying or evaluating potential nominees.

Shareholder Communications with the Board of Directors

At present, our Chairman and Chief Executive Officer is responsible for maintaining effective communications with our shareholders, customers, employees, communities, suppliers, creditors, governments, and corporate partners. It is the policy of the board of directors that management speaks for the company. This policy does not preclude independent directors from meeting with shareholders, but management, where appropriate, should be present at such meetings.

Nonetheless, the board of directors has established a process for shareholders to send communications to our directors. If you wish to communicate with the entire board of directors or individual directors, you may send your communication in writing to: General Counsel, Marvell Semiconductor, Inc., 5488 Marvell Lane, Santa Clara, California 95054. You must include your name and address in the written communication and indicate whether you are a shareholder of Marvell. The General Counsel (or other officer acting in such capacity) will compile all such communications and will forward them to the appropriate director or directors or committee of the board of directors based on the subject matter or to the director or directors to whom such communications is addressed.

EXECUTIVE COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The executive compensation committee for the 2007 fiscal year consisted of the following members: Paul R. Gray, Ph.D., Douglas King (appointed March 10, 2006), Kuo Wei (Herbert) Chang (resigned March 10, 2006) and John Cioffi, Ph.D. (resigned April 1, 2006). None of the current or former members of the executive compensation committee who served during the 2007 fiscal year is a current or former officer or employee of the company or its subsidiaries, or had any relationship with the company not otherwise disclosed herein under applicable SEC rules. In addition, to our knowledge, there are no executive compensation committee interlocks between the company and other entities, involving our executive officers or directors who serve as executive officers or directors of such other entities.

MANAGEMENT

Our executive officers as of the date of this proxy statement are as follows:

Name of Executive Officer	Age	Position	Background
Sehat Sutardja, Ph.D.	46	President and Chief Executive Officer	Dr. Sehat Sutardja, one of our co-founders, has served as the President, Chief Executive Officer and Co-Chairman of the board of directors of Marvell since 1995, and Chairman of the board of directors since 2003. In addition, he serves as President, Chief Executive Officer and a director of MSI. Dr. Sehat Sutardja holds Master of Science and Ph.D. degrees in Electrical Engineering and Computer Science from the University of California at Berkeley. Dr. Sehat Sutardja was elected as a Fellow to the IEEE in 2007 and holds over 90 U.S. Patents. Dr. Sehat Sutardja is the brother of Dr. Pantas Sutardja.
Pantas Sutardja, Ph.D.	44	Vice President, Chief Technology Officer, Acting Chief Operating Officer and Chief Research and Development Officer	Dr. Pantas Sutardja, one of our co-founders, has served as Vice President and a director since Marvell s inception in 1995. He was appointed Chief Technical Officer in 2000, Chief Technology Officer in 2003 and Acting Chief Operating Officer and Chief Research and Development Officer in 2007. Dr. Pantas Sutardja holds Bachelor of Science, Master of Science and Ph.D. degrees in Electrical Engineering and Computer Science from the University of California at Berkeley. Dr. Pantas Sutardja is the brother of Dr. Sehat Sutardja.
Michael Rashkin	62	Vice President and Interim Chief Financial Officer	Michael Rashkin was named Interim Chief Financial Officer in July 2007. Mr. Rashkin served as the Director of Taxes and Tax Counsel of MSI from 1999 until 2000 and Director of Taxes and General Tax Counsel of MSI from 2000 until 2005, when he became MSI s Vice President and General Tax Counsel. In 2007, Mr. Rashkin was appointed Special Assistant to the CEO and Vice President of Strategic Development of MSI. Mr. Rashkin holds an LL.M. from the New York University Graduate School of Law, a J.D. from St. John s University School of Law and a Bachelor of Science degree from Brooklyn College, City University of New York. Mr. Rashkin is a member of the California and New York bars.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The executive compensation committee of our board of directors (sometimes referred to in this discussion as the committee) oversees our executive compensation program. For the 2007 fiscal year, based on the delegation of duties in its charter, except as otherwise noted in this discussion, our executive compensation committee reviewed and approved the compensation of our Chief Executive Officer, our former Executive Vice President and Chief Operating Officer, our Chief Technology Officer and our former Vice President of Finance and Chief Financial Officer. We refer to these four persons, who are the ones named in the Summary Compensation Table Fiscal 2007, as our named executive officers. The executive compensation committee also has responsibility for administering our equity award programs for our non-executive employees.

