**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): **August 18, 2005**

**MARVELL TECHNOLOGY GROUP LTD.**

(Exact name of registrant as specified in its charter)

**Bermuda**

(State or Other Jurisdiction of

Incorporation)

**0-30877**

(Commission File Number)

**77-0481679**

(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):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o 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 this Current Report is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

On August 18, 2005, Marvell Technology Group Ltd. (“Marvell”) issued a press release regarding its financial results for its second fiscal quarter ended July 30, 2005. The full text of Marvell’s press release is furnished herewith as Exhibit 99.1.

The following non-GAAP financial measures are included in the press release: pro forma net income and basic and diluted net income per share. These non-GAAP measures exclude the effects of acquisition-related expenses, amortization of stock-based compensation and charges related to facilities consolidation. A reconciliation to the most directly comparable GAAP measure is included in the financial statements portion of the press release.

Marvell’s management believes this non-GAAP information is useful because it can enhance the understanding of the company’s ongoing economic performance, and Marvell therefore uses pro forma reporting internally to evaluate and manage the company’s operations. Marvell has chosen to provide this information to investors to enable them to perform comparisons of operating results in a manner similar to how company management analyzes operating results.

**Item 9.01. Financial Statements and Exhibits**

**(c) Exhibits**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Exhibit No.** | |  | **Description** |  |
|  |  |  |  |  |
|  | 99.1 | Press Release dated August 18, 2005. | |  |
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|  |  |  |  |  |



**SIGNATURE**

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

Dated: August 18, 2005

MARVELL TECHNOLOGY GROUP LTD.

By: /s/ George A. Hervey

George A. Hervey



Vice President of Finance and

Chief Financial Officer

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| --- | --- | --- | --- |
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|  |  |  |  |
|  |  | **EXHIBIT INDEX** | |
| **Exhibit No.** |  | **Description** |  |
| 99.1 |  | Press Release dated August 18, 2005. | |
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|  |  |  |  |



**Exhibit 99.1**

**NEWS RELEASE**

**Marvell® Technology Group Ltd. Reports**

**Record Second Quarter Fiscal 2006 Results**

Sunnyvale, CA. (August 18, 2005) **–** Marvell® Technology Group Ltd. (NASDAQ: MRVL), the leader in development of storage, communications, and consumer silicon solutions, today reported financial results for its second fiscal quarter ended July 30, 2005.

Net revenue for the second quarter of fiscal 2006 was a record $390.5 million, an increase of 31.4% over net revenue of $297.2 million for the second quarter of fiscal 2005 and a 7.0% sequential increase from net revenue of $364.8 million for the first quarter of fiscal 2006. Net income under generally accepted accounting principles (GAAP) was $77.3 million, or $0.25 per share (diluted), for the second quarter of fiscal 2006, compared with a net income under GAAP of $28.6 million, or $0.10 per share (diluted), for the second quarter of fiscal 2005.

Net revenue for the six months ended July 30, 2005 was $755.2 million, an increase of 33.3% over net revenue of $566.7 million for the six months ended July 31, 2004. Net income under GAAP was $140.8 million, or $0.45 per share (diluted), for the six months ended July 30, 2005, compared with a net income under GAAP of $43.1 million, or $0.15 per share (diluted), for the six months ended July 31, 2004.

Marvell reports net income and basic and diluted net income per share in accordance with GAAP and additionally on a non-GAAP basis, referred to as pro forma. Pro forma net income, where applicable, excludes the effect of amortization and write-off of acquired intangible assets and other and amortization of stock-based compensation. Pro forma net income was $97.6 million, or $0.31 per share (diluted), for the second quarter of fiscal 2006, compared with pro forma net income of $59.7 million, or $0.20 per share (diluted), for the second quarter of fiscal 2005. Shares used in computing net income per share for the second quarter of fiscal 2006 increased to 313.1 million, compared with 296.0 million for the second quarter of fiscal 2005.

Pro forma net income was $181.7 million, or $0.58 per share (diluted), for the six months ended July 30, 2005, compared with pro forma net income of $108.8 million, or $0.37 per share (diluted), for the six months ended July 31, 2004. Shares used in computing pro forma net income per share for the six months ended July 30, 2005 increased to 311.9 million, compared with 294.6 million for the six months ended July 31, 2004.

These non-GAAP measures should be considered in addition to, and not as a substitute for, the results prepared in accordance with GAAP. A reconciliation of GAAP net income to pro forma net income is included in the financial statements portion of this release as well as on our website in the Investors section at www.marvell.com.

