

**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): **December 27, 2006**

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):

- ☐ 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 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers.

As previously announced, a special committee of the Board of Directors of Marvell Technology Group Ltd. (the "Company"), with the assistance of independent legal counsel and outside accounting experts, has been conducting an internal review relating to the Company's historical stock option practices and related accounting matters. Although the special committee has not as yet reported its findings to the Board, it has provided the Company with certain information about the Company's stock option grants since the Company's initial public offering in June 2000. From such information the Company has determined that the actual measurement dates for financial accounting purposes of certain stock options grants awarded in the past differ from the recorded grant dates used for such awards, and that in some of those cases the fair market value of the underlying shares of the Company's Common Stock was higher on the actual measurement date than on the recorded grant date. As set forth in detail below, the following executive officers were beneficiaries of one or more of such grants: Sehat Sutardja, Ph.D., the Company's Chairman of the Board, President and Chief Executive Officer; Weili Dai, the Company's Executive Vice President and Chief Operating Officer; Pantas Sutardja, Ph.D., the Company's Chief Technology Officer; and George Hervey, the Company's Vice President of Finance and Chief Financial Officer. On December 27 and 28, 2006, each of the foregoing individuals and the Company voluntarily agreed to reform the outstanding stock option agreements for these grants such that the exercise price for such options is corrected to the price that would have been applicable had the grants been made using the actual measurement dates for financial accounting purposes. For options that remain unexercised, the applicable exercise price has thus been corrected to equal the fair market value (i.e., the closing price) of the Company's Common Stock on the actual measurement date, with all other terms of those options remaining unchanged. As to all such options previously exercised, these individuals have remitted to the Company the full amount of the difference between the exercise prices of the options as granted and the fair market values of the Common Stock on the actual measurement dates. The reformation of certain of the options was undertaken, among other reasons, to address potential tax consequences arising from Internal Revenue Code Section 409A prior to the December 31, 2006 deadline for Section 16(a) reporting persons.

These individuals have agreed to reform their stock option agreements as follows (all amounts have been adjusted to reflect stock splits):

Optionee	Recorded Option Grant Date	Number of Shares Originally Subject to Option	Number of Shares Remaining Unexercised	Original Exercise Price per Share	Reformed Exercise Price per Share
Sehat Sutardja, Ph.D.	12/26/03	6,000,000	3,000,000	\$ 9.125	\$ 10.91
Weili Dai	12/26/03	4,000,000	2,083,334	\$ 9.125	\$ 10.91
Pantas Sutardja, Ph.D.	12/26/03	2,640,000	2,518,332	\$ 9.125	\$ 10.91
George Hervey	03/18/05	24,212	24,212	\$ 17.73	\$ 18.64
	01/02/04	10,552	10,552	\$ 9.475	\$ 9.81
	01/02/04	269,448	269,448	\$ 9.475	\$ 9.81
	05/05/03	7,896	7,896	\$ 6.185	\$ 8.995
	05/05/03	192,104	192,104	\$ 6.185	\$ 8.995
	10/16/02	28,836	28,836	\$ 3.4675	\$ 5.1275
	10/16/02	251,164	251,164	\$ 3.4675	\$ 5.1275
	02/28/02	6,668	6,668	\$ 7.6725	\$ 10.09
	02/28/02	153,332	—	\$ 7.6725	\$ 10.09
	01/02/01	160,000	—	\$ 5.3438	\$ 6.875

2

As described above, pursuant to the reformation of the stock option agreements listed above, Sehat Sutardja, Ph.D., Weili Dai, Pantas Sutardja, Ph.D., and George Hervey have paid to the Company the following amounts by which the aggregate reformed exercise prices for the portions of options that were previously exercised exceed the amounts paid for the shares received upon exercise:

Name	Amount
Sehat Sutardja, Ph.D.	\$ 5,355,001
Weili Dai	3,421,249
Pantas Sutardja, Ph.D.	217,178
George Hervey	615,673

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Reformation of Stock Option Agreement dated December 27, 2006, by and between Sehat Sutardja and Marvell Technology Group Ltd.
10.2	Reformation of Stock Option Agreement dated December 27, 2006, by and between Weili Dai and Marvell Technology Group Ltd.
10.3	Reformation of Stock Option Agreement dated December 28, 2006, by and between Pantas Sutardja and Marvell Technology Group Ltd.
10.4	Reformation of Stock Option Agreements dated December 28, 2006, by and between George Hervey and Marvell Technology Group Ltd.

