

**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): **May 2, 2007**

**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 Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On May 2, 2007, George Hervey, Vice President of Finance and Chief Financial Officer of Marvell Technology Group Ltd. (the "Company"), resigned from each of the foregoing positions.

On May 6, 2007, Weili Dai, the Executive Vice President and Chief Operating Officer, Corporate Secretary, and General Manager, Communications and Consumer Business Group, and member of the board of directors of the Company, resigned from each of the foregoing positions. Ms. Dai will continue with the Company in a non-management role as Director of Strategic Marketing and Business Development.

On May 6, 2007 the Company appointed Mike Tate as its Vice President, Corporate Controller and Treasurer and interim Chief Financial Officer. Mr. Tate has served as Vice President and Treasurer of the Company's U.S. operating subsidiary, Marvell Semiconductor, Inc. ("MSI"), since joining the Company in January 2001 upon the Company's acquisition of Galileo Technology Ltd. and was appointed Corporate Controller of MSI in September 2006. Prior to joining the Company, Mr. Tate served in various financial management positions from 1997 to 2001 at Galileo Technology Ltd., including, most recently, Vice President of Finance and Chief Financial Officer. Mr. Tate is a CPA and holds a Bachelor of Science degree in Business Administration from California Polytechnic State University, San Luis Obispo, where he graduated with honors.

On May 6, 2007, the Company entered into a Stock Reformation Agreement with Dr. Sehat Sutardja, pursuant to which Dr. Sutardja agreed to reform a stock option agreement dated effective December 26, 2003 to reduce the number of shares covered by such agreement by 2,000,000 (post-split) shares. The 2,000,000 shares represents the amount of shares mistakenly awarded by a committee of independent directors in excess of that authorized under the applicable stock option plan. A copy of the Reformation of Stock Option Agreement with Dr. Sutardja is attached hereto as Exhibit 10.1.

On May 6, 2007, the Company entered into an Amendment of Stock Option Agreement with Weili Dai, pursuant to which Ms. Dai agreed to cancel options to purchase an aggregate of 1,502,667 shares, which are all of the shares remaining unvested as of May 6, 2007 under her December 26, 2003, March 10, 2006 and May 25, 2006 grants, and to limit the exercisability of already vested options. A copy of the Amendment of Stock Option Agreement with Ms. Dai is attached hereto as Exhibit 10.2.

**Item 8.01            Other Events.**

On May 7, 2007, the Company issued a press release regarding the internal review by a special committee of the Company's board of directors relating to Company's historical stock option practices and related accounting matters. A copy of the press release is filed as Exhibit 99.1 to this report and is incorporated herein by reference.

**Item 9.01            Financial Statements and Exhibits.**

(d)           Exhibits.

- |      |   |
|------|---|
| 10.1 | Reformation of Stock Option Agreement dated May 6, 2007 between Marvell Technology Group Ltd. and Dr. Sehat Sutardja. |
| 10.2 | Amendment of Stock Option Agreement dated May 6, 2007 between Marvell Technology Group Ltd. and Weili Dai.            |
| 99.1 | Press Release dated May 7, 2007.  |

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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: May 8, 2007

MARVELL TECHNOLOGY GROUP LTD.

By: /s/ Mike Tate

Mike Tate  
Vice President, Corporate Controller  
and Treasurer and  
Interim Chief Financial Officer

**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 1,500,000 shares (which have since split on a 1 for 4 basis) of common stock of the Company at an exercise price of \$9.125 per share (post-split) 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");

WHEREAS, the parties subsequently reformed the Agreement to reflect an exercise price per share of \$10.91 (post-split);

WHEREAS, the number of shares subject to the Option exceeded the annual per grant limit under the Plan by 500,000 pre-split (2,000,000 post-split) shares;

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

WHEREAS, the parties hereby further reform the Agreement to correspond to the share limit set forth in the Plan.

**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 May 5, 2007, to reflect that the number of shares subject to the portion of the Option which has not been exercised is 1,000,000 (post-split) shares. The 2,000,000 shares cancelled shall be in inverse order of vesting such that unvested shares which are the last to vest shall be the first to be cancelled.