Our executive compensation committee is composed of non-employee directors who meet the requirements for being independent directors under Nasdaq listing requirements, outside directors under Section 162(m) of the Internal Revenue Code and non-employee directors under Section 16 of the Exchange Act.

Objectives and Philosophy of Our Executive Compensation Program

The primary objectives of our executive compensation program are to:

- retain and motivate our executive talent;
- ensure that a significant part of executive compensation is tied to the achievement of corporate performance objectives;
- promote a long-term focus by our executives with compensation that provides significant long-term incentives; and
- align long-term executive incentives with the creation of shareholder value.

For our 2007 fiscal year, the compensation for our founding executive officers (our Chief Executive Officer, our former Executive Vice President and Chief Operating Officer and our Chief Technology Officer) differed in scope and purpose from that of our former Vice President of Finance and Chief Financial Officer as further described below.

To achieve the objectives listed above for our 2007 fiscal year (which lasted from January 29, 2006 to January 27, 2007) for our founding executive officers, our executive compensation committee focused on their base salaries and stock option awards. Our executive compensation committee believes that the base salaries paid to our founding executive officers provide them with a competitive base rate of compensation for the performance of their duties and that the stock option awards granted to them serve as the primary component of our compensation program and are intended to achieve our compensation objectives. The primary element of our long-term executive compensation has been stock options that vest over time, which we believe helps to retain our executives and align their interests with those of our shareholders by allowing them to participate in the longer term success of our company, as reflected in share price appreciation. In addition, the stock options granted to our founding executive officers for our 2007 fiscal year vest based on our financial and operational performance, as measured by earnings per share, in order to further tie our executives compensation to the success of the company.

In determining each particular element of compensation, the committee reviewed the proposed compensation of our founding executive officers as a percentile of that compensation element paid to similarly situated executives of the companies in our benchmarking peer groups for their 2006 fiscal year. (Please see the discussion entitled Procedural Aspects of our Compensation Decisions for a more detailed discussion of our peer groups.) In general, the executive compensation program elements for our founding executive officers compared to our peer groups as follows:

- total cash compensation was at or below the 50th percentile of our peer groups; and
- equity compensation was targeted to reflect our performance as measured by revenue, earnings per share growth and total shareholder return in comparison to our high performing peer group for our 2006 fiscal year. This led to equity compensation above the 90th percentile of our peer groups.

Total cash compensation for our 2007 fiscal year was below the 50th percentile of our peer groups, because of the absence of any cash bonus program specifically for our founding executive officers. Total compensation awarded (cash and equity) in our 2007 fiscal year was above the competitive 90th percentile for our peer groups. The portion of total compensation that was above the 50th percentile is derived from the stock option grants made in our 2007 fiscal year. The committee believes that targeting above the 90th percentile for total compensation was appropriate because (1) the compensation to be paid above the 50th percentile is limited to gains from stock options, which will only occur if our share price increases, and (2) a majority of the stock options granted in our 2007 fiscal year vest only upon achievement of significant earnings per share performance targets (as described in further detail below in the discussion of the stock option grants and above in the footnotes to the table entitled Grants of Plan Based Awards in Fiscal 2007), so that any compensation earned from these option grants will occur upon achievement of the earnings per share performance targets as well as increases in our share price. If we do not achieve significant earnings per share growth, the total compensation of the founding executive officers will be closer to the 50th percentile of our primary peer group and, if the catch-up and true-up options granted in our 2007 fiscal year (that relate to our 2005 fiscal year, as described in greater detail in the section below discussing stock options) are excluded and we do not achieve significant earnings per share growth, the total compensation of the founding executive officers will fall below the 50th percentile of our primary peer group. The committee believes that this approach provides market competitive pay to our executives in the short term and above median compensation when long-term performance is superior.

With respect to our former Vice President of Finance and Chief Financial Officer, our executive compensation committee evaluated compensation consistent with the framework for our other vice presidents (including those employed by our subsidiaries), and specifically, base salary, total target cash compensation and equity compensation. Based on the recommendation of our Chief Executive Officer, our executive compensation committee approved adjustments to our former Chief Financial Officer s compensation that placed him at approximately 50th percentile of our primary peer group for his position for base salary, below the 50th percentile of our primary peer group for his position for total cash compensation and approximately at the 75th percentile of our primary peer group for his position for total compensation (due to the size of his option grants). (Please see the discussion entitled Procedural Aspects of our Compensation Decisions for a more detailed discussion of our peer groups.)

