**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**



**FORM 8-K**



**CURRENT REPORT**

**Pursuant to Section 13 or 15(d)**

**of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): November 15, 2016**



**MARVELL TECHNOLOGY GROUP LTD.**

**(Exact name of registrant as specified in its charter)**



**Bermuda**

**000-30877**

**77-0481679**

**(State or other jurisdiction**

**of incorporation)**

**(Commission**

**File Number)**

**(I.R.S. Employer**

**Identification No.)**

**Canon’s Court**

**22 Victoria Street**

**Hamilton HM 12**

**Bermuda**

**(Address of principal executive offices)**

**(441) 296-6395**

**(Registrant’s telephone number, including area code)**

**N/A**

**(Former name or former address, if changed since last report.)**



Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions (see General Instruction A.2. below):

* Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
* Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
* Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
* Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



**Item 2.02** **Results of Operations and Financial Condition.**

*The information in Item 2.02 of this Current Report, including the accompanying Exhibit 99.1, is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of Section 18. The information in Item 2.02 of this Current Report shall not be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language contained in such filing.*

On November 17, 2016, Marvell Technology Group Ltd. (“Marvell” or the “Company”) issued a press release reporting its financial results for the third quarter of fiscal 2017 ended October 29, 2016. A copy of the press release is furnished herewith as Exhibit 99.1 and is incorporated by reference herein.

Marvell will conduct a conference call on Thursday, November 17, 2016 at 1:45 p.m. Pacific Time to discuss results for the third quarter of fiscal year 2017. Interested parties may join the conference call by dialing 1-844-647-5488 or 1-615-247-0258, pass-code 11983150. The call will be webcast by Thomson Reuters and can be accessed at the Marvell Investor Relations website at http://investor.marvell.com/ with a replay available following the call until December 17, 2016.

**Item 8.01** **Other Events.**

On November 15, 2016, the Company’s Board of Directors appointed director Dr. Randhir Thakur to the Company’s Audit Committee. Dr. Thakur joins directors Robert Switz (Chairman) and Michael Strachan on the Audit Committee, effective immediately.

On November 17, 2016, the Company issued a press release announcing that the Company’s Board of Directors has authorized a $1 billion share repurchase plan. This newly authorized stock repurchase program replaces in its entirety the prior $3.25 billion stock repurchase program, which had approximately $115 million of repurchase authority remaining. The Company also announced that its Board of Directors had declared the payment of its quarterly dividend of $0.06 per share to be paid on December 28, 2016 to all shareholders of record as of December 6, 2016. A copy of the press release is furnished herewith as Exhibit 99.2 and is incorporated by reference herein. The payment of future quarterly cash dividends is subject to, among other things, the best interests of the Company and its shareholders, its results of operations, cash balances and future cash requirements, financial condition, developments in ongoing litigation, statutory requirements of Bermuda law, and other factors that the Board of Directors may deem relevant.

**Item 9.01** **Financial Statements and Exhibits.**

1. Exhibits.

99.1 Press Release dated November 17, 2016, titled “Marvell Technology Group Ltd. Reports Third Quarter of Fiscal 2017 Financial Results”

99.2 Press Release dated November 17, 2016, titled “Marvell Technology Group Ltd. Announces $1 Billion Share Repurchase Plan; Declares Quarterly Dividend Payment”

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 17, 2016

MARVELL TECHNOLOGY GROUP LTD.

By: /s/ Jean Hu



Jean Hu

*Chief Financial Officer*

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|  |  |
| --- | --- |
|  | **EXHIBIT INDEX** |
| Exhibit No. | Description |
| 99.1 | Press Release dated November 17, 2016, titled “Marvell Technology Group Ltd. Reports Third Quarter of Fiscal 2017 Financial Results” |
| 99.2 | Press Release dated November 17, 2016, titled “Marvell Technology Group Ltd. Announces $1 Billion Share Repurchase Plan; Declares |
|  | Quarterly Dividend Payment” |



**Exhibit 99.1**



**For further information, contact:**

John Spencer Ahn

Investor Relations

408-222-7544

johnahn@marvell.com

**Marvell Technology Group Ltd. Reports Third Quarter of Fiscal 2017**

**Financial Results**

* Revenue: $654 Million
* GAAP Gross Margin 56.3%; Non-GAAP Gross Margin 56.7%
* GAAP Net Income $73 Million; Non-GAAP Net Income: $105 Million
* GAAP Diluted EPS: $0.14; Non-GAAP Diluted EPS $0.20
* Cash and ST Investments: $1.65 Billion

**Santa Clara, Calif. (November 17, 2016)** — Marvell Technology Group Ltd. (NASDAQ: MRVL), a leader in storage, networking, and connectivitysemiconductor solutions, today reported financial results for the third quarter of fiscal 2017, ended October 29, 2016. Revenues for the third quarter of fiscal 2017 were $654 million which exceeded the Company’s guidance provided on September 6, 2016.