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

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

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

E. The Optionee has had an opportunity to consult with the Optionee's personal advisors with regard to this Reformation of Stock Option Agreement, and is not relying on the Company or its agents for tax, legal or investment advice. The Optionee agrees that the Company shall not be liable for any costs, loss or damage (other than taxes) that the Optionee may incur by entering into this Reformation of Stock Option Agreement; it being understood that the Optionee will not pursue a claim (i) with respect to such costs, loss or damage (other than taxes), or (ii) 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 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. Without limiting the generality of the foregoing, the Company agrees to indemnify Optionee for any taxes incurred by entering into this Reformation of Stock Option Agreement.

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

MARVELL TECHNOLOGY GROUP LTD.

By: /s/ Paul R. Gray

Name: Paul R. Gray

Title: On behalf of Implementation Committee

Date: May 6, 2007

/s/ Sehat  
Sutardja  
Signature of  
Optionee

Sehat Sutardja

Date: 5/6/2007

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

**AMENDMENT OF STOCK OPTION AGREEMENT**

This Amendment 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 the following options (collectively, the "Options") to acquire shares of common stock of the Company under the Company's Amended and Restated 1995 Stock Option Plan (all references to shares and per share prices in this Amendment of Stock Option Agreement are as adjusted for subsequent stock splits):

1. an option pursuant to a stock option agreement originally dated effective June 6, 2002,
2. an option pursuant to a stock option agreement originally dated effective December 26, 2003,
3. an option pursuant to a stock option agreement originally dated effective March 10, 2006,
4. an option pursuant to a stock option agreement originally dated effective May 25, 2006, (collectively, the "Agreements"); and

WHEREAS, in connection with the Optionee's termination of service as an officer of the Company effective as of May 6, 2007 the parties desire to amend the Options and Agreements.

**Agreement**

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

A. The terms of the Options and Agreements are hereby amended to reflect that the Optionee's service to the Company and its affiliates whether as an employee, consultant, director or otherwise will be deemed to have terminated effective as of May 6, 2007 (the "Termination Date") for all purposes of the Options, including but not limited to cessation of vesting of the Options, termination of Options which have not vested as of the Termination Date and commencement of the period in which the Optionee may exercise vested Options after a termination of service (as such period is modified pursuant to this Amendment of Stock Option Agreement), notwithstanding that the Optionee may continue in employment or other service with the Company and its affiliates following the Termination Date.

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B. The terms of the Options and Agreements are hereby amended to reflect that the period in which the Optionee may exercise vested Options after the Termination Date is extended to the 30<sup>th</sup> day after the Optionee receives written notice from the Company that Optionee is permitted to exercise the Options under applicable securities laws (if later than the period in which the Optionee may exercise the vested Options after a termination of service as of the Termination Date pursuant to the original terms of the Optionee's Agreements); provided, however, that the exercise period for any such Option shall not be extended beyond the original expiration date of such Option as set forth in the Optionee's Agreements.

C. The terms of the Agreements not specifically amended hereby (subject to any prior or contemporaneous reformation of such Agreements) remain in full force and effect.

D. This Amendment of Stock Option Agreement shall be governed by the laws of the State of California.

E. The Optionee has had an opportunity to consult with the Optionee's personal tax, legal and investment advisors with regard to this Amendment 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 Agreements or this Amendment 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 or (ii) with respect to costs incurred in connection with the negotiation and preparation of this Amendment 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 Amendment of Stock Option Agreement effective as of the latest date set forth below.

MARVELL TECHNOLOGY GROUP LTD.

By: /s/ Paul R. Gray

Name: Paul R. Gray

Title: On behalf of Implementation Committee

Date: May 6, 2007

/s/ Weili Dai  
Signature of  
Optionee



**For Further Information Contact:**

Diane Vanasse  
 Marvell Public Relations  
 408-242-0027  
 dvanasse@marvell.com  
 or  
 Linda Sanders  
 Marvell Public Relations  
 617-505-6282  
 lsanders@marvell.com

### **Marvell Completes Independent Review of Stock Option Practices**

**Santa Clara, California – May 7, 2007** – Marvell Technologies Group Ltd. (NASDAQ: MRVL) today announced that the special committee appointed by its Board of Directors (the “Special Committee”) has completed its internal review relating to the Company’s historical stock option practices and related accounting matters.