Components of our Executive Compensation Program

The primary elements of our executive compensation program are:

- base salary;
- cash bonuses;

- stock option awards; and
- employee benefits.

Base Salary

Base salary is used to compensate executives for the normal performance of their duties, in light of their experience, skills, knowledge and responsibilities. In establishing base salaries for our executive officers, the executive compensation committee considers data from our benchmarking peer groups, as well as the scope, complexity, and impact of each position and its comparability to similar positions in the market data.

For the past several years, base salaries for our founding executive officers (our Chief Executive Officer, our former Executive Vice President and Chief Operating Officer, and our Chief Technology Officer) were not adjusted, because the majority of the total target compensation for these executives was in the form of their significant option awards and their significant stock ownership holdings. In March 2006 (i.e., during our 2007 fiscal year), our executive compensation committee increased the salaries of our founding executive officers, with such increase effective as of February 1, 2006. This increase was based on the committee s evaluation of our 2005 fiscal year performance and a review of a variety of industry information compiled by Aon Consulting, Inc., the compensation consultant who assisted the committee through December 2005, which review the committee undertook near the end of our 2006 fiscal year. In May 2006, the committee made these salary adjustments retroactively effective as of the first regular pay period beginning after May 25, 2005, because the committee believed that the adjustments should have been made in our 2006 fiscal year since the adjustments were based on our 2005 fiscal year performance. The committee approved the payment of the retroactive portion of each salary adjustment in the form of a lump sum payment to each founding executive officer, however, the retroactive payment was made to the executive effective as of January 31, 2006 and there are outstanding payments related to the 2006 fiscal year performance. These adjustments raised the base salaries of our Chief Executive Officer, our former Executive Vice President and Chief Operating Officer and our Chief Technology Officer to approximately the 25th percentile, between the 75th and 90th percentile and 75th percentile, respectively, of the primary peer group. The base salaries of our former Executive Vice President and Chief Operating Officer and our Chief Technology Officer were increased above the 50th percentile for their titled positions because the committee believed that their roles in the company exceeded those of executives with similar titles in our primary peer group. The committee determined that no further increase to our founding executive officers base salaries was necessary for our 2006 fiscal year performance.

With respect to our former Chief Financial Officer, his base salary was increased to the 50th percentile of our primary peer group based on recommendation of our Chief Executive Officer in order to keep his base salary at a competitive level.

Going forward, the committee intends to have an annual review of our named executive officers base salaries. The executive compensation committee has had preliminary discussions regarding executive base salaries for fiscal 2008, and on August 27, 2007 set the annual base salary for our Interim Chief Financial Officer at $350,000, effective as of July 13, 2007. However, the committee has not yet completed review of the base salaries of the other executive officers.

Cash Incentive Bonuses

We do not have a formal cash incentive bonus program for our founding executive officers. We have instead focused on rewarding long-term performance through the grant of stock options. We believe that superior near term performance will positively affect our long-term performance thereby positively influencing the compensation the executive officers may earn under their stock options. However, our founding executive officers did receive cash payments under our patent issuance bonus plan, under which all of our employees are eligible to participate. Bonuses under the patent issuance plan are given to inventors and primary managers for their involvement in the patent process. The committee does not administer the patent issuance bonus plan but approved the bonuses paid to our executive officers under this plan in the 2007 fiscal year. For additional details of the patent issuance bonus, please see footnote 6 to the table entitled Summary Compensation Table Fiscal 2007.

For our 2006 and 2007 fiscal years, our former Chief Financial Officer was eligible for an incentive bonus based on his annual review, as determined by our management under the bonus program for our vice presidents. For these two years, our former Chief Financial Officer s target bonus was set at 40% of his base salary, within the target range set for our other vice presidents. For the 2006 fiscal year, our former Chief Financial Officer earned a bonus equal to his target of 40% of his fiscal 2006 base salary, based on senior management determination in the early part of the 2007 fiscal year of his performance during our 2006 fiscal year. Pursuant to the terms of the bonus, our former Chief Financial Officer could elect to receive no more than 50% of the bonus in cash, with the balance to be paid in equity. However, our former Chief Financial Officer received 100% of his bonus for fiscal 2006 in cash. The company is reviewing its procedures related to the approval and payment of this bonus. The executive compensation committee was aware of and supported the target bonus but did not formally approve the bonus payment. Our former Chief Financial Officer did not receive any cash bonus for our 2007 fiscal year, because he resigned before the completion of our annual reviews for our vice presidents.