GAAP net income for the third quarter of fiscal 2017 was $73 million, or $0.14 per share (diluted). Non-GAAP net income for the third quarter of fiscal 2017 was $105 million, or $0.20 per share (diluted). Cash flow from operations for the quarter was $121 million.

“Marvell delivered strong financial performance in Q3,” said Matt Murphy, President and Chief Executive Officer. “Our core businesses performed very well, with data storage and network infrastructure growing double digits year-over-year. I’m very pleased with the performance of our team.”

**Fourth Quarter of Fiscal 2017 Financial Outlook**

On November 2, 2016, Marvell announced restructuring actions to drive growth and improve profitability. These actions are expected to be fully implemented by the end of October 2017 and are expected to lower annual operating expenses from a current annualized run rate of $1.08 billion to the $820-840 million range. As a result of these actions, the Company expects to incur charges of $90 million to $110 million over the next four quarters, including cash charges of $35 million to $50 million. Restructuring and restructuring-related charges include an estimate of severance, asset impairment, lease termination fees, and other costs. We expect to incur a portion of these charges in the fourth quarter of fiscal 2017.

Marvell’s fourth quarter of fiscal 2017 financial outlook also excludes the estimated results of certain non-strategic businesses that have a first half of fiscal 2017 annualized run rate of approximately $100 million in revenue and $60 million in operating expenses. These businesses will be classified as discontinued operations beginning in the fourth quarter of fiscal 2017. In addition, Marvell’s financial outlook does not include the potential impact of certain items such as share repurchases, acquisitions or divestitures, or further restructuring activities that may be completed after November 16, 2016.

* Revenue is expected to be $565 million plus or minus 2%, excluding discontinued operations and reflecting normal seasonality.
* GAAP and Non-GAAP Gross Margins are expected to be in the range of 57% to 58%.
* GAAP Operating Expenses are expected to be $322 million to $332 million, which includes part of the restructuring charges announced on November 2, 2016.
* Non-GAAP Operating Expenses are expected to be $225 million to $235 million.
* GAAP Diluted EPS from continuing operations are expected to be in the range of ($0.01) to $0.03.
* Non-GAAP Diluted EPS from continuing operations are expected to be in the range of $0.17 to $0.21.

**Conference Call**

Marvell will conduct a conference call on Thursday, November 17, 2016 at 1:45 p.m. Pacific Time to discuss results for the third quarter of fiscal 2017. Interested parties may join the conference call by dialing 1-844-647-5488 or 1-615-247-0258, pass-code 11983150. The call will be webcast by Thomson Reuters and can be accessed at the Marvell Investor Relations website at http://investor.marvell.com/ with a replay available following the call until December 17, 2016.

**Discussion of Non-GAAP Financial Measures**

Non-GAAP financial measures exclude the effect of share-based compensation expense, amortization and write-off of acquired intangible assets, acquisition-related costs, restructuring and other related charges, litigation settlement, and certain expenses and benefits that are driven primarily by discrete events that management does not consider to be directly related to Marvell’s core operating performance. Non-GAAP diluted net income per share is calculated by dividing Non-GAAP net income by Non-GAAP weighted average shares outstanding (diluted). For purposes of calculating Non-GAAP diluted net income per share, the GAAP weighted average shares outstanding (diluted) is adjusted to exclude the potential benefits of share-based compensation expected to be incurred in future periods but not yet recognized in the financial statements. The expected compensation costs are treated as additional proceeds assumed to be used to repurchase shares under the GAAP treasury stock method.

Marvell believes that the presentation of Non-GAAP financial measures provides important supplemental information to management and investors regarding financial and business trends relating to Marvell’s financial condition and results of operations. While Marvell uses Non-GAAP financial measures as a tool to enhance its understanding of certain aspects of its financial performance, Marvell does not consider these measures to be a substitute for, or superior to, financial measures calculated in accordance with GAAP. Consistent with this approach, Marvell believes that disclosing Non-GAAP financial measures to the readers of its financial statements provides such readers with useful supplemental data that, while not a substitute for GAAP financial measures, allows for greater transparency in the review of its financial and operational performance.

Externally, management believes that investors may find Marvell’s Non-GAAP financial measures useful in their assessment of Marvell’s operating performance and the valuation of Marvell. Internally, Marvell’s Non-GAAP financial measures are used in the following areas:

* Management’s evaluation of Marvell’s operating performance;
* Management’s establishment of internal operating budgets;
* Management’s performance comparisons with internal forecasts and targeted business models; and
* Management’s determination of the achievement and measurement of certain performance-based equity awards (adjustments may vary from award to award).