Marvell’s management believes the non-GAAP information is useful because it can enhance the understanding of the Company’s ongoing economic performance and Marvell therefore uses pro forma reporting internally to evaluate and manage the Company’s operations. Marvell has chosen to provide this information to investors to enable them to perform comparisons of operating results in a manner similar to how the Company analyzes its operating results.



“Q2 was another very successful quarter for Marvell,” stated Dr. Sehat Sutardja, Marvell’s President and CEO. “Our consistently strong financial performance is a result of the hard work and dedication of our employees, the strong positioning of our world class technologies and the support of our customers and partners. We currently enjoy strong growth and momentum from both the Enterprise and Consumer markets and are focused on the continued solid execution of our business strategies.”

Revenue for the second quarter was a record for Marvell and represented the 31st consecutive quarter for sequential revenue growth. During the quarter Marvell continued to generate strong positive cash flows and reported its highest level of cash, cash equivalents and short-term investments with a balance of $847.1 million. The following is a review of some of the recent highlights that occurred since last quarter’s earnings release:

* In July, Marvell announced the world’s first ultra low-power 90nm Wireless LAN (WLAN) single chip solution. Further expanding the Company’s market leadership in the WLAN space, the Marvell 88W8686 raises the bar on WLAN performance by offering the industry’s lowest total system power – drawing less than 400 mW – and the smallest total system footprint – less than 50mm2. An example of Marvell’s 88W8686 solution in a dual mode handset we believe would result in connected standby times in excess of 250 hours and talk time in excess of 10 hours. Additionally, the Marvell 88W8686 continues Marvell’s legacy of supporting advanced layer 3/4 packet processing (TCP/IP) along with enhancements for UMA and IMS 3G services.
* Today, Marvell announced the world’s most highly integrated VoIP solutions targeted at the rapidly growing Internet voice communications markets. Marvell is offering a family of system on chip solutions targeted at high performance broadband VoIP gateways, ultra-low power VoWLAN (Voice over WLAN) handsets and high-volume, low cost enterprise IP phones. Each member of this family integrates VoIP processing, WiFi, low power and host CPU capabilities into single chip solutions resulting in significantly higher integration, lower system cost and power versus competing multi-chip solutions.
* Marvell continues to enjoy strong growth from the adoption of hard disk drives in consumer electronics. There is an increasing demand for high capacity storage in a growing list of consumer applications such as digital video recorders, gaming, MP3 players, PDAs and cell phones. Marvell is a leader in driving this trend by providing very low power and advanced solutions which enables increasing storage capacities for these high volume applications.

Marvell will be conducting a conference call today at 1:45 p.m. PDT to discuss its second quarter financial results. To listen to the conference call, investors can dial (706) 679-0800 approximately ten minutes prior to the initiation of the teleconference and refer to conference code 8346660. Replay of the conference call will be available until August 25, 2005 at midnight PST by dialing (706) 645-9291. The conference call will also be available via the web at www.marvell.com. Please visit the Investor Events section. Replay on the Internet will be available until August 16, 2006.

The financial results included in this release are unaudited.



**About Marvell**

Marvell (NASDAQ: MRVL) is the leader in development of storage, communications and consumer silicon solutions. 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), Marvell U.K. Limited, Marvell Semiconductor Israel Ltd. (MSIL), RADLAN Computer Communications 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. These statements include those relating to execution of our business strategies, continued growth in the Enterprise and Consumer markets, continued growth from adoption of hard disk drives in consumer electronics, increasing demand for high capacity storage in consumer applications and the anticipated features and benefits of our WLAN single chip and integrated VoIP solutions. Statements that refer to, or are based on projections, uncertain events or assumptions also identify forward-looking statements. These 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 fiscal year ended January 29, 2005. We undertake no obligation to revise or update publicly any forward-looking statements.

*Marvell® and the Marvell logo are trademarks of Marvell. All other trademarks are the property of their respective owners.*