Stock Options

Our stock option program is the primary vehicle for offering long-term incentives to our employees, including our executive officers. We believe that option grants provide our executives with a strong link to our long-term performance, create an ownership culture and help to align the interests of our executives and our shareholders. In addition, the vesting feature of our option grants is intended to promote retention by providing an incentive to our executives to remain in our employ during the vesting period.

Historically, the executive compensation committee granted stock option awards from time to time after considering the vested status of prior stock option awards. Starting with our 2007 fiscal year, the committee moved to a practice of granting additional equity on an annual basis to improve the overall linkage between pay and performance.

To determine the size of the stock option grants to our founding executive officers in our 2007 fiscal year, the committee reviewed our performance for the 2006 fiscal year in comparison to both the primary and the high performance peer groups and determined that our performance was at approximately the 90th percentile of the performance of the peer groups taking into account, among other factors, our earnings per share, revenue growth and total shareholder return. Based on this determination, the committee set the award level for our Chief Executive Officer at the 90th percentile after discounting the value of the compensation from the performance-vesting options due to the degree of difficulty in achieving the performance targets. The committee determined, after discussions with our Chief Executive Officer, to set stock option awards for our former Executive Vice President and Chief Operating Officer and our Chief Technology Officer at two-thirds and four-ninths of our Chief Executive Officer s award, respectively, to reflect the relative contribution of those positions.

For the performance-based vesting options, one-half of the options will vest only if our pro forma earnings per share for any of the four fiscal years following our 2006 fiscal year is two times the pro forma earnings per share for our 2006 fiscal year, which is a target of $1.39 per share, and the second half of the options will vest only if our pro forma earnings per share for any of the four fiscal years following our 2006 fiscal year is three times the pro forma earnings per share for our 2006 fiscal year, which is a target of $2.085 per share. (Please refer to footnotes 6 and 7 of the Grants of Plan-Based Awards in Fiscal 2007 table for a further description of the vesting terms of these options, including a description of the calculation of pro forma earnings per share.) The committee believes that these pro forma earnings per share targets will be difficult to achieve and that they will reflect significant growth in earnings and shareholder value. There is no discretionary element associated with the vesting of these awards. To date, no shares have vested under these performance-based vesting option grants.

In addition to the performance-based vesting options granted in our 2007 fiscal year, the committee granted additional time-based vesting catch-up and true-up stock option awards in March 2006 (which is in our 2007 fiscal year). The committee granted the catch-up stock options to recognize our founding executive officers contributions to our 2005 fiscal year performance. During our 2006 fiscal year, the committee reviewed the recommendation of Aon Consulting, Inc. (the compensation consultant who assisted the committee through December 2005) to establish the size of these option grants; however, the grants were not made in our 2006 fiscal year. In May 2006 (which is in our 2007 fiscal year), the committee granted additional true-up option awards to our Chief Executive Officer and our former Executive Vice President and Chief Operating Officer to account for the difference in option value, based on a Black Scholes valuation model, caused by the increase in our share price between the date in March 2005 that the committee believed the grant for fiscal 2005 performance should have been made and the date in March 2006 when the grants actually were made.

The option awards granted in our 2007 fiscal year to our former Vice President of Finance and Chief Financial Officer are consistent with the grant practices for our other vice presidents, were based on the recommendation from Chief Executive Officer and were granted at the 75th percentile for our primary peer group.

Going forward, the executive compensation committee intends annually to review whether additional grants would be appropriate for our named executive officers based on the company s performance during the prior fiscal year. The committee has had preliminary discussions regarding executives option grants for the 2008 fiscal year. However, the committee has not yet determined stock option amounts for any executive officer for the 2008 fiscal year (which will be based on our 2007 fiscal year performance).

Employee Benefits and Other Compensation

We maintain broad-based benefits that are provided to all employees as part of their base compensation, including health and dental insurance, life and disability insurance, an employee stock purchase plan and a 401(k) plan. Executive officers are eligible to participate in all of our employee benefit plans, in each case on the same basis as other employees. Under our 401(k) plan, we match 100% of the employees 401(k) contributions up to $500 each semi-annual contribution period and $1,000 each year, subject to various limitations. Under our employee stock purchase plan, employees may purchase common shares at a minimum of a 15% discount based on share price for an offering period of up to 24 months in length. Purchases are made every 6 months, with purchase dates on December 7 and June 7 of each year. Employees may contribute up to 15% of their salary to this plan, and may purchase up to $25,000 of our common shares per year (measured by the fair market value of our common shares at the start of an offering period). Employees who own more than 5% of our common shares may not participate in this plan, so our founding executive officers do not participate in this plan. Our executive officers do not receive any employee benefits or perquisites other than the employee benefits and perquisites provided to all employees.

