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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

August 22, 2002 (August 22, 2002)

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED)

MARVELL TECHNOLOGY GROUP LTD.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

BERMUDA

(STATE OR OTHER JURISDICTION OF

INCORPORATION OR ORGANIZATION)

0-30877

(COMMISSION FILE

NUMBER)

77-0481679

(I.R.S. EMPLOYER IDENTIFICATION

NO.)

4TH FLOOR

WINDSOR PLACE

22 QUEEN STREET

P.O. BOX HM 1179

HAMILTON HM EX

BERMUDA

(ADDRESS OF PRINCIPAL EXECUTIVE (ZIP CODE)

OFFICES)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (441) 296-6395

N/A

(FORMER NAME AND FORMER ADDRESS, IF CHANGED SINCE LAST REPORT)

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INFORMATION TO BE INCLUDED IN THE REPORT

ITEM 5. OTHER EVENTS.

On August 22, 2002, the Registrant issued a press release announcing its financial results for the second fiscal quarter ended August 3, 2002. Attached hereto as Exhibit 99.1 and incorporated by reference herein is a copy of the August 22, 2002 press release.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

Exhibit Description

- ------- ---------------

99.1 Press Release dated August 22, 2002.

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.

Date: August 22, 2002

MARVELL TECHNOLOGY GROUP LTD.

By: /s/ George A. Hervey

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Name: George A. Hervey

Its: Vice President of Finance and

Chief Financial Officer

EXHIBIT INDEX

Exhibit No.

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Document

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Exhibit 99.1

Press Release issued August 22, 2002.

Exhibit 99.1

NEWS RELEASE

MARVELL TECHNOLOGY GROUP LTD. REPORTS RECORD SECOND QUARTER FISCAL 2003 RESULTS

SUNNYVALE, CA. (AUGUST 22, 2002) - Marvell Technology Group Ltd. (NASDAQ: MRVL), a technology leader in the development of extreme broadband communications solutions, today reported financial results for its second fiscal quarter ended August 3, 2002.

Net revenue for the second quarter of fiscal 2003 was a record $119.7 million, an increase of 74% over net revenue of $68.7 million for the second quarter of fiscal 2002 and a 21% sequential increase from net revenue of $98.8 million for the first quarter of fiscal 2003. Net loss under generally accepted accounting principles (GAAP), which includes the effect of acquisition-related expenses and the amortization of stock-based compensation was $9.3 million, or $0.08 per share (diluted), for the second quarter of fiscal 2003, compared with net loss under GAAP of $105.2 million, or $0.93 per share (diluted), for the second quarter of fiscal 2002.

Net revenue for the six months ended August 3, 2003 was $218.5 million, an increase of 64% over net revenue of $132.9 million for six months ended July 28, 2001. Net loss under GAAP was $40.3 million, or $0.34 per share (diluted), for the six months ended August 3, 2002, compared with net loss under GAAP of $210.2 million, or $1.86 per share (diluted), for the six months ended July 28, 2001.

Pro forma net income, which excludes the effect of acquisition-related expenses, amortization of stock-based compensation and a special charge related to facilities consolidation in the first quarter of fiscal 2003, was $14.2 million, or $0.11 per share (diluted), for the second quarter of fiscal 2003, compared with pro forma net income of $3.4 million, or $0.03 per share (diluted), for the second quarter of fiscal 2002. Pro forma net income was $24.7 million, or $0.19 per share (diluted), for the six months ended August 3, 2002, compared with pro forma net income of $7.9 million, or $0.06 per share (diluted), for the six months ended July 28, 2001.

"We are experiencing strength across both our data storage and data communications businesses," stated Dr. Sehat Sutardja, Marvell's President and CEO. "The 21% sequential increase in our quarterly revenue was largely driven by the continued adoption of Gigabit Ethernet to the desktop and our integrated system-on-chip storage solutions. Bookings during the quarter continued to be strong resulting in record backlog at the end of the quarter. We also continue to experience strong design activity with our Serial ATA solutions, Libertas(TM) wireless LAN products, and Prestera(TM) family of Gigabit Ethernet switches."

Marvell's Chief Executive Officer and Chief Financial Officer will certify the Company's financial statements, as required by the Sarbanes-Oxley Act of 2002, in connection with the filing of the Company's Form 10-Q on or before its due date of September 17, 2002.

