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LSI TO PURCHASE INFINEON HARD DRIVE SEMICONDUCTOR BUSINESS

London, UK., March, 10th 2008– LSI Corporation (NYSE: LSI) today announced that it has signed a definitive agreement to acquire the assets of the hard disk drive semiconductor (HDD) business of Infineon Technologies AG (FSE/ NYSE: IFX).

“Through the addition of the Infineon HDD business, LSI has taken another significant step toward becoming the leading worldwide provider of silicon solutions for hard disk drive makers,” said Ruediger Stroh, executive vice president and general manager, Storage Peripherals Group, LSI. “We expect the acquisition to immediately accelerate revenue with a top-tier customer, Hitachi Global Storage Technologies, while enhancing our competitive position in the desktop and enterprise space.”

The agreement calls for LSI to purchase the assets and intellectual property of the Infineon HDD business, which includes product designs, related software, inventory and test equipment. LSI also will enter into additional agreements with Infineon, including intellectual property, design services, transition services, and supply agreements. The transaction is expected to close within 60 days and is subject to the satisfaction of customary closing conditions and regulatory approvals. Financial terms are not being disclosed.

LSI expects the acquisition to be neutral to slightly accretive to non-GAAP* earnings per share in 2008. The company expects to provide further details in April when it reports first quarter results.

* GAAP refers to Generally Accepted Accounting Principles. Non-GAAP earnings per share exclude stock-based compensation, amortization of acquisition-related intangibles, restructuring of operations and other items, net, purchase accounting effect on inventory, loss on write-down of equity securities and acquired in-process research and development. It also excludes the income tax effect associated with the above mentioned items.

Forward Looking Statements: This news release contains forward-looking statements that are based on the current opinions and estimates of management. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statements. Factors that could cause LSI's actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to: the risk that the closing of the transaction may not occur or may be delayed; our reliance on major customers and suppliers; our ability to keep up with rapid technological change; our ability to compete successfully in competitive markets; our ability to achieve anticipated synergies following our acquisition of Agere Systems; fluctuations in the timing and volumes of customer demand; the unavailability of appropriate levels of manufacturing capacity; our ability to successfully and timely transition our assembly and test operations to third parties; and general industry and market conditions. For additional information, see the documents filed by LSI with the Securities and Exchange Commission, and specifically the risk factors set forth in the company's most recent reports on Form 10-K and 10-Q. LSI disclaims any intention or obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

About LSI

LSI Corporation (NYSE: LSI) is a leading provider of innovative silicon, systems and software technologies that enable products which seamlessly bring people, information and digital content together. The company offers a broad portfolio of capabilities and services including custom and standard product ICs, adapters, systems and software that are trusted by the world's best known brands to power leading solutions in the Storage and Networking markets. More information is available at www.lsi.com.

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Editor's Notes:

1. All LSI news releases (financial, acquisitions, manufacturing, products, technology, etc.) are issued exclusively by PR Newswire and are immediately thereafter posted on the company's external website, <http://www.lsi.com>.
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