

MARVELL TECHNOLOGY GROUP LTD  
Form 10-Q  
November 29, 2012  
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**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, 2012

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: 000-30877

**Marvell Technology Group Ltd.**

(Exact name of registrant as specified in its charter)

**Bermuda** **77-0481679**  
(State or other jurisdiction of **(I.R.S. Employer**  
**incorporation or organization)** **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 Section 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.  Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

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

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

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

The number of common shares of the registrant outstanding as of November 21, 2012 was 535.0 million shares.

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	October 27, 2012	January 28, 2012
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 668,184	\$ 784,902
Short-term investments	1,348,615	1,461,596
Accounts receivable, net	374,770	407,263
Inventories	323,997	354,119
Prepaid expenses and other current assets	52,055	60,412
Deferred income taxes	10,209	10,669
<b>Total current assets</b>	<b>2,777,830</b>	<b>3,078,961</b>
Property and equipment, net	376,437	383,801
Long-term investments	18,103	23,215
Goodwill	2,032,138	2,031,991
Acquired intangible assets, net	101,923	141,505
Other non-current assets	119,523	108,146
<b>Total assets</b>	<b>\$ 5,425,954</b>	<b>\$ 5,767,619</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 291,366	\$ 304,695
Accrued liabilities	107,572	87,655
Accrued employee compensation	142,073	137,245
Deferred income	59,458	59,959
<b>Total current liabilities</b>	<b>600,469</b>	<b>589,554</b>
Non-current income taxes payable	121,721	131,579
Other long-term liabilities	27,470	32,468
<b>Total liabilities</b>	<b>749,660</b>	<b>753,601</b>
Commitments and contingencies (Note 9)		
Shareholders' equity:		
Common shares, \$0.002 par value	1,073	1,167
Additional paid-in capital	3,153,463	3,683,112
Accumulated other comprehensive income	3,375	776
Retained earnings	1,518,383	1,328,963
<b>Total shareholders' equity</b>	<b>4,676,294</b>	<b>5,014,018</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 5,425,954</b>	<b>\$ 5,767,619</b>

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See accompanying notes to unaudited condensed consolidated financial statements.

**Table of Contents****MARVELL TECHNOLOGY GROUP LTD.****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****(In thousands, except per share amounts)**

	Three Months Ended		Nine Months Ended	
	October 27, 2012	October 29, 2011	October 27, 2012	October 29, 2011
Net revenue	\$ 780,881	\$ 950,417	\$ 2,393,336	\$ 2,650,339
Operating costs and expenses:				
Cost of goods sold	374,503	412,100	1,122,664	1,124,692
Research and development	263,615	266,255	783,760	758,396
Selling and marketing	38,398	40,500	119,498	119,042
General and administrative	24,514	29,021	75,937	77,436
Amortization and write-off of acquired intangible assets	13,054	11,155	40,432	36,634
Total operating costs and expenses	714,084	759,031	2,142,291	2,116,200
Operating income	66,797	191,386	251,045	534,139
Interest and other income, net	2,387	7,729	9,308	9,575
Income before income taxes	69,184	199,115	260,353	543,714
Provision for income taxes	368	3,994	3,920	9,340
Net income	\$ 68,816	\$ 195,121	\$ 256,433	\$ 534,374
Net income per share:				
Basic	\$ 0.12	\$ 0.32	\$ 0.45	\$ 0.87
Diluted	\$ 0.12	\$ 0.32	\$ 0.45	\$ 0.85
Weighted average shares:				
Basic	553,049	600,504	565,145	615,987
Diluted	559,348	613,499	574,804	631,257
Cash dividend declared per share:	\$ 0.06	\$	\$ 0.12	\$

See accompanying notes to unaudited condensed consolidated financial statements.

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	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>October 27, 2012</b>	<b>October 29, 2011</b>	<b>October 27, 2012</b>	<b>October 29, 2011</b>
Net income	\$ 68,816	\$ 195,121	\$ 256,433	\$ 534,374
Other comprehensive income (loss), net of tax:				
Available-for-sale securities:				
Change in unrealized gain (loss) on marketable securities	453	(2,892)	2,097	264
Less: Reclassification adjustments for net realized gains on marketable securities included in net income	(932)	(623)	(1,703)	(1,783)
Change in unrealized loss on auction rate securities		248	(112)	292
Derivative financial instruments:				
Change in unrealized gain (loss) on cash flow hedges	1,301	(1,745)	(530)	2,065
Less: Reclassification adjustments for net realized loss (gain) on cash flow hedges included in net income	1,175	(1,150)	2,847	(2,225)
Other:		115		
Other comprehensive income (loss), net	1,997	(6,047)	2,599	(1,387)
Comprehensive income	\$ 70,813	\$ 189,074	\$ 259,032	\$ 532,987

See accompanying notes to unaudited condensed consolidated financial statements.

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**MARVELL TECHNOLOGY GROUP LTD.**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

**(In thousands)**

	<b>Nine Months Ended</b>	
	<b>October 27, 2012</b>	<b>October 29, 2011</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 256,433	\$ 534,374
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	64,801	66,653
Stock-based compensation	90,794	