

MARVELL TECHNOLOGY GROUP LTD  
Form 10-Q  
December 06, 2007

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities  
Exchange Act of 1934**

**For the quarterly period ended October 27, 2007**

**or**

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities  
Exchange Act of 1934**

**For the transition period from                      to**

**Commission file number: 0-30877**

**Marvell Technology Group Ltd.**

(Exact name of registrant as specified in its charter)

**Bermuda**  
(State or other jurisdiction of  
incorporation or organization)

**77-0481679**  
(I.R.S. Employer  
Identification No.)

**Canon s Court, 22 Victoria Street, Hamilton HM 12, Bermuda**

**(441) 296-6395**

(Address, including Zip Code, of Principal Executive Offices and

Registrant s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. xYes o No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). o Yes x No

The number of shares outstanding of the registrant's common stock outstanding as of November 30, 2007 was 592,825,119 shares.

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**PART I: FINANCIAL INFORMATION****Item 1. Financial Statements****MARVELL TECHNOLOGY GROUP LTD.****UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS****(In thousands)****ASSETS**

	October 27, 2007		January 27, 2007
Current assets:			
Cash and cash equivalents	\$ 455,301	\$	568,008
Short-term investments	74,173		28,372
Accounts receivable, net	386,542		328,283
Inventories	381,508		247,403
Prepaid expenses and other current assets	113,339		170,123
Deferred income taxes	6,049		5,846
Total current assets	1,416,912		1,348,035
Property and equipment, net	418,900		440,943
Goodwill	2,006,531		1,977,805
Acquired intangible assets	469,768		580,558
Other non-current assets	157,033		180,359
Total assets	\$ 4,469,144	\$	4,527,700

**LIABILITIES AND SHAREHOLDERS' EQUITY**

Current liabilities:			
Accounts payable	\$ 209,417	\$	240,497
Accrued liabilities	164,599		268,849
Accrued employee compensation	119,746		108,895
Income taxes payable	25,187		29,078
Deferred income	76,292		46,459
Current portion of capital lease obligations	4,656		17,408
Total current liabilities	599,897		711,186
Capital lease obligations, net of current portion	8,141		17,096
Non-current income taxes payable	116,476		116,777
Term loan obligations, long-term portion	391,750		394,750
Other long-term liabilities	46,411		60,707
Total liabilities	1,162,675		1,300,516
Commitments and contingencies (Note 6)			
Shareholders' equity:			
Common stock	1,185		1,175
Additional paid-in capital	3,997,037		3,802,509
Accumulated other comprehensive income	495		28
Accumulated deficit	(692,248)		(576,528)
Total shareholders' equity	3,306,469		3,227,184
Total liabilities and shareholders' equity	\$ 4,469,144	\$	4,527,700

See accompanying notes to unaudited condensed consolidated financial statements.



**MARVELL TECHNOLOGY GROUP LTD.**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, except per share amounts)

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>October 27, 2007</b>	<b>October 28, 2006</b>	<b>October 27, 2007</b>	<b>October 28, 2006</b>
Net revenue	\$ 758,246	\$ 520,398	\$ 2,050,007	\$ 1,615,579
Operating costs and expenses:				
Cost of goods sold	396,209	256,090	1,059,156	775,398
Research and development and other	252,205	152,939	722,532	434,812
Selling and marketing	46,423	37,875	150,757	116,004
General and administrative	32,537	40,427	90,300	78,674