Our former Chief Financial Officer had a deferred compensation plan that we assumed in connection with our acquisition of Galileo Technology Ltd. During our 2007 fiscal year, no additional amounts were contributed to this plan after the acquisition. However, amounts previously deferred continued to be credited with earnings.

We have no retirement plans for our employees, including the named executive officers, other than those described above in this section.

Option Grant Practices and Other Policies Affecting Equity Compensation

Option grants to our named executive officers that were made in our 2007 fiscal year were approved by the executive compensation committee. All of those grants have exercise prices equal to the closing price of our common shares on the date of grant, and the grants were made without regard to anticipated earnings or other major announcements by us.

In our 2008 fiscal year, our board of directors adopted policies with respect to option grants. Among the matters covered by these policies are the following:

- All option grants will have an exercise price per share no less than the per share fair market value of our common shares as determined under the appropriate U.S. financial accounting rules and the applicable rules and regulations under U.S. securities laws.

- Our executive compensation committee has been given the authority to make option grants to all employees, including our executive officers. We previously had a stock option committee that made grants to our non-executive employees. As of June 2006, the stock option committee ceased making any option grants and in May 2007 the stock option committee was terminated. Under our new policy, all option grants will now be made by the executive compensation committee.

- Option grants to executive officers will be approved by the executive compensation committee after recommendation by the non-management members of the full board of directors.

- Option grants to newly hired employees will be made once per month by the executive compensation committee at a meeting following the employees date of hire, in accordance with our standard option grant cycle. These grants may only be made by the executive compensation committee based upon the recommendation of our Chief Executive Officer.

- Option grants to employees (other than new hires) are made after their annual review process is completed. In the past, we did not have any policy to coordinate our stock option grants with the release of material non-public information for the purpose of affecting the value of equity compensation. In our 2008 fiscal year, our executive compensation committee and board of directors adopted a policy to make these grants during an open window under our insider trading policy.

At this time, we do not have any share ownership guidelines for our executives, policies with respect to hedging or any policies regarding the recovery of awards or payments if we were to restate any performance measure to which such awards or payments are tied. Currently, our founding executive officers hold significant positions in our common shares, so the committee does not believe share ownership guidelines are necessary. However, our board of directors or our executive compensation committee may consider these policies in the future to the extent the board or the committee deems them to be appropriate. Currently, our named executive officers do not have in place any 10b5-1 trading plans.

Agreements with the Named Executive Officers

At this time, we do not have any employment, change-in-control or severance agreements or arrangements for our named executive officers. Each of our executive officers serves at the discretion of our board of directors. This enables us to terminate their employment with flexibility as to the terms of any severance arrangement. For example, no severance was paid to our former Vice President of Finance and Chief Financial Officer upon his termination in our 2008 fiscal year.

Procedural Aspects of our Compensation Decisions

During our 2007 fiscal year, our executive compensation committee regularly received input from Compensia, an independent compensation consulting firm engaged by the committee in January 2006. For

compensation decisions associated with fiscal year 2005, the committee relied on data and advice from Aon Consulting, Inc., the compensation consultant who assisted the committee through December 2005. In addition to the data and advice provided by the compensation consultant, the committee also considered input from our Chief Executive Officer with respect to the performance and contributions of our other named executive officers. The committee also discussed with our Chief Executive Officer the size and terms of the option grants for our named executive officers, although the ultimate decision as to the size and terms of those option grants was made solely by the committee. The committee also reviewed tally sheets for a comprehensive and holistic view of executive compensation.

In making compensation decisions for our named executive officers during our 2007 fiscal year, our executive compensation committee reviewed data regarding two peer groups composed of publicly traded technology companies provided by Compensia. The first (or primary) peer group consisted of semiconductor companies the committee believed to be generally comparable to us in terms of size. For the decisions made in our 2007 fiscal year regarding our 2006 fiscal year performance, the primary peer group companies consisted of Agere Systems, Altera, AMS Holdings, Analog Devices, ATI Technologies, Atmel, Broadcom, Conexant Systems, Cypress Semiconductor, Fairchild Semiconductor, Intersil Corporation, LSI Logic, National Semiconductor, Nvidia, On Semiconductor and Xilinx. The second (or high performing) peer group consisted of technology companies with comparable revenue and strong revenue and earnings growth (that the committee believed generally to be higher than typical market levels) over the last several years. This peer group was composed of Broadcom, Juniper Networks, Network Appliance, Nvidia and Sandisk. The compensation consultant also provided the executive compensation committee with information on market trends and developments in executive compensation and ideas for structuring executive compensation arrangements. The members of these two peer groups are periodically reviewed and updated by the committee with the assistance of the compensation consultant. The committee used the primary peer group to analyze companies of similar size and industry to us and the committee used the high performing peer group to analyze companies that historically had demonstrated higher than average growth rates and were expected to continue having higher than average growth rates because the committee believed that we have in the past had a higher than average growth rate and the committee expected us to continue to have a higher than average growth rate.