As previously announced, the Board of Directors concluded on October 2, 2006 that the actual measurement dates for financial accounting purposes of numerous stock option grants issued in the past differ from the recorded grant dates of such awards. The Special Committee has determined that there were numerous instances in which grant dates were chosen with the benefit of hindsight as to the price of the Company’s stock, so as to provide exercise prices lower than the fair market value on the actual measurement date. In addition, the Special Committee found a systemic failure of internal controls with respect to the stock option process and related matters, as well as a failure by certain members of current and former management to exercise sufficient oversight over the stock option process, resulting in inaccuracies in the Company’s books and records, financial statements, and public filings. The Special Committee reported that several current and former members of management, including the previously terminated General Counsel of its U.S. operating subsidiary and the recently resigned Chief Financial Officer and Chief Operating Officer, bear varying degrees of responsibility for these deficiencies.

The Special Committee found that the Company’s Chief Executive Officer participated in only a few instances in grants with incorrect measurement dates. The Special Committee recommended that Dr. Sehat Sutardja remain as Chief Executive Officer and as a member of the Board of Directors, but step down as Chairman of the Board in favor of a non-executive Chairman of the Board. The board’s Governance Committee is commencing a

search for three new independent directors to fill existing vacancies. One of these independent directors will succeed Dr. Sutardja as Chairman of the Board. Dr. Sutardja, upon such event, will remain a director and continue as the Company’s President and Chief Executive Officer.

The Company also announced that Weili Dai, Marvell’s co-founder, Executive Vice President and Chief Operating Officer and member of the Board of Directors, will no longer serve as Executive Vice President, Chief Operating Officer and director, but will continue with the Company in a significantly reduced role as the Director of Strategic Marketing and Business Development, a non-management position. In addition, the Company announced that Matthew Gloss, the former General Counsel of its U.S. operating subsidiary, previously had been terminated. The Company also announced that it had accepted the resignation of George Hervey, the Company’s Chief Financial Officer. The Company has appointed Mike Tate, its Corporate Controller and Treasurer, to serve as interim Chief Financial Officer.

In late December, Dr. Sutardja, Ms. Dai and Mr. Hervey each voluntarily agreed with the Company to reform the outstanding stock option agreements for grants previously awarded to them which were determined to have measurement dates different from the recorded grant dates and the fair market values on those measurement dates were higher than those on the corresponding recorded grant dates. Pursuant to those agreements, the parties corrected the exercise price for each affected grant still outstanding to that which would have been applicable had the grant been made using the actual measurement date for accounting purposes. To the extent that such an option already had been exercised, each executive 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 underlying Common Stock on the actual measurement dates.

In addition, Dr. Sutardja has agreed to reduce the number of shares received in his December 26, 2003 grant by 500,000 pre-split shares (2,000,000 post-split shares), which is the amount of underlying shares mistakenly awarded by a committee of independent directors in excess of that authorized under the applicable stock option plan.

Ms. Dai also has agreed to cancel options to purchase an aggregate of approximately 1,500,000 post-split unvested shares, which are all of her remaining unvested shares as of May 6, 2007 under the December 26, 2003, March 10, 2006 and May 25, 2006 grants, and to limit the exercisability of already vested options.

As previously announced, the Company will restate its historical financial statements to record additional non-cash charges for stock-based compensation expense related to past option activity. The Company and its independent auditors have not yet made a final determination as to the amount of such charges and the resulting tax and accounting

impact. However, the Company currently anticipates recording a total cumulative, pre-tax, non-cash, stock-based compensation expense adjustment ranging from \$325 million to \$350 million for periods through fiscal 2006. This amount is a preliminary estimate and has not yet been audited by the Company’s independent auditors.