Marvell will be conducting a conference call today at 1:45 p.m. PDT to discuss its second quarter fiscal 2003 financial results. To listen to the conference call, investors can dial (719) 457-2634 approximately ten minutes prior to the initiation of the teleconference and refer to conference code 428512. Replay of the conference call will be available until August 30, 2002 at midnight by calling (719) 457-0820. The conference call will also be available via the Web at www.marvell.com until September 22, 2002.

ABOUT MARVELL

Marvell (NASDAQ: MRVL) is the leading global semiconductor provider of complete broadband communications solutions for the data communications and storage markets. The Company's diverse product portfolio includes switching, transceiver, communications controller, wireless, and storage solutions that power the entire communications infrastructure, including enterprise, metro, home, and storage networking. As used in this release, the terms "Company" and "Marvell" refer to Marvell Technology Group Ltd. and its subsidiaries, including Marvell Semiconductor, Inc. (MSI), Marvell Asia Pte Ltd (MAPL), Marvell Japan K.K., Marvell Taiwan Ltd., Marvell International Ltd. (MIL), Galileo Technology Ltd., and SysKonnect GmbH. MSI is headquartered in Sunnyvale, Calif., and designs, develops and markets products on behalf of MIL and MAPL. MSI may be contacted at (408) 222-2500 or at www.marvell.com.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995:

This release contains forward-looking statements based on projections and assumptions about our products and our markets. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "may," "will," "should," and their variations identify forward-looking statements. Statements that refer to, or are based on projections, uncertain events or assumptions also identify forward-looking statements. All such statements are not guarantees of results and are subject to risks and uncertainties. Some risks and uncertainties that may adversely impact the statements in this release include, but are not limited to, the timing, cost and successful completion of development and volume production, end-customer qualification and adoption, and the timing, pricing, rescheduling, or cancellation of orders. For other factors that could cause Marvell's results to vary from expectations, please see the sections titled "Additional Factors That May Affect Future Results" in Marvell's annual report on Form 10-K for the year ended February 2, 2002 and Marvell's subsequent reports on Form 10-Q. We undertake no obligation to revise or update publicly any forward-looking statements.

MARVELL TECHNOLOGY GROUP LTD.

Consolidated Statements of Operations

(Unaudited)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| (In thousands, except per share amounts) | | |  |  |  |  |  |  |
|  |  | THREE MONTHS ENDED | | |  | SIX MONTHS ENDED | | |
|  | --------------------------- | | | | --------------------------- | | | |
|  | AUGUST 3, | |  | JULY 28, | AUGUST 3, | |  | JULY 28, |
|  |  | 2002 |  | 2001 |  | 2002 |  | 2001 |
|  | --------- | | --------- | | --------- | | --------- | |
| Net revenue | $ 119,694 | | $ | 68,649 | $ 218,494 | | $ 132,879 | |
| Cost of goods sold |  | 56,033 |  | 31,419 |  | 99,813 |  | 61,580 |
|  | --------- | | --------- | | --------- | | --------- | |
| Gross profit |  | 63,661 |  | 37,230 |  | 118,681 |  | 71,299 |
| Operating expenses: |  |  |  |  |  |  |  |  |
| Research and development |  | 33,599 |  | 21,843 |  | 64,208 |  | 41,909 |
| Selling and marketing |  | 12,321 |  | 10,103 |  | 23,333 |  | 19,648 |
| General and administrative |  | 3,523 |  | 3,734 |  | 7,165 |  | 6,719 |
| Amortization of stock-based compensation |  | 2,192 |  | 4,095 |  | 4,474 |  | 8,208 |
| Amortization of goodwill and acquired |  |  |  |  |  |  |  |  |
| intangible assets |  | 21,323 |  | 104,508 |  | 42,646 |  | 209,016 |
| Facilities consolidation charge |  | -- |  | -- |  | 17,799 |  | -- |
|  | --------- | | --------- | | --------- | | --------- | |
| Total operating expenses |  | 72,958 |  | 144,283 |  | 159,625 |  | 285,500 |
|  | --------- | | --------- | | --------- | | --------- | |
| Operating loss |  | (9,297) |  | (107,053) |  | (40,944) |  | (214,201) |
| Interest and other income, net |  | 1,906 |  | 2,459 |  | 4,045 |  | 5,426 |
|  | --------- | | --------- | | --------- | | --------- | |
| Loss before income taxes |  | (7,391) |  | (104,594) |  | (36,899) |  | (208,775) |
| Provision for income taxes |  | 1,935 |  | 603 |  | 3,361 |  | 1,388 |
|  | --------- | | --------- | | --------- | | --------- | |
| Net loss | $ | (9,326) | $(105,197) | | $ (40,260) | | $(210,163) | |
|  | ========= | | ========= | | ========= | | ========= | |
| Basic net loss per share | $ | (0.08) | $ | (0.93) | $ | (0.34) | $ | (1.86) |
|  | ========= | | ========= | | ========= | | ========= | |
| Diluted net loss per share | $ | (0.08) | $ | (0.93) | $ | (0.34) | $ | (1.86) |
|  | ========= | | ========= | | ========= | | ========= | |
| Weighted average shares-- basic |  | 118,886 |  | 113,714 |  | 118,487 |  | 113,115 |
|  | --------- | | --------- | | --------- | | --------- | |
| Weighted average shares-- diluted |  | 118,886 |  | 113,714 |  | 118,487 |  | 113,115 |
|  | --------- | | --------- | | --------- | | --------- | |