3

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: January 4, 2007

MARVELL TECHNOLOGY GROUP LTD.

By: /s/ George A. Hervey
George A. Hervey
Vice President of Finance and
Chief Financial Officer

4

**MARVELL TECHNOLOGY GROUP LTD.
AMENDED AND RESTATED 1995 STOCK OPTION PLAN**

REFORMATION OF STOCK OPTION AGREEMENT

This Reformation of Stock Option Agreement is entered into by and between Sehat Sutardja (the "Optionee") and Marvell Technology Group Ltd., a Bermuda corporation (the "Company"), effective as set forth below.

Recitals

WHEREAS, the Company previously issued to the Optionee an option (the "Option") to acquire 6,000,000 shares of common stock of the Company at an exercise price of \$9.125 per share pursuant to a stock option agreement dated effective December 26, 2003 (the "Agreement") under the Company's Amended and Restated 1995 Stock Option Plan (the "Plan") (all references to shares and per share prices in this Reformation of Stock Option Agreement are as adjusted for subsequent stock splits);

WHEREAS, based upon an internal review of the Company's practices relating to stock option grants, the Company has now determined that the effective date of grant of the Option appears to be January 16, 2004 based upon the best information available to the Company;

WHEREAS, the Optionee takes no position with respect to the effective date of grant and instead defers to the Company's determination;

WHEREAS, the Option has been exercised with respect to 2,200,788 shares before 2006 and 799,212 shares in 2006; and

WHEREAS, the parties hereby reform the Agreement to reflect the exercise price per share required by the Plan for a grant on January 16, 2004, or \$10.91, the fair market value of the common stock of the Company on January 16, 2004 ("Corrected Exercise Price").

Agreement

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

A. The terms of the Option and Agreement are hereby reformed, effective December 26, 2003, to reflect that the exercise price per share with respect to the shares subject to the Option is \$10.91.

B. Upon execution of the Reformation of Stock Option Agreement on or before December 31, 2006, the Optionee shall pay to the Company the amount by which the Corrected

Exercise Price exceeds the amount the Optionee paid for the shares subject to the portion of the Option that was exercised in 2006, or \$1,426,594.

C. Upon execution of the Reformation of Stock Option Agreement on or before December 31, 2006, the Optionee shall pay to the Company the amount by which the Corrected Exercise Price exceeds the amount the Optionee paid for the shares subject to the portion of the Option that was exercised before 2006, or \$3,928,407.

D. The Optionee acknowledges that the Option is a nonstatutory stock option for income tax purposes.

E. The terms of the Agreement not specifically reformed hereby remain in full force and effect.

F. All defined terms used herein but not otherwise defined shall have the meaning assigned to such terms in the Agreement.

G. This Reformation of Stock Option Agreement shall be governed by the laws of the State of California.

H. The Optionee has had an opportunity to consult with the Optionee's personal tax, legal and investment advisors with regard to this Reformation of Stock Option Agreement, and is not relying on the Company or its agents for such advice. The Optionee agrees that the Company shall not be liable for any costs, taxes, loss or damage that the Optionee may incur by entering into the Agreement or this Reformation of Stock Option Agreement; it being understood that the Optionee will not pursue a claim, whether by way of indemnification or otherwise (i) with respect to such costs, taxes, loss or damage, (ii) with respect to amounts paid to the Company pursuant to paragraphs B and C of this Reformation of Stock Option Agreement or (iii) with respect to costs incurred in connection with the negotiation and preparation of this Reformation of Stock Option Agreement; provided, however, that nothing herein shall otherwise affect any rights of the Optionee to indemnification pursuant to the Company's bye-laws or any other agreements or instruments of or with the Company or any of its subsidiaries.

The parties hereto have duly executed this Reformation of Stock Option Agreement on the dates set forth below.

MARVELL TECHNOLOGY GROUP LTD.