### **Remedial Measures**

On April 26, 2007, the Board of Directors formed an Implementation Committee, consisting of independent members of the Board, and authorized it to make such decisions and take such action as the Implementation Committee determines to be appropriate in light of the Special Committee’s findings and

recommendations. The Implementation Committee has taken or is in the process of implementing each recommendation of the Special Committee except with respect to Ms. Dai, which it did not accept in full. The Implementation Committee determined that retaining the services of Ms. Dai as Director of Strategic Marketing and Business Development, a non-management role which involves no responsibility for financial matters or internal controls of the Company, better serves the interests of all shareholders. Other actions taken or initiated by the Implementation Committee include the following:

- Conduct a search for a new Chief Operating Officer, Chief Financial Officer and General Counsel.
- Further improve controls regarding memorialization of board action and documentation of equity awards.
- Develop an equity award granting process to provide a more regular schedule for when grants are made. This process will build on the improvements which already have been made to the processes previously in place by the Company and its Board.
- Require that all equity awards be made only by the board or by the Executive Compensation Committee, which is comprised of independent directors. This change already had been made but now is formalized.
- Implement cross-functional training for persons involved in the equity award process and accounting, and a financial, legal and management educational program for senior management.
- Create the position of Vice President of Compliance, who will report directly to the Audit Committee of the Board of Directors.

## NASDAQ

The Company intends to file its Forms 10-Q for the fiscal quarters ended July 29, 2006 and October 28, 2006 and its Form 10-K for the fiscal year ended January 27, 2007 as soon as practicable. The NASDAQ Stock Market's Listing Qualifications Panel determined that the continued listing of the Company's shares was contingent on filing the Company's delayed Forms 10-Q and 10-K by March 7, 2007. Marvell appealed the

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Panel's decision to the Nasdaq Listing and Hearing Review Council, which stayed the Panel's decision pending further action. The Company does not know when the Listing Council may take any further action regarding its stay. Even if the Listing Council decides to continue its stay of the Panel's determination and the Company's shares continue to be listed, Marvell still would have to file its delayed Forms 10-Q and Form 10-K by June 26, 2007 or face delisting. The Listing Council also could choose to require the Company to regain compliance by a date earlier than June 26. The Company is working diligently to meet this deadline but there is a substantial risk that the Company will not be in a position to file its delayed periodic reports by the June 26 date.

## About Marvell

Marvell (NASDAQ: MRVL) is a leader in 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 Marvell Semiconductor Germany GmbH. MSI is headquartered in Santa Clara, 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](http://www.marvell.com).

## Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995:

*This press release contains forward-looking statements. 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 the anticipated amount of additional stock-based compensation expense to be recorded and expectations regarding the filing of the Company's delayed Forms 10-Q and 10-K, These statements are not guarantees of results and are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statements. These risks and uncertainties include, but are not limited to, the discovery of additional information relevant to the independent review, any additional conclusions that may be reached by the Special Committee in regard to the Company's derivative litigation, any additional conclusions that may be reached by the Company's management or Audit Committee concerning matters relating to the Company's stock option grants and the impact of the independent review on the amount and timing of previously recorded stock-based compensation and the impact of other potentially related issues, the timing of the completion by the Company's independent auditors of its audit process regarding the Company's financial statements, the impact of accounting adjustments to the Company's financial statements for certain periods, the application of accounting or tax principles in an unanticipated manner, any unanticipated delay in the preparation and filing of the Company's required reports with the Securities and Exchange Commission, the timing and outcome of the NASDAQ review process with respect to our stock option practices, any inability to meet NASDAQ requirements for continued listing of the Company's shares, and actions by the Securities and Exchange Commission or other regulatory agencies as a result of their review of our stock option practices. For other factors that could cause Marvell's results to vary from expectations, please see the sections titled "Risk Factors" in Marvell's quarterly report on Form 10-Q for the fiscal quarter ended April 29, 2006, "Additional Risk Factors" in Marvell's Form 8-K filed on October 17, 2006, "Other Events" in Marvell's Form 8-K filed on April 2, 2007, and other factors detailed from time to time in Marvell's filings with the Securities and Exchange Commission. Marvell undertakes no obligation to revise or update publicly any forward-looking information.*

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