Non-GAAP financial measures have limitations in that they do not reflect all of the costs associated with the operations of Marvell’s business as determined in accordance with GAAP. As a result, you should not consider these measures in isolation or as a substitute for analysis of Marvell’s results as reported under GAAP. Marvell expects to continue to incur expenses similar to the Non-GAAP adjustments described above, and exclusion of these items from Marvell’s Non-GAAP net income should not be construed as an inference that these costs are unusual, infrequent or non-recurring.

**Forward-Looking Statements under the Private Securities Litigation Reform Act of 1995**

This press release contains forward-looking statements within the meaning of the federal securities laws that involve risks and uncertainties, including: Marvell’s expectations regarding its fourth quarter of fiscal 2017 financial outlook; and Marvell’s use of Non-GAAP financial measures as important supplemental information. Words such as “anticipates,” “expects,” “intends,” “plans,” “projects,” “believes,” “seeks,” “estimates,” “can,” “may,” “will,” “would” and similar expressions identify such forward-looking statements. These statements are not guarantees of results and should not be considered as an indication of future activity or future performance. Actual events or results may differ materially from those described in this press release due to a number of risks and uncertainties, including, but not limited to: Marvell’s ability to implement its restructuring in a timely manner; the amount and timing of anticipated charges associated with the restructuring; Marvell’s ability to increase its operational efficiency and decrease its operating expenses to the anticipated level; its ability to divest certain non-strategic businesses within the anticipated timeframes and with the anticipated cost savings; actions that may be taken by Marvell as a result of the Audit Committee’s investigation; adverse impacts of litigation or regulatory activities; Marvell’s ability to compete in products and prices in an intensely competitive industry; Marvell’s reliance on the hard disk drive and wireless markets, which are highly cyclical and intensely competitive; costs and liabilities relating to current and future litigation; Marvell’s reliance on a few customers for a significant portion of its revenue; Marvell’s ability to develop and introduce new and enhanced products in a timely and cost effective manner and the adoption of those products in the market; seasonality in sales of consumer devices in which Marvell’s products are incorporated; uncertainty in the worldwide economic conditions; risks associated with manufacturing and selling a majority of Marvell’s products and Marvell’s customers’ products outside of the United States; and other risks detailed in Marvell’s SEC filings from time to time. For other factors that could cause Marvell’s results to vary from expectations, please see the risk factors identified in Marvell’s Quarterly Report on Form 10-Q for the fiscal quarter ended July 30, 2016 as filed with the SEC on September 8, 2016, and other factors detailed from time to time in Marvell’s filings with the SEC. Marvell undertakes no obligation to revise or update publicly any forward-looking statements.

**About Marvell**

Marvell first revolutionized the digital storage industry by moving information at speeds never thought possible. Today, that same breakthrough innovation remains at the heart of the company’s storage, network infrastructure, and wireless connectivity solutions. With leading intellectual property and deep system-level knowledge, Marvell’s semiconductor solutions continue to transform the enterprise, cloud, automotive, industrial, and consumer markets. To learn more, visit: www.marvell.com

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**Marvell Technology Group Ltd.**

**Condensed Consolidated Statements of Operations**

**(Unaudited)**

**(In thousands, except per share amounts)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **Three Months Ended** | | | | | | | |  |  |  |  | **Nine Months Ended** | | | | | |  |
|  |  |  | **October 29,** | | |  |  | **July 30,** | |  | **October 31,** | |  |  | **October 29,** | | |  | **October 31,** | |  |  |
|  |  |  |  | **2016** |  |  |  | **2016** |  |  |  | **2015** |  |  |  | **2016** |  |  |  | **2015** |  |  |
|  | Net revenue |  | $ | 654,422 |  |  | $ | 626,404 |  |  | $ | 674,890 |  |  | $ | 1,821,648 |  |  | $ | 2,109,670 |  |  |
|  | Cost of goods sold |  |  | 286,063 |  |  |  | 287,608 | |  |  | 379,254 | |  |  | 832,881 | |  |  | 1,192,126 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gross profit |  |  | 368,359 |  |  |  | 338,796 | |  |  | 295,636 | |  |  | 988,767 | |  |  | 917,544 | |  |
|  | Operating expenses: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Research and development |  |  | 223,519 | |  |  | 228,562 | |  |  | 284,308 | |  |  | 693,352 | |  |  | 861,743 | |  |
|  | Selling and marketing |  |  | 30,576 | |  |  | 31,094 | |  |  | 32,481 | |  |  | 93,049 | |  |  | 99,496 | |  |
|  | General and administrative |  |  | 29,012 | |  |  | 37,173 | |  |  | 34,771 | |  |  | 101,808 | |  |  | 767,028 | |  |
|  | Amortization and write-off of acquired intangible assets |  |  | 2,299 |  |  |  | 2,461 | |  |  | 3,150 | |  |  | 7,221 | |  |  | 8,286 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total operating expenses |  |  | 285,406 |  |  |  | 299,290 | |  |  | 354,710 | |  |  | 895,430 | |  |  | 1,736,553 | |  |
| Operating income (loss) | |  |  | 82,953 |  |  |  | 39,506 |  |  |  | (59,074) |  |  |  | 93,337 |  |  |  | (819,009) |  |  |
|  | Interest and other income, net |  |  | 5,470 | |  |  | 6,284 | |  |  | 4,644 | |  |  | 13,242 | |  |  | 16,601 | |  |
| Income (loss) before income taxes | |  |  | 88,423 |  |  |  | 45,790 |  |  |  | (54,430) |  |  |  | 106,579 |  |  |  | (802,408) |  |  |
|  | Provision (benefit) for income taxes |  |  | 15,807 | |  |  | (5,515) | |  |  | 3,320 | |  |  | 5,337 | |  |  | 13,192 | |  |
| Net income (loss) | |  | $ | 72,616 |  |  | $ | 51,305 |  |  | $ | (57,750 | ) |  | $ | 101,242 |  |  | $ | (815,600 | ) |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Basic net income (loss) per share |  | $ | 0.14 |  | $ | | 0.10 | | $ | | (0.11) | | $ | | 0.20 | | $ | | (1.59) | |  |
| Diluted net income (loss) per share | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | $ | 0.14 |  |  | $ | 0.10 |  |  | $ | (0.11 | ) |  | $ | 0.20 |  |  | $ | (1.59) |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Shares used in computing basic earnings (loss) per share |  |  | 511,090 | |  |  | 511,235 | |  |  | 504,831 | |  |  | 510,373 | |  |  | 512,476 | |  |
|  | Shares used in computing diluted earnings (loss) per share |  |  | 522,091 | |  |  | 514,314 | |  |  | 504,831 | |  |  | 516,476 | |  |  | 512,476 | |  |

**Marvell Technology Group Ltd.**

**Condensed Consolidated Balance Sheets**

**(Unaudited)**

**(In thousands)**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **October 29,** | | |  | **January 30,** | | |
|  |  |  | **2016** |  |  |  | **2016** |  |
| **Assets** |  |  |  |  |  |  |  |  |
| Current assets: |  |  |  |  |  |  |  |  |
| Cash, cash equivalents and short-term investments | $ | | 1,650,372 |  | $ | | 2,282,749 | |
| Accounts receivable, net |  |  | 362,195 | |  |  | 323,300 | |
| Inventories |  |  | 198,843 | |  |  | 210,017 | |
| Prepaid expenses and other current assets |  |  | 49,731 |  |  |  | 102,560 |  |
| Total current assets |  |  | 2,261,141 |  |  |  | 2,918,626 | |
| Property and equipment, net |  |  | 265,984 | |  |  | 299,540 | |
| Long-term investments |  |  | 8,974 | |  |  | 11,296 | |
| Goodwill and acquired intangible assets, net |  |  | 2,039,279 |  |  |  | 2,047,955 | |
| Other non-current assets |  |  | 179,068 | |  |  | 164,710 | |
| Total assets |  | $ | 4,754,446 |  |  | $ | 5,442,127 |  |
|  |  |  |  |  |  |  |  |  |
| **Liabilities and Shareholders’ Equity** |  |  |  |  |  |  |  |  |
| Current liabilities: |  |  |  |  |  |  |  |  |
| Accounts payable | $ | | 183,252 | | $ | | 180,372 | |
| Accrued liabilities |  |  | 256,339 | |  |  | 253,691 | |
| Carnegie Mellon University accrued litigation settlement |  |  | — | |  |  | 736,000 | |
| Deferred income |  |  | 63,656 |  |  |  | 55,722 |  |
| Total current liabilities |  |  | 503,247 | |  |  | 1,225,785 | |
| Other non-current liabilities |  |  | 70,705 |  |  |  | 76,219 |  |
| Total liabilities |  |  | 573,952 | |  |  | 1,302,004 | |
| Shareholders’ equity: |  |  |  |  |  |  |  |  |
| Common stock |  |  | 1,017 | |  |  | 1,015 | |
| Additional paid-in capital |  |  | 3,057,535 |  |  |  | 3,028,921 | |
| Accumulated other comprehensive income |  |  | 1,553 | |  |  | (795) | |
| Retained earnings |  |  | 1,120,389 |  |  |  | 1,110,982 |  |
| Total shareholders’ equity |  |  | 4,180,494 |  |  |  | 4,140,123 | |
| Total liabilities and shareholders’ equity |  | $ | 4,754,446 |  |  | $ | 5,442,127 |  |
|  |  |  |  |  |  |  |  |  |