Impact of Regulatory Requirements

The executive compensation committee considers the tax and financial accounting treatment of executive compensation and their impact on the company when making executive compensation decisions. Factors that influence the committee s decisions include:

- Internal Revenue Code Section 162(m) disallows a tax deduction to public companies for compensation not deemed to be performance-based over $1,000,000 paid for any fiscal year to the Chief Executive Officer and the other named executive officers (other than the chief financial officer). We periodically review the potential consequences of Section 162(m) and we generally intend to structure the performance-based portion of our executive compensation, where feasible, to comply with exemptions in Section 162(m) so that the compensation remains tax deductible to us. We believe the stock options grants we have made to our named executive officers will qualify as performance-based compensation under Section 162(m).

- Internal Revenue Code Section 409A, which addresses the taxation of deferred compensation, can cause additional taxation to our employees if our compensation programs are not properly structured. Going forward, the committee intends to structure compensation to avoid any additional taxation under Section 409A.

- We adopted FAS 123R for our 2007 fiscal year. The executive compensation committee generally will consider the potential expense of our equity compensation programs under FAS 123R and the impact on earnings per share.

Executive Compensation Committee Report

The following is the report of the executive compensation committee with respect to the company s executive compensation for the fiscal year ended January 27, 2007. The information contained in this report shall not be deemed to be soliciting material or to be filed with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act, except to the extent that the company specifically incorporates the information by reference in such filing.

The executive compensation committee currently consists of Paul R. Gray, Ph.D., and Douglas King. During the 2007 fiscal year John Cioffi, Ph.D., and Kuo Wei (Herbert) Chang also served on the committee until their resignations effective April 1, 2006 and March 10, 2006, respectively. The executive compensation committee has reviewed and discussed the Compensation Discussion and Analysis set forth in this proxy statement with our management. Based on such review and discussions, the executive compensation committee recommended to the board of directors that the Compensation Discussion and Analysis be included in the company s 2007 Annual Report on Form 10-K and in this proxy statement.

Executive Compensation Committee
Dr. Paul R. Gray
Douglas King

Summary Compensation Table Fiscal 2007

Name and Principal Position	Year	Salary	Bonus	Option Awards(4)(9)	Change in Pension Value and Non Qualified Deferred Compensation Earnings	All Other Compensation	Total(9)
Dr. Sehat Sutardja, *President and Chief Executive Officer*	Fiscal 2007	$ 557,000 (3)	$	$ 9,704,258	$	$ 25,000 (5)(6)	$ 10,286,258
Weili Dai, *Former Executive Vice President and Chief Operating Officer(1)*	Fiscal 2007	481,000 (3)		6,888,798		4,000 (5)(6)	7,373,798
Dr. Pantas Sutardja, *Chief Technology Officer*	Fiscal 2007	400,000 (3)		4,652,587		34,000 (5)(6)	5,086,587
George Hervey, *Former Vice President of Finance and Chief Financial Officer(2)*	Fiscal 2007	350,000	(7)	1,515,021	113,051 (8)	1,000 (5)	1,979,072

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(1) Ms. Dai resigned as Executive Vice President and Chief Operating Officer and from the board of directors on May 6, 2007.

(2) Mr. Hervey resigned as Vice President of Finance and Chief Financial Officer on May 2, 2007.

(3) On May 25, 2006, the executive compensation committee approved retroactive salary adjustments to be effective as of May 25, 2005. However, retroactive payments were made to the executives effective as of January 31, 2006. Outstanding unpaid compensation adjustments relating to services performed in fiscal 2005 amounted to $39,242 for Dr. Sehat Sutardja, $72,977 for Weili Dai and $68,846 for Dr. Pantas Sutardja.