By: /s/ Mike Tate

Name:

Mike Tate

Title: VP & Treasurer of MSI

Date: 12/27/06

Signature of
Optionee

/s/ Sehat Sutardja
Sehat Sutardja

Date: 12/27/06

**MARVELL TECHNOLOGY GROUP LTD.
AMENDED AND RESTATED 1995 STOCK OPTION PLAN**

REFORMATION OF STOCK OPTION AGREEMENT

This Reformation of Stock Option Agreement is entered into by and between Weili Dai (the "Optionee") and Marvell Technology Group Ltd., a Bermuda corporation (the "Company"), effective as set forth below.

Recitals

WHEREAS, the Company previously issued to the Optionee an option (the "Option") to acquire 4,000,000 shares of common stock of the Company at an exercise price of \$9.125 per share pursuant to a stock option agreement dated effective December 26, 2003 (the "Agreement") under the Company's Amended and Restated 1995 Stock Option Plan (all references to shares and per share prices in this Reformation of Stock Option Agreement are as adjusted for subsequent stock splits);

WHEREAS, based upon an internal review of the Company's practices relating to stock option grants, the Company has now determined that the effective date of grant of the Option appears to be January 16, 2004 based upon the best information available to the Company;

WHEREAS, the Optionee takes no position with respect to the effective date of grant and instead defers to the Company's determination;

WHEREAS, the Option has been exercised with respect to 1,916,666 shares before 2006; and

WHEREAS, the parties hereby reform the Agreement to reflect the exercise price per share required by the Plan for a grant on January 16, 2004, or \$10.91, the fair market value of the common stock of the Company on January 16, 2004 ("Corrected Exercise Price").

Agreement

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

A. The terms of the Option and Agreement are hereby reformed, effective December 26, 2003, to reflect that the exercise price per share with respect to the shares subject to the Option is \$10.91.

B. Upon execution of this Reformation of Stock Option Agreement on or before December 31, 2006, the Optionee shall pay to the Company the amount by which the Corrected Exercise Price exceeds the amount the Optionee paid for the shares subject to the portion of the Option that was exercised before 2006, or \$3,421,249.

C. The Optionee acknowledges that the Option is a nonstatutory stock option for income tax purposes.

D. The terms of the Agreement not specifically reformed hereby remain in full force and effect.

E. All defined terms used herein but not otherwise defined shall have the meaning assigned to such terms in the Agreement.

F. This Reformation of Stock Option Agreement shall be governed by the laws of the State of California.

G. The Optionee has had an opportunity to consult with the Optionee's personal tax, legal and investment advisors with regard to this Reformation of Stock Option Agreement, and is not relying on the Company or its agents for such advice. The Optionee agrees that the Company shall not be liable for any costs, taxes, loss or damage that the Optionee may incur by entering into the Agreement or this Reformation of Stock Option Agreement; it being understood that the Optionee will not pursue a claim, whether by way of indemnification or otherwise (i) with respect to such costs, taxes, loss or damage, (ii) with respect to amounts paid to the Company pursuant to paragraph B of this Reformation of Stock Option Agreement or (iii) with respect to costs incurred in connection with the negotiation and preparation of this Reformation of Stock Option Agreement; provided, however, that nothing herein shall otherwise affect any rights of the Optionee to indemnification pursuant to the Company's bye-laws or any other agreements or instruments of or with the Company or any of its subsidiaries.

The parties hereto have duly executed this Reformation of Stock Option Agreement on the dates set forth below.

MARVELL TECHNOLOGY GROUP LTD.

By: /s/ Mike Tate

Name: Mike Tate

Title: VP & Treasurer of MSI

Date: 12/27/06

/s/ Weili Dai
Signature of
Optionee

Weili Dai
Weili Dai

**MARVELL TECHNOLOGY GROUP LTD.
AMENDED AND RESTATED 1995 STOCK OPTION PLAN**

REFORMATION OF STOCK OPTION AGREEMENT

This Reformation of Stock Option Agreement is entered into by and between Pantas Sutardja (the "Optionee") and Marvell Technology Group Ltd., a Bermuda corporation (the "Company"), effective as set forth below.