**Marvell Technology Group Ltd.**

**Condensed Consolidated Statements of Cash Flows**

**(Unaudited)**

**(in thousands)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **Three Months Ended** | | | | | |  |  | **Nine Months Ended** | | | | | |
|  |  |  | **October 29,** | | |  | **October 31,** | |  |  | **October 29,** | | |  | **October 31,** | |  |
|  |  |  |  | **2016** |  |  |  | **2015** |  |  |  | **2016** |  |  |  | **2015** |  |
|  | Cash flows from operating activities: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net income (loss) | $ | | 72,616 | | $ | | (57,750) | | $ | | 101,242 | | $ | | (815,600) | |
|  | Adjustments to reconcile net income (loss) to net cash provided by operating activities: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Depreciation and amortization |  |  | 27,188 | |  |  | 25,565 | |  |  | 81,168 | |  |  | 77,376 | |
|  | Share-based compensation |  |  | 28,263 | |  |  | 31,465 | |  |  | 89,912 | |  |  | 101,360 | |
|  | Amortization and write-off of acquired intangible assets |  |  | 2,784 |  |  |  | 3,635 | |  |  | 8,676 | |  |  | 9,741 | |
|  | Non-cash restructuring and other related charges |  |  | 1,056 |  |  |  | 14,270 | |  |  | 2,081 | |  |  | 15,743 | |
|  | Other non-cash expense (income), net |  |  | (930) | |  |  | 4,205 | |  |  | 1,020 | |  |  | 5,926 | |
|  | Excess tax benefits from share-based compensation |  |  | (5) | |  |  | (2) | |  |  | (10) | |  |  | (27) | |
|  | Changes in assets and liabilities: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Accounts receivable |  |  | (13,512) | |  |  | 36,793 | |  |  | (38,895) | |  |  | 40,027 | |
|  | Inventories |  |  | 3,710 |  |  |  | 39,457 | |  |  | 10,944 | |  |  | 21,042 | |
|  | Prepaid expenses and other assets *(a)* |  |  | 6,457 |  |  |  | 6,804 | |  |  | (2,578) | |  |  | 18,132 | |
|  | Accounts payable |  |  | (29,818) | |  |  | (55,693) | |  |  | 10,541 | |  |  | (43,735) | |
|  | Accrued liabilities and other non-current liabilities *(a)* |  |  | 6,508 |  |  |  | 5,116 | |  |  | (759,735) | |  |  | 746,731 | |
|  | Accrued employee compensation |  |  | 25,537 | |  |  | 14,295 | |  |  | 10,419 | |  |  | (14,636) | |
|  | Deferred income |  |  | (8,393) | |  |  | (1,566) | |  |  | 7,934 | |  |  | (10,034) | |
|  | Net cash provided by (used in) operating activities |  |  | 121,461 |  |  |  | 66,594 |  |  |  | (477,281) |  |  |  | 152,046 |  |
|  | Cash flows from investing activities: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Purchases of available-for-sale securities |  |  | (140,087) | |  |  | (356,465) | |  |  | (343,810) | |  |  | (922,830) | |
|  | Sales and maturities of available-for-sale securities |  |  | 170,472 |  |  |  | 356,409 | |  |  | 657,037 | |  |  | 826,199 | |
|  | Purchase of time deposits |  |  | (75,000) | |  |  | — | |  |  | (200,000) | |  |  | — | |
|  | Maturities of time deposits |  |  | 50,000 | |  |  | — | |  |  | 50,000 | |  |  | — | |
|  | Distribution from (investments in) privately-held companies |  |  | 274 | |  |  | (130) | |  |  | 274 | |  |  | 78 | |
|  | Purchases of technology licenses |  |  | (394) | |  |  | (980) | |  |  | (8,439) | |  |  | (6,657) | |
|  | Purchases of property and equipment |  |  | (13,347) | |  |  | (9,041) | |  |  | (37,724) | |  |  | (33,361) | |
|  | Purchase of equipment previously leased |  |  | — | |  |  | — | |  |  | — | |  |  | (10,240) | |
|  | Net proceeds from sale of equipment held for sale |  |  | — |  |  |  | 10,007 | |  |  | — | |  |  | 10,007 | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net cash provided by (used in) investing activities |  |  | (8,082) | |  |  | (200) | |  |  | 117,338 | |  |  | (136,804) | |
|  | Cash flows from financing activities: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Repurchase of common stock *(b)* |  |  | (56,531) | |  |  | (65,291) | |  |  | (56,531) | |  |  | (260,875) | |
|  | Proceeds from employee stock plans |  |  | 11,277 |  |  |  | 2,174 | |  |  | 11,836 | |  |  | 59,348 | |
|  | Minimum tax withholding paid on behalf of employees for net share settlement |  |  | (899) | |  |  | (869) | |  |  | (16,281) | |  |  | (23,876) | |
|  | Dividend payments to shareholders |  |  | (30,699) | |  |  | (30,270) | |  |  | (91,835) | |  |  | (92,374) | |
|  | Payments on technology license obligations |  |  | (3,696) | |  |  | (2,617) | |  |  | (13,848) | |  |  | (11,416) | |
|  | Excess tax benefits from share-based compensation |  |  | 5 | |  |  | 2 | |  |  | 10 |  |  |  | 27 | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Net cash used in financing activities |  |  | (80,543) | |  |  | (96,871) | |  |  | (166,649) | |  |  | (329,166) | |
| Net increase (decrease) in cash and cash equivalents | |  |  | 32,836 |  |  |  | (30,477) |  |  |  | (526,592) |  |  |  | (313,924) |  |
|  | Cash and cash equivalents at beginning of period |  |  | 718,752 |  |  |  | 927,530 | |  |  | 1,278,180 |  |  |  | 1,210,977 | |
| Cash and cash equivalents at end of period | |  | $ | 751,588 |  |  | $ | 897,053 |  |  | $ | 751,588 |  |  | $ | 897,053 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

1. In the nine months ended October 29, 2016, the Company paid a total of $750.0 million to CMU in connection with the settlement agreement that was reached in February 2016. Of this settlement, the Company recognized a charge of $736.0 million in fiscal 2016. The remaining $14.0 million was recorded in prepaid expenses and other assets, to be recognized in cost of goods sold over the remaining term of the license from February 2016 through April 2018. For further detail of the accounting for the settlement, see “Note 13 — Carnegie Mellon University Settlement” in the Notes to the Unaudited Condensed Consolidated Financial Statements included in the Company’s Quarterly Report on Form 10-Q for the quarter ended July 30, 2016.
2. Marvell records all repurchases of common stock consistent with the way it records investment purchases and sales, based on trade date in accordance with U.S. GAAP.

**Marvell Technology Group Ltd.**

**Reconciliations from GAAP to Non-GAAP**

**(Unaudited)**

**(In thousands, except per share amounts)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  | **Three Months Ended** | | | |  |  |  |  |  | **Nine Months Ended** | | | | |  |
|  |  |  | **October 29,** | | |  |  | **July 30,** | |  | **October 31,** | |  | **October 29,** | | | **October 31,** | |  |  |
|  |  |  |  | **2016** |  |  |  | **2016 *(e)*** | |  |  | **2015** |  |  | **2016** |  |  | **2015** |  |  |
|  | GAAP gross profit: |  | $ | 368,359 |  |  | $ | 338,796 |  |  | $ | 295,636 |  | $ | 988,767 |  | $ | 917,544 |  |  |
|  | Special items: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Share-based compensation |  |  | 2,225 | |  |  | 2,832 | |  |  | 2,495 | |  | 6,859 | |  | 6,054 | |  |
|  | Restructuring and other related charges *(a)* |  |  | — | |  |  | — | |  |  | 10,285 | |  | — | |  | 10,285 | |  |
|  | Amortization of acquired intangible assets |  |  | 485 | |  |  | 485 | |  |  | 485 | |  | 1,455 | |  | 2,188 | |  |
|  | Other cost of goods sold *(b)* |  |  | — |  |  |  | — |  |  |  | 1,158 |  |  | — |  |  | 80,848 |  |  |
|  | Total special items |  |  | 2,710 | |  |  | 3,317 | |  |  | 14,423 | |  | 8,314 | |  | 99,375 | |  |
| Non-GAAP gross profit | |  | $ | 371,069 |  |  | $ | 342,113 |  |  | $ | 310,059 |  | $ | 997,081 |  | $ | 1,016,919 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | GAAP gross margin |  |  | 56.3% | |  |  | 54.1% | |  |  | 43.8% | |  | 54.3% | |  | 43.5% | |  |
| Non-GAAP gross margin | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 56.7% | |  |  | 54.6% | |  |  | 45.9% | |  | 54.7% | |  | 48.2% | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total GAAP operating expenses | $ | | 285,406 | | $ | | 299,290 | | $ | | 354,710 | | $ | 895,430 | | $ | 1,736,553 | |  |
|  | Special items: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Share-based compensation |  |  | (26,038) | |  |  | (34,364) | |  |  | (28,970) | |  | (83,053) | |  | (95,306) | |  |
|  | Restructuring and other related charges *(a)* |  |  | (1,164) | |  |  | (721) | |  |  | (35,270) | |  | (6,326) | |  | (48,862) | |  |
|  | Amortization of and write-off acquired intangible assets |  |  | (2,299) | |  |  | (2,461) | |  |  | (3,150) | |  | (7,221) | |  | (8,286) | |  |
|  | Other operating expenses *(c)* |  |  | — |  |  |  | 12 |  |  |  | (3,834) | |  | (1,229) | |  | (691,745) | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total special items |  |  | (29,501) | |  |  | (37,534) | |  |  | (71,224) | |  | (97,829) | |  | (844,199) | |  |
| Total non-GAAP operating expenses | |  | $ | 255,905 |  |  | $ | 261,756 |  |  | $ | 283,486 |  | $ | 797,601 |  | $ | 892,354 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | GAAP net income (loss) | $ | | 72,616 | | $ | | 51,305 | | $ | | (57,750) | | $ | 101,242 | | $ | (815,600) | |  |
|  | Special items: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Share-based compensation |  |  | 28,263 | |  |  | 37,196 | |  |  | 31,465 | |  | 89,912 | |  | 101,360 | |  |