MARVELL TECHNOLOGY GROUP LTD.

Pro Forma Consolidated Statements of Operations

(Unaudited)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| (In thousands, except per share amounts) |  |  |  |  |  |  |  |  |
|  |  | THREE MONTHS ENDED | | |  | SIX MONTHS ENDED | | |
|  | --------------------------- | | | | --------------------------- | | | |
|  | AUGUST 3, | | JULY 28, | | AUGUST 3, | |  | JULY 28, |
|  |  | 2002 |  | 2001 |  | 2002 |  | 2001 |
|  | --------- | | --------- | | --------- | | --------- | |
| Net revenue | $ 119,694 | | $ | 68,649 | $ 218,494 | | $ 132,879 | |
| Cost of goods sold |  | 56,033 |  | 31,419 |  | 99,813 |  | 60,784 |
|  | --------- | | --------- | | --------- | | --------- | |
| Gross profit |  | 63,661 |  | 37,230 |  | 118,681 |  | 72,095 |
| Operating expenses: |  |  |  |  |  |  |  |  |
| Research and development |  | 33,599 |  | 21,843 |  | 64,208 |  | 41,909 |
| Selling and marketing |  | 12,321 |  | 10,103 |  | 23,333 |  | 19,648 |
| General and administrative |  | 3,523 |  | 3,734 |  | 7,165 |  | 6,719 |
|  | --------- | | --------- | | --------- | | --------- | |
| Total operating expenses |  | 49,443 |  | 35,680 |  | 94,706 |  | 68,276 |
|  | --------- | | --------- | | --------- | | --------- | |
| Operating income |  | 14,218 |  | 1,550 |  | 23,975 |  | 3,819 |
| Interest and other income, net |  | 1,906 |  | 2,459 |  | 4,045 |  | 5,426 |
|  | --------- | | --------- | | --------- | | --------- | |
| Income before income taxes |  | 16,124 |  | 4,009 |  | 28,020 |  | 9,245 |
| Provision for income taxes |  | 1,935 |  | 603 |  | 3,361 |  | 1,388 |
|  | --------- | | --------- | | --------- | | --------- | |
| Pro forma net income | $ | 14,189 | $ | 3,406 | $ | 24,659 | $ | 7,857 |
|  | ========= | | ========= | | ========= | | ========= | |
| Basic pro forma net income per share | $ | 0.12 | $ | 0.03 | $ | 0.21 | $ | 0.07 |
|  | ========= | | ========= | | ========= | | ========= | |
| Diluted pro forma net income per share | $ | 0.11 | $ | 0.03 | $ | 0.19 | $ | 0.06 |
|  | ========= | | ========= | | ========= | | ========= | |
| Weighted average shares-- basic |  | 118,886 |  | 113,714 |  | 118,487 |  | 113,115 |
|  | --------- | | --------- | | --------- | | --------- | |
| Weighted average shares-- diluted |  | 129,634 |  | 127,444 |  | 131,042 |  | 126,300 |
|  | --------- | | --------- | | --------- | | --------- | |
| RECONCILIATION TO GAAP NET LOSS: |  |  |  |  |  |  |  |  |
| Pro forma net income | $ | 14,189 | $ | 3,406 | $ | 24,659 | $ | 7,857 |
| Amortization of stock-based compensation |  | (2,192) |  | (4,095) |  | (4,474) |  | (8,208) |
| Amortization of goodwill and acquired |  |  |  |  |  |  |  |  |
| intangible assets |  | (21,323) |  | (104,508) |  | (42,646) |  | (209,016) |
| Facilities consolidation charge |  | -- |  | -- |  | (17,799) |  | -- |
| Amortization of inventory fair value adjustment |  | -- |  | -- |  | -- |  | (796) |
|  | --------- | | --------- | | --------- | | --------- | |
| GAAP net loss | $ | (9,326) | $(105,197) | | $ (40,260) | | $(210,163) | |
|  | ========= | | ========= | | ========= | | ========= | |

