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RFMD to Expand Assembly Operations in China; Expansion Will Improve Profitability and Accommodate Customer Demand

GREENSBORO, N.C.--(BUSINESS WIRE)--Dec. 15, 2005--RF Micro Devices, Inc. (NASDAQ: RFMD), a leading provider of proprietary radio frequency integrated circuits (RFICs) for wireless communications applications, today announced that the Company's Board of Directors has approved the expansion of RFMD's assembly operations. The expansion, which is projected to be on line during the June quarter of 2006, is expected to increase RFMD's internal assembly capacity by approximately 50%, representing approximately 25% of the Company's assembly requirements.

RFMD's world-class assembly operations, which are located in Beijing, China, were brought on line in 2005. Previously, the Company outsourced all of its semiconductor assembly services to third party assembly vendors. By increasing internal assembly capacity, RFMD has significantly strengthened its supply chain and has reduced manufacturing costs, which are a primary contributor to the Company's ongoing initiatives to increase gross margin.

Jim Stilson, vice president of operations for RFMD, stated, "As RFMD continues to take market share in transmit modules and cellular transceivers and as customer forecasts for these products have continued to increase for calendar 2006, this assembly expansion underscores our commitment to provide our customers with capacity to meet their growing needs. Our Beijing team is demonstrating world-class assembly performance, and we expect that this expansion will have a meaningful impact to both our ability to meet customer demand and reduce our cost structure. Also, with assembly and test being located in the same building, we get the additional benefit of reduced cycle time and lower inventory carrying cost."

"Expanding assembly capacity is consistent with our overall corporate goal of improving profitability," commented Dean Priddy, chief financial officer for RFMD. "Our in-house assembled products have lower manufacturing costs, allowing improved gross margin versus components assembled by third parties."

About RF Micro Devices

RF Micro Devices, Inc., an ISO 9001- and ISO 14001-certified manufacturer, designs, develops, manufactures and markets proprietary radio frequency integrated circuits (RFICs) for wireless communications products and applications. The Company is a leading supplier of power amplifiers, one of the most critical radio frequency (RF) components in cellular phones. The Company is also the leading manufacturer of GaAs HBT, which offers distinct advantages over other technologies for the manufacture of current- and next-generation power amplifiers. The Company's products are included primarily in cellular phones, base stations, wireless local area networks (WLANs), cable television modems and global positioning systems (GPS). The Company derives revenue from the sale of standard and custom-designed products. The Company offers a broad array of products including amplifiers, mixers, modulators/demodulators and single-chip transmitters, Bluetooth® products and receivers and transceivers that represent a substantial majority of the RFICs required in wireless subscriber equipment. The Company's goal is to be the premier supplier of low-cost, high-performance integrated circuits and solutions for applications that enable wireless connectivity. RF Micro Devices, Inc. is traded on the Nasdaq National Market under the symbol RFMD. For more information about RFMD, please visit www.rfmd.com.

This press release includes "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about our plans, objectives, representations and contentions and are not historical facts and typically are identified by use of terms such as "may," "will," "should," "could," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue" and similar words, although some forward-looking statements are expressed differently. You should be aware that the forward-looking statements included herein represent management's current judgment and expectations, but our actual results, events and performance could differ materially from those expressed or implied by forward-looking statements. We do not intend to update any of these forward-looking statements or publicly announce the results of any revisions to these forward-looking statements, other than as is required under the federal securities laws. RF Micro Devices' business is subject to numerous risks and uncertainties, including variability in quarterly operating results, the rate of growth and development of wireless markets, risks associated with the operation of our wafer fabrication facilities, molecular beam epitaxy facility, our assembly facility and our test, tape and reel facilities, our ability to attract and retain skilled personnel and develop leaders, variability in production yields, our ability to reduce costs and improve gross margins by implementing innovative technologies, our ability to bring new products to market, dependence on consignment sales through customer inventory hubs, our ability to adjust production capacity in a timely fashion in response to changes in demand for our products, dependence on a limited number of customers, dependence on third parties and the variability of future stock-based compensation charges or credits during the remainder of

fiscal 2006 as a result of our stock option exchange program as well as the adoption of SFAS 123[®] in fiscal 2007. These and other risks and uncertainties, which are described in more detail in RF Micro Devices' most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission, could cause actual results and developments to be materially different from those expressed or implied by any of these forward-looking statements.

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