|  | Restructuring and other related charges *(a)* |  |  | 1,164 | |  |  | 721 | |  |  | 45,555 | |  | 6,326 | |  | 59,147 | |  |
|  | Amortization of and write-off acquired intangible assets |  |  | 2,784 | |  |  | 2,946 | |  |  | 3,635 | |  | 8,676 | |  | 10,474 | |  |
|  | Other operating expenses *(c)* |  |  | — |  |  |  | (12) | |  |  | 4,992 | |  | 1,229 | |  | 772,593 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Pre-tax total special items |  |  | 32,211 |  |  |  | 40,851 |  |  |  | 85,647 |  |  | 106,143 | |  | 943,574 | |  |
| Non-GAAP income before income taxes | |  |  | 104,827 |  |  |  | 92,156 |  |  |  | 27,897 |  |  | 207,385 |  |  | 127,974 |  |  |
|  | Tax effect of special items *(d)* |  |  | — | |  |  | — | |  |  | 1,108 | |  | (1,071) | |  | 11,511 | |  |
| Non-GAAP net income | |  | $ | 104,827 |  |  | $ | 92,156 |  |  | $ | 29,005 |  | $ | 206,314 |  | $ | 139,485 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Weighted average shares — basic |  |  | 511,090 |  |  |  | 511,235 |  |  |  | 504,831 |  |  | 510,373 | |  | 512,476 | |  |
| Weighted average shares — diluted | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 522,091 |  |  |  | 514,314 |  |  |  | 504,831 |  |  | 516,476 |  |  | 512,476 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Non-GAAP weighted average shares — diluted |  |  | 531,831 |  |  |  | 526,453 |  |  |  | 518,505 |  |  | 526,883 | |  | 528,869 | |  |
| GAAP diluted net income per share | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | $ | 0.14 |  |  | $ | 0.10 |  |  | $ | (0.11 | ) | $ | 0.20 |  | $ | (1.59) |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Non-GAAP diluted net income per share | $ | | 0.20 | | $ | | 0.18 | | $ | | 0.06 | | $ | 0.39 | | $ | 0.26 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

1. Restructuring and other related charges include costs that qualify under U.S. GAAP as restructuring costs and other incremental charges that are a direct result of restructuring. Examples of other incremental charges include impairment of equipment specifically identified as part of the restructuring action and the write down of inventories.
2. Other COGS include charges recognized for pending and settled litigation proceedings in three and nine months ended October 31, 2015.
3. Other operating expenses include charges recognized for pending and settled litigation proceedings of $747.6 million ($666.7 million of which was reported in operating expenses) in the nine months ended October 31, 2015. Other operating expenses for the nine months ended October 29, 2016, and the three and nine months ended October 31, 2015 also include costs of $0.9 million, $2.9 million and $8.5 million, respectively, for the surety bonds related to the litigation with CMU that was settled in February 2016. Other operating expenses for the nine months ended October 29, 2016, and the three and nine months ended October 31, 2015 also include expenses of $0.3 million, $1.0 million and $1.1 million, respectively, related to retention bonuses offered to employees expected to remain through the ramp down of certain operations related to the mobile business, as well as the closure of certain design center operations in Europe. In addition, other operating expenses for the nine months ended October 31, 2015 include a charge for the payment of $15.4 million due to our former Chief Executive Officer (see “Note 14 —Related Party Transactions” in the Notes to the Consolidated Financial Statements set forth in the Company’s Annual Report on Form 10-K for fiscal 2016).
4. Tax effect of special items includes the related tax effect of the payment to our former Chief Executive Officer in the nine months ended October 29, 2016 and October 31, 2015. Tax effect of special items also includes the tax effect of certain restructuring charges in three and nine months ended October 31, 2015.