Recitals

WHEREAS, the Company previously issued to the Optionee an option (the "Option") to acquire 2,640,000 shares of common stock of the Company at an exercise price of \$9.125 per share pursuant to a stock option agreement dated effective December 26, 2003 (the "Agreement") under the Company's Amended and Restated 1995 Stock Option Plan (the "Plan") (all references to shares and per share prices in this Reformation of Stock Option Agreement are as adjusted for subsequent stock splits);

WHEREAS, based upon an internal review of the Company's practices relating to stock option grants, the Company has now determined that the effective date of grant of the Option appears to be January 16, 2004 based upon the best information available to the Company;

WHEREAS, the Optionee takes no position with respect to the effective date of grant and instead defers to the Company's determination;

WHEREAS, the Option has been exercised with respect to 121,668 shares in 2006; and

WHEREAS, the parties hereby reform the Agreement to reflect the exercise price per share required by the Plan for a grant on January 16, 2004, or \$10.91, the fair market value of the common stock of the Company on January 16, 2004 ("Corrected Exercise Price").

Agreement

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

A. The terms of the Option and Agreement are hereby reformed, effective December 26, 2003, to reflect that the exercise price per share with respect to the shares subject to the Option is \$10.91.

B. Upon execution of this Reformation of Stock Option Agreement on or before December 31, 2006, the Optionee shall pay to the Company the amount by which the Corrected Exercise Price exceeds the amount the Optionee paid for the shares subject to the portion of the Option that was exercised in 2006, or \$217,178.

C. The Optionee acknowledges that the Option is a nonstatutory stock option for income tax purposes.

D. The terms of the Agreement not specifically reformed hereby remain in full force and effect.

E. All defined terms used herein but not otherwise defined shall have the meaning assigned to such terms in the Agreement.

F. This Reformation of Stock Option Agreement shall be governed by the laws of the State of California.

G. The Optionee has had an opportunity to consult with the Optionee's personal tax, legal and investment advisors with regard to this Reformation of Stock Option Agreement, and is not relying on the Company or its agents for such advice. The Optionee agrees that the Company shall not be liable for any costs, taxes, loss or damage that the Optionee may incur by entering into the Agreement or this Reformation of Stock Option Agreement; it being understood that the Optionee will not pursue a claim, whether by way of indemnification or otherwise (i) with respect to such costs, taxes, loss or damage, (ii) with respect to amounts paid to the Company pursuant to paragraph B of this Reformation of Stock Option Agreement or (iii) with respect to costs incurred in connection with the negotiation and preparation of this Reformation of Stock Option Agreement; provided, however, that nothing herein shall otherwise affect any rights of the Optionee to indemnification pursuant to the Company's bye-laws or any other agreements or instruments of or with the Company or any of its subsidiaries.

The parties hereto have duly executed this Reformation of Stock Option Agreement on the dates set forth below.

MARVELL TECHNOLOGY GROUP LTD.

By: /s/ Mike Tate

Name: Mike Tate

Title: VP & Treasurer of MSI

Date: 12/27/06

/s/ Pantas Sutardja
Signature of Optionee

Pantas Sutardja
Pantas Sutardja

Date: 12/28/06



**MARVELL TECHNOLOGY GROUP LTD.
AMENDED AND RESTATED 1995 STOCK OPTION PLAN**

REFORMATION OF STOCK OPTION AGREEMENTS

This Reformation of Stock Option Agreements is entered into by and between George Hervey (the “Optionee”) and Marvell Technology Group Ltd., a Bermuda corporation (the “Company”), effective as set forth below.

Recitals

WHEREAS, the Company previously issued to the Optionee options to acquire shares of common stock of the Company pursuant to stock option agreements (the “Agreements”) under the Company’s Amended and Restated 1995 Stock Option Plan (the “Plan”) (all references to shares and per share prices in this Reformation of Stock Option Agreement are as adjusted for subsequent stock splits);

WHEREAS, based upon an internal review of the Company’s practices relating to stock option grants, the Company has now determined that the effective dates of grant for the following options (the “Options”) appear to be the dates set forth below based upon the best information available to the Company:

Date of Grant (per Agreement)	Exercise Price per Share	Number of Shares Subject to Option	Corrected Date of Grant	Exercise Price per Share on Corrected Date of Grant (“Corrected Exercise Price”)	Aggregate Excess of Corrected Exercise Price over Original Exercise Price	Exercised or Unexercised
3/18/05	\$ 17.73	24,212	3/24/05	\$ 18.64	\$ 22,033	Unexercised
1/2/04	\$ 9.475	10,552	2/4/04	\$ 9.81	\$ 3,535	Unexercised
1/2/04	\$ 9.475	269,448	2/4/04	\$ 9.81	\$ 90,265	Unexercised
5/5/03	\$ 6.185	7,896	8/12/03	\$ 8.995	\$ 22,188	Unexercised
5/5/03	\$ 6.185	192,104	8/12/03	\$ 8.995	\$ 539,812	Unexercised
10/16/02	\$ 3.4675	28,836	12/13/02	\$ 5.1275	\$ 47,868	Unexercised
10/16/02	\$ 3.4675	251,164	12/13/02	\$ 5.1275	\$ 416,932	Unexercised
2/28/02	\$ 7.6725	6,668	4/3/02	\$ 10.09	\$ 16,120	Unexercised
2/28/02	\$ 7.6725	105,332	4/3/02	\$ 10.09	\$ 254,641	Exercised in 2006
2/28/02	\$ 7.6725	48,000	4/3/02	\$ 10.09	\$ 116,040	Exercised before 2006
1/2/01	\$ 5.3438	160,000	1/15/01	\$ 6.8750	244,992	Exercised before 2006

WHEREAS, the Optionee takes no position with respect to the effective date of grant and instead defers to the Company’s determination; and

WHEREAS, the parties hereby reform each Agreement to reflect the applicable Corrected Exercise Price, which equals the fair market value of the common stock of the Company on the corrected date of grant set forth above.

Agreement

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

- A. The terms of each Option and Agreement are hereby reformed, effective on the original date of grant of the Option, to reflect that the exercise price per share is the Corrected Exercise Price as set forth above.
- B. Upon execution of this Reformation of Stock Option Agreements on or before December 31, 2006, with respect to the portion of the Option that was exercised in 2006, the Optionee shall pay to the Company the aggregate amount by which the Corrected Exercise Price exceeds the amount the Optionee paid for the shares, or \$254,641.
- C. Upon execution of this Reformation of Stock Option Agreements on or before December 31, 2006, with respect to the Options (or portions thereof) that were exercised prior to 2006, the Optionee shall pay to the Company the aggregate amount by which the Corrected Exercise Price exceeds the amount the Optionee paid for the shares, or \$361,032.
- D. The terms of the Agreement not specifically reformed hereby remain in full force and effect.
- E. All defined terms used herein but not otherwise defined shall have the meaning assigned to such terms in the Agreements.
- F. This Reformation of Stock Option Agreements shall be governed by the laws of the State of California.

G. The Optionee has had an opportunity to consult with the Optionee’s personal tax, legal and investment advisors with regard to this Reformation of Stock Option Agreements, and is not relying on the Company or its agents for such advice. The Optionee agrees that the Company shall not be liable for any costs, taxes, loss or damage that the Optionee may incur by entering into the Agreement or this Reformation of Stock Option Agreements; it

being understood that the Optionee will not pursue a claim, whether by way of indemnification or otherwise (i) with respect to such costs, taxes, loss or damage, (ii) with respect to amounts paid to the Company pursuant to paragraphs B and C of this Reformation of Stock Option Agreements or (iii) with respect to costs incurred in connection with the negotiation and preparation of this Reformation of Stock Option Agreements; provided, however, that nothing herein shall otherwise affect any rights of the Optionee to indemnification pursuant to the Company’s bye-laws or any other agreements or instruments of or with the Company or any of its subsidiaries.

The parties hereto have duly executed this Reformation of Stock Option Agreements on the dates set forth below.

MARVELL TECHNOLOGY GROUP LTD.

By: /s/ Mike Tate

Name: Mike Tate

Title: VP & Treasurer of MSI

Date: 12/27/06

/s/ George A. Hervey
Signature of Optionee

George A. Hervey
George Hervey

Date: 12/28/06