The above pro forma statements of operations are for informational purposes only and are provided for understanding our operating results. The pro forma statements of operations have not been prepared in accordance with GAAP, should not be considered a substitute for our historical financial information prepared in accordance with GAAP and may be different from pro forma measures used by other companies. The pro forma income has been derived by adjusting the net loss under generally accepted accounting principles with the impact of non cash stock-based compensation charges, charges associated with purchase accounting, and charges for facilities consolidation.

MARVELL TECHNOLOGY GROUP LTD.

Consolidated Balance Sheets

(Unaudited)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (In thousands) |  |  |  |  |
|  |  | AUGUST 3, | FEBRUARY 2, | |
| Assets |  | 2002 |  | 2002 |
|  | ----------- | | ----------- | |
| Current assets: |  |  |  |  |
| Cash and cash equivalents | $ | 108,871 | $ | 114,483 |
| Short-term investments |  | 141,479 |  | 135,761 |
| Accounts receivable, net |  | 70,218 |  | 42,150 |
| Inventory, net |  | 49,478 |  | 23,600 |
| Prepaid expenses and other current assets |  | 22,126 |  | 23,422 |
|  | ----------- | | ----------- | |
| Total current assets |  | 392,172 |  | 339,416 |
| Property and equipment, net |  | 60,445 |  | 52,924 |
| Goodwill and acquired intangible assets |  | 1,638,095 |  | 1,680,740 |
| Other noncurrent assets |  | 31,067 |  | 17,975 |
|  | ----------- | | ----------- | |
| Total assets | $ 2,121,779 | | $ 2,091,055 | |
|  | =========== | | =========== | |
| LIABILITIES AND SHAREHOLDERS' EQUITY |  |  |  |  |
| Current liabilities: |  |  |  |  |
| Accounts payable | $ | 63,055 | $ | 30,990 |
| Accrued liabilities |  | 38,683 |  | 25,838 |
| Income taxes payable |  | 19,223 |  | 17,744 |
| Deferred revenue |  | 13,563 |  | 8,907 |
| Current portion of capital lease obligations |  | 1,266 |  | 1,039 |
|  | ----------- | | ----------- | |
| Total current liabilities |  | 135,790 |  | 84,518 |
| Capital lease obligations |  | 9,134 |  | 10,017 |
| Other long-term liabilities |  | 6,055 |  | 6,793 |
|  | ----------- | | ----------- | |
| Total liabilities |  | 150,979 |  | 101,328 |
|  | ----------- | | ----------- | |
| Shareholders' equity: |  |  |  |  |
| Common stock |  | 240 |  | 238 |
| Additional paid-in capital |  | 2,668,295 |  | 2,646,757 |
| Deferred stock-based compensation |  | (11,074) |  | (10,099) |
| Accumulated other comprehensive income |  | 1,714 |  | 946 |
| Accumulated deficit |  | (688,375) |  | (648,115) |
|  | ----------- | | ----------- | |
| Total shareholders' equity |  | 1,970,800 |  | 1,989,727 |
|  | ----------- | | ----------- | |
| Total liabilities and shareholders' equity | $ 2,121,779 | | $ 2,091,055 | |
|  | =========== | | =========== | |