**Exhibit 99.2**



**For further information, contact:**

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**Marvell Technology Group Ltd. Announces $1 Billion Share Repurchase Plan;**

**Declares Quarterly Dividend Payment**

**Santa Clara, Calif. (November 17, 2016)** — Marvell Technology Group Ltd. (NASDAQ: MRVL), a leader in storage, networking, and connectivitysemiconductor solutions, today announced that the Board of Directors has authorized a $1 billion share buyback program. This newly authorized stock repurchase program replaces in its entirety the prior $3.25 billion stock repurchase program, which had approximately $115 million of repurchase authority remaining. The Company currently intends to repurchase approximately $500 million worth of shares over the next 12 months.

Under the program authorized by its Board of Directors, Marvell may repurchase shares in open-market purchases or through privately negotiated transactions. The extent to which Marvell repurchases its shares and the timing of such repurchases will depend upon market conditions and other corporate considerations, as determined by Marvell’s management team. The repurchase program may be suspended or discontinued at any time.

In addition to the share buyback program, the Board of Directors has approved a dividend payment of $0.06 per share to all shareholders of record as of December 6, 2016. Marvell intends to pay the dividend on December 28, 2016.

“As Marvell continues to drive profitable growth, we will both invest in our core businesses and return cash to shareholders,” said Matt Murphy, President and Chief Executive Officer. “The stock repurchase program we are announcing today demonstrates our confidence in our long-term growth prospects and commitment to delivering shareholder value.”

**Forward-Looking Statements under the Private Securities Litigation Reform Act of 1995**

This press release contains forward-looking statements within the meaning of the federal securities laws that involve risks and uncertainties, including: Marvell’s intention to repurchase approximately $500 million worth of shares over the next 12 months, and extent and timing of such repurchases. Words such as “anticipates,” “expects,” “intends,” “plans,” “projects,” “believes,” “seeks,” “estimates,” “can,” “may,” “will,” “would” and similar expressions identify such forward-looking statements. These statements are not guarantees of results and should not be considered as an indication of future activity or future performance. Actual events or results may differ materially from those described in this press release due to a number of risks and uncertainties, including, but not limited to: market conditions and other business considerations that may affect the timing and extent of the Company’s share repurchase program; Marvell’s ability to implement its restructuring in a timely manner; the amount and timing of anticipated charges associated with the restructuring; Marvell’s ability to increase its operational efficiency and decrease its operating expenses to the anticipated level; its ability to divest certain non-strategic businesses within the anticipated timeframes and with the anticipated cost savings; actions that may be taken by Marvell as a result of the Audit Committee’s investigation; adverse impacts of litigation or regulatory activities; Marvell’s ability to compete in products and prices in an intensely competitive industry; Marvell’s reliance on the hard disk drive and wireless markets, which are highly cyclical and intensely competitive; costs and liabilities relating to current and future litigation; Marvell’s reliance on a few customers for a significant portion of its revenue; Marvell’s ability to develop and introduce new and enhanced products in a timely and cost effective manner and the adoption of those products in the market; seasonality in sales of consumer devices in which Marvell’s products are incorporated; uncertainty in the worldwide economic conditions; risks associated with manufacturing and selling a majority of Marvell’s products and Marvell’s customers’ products outside of the United States; and other risks detailed in Marvell’s SEC filings from time to time. For other factors that could cause Marvell’s results to vary from expectations, please see the risk factors identified in Marvell’s Quarterly Report on Form 10-Q for the fiscal quarter ended July 30, 2016 as filed with the SEC on September 8, 2016, and other factors detailed from time to time in Marvell’s filings with the SEC. Marvell undertakes no obligation to revise or update publicly any forward-looking statements.

**About Marvell**

Marvell first revolutionized the digital storage industry by moving information at speeds never thought possible. Today, that same breakthrough innovation remains at the heart of the company’s storage, network infrastructure, and wireless connectivity solutions. With leading intellectual property and deep system-level knowledge, Marvell’s semiconductor solutions continue to transform the enterprise, cloud, automotive, industrial, and consumer markets. To learn more, visit: www.marvell.com

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