**Marvell Technology Group Ltd.**

**Condensed Consolidated Statements of Operations**

**(Unaudited)**

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Three Months Ended** | | | | | |  | **Six Months Ended** | | | | |  |  |
|  |  |  | **July 30,** | |  |  | **July 31,** |  |  | **July 30,** | |  | **July 31,** |  |  |  |
|  |  |  | **2005** |  |  |  | **2004** |  |  | **2005** |  |  | **2004** |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net revenue | $ | 390,454 | | $ | | 297,154 | | $ | 755,224 | | $ | 566,731 | |  |  |
|  | Cost of goods sold |  | 183,646 | |  |  | 140,905 | |  | 358,890 | |  | 268,741 | |  |  |
|  | Gross profit |  | 206,808 |  |  |  | 156,249 |  |  | 396,334 |  |  | 297,990 |  |  |  |
|  | Operating expenses: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Research and development |  | 73,164 | |  |  | 64,036 | |  | 145,062 | |  | 127,308 | |  |  |
|  | Selling and marketing |  | 21,275 | |  |  | 19,884 | |  | 42,264 | |  | 38,585 | |  |  |
|  | General and administrative |  | 8,340 | |  |  | 7,662 | |  | 15,078 | |  | 14,499 | |  |  |
|  | Amortization of stock-based compensation |  | 517 | |  |  | 1,272 | |  | 1,388 | |  | 2,660 | |  |  |
|  | Amortization/write-off of acquired intangible assets and other |  | 19,753 | |  |  | 29,759 | |  | 39,512 | |  | 63,017 | |  |  |
|  | Total operating expenses |  | 123,049 |  |  |  | 122,613 |  |  | 243,304 |  |  | 246,069 |  |  |  |
|  | Operating income |  | 83,759 |  |  |  | 33,636 |  |  | 153,030 |  |  | 51,921 |  |  |  |
|  | Interest and other income, net |  | 4,384 | |  |  | 1,616 | |  | 7,996 | |  | 3,288 | |  |  |
|  | Income before income taxes |  | 88,143 |  |  |  | 35,252 |  |  | 161,026 |  |  | 55,209 |  |  |  |
|  | Provision for income taxes |  | 10,841 | |  |  | 6,628 | |  | 20,192 | |  | 12,088 | |  |  |
|  | Net income | $ | 77,302 |  |  | $ | 28,624 |  | $ | 140,834 |  | $ | 43,121 |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Basic net income per share | $ | 0.28 |  |  | $ | 0.11 |  | $ | 0.50 | | $ | 0.16 | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Diluted net income per share | | $ | 0.25 |  |  | $ | 0.10 |  | $ | 0.45 |  | $ | 0.15 |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Weighted average shares — basic |  | 280,916 | |  |  | 267,647 | |  | 279,855 | |  | 266,063 | |  |  |
|  | Weighted average shares — diluted |  | 313,107 |  |  |  | 296,025 |  |  | 311,921 |  |  | 294,600 |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |



**Marvell Technology Group Ltd.**

**Pro Forma Condensed Consolidated Statements of Operations**

**(Unaudited)**

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Three Months Ended** | | | | | |  | **Six Months Ended** | | | | |  |
|  |  |  | **July 30,** | |  |  | **July 31,** |  |  | **July 30,** | |  | **July 31,** |  |  |
|  |  |  | **2005** |  |  |  | **2004** |  |  | **2005** |  |  | **2004** |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net revenue | $ | 390,454 | | $ | | 297,154 | | $ | 755,224 | | $ | 566,731 | |  |
|  | Cost of goods sold |  | 183,646 | |  |  | 140,905 | |  | 358,890 | |  | 268,741 | |  |
|  | Gross profit |  | 206,808 |  |  |  | 156,249 |  |  | 396,334 |  |  | 297,990 |  |  |
|  | Operating expenses: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Research and development |  | 73,164 | |  |  | 64,036 | |  | 145,062 | |  | 127,308 | |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Selling and marketing |  | 21,275 | |  |  | 19,884 | |  | 42,264 | |  | 38,585 | |  |
|  | General and administrative |  | 8,340 | |  |  | 7,662 | |  | 15,078 | |  | 14,499 | |  |
|  | Total operating expenses |  | 102,779 |  |  |  | 91,582 |  |  | 202,404 |  |  | 180,392 |  |  |
|  | Operating income |  | 104,029 |  |  |  | 64,667 |  |  | 193,930 |  |  | 117,598 |  |  |
|  | Interest and other income, net |  | 4,384 | |  |  | 1,616 | |  | 7,996 | |  | 3,288 | |  |
|  | Income before income taxes |  | 108,413 |  |  |  | 66,283 |  |  | 201,926 |  |  | 120,886 |  |  |
|  | Provision for income taxes |  | 10,841 | |  |  | 6,628 | |  | 20,192 | |  | 12,088 | |  |
|  | Pro forma net income | $ | 97,572 |  |  | $ | 59,655 |  | $ | 181,734 |  | $ | 108,798 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Basic pro forma net income per share | $ | 0.35 |  |  | $ | 0.22 |  | $ | 0.65 | | $ | 0.41 | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Diluted pro forma net income per share | | $ | 0.31 |  |  | $ | 0.20 |  | $ | 0.58 |  | $ | 0.37 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Weighted average shares — basic |  | 280,916 | |  |  | 267,647 | |  | 279,855 | |  | 266,063 | |  |
|  | Weighted average shares — diluted |  | 313,107 |  |  |  | 296,025 |  |  | 311,921 |  |  | 294,600 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Reconciliation of GAAP net income to pro forma net income:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | GAAP net income | $ | 77,302 | | $ | | 28,624 | | $ | 140,834 | | $ | 43,121 | |  |
|  | Amortization of stock-based compensation |  | 517 | |  |  | 1,272 | |  | 1,388 | |  | 2,660 | |  |
|  | Amortization/write-off of acquired intangible assets and other |  | 19,753 | |  |  | 29,759 | |  | 39,512 | |  | 63,017 | |  |
|  | Pro forma net income | $ | 97,572 |  |  | $ | 59,655 |  | $ | 181,734 |  | $ | 108,798 |  |  |