(4) Amounts listed in this column represent the compensation expense of option awards we recognized, before forfeitures, under FAS 123R for fiscal 2007, rather than amounts paid to or realized by the named individual, and includes expense recognized for awards prior to 2007. Please refer to Note 9 to our consolidated financial statements included in the company s 2007 Annual Report on Form 10-K for the fiscal year ended January 27, 2007 for the underlying assumptions for this expense. There can be no assurance that options will be exercised (in which case no value will be realized by the individual) or that the value on exercise will approximate the compensation expense to be recognized by the company over their vesting term. The executive compensation committee made separate grants based on previous years performance. For more information, please see the Compensation Discussion and Analysis above.

(5) These amounts for fiscal 2007 include our matching contribution of $1,000 to the executive s 401(k) plan account.

(6) These amounts for fiscal 2007 include amounts paid pursuant to our patent issuance bonus plan whereby employees are eligible to receive a bonus award for certain patent components including: $500 for each patent disclosure submitted by that employee; $250 for each patent disclosure in which that employee is a manager of at least one of the inventors; $1,000 for each patent application filed on behalf of that employee; $1,000 for each patent issued to that employee; and $5,000 for every five patents issued to that employee. Amounts paid to the executive officers under the plan for fiscal 2007 were approved by the executive compensation committee.

(7) Mr. Hervey was paid a bonus of $116,000 in fiscal 2007 for fiscal 2006 performance. The executive compensation committee was aware of and supported the target bonus, but did not formally approve the bonus payment.

(8) Represents the change in value of a Rabbi Trust assumed in the acquisition of Galileo Technology Ltd. from January 28, 2006 through January 27, 2007 expressed as a lump sum, adjusted for a withdrawal of $407,195 during this period.

(9) Amounts have been updated to correct certain inadvertent errors in the data provided in our Annual Report on Form 10-K for the year ended January 27, 2007 (the Annual Report). In the Annual Report, amounts reported under the column heading Option Awards represented the grant-date fair values of options awarded by the company, before forfeitures, under FAS 123R for fiscal 2007.

Deferred Compensation Table Fiscal 2007

Name	Executive Contributions in Last Fiscal Year	Registrant Contributions in Last Fiscal Year	Aggregate Earnings in Last Fiscal Year(2)	Aggregate Withdrawals/ Distributions	Aggregated Balance at Last Fiscal Year-End
George Hervey(1)			$ 113,051	$ 407,195	$ 1,540,588

(1) Mr. Hervey resigned as Vice President of Finance and Chief Financial Officer on May 2, 2007.

(2) All aggregate earnings in fiscal 2007 are included in the Summary Compensation Table Fiscal 2007 column titled Change in Pension Value and Nonqualified Deferred Compensation Earnings.

Employment Contracts and Change-in-Control Arrangements

We do not have any employment agreements with any of our executive officers, nor do we have any compensatory plan or arrangement that would result in any payments to any executive officers upon such officer s resignation, retirement or other termination or from a change in control. Accordingly, any of our executive officers may resign at any time and the employment of any executive officer may be terminated at any time by the board of directors.

Grants of Plan-Based Awards in Fiscal 2007

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock	All Other Option	Exercise Price of	Grant Date Fair Value of
Name	Grant Date	Threshold	Target	Maximum	Threshold (shares)	Target (shares)	Maximum (shares)	Awards (shares)	Awards (shares)(3)	Option Awards	Option Awards(9)
Dr. Sehat Sutardja	3/10/2006	$	$	$					292,000 (4)	$ 34.375	3,903,777
Dr. Sehat Sutardja	5/25/2006								162,000 (5)	$ 24.795	2,071,753
Dr. Sehat Sutardja	5/25/2006					400,000 (6)				$ 24.795	5,115,440
Dr. Sehat Sutardja	5/25/2006					400,000 (7)				$ 24.795	0 (7)
Weili Dai(1)	3/10/2006								218,000 (4)(10)	$ 34.375	2,914,464
Weili Dai(1)	5/25/2006								84,000 (5)(10)	$ 24.795	1,074,242
Weili Dai(1)	5/25/2006					267,000 (6)(10)				$ 24.795	3,414,556
Weili Dai(1)	5/25/2006					267,000 (7)(10)				$ 24.795	0 (7)
Dr. Pantas Sutardja	3/10/2006								218,000 (4)	$ 34.375	2,914,464
Dr. Pantas Sutardja	5/25/2006					178,000 (6)				$ 24.795	2,276,371
Dr. Pantas Sutardja	5/25/2006					178,000 (7)				$ 24.795	0 (7)
George Hervey(2)	6/7/2006								60,000 (8)(10)	$ 23.875	738,846

(1) Ms. Dai resigned as Executive Vice President and Chief Operating Officer and from the board of directors on May 6, 2007.

(2) Mr. Hervey resigned as Vice President of Finance and Chief Financial Officer on May 2, 2007.

(3) Options granted under the 1995 Stock Option Plan and have a term of 10 years.

(4) Vests 100% on January 31, 2009. The executive compensation committee made separate grants based on the previous year s performance. For more information, please see the Compensation Discussion and Analysis above.

(5) Vested as to 50% on May 25, 2007 and vests as to the remaining 50% on May 25, 2008. The executive compensation committee made separate grants based on the previous year s performance. For more information, please see the Compensation Discussion and Analysis above.

(6) This option becomes vested and fully exercisable and the shares will be fully vested on the 10-K Due Date corresponding to the first fiscal year ending on or prior to January 30, 2010 in which Pro Forma EPS for such fiscal year exceeds $1.39 (the Target EPS). The Target EPS will be proportionately adjusted by the executive compensation committee for any stock split, reverse stock split, stock dividend, share combination, recapitalization or similar event effected subsequent to the date of grant. 10-K Due Date means, with respect to the fiscal year in question, the prescribed date on which the company s Annual Report on Form 10-K is required to be filed with the SEC. Pro Forma EPS is calculated by adjusting diluted net income per share under generally accepted accounting principles (GAAP EPS) for the impact of (i) non-cash stock-based compensation charges by adding to GAAP EPS non-cash stock-based compensation

expense recognized under FAS 123R, and (ii) non-cash charges associated with purchase accounting and other write-off related expenses by adding to GAAP EPS amortization and write-off of acquired intangible assets and other, and acquired in-process research and development. If this option shall not have become vested and fully exercisable as of the 10-K Due Date for the fiscal year ending January 30, 2010, this option terminates.

(7) This option becomes vested and fully exercisable and the shares will be fully vested on the 10-K Due Date corresponding to the first fiscal year ending on or prior to January 30, 2010 in which Pro Forma EPS (as defined in note 6 above) for such fiscal year exceeds $2.085 (the Target EPS II). The Target EPS II will be proportionately adjusted by the executive compensation committee for any stock split, reverse stock split, stock dividend, share combination, recapitalization or similar event effected subsequent to the date of grant. If this option shall not have become vested and fully exercisable as of the 10-K Due Date for the fiscal year ending January 30, 2010, this option terminates. The grant-date fair value of these awards (that is, $0) reflects the probability assessment based on historical trends that the Target EPS will not be met.

(8) Exercisable in full on June 7, 2010.

(9) Amounts listed in this column represent the grant-date fair value of option we awarded before forfeitures, under FAS 123R for fiscal 2007, rather than amounts paid to or realized by the named individual. Please refer to Note 9 to our consolidated financial statements included in the company s 2007 Annual Report on Form 10-K for the fiscal year ended January 27, 2007 for the underlying assumptions for this expense. There can be no assurance that options will be exercised (in which case, no value will be realized by the individual) or that the value on exercise will approximate the compensation expense we will recognize over their vesting term.

(10) Award has expired.

Outstanding Equity Awards at Fiscal 2007 Year-End

	Option Awards					Stock Awards			
Name	**Number of Securities Underlying Unexercised Options (shares) Exercisable**	**Number of Securities Underlying Unexercised Options (shares) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (Shares)**	**Option Exercise Price**	**Option Expiration Date**	**Number of Shares or Units of stock that have not Vested (shares)**	**Market Value of Shares or Units of Stock that have not Vested**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that have not Vested (shares)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that have not Vested**
Dr. Sehat Sutardja	115,880			$ 6.0025	6/5/2012				
Dr. Sehat Sutardja	1,625,000 (4)	1,375,000 (3)(4)		$ 10.91	12/25/2013				
Dr. Sehat Sutardja		162,000 (5)		$ 24.7950	5/24/2016				
Dr. Sehat Sutardja		292,000 (6)		$ 34.3750	1/30/2016				
Dr. Sehat Sutardja			400,000 (7)	$ 24.7950	5/24/2016				
Dr. Sehat Sutardja			400,000 (8)	$ 24.7950	5/24/2016				
Weili Dai(1)	58,334			$ 6.0025	6/5/2012				
Weili Dai(1)	1,166,667 (10)	916,667 (9)(10)							