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 income under generally accepted accounting principles for the impact of non cash stock-based compensation charges, non-cash charges associated with purchase accounting and other write-off related expenses.



**Marvell Technology Group Ltd.**

**Condensed Consolidated Balance Sheets**

**(Unaudited)**

**(In thousands)**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **July 30,** | |  |  | **January 29,** | | |  |  |
|  |  |  | **2005** |  |  |  | **2005** |  |  |  |  |
|  | **Assets** |  |  |  |  |  |  |  |  |  |  |
|  | Current assets: |  |  |  |  |  |  |  |  |  |  |
|  | Cash, cash equivalents and short-term investments | $ | 847,064 | | $ | | 660,014 | |  |  |  |
|  | Accounts receivable, net |  | 210,209 | |  |  | 200,954 | |  |  |  |
|  | Inventory, net |  | 114,187 | |  |  | 128,889 | |  |  |  |
|  | Prepaid expenses and other current assets |  | 85,250 | |  |  | 27,937 | |  |  |  |
|  | Total current assets |  | 1,256,710 |  |  |  | 1,017,794 |  |  |  |  |
|  | Property and equipment, net |  | 195,677 | |  |  | 161,770 | |  |  |  |
|  | Goodwill and acquired intangible assets |  | 1,521,124 | |  |  | 1,560,636 | |  |  |  |
|  | Other noncurrent assets |  | 67,450 | |  |  | 48,762 | |  |  |  |
|  | Total assets | $ | 3,040,961 |  |  | $ | 2,788,962 |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Liabilities and Shareholders’ Equity** |  |  |  |  |  |  |  |  |  |  |
|  | Current liabilities: |  |  |  |  |  |  |  |  |  |  |
|  | Accounts payable | $ | 139,674 | | $ | | 129,728 | |  |  |  |
|  | Accrued liabilities |  | 54,060 | |  |  | 52,740 | |  |  |  |
|  | Income taxes payable |  | 4,150 | |  |  | 3,195 | |  |  |  |
|  | Deferred income |  | 17,660 | |  |  | 15,938 | |  |  |  |
|  | Current portion of capital lease obligations |  | 15,840 | |  |  | 13,204 | |  |  |  |
|  | Total current liabilities |  | 231,384 |  |  |  | 214,805 |  |  |  |  |
|  | Capital lease obligations |  | 21,678 | |  |  | 11,590 | |  |  |  |
|  | Other long-term liabilities |  | 97,516 | |  |  | 65,137 | |  |  |  |
|  | Total liabilities |  | 350,578 |  |  |  | 291,532 |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Shareholders’ equity: |  |  |  |  |  |  |  |  |  |  |
|  | Common stock |  | 564 | |  |  | 555 | |  |  |  |
|  | Additional paid-in capital |  | 3,086,751 | |  |  | 3,035,200 | |  |  |  |
|  | Deferred stock-based compensation |  | (1,966) | |  |  | (3,400) | | |  |  |
|  | Accumulated other comprehensive loss |  | (2,682) | |  |  | (1,807) | | |  |  |
|  | Accumulated deficit |  | (392,284) | |  |  | (533,118) | | |  |  |
|  | Total shareholders’ equity |  | 2,690,383 |  |  |  | 2,497,430 |  |  |  |  |
|  | Total liabilities and shareholders’ equity | $ | 3,040,961 |  |  | $ | 2,788,962 |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |

