

**Marvell Technology Group Ltd.**  
**Unaudited Consolidated Statements of Operations**  
(In thousands, except per share amounts)

	<u>Q2'13</u>	<u>Q3'13</u>	<u>Q4'13</u>	<u>Q1'14</u>	<u>Q2'14</u>	<u>Q3'14</u>	<u>Q4'14</u>	<u>Q1'15</u>
Net revenue	\$ 816,104	\$ 780,881	\$ 775,294	\$ 734,369	\$ 807,056	\$ 931,226	\$ 931,749	\$ 957,830
Cost of goods sold	381,839	374,503	370,833	335,438	386,059	464,981	477,252	493,860
Gross profit	434,265	406,378	404,461	398,931	420,997	466,245	454,497	463,970
Operating expenses:								
Research and development	264,175	263,615	273,685	279,052	292,642	296,291	288,900	295,363
Selling and marketing	41,034	38,398	42,319	39,989	38,548	37,496	36,665	38,358
General and administrative	25,718	24,514	32,577	26,323	27,192	26,589	26,367	30,573
Amortization and write-off of acquired intangible assets	13,023	13,054	12,268	10,686	10,638	10,645	11,956	6,689
Total operating expenses	343,950	339,581	360,849	356,050	369,020	371,021	363,888	370,983
Operating income	90,315	66,797	43,612	42,881	51,977	95,224	90,609	92,987
Interest and other income, net	5,864	2,387	6,225	3,160	8,253	1,536	12,617	1,925
Income before income taxes	96,179	69,184	49,837	46,041	60,230	96,760	103,226	94,912
Provision (benefit) for income taxes	3,105	368	(315)	(7,168)	(1,596)	(6,396)	6,097	(4,567)
Net income	<u>\$ 93,074</u>	<u>\$ 68,816</u>	<u>\$ 50,152</u>	<u>\$ 53,209</u>	<u>\$ 61,826</u>	<u>\$ 103,156</u>	<u>\$ 97,129</u>	<u>\$ 99,479</u>
Net income per share - basic	<u>0.17</u>	<u>0.12</u>	<u>0.10</u>	<u>0.11</u>	<u>0.13</u>	<u>0.21</u>	<u>0.20</u>	<u>0.20</u>
Net income per share - diluted	<u>0.16</u>	<u>0.12</u>	<u>0.09</u>	<u>0.11</u>	<u>0.12</u>	<u>0.21</u>	<u>0.19</u>	<u>0.19</u>
Weighted average shares — basic	<u>562,362</u>	<u>553,049</u>	<u>525,804</u>	<u>502,180</u>	<u>494,293</u>	<u>491,979</u>	<u>497,620</u>	<u>505,105</u>
Weighted average shares — diluted	<u>570,325</u>	<u>559,348</u>	<u>528,082</u>	<u>505,387</u>	<u>500,625</u>	<u>501,189</u>	<u>510,449</u>	<u>520,751</u>

The following table presents details of total share-based compensation expense included in each functional line item in the unaudited condensed consolidated statements of income above:

Cost of goods sold	1,775	1,944	2,300	1,867	1,868	2,531	2,597	2,299
Research and development	22,413	22,565	24,997	23,279	28,982	30,084	27,087	20,368
Selling and marketing	3,458	3,101	3,683	3,392	3,648	3,738	3,162	2,928
General and administrative	5,582	2,764	5,506	4,975	6,593	6,848	5,222	4,374

**Marvell Technology Group Ltd.**  
**Unaudited Condensed Consolidated Statements of Cash Flows**  
(In thousands)

	<u>Q2'13</u>	<u>Q3'13</u>	<u>Q4'13</u>	<u>Q1'14</u>	<u>Q2'14</u>	<u>Q3'14</u>	<u>Q4'14</u>	<u>Q1'15</u>
<b>Cash flows from operating activities:</b>								
Net income	\$ 93,074	\$ 68,816	\$ 50,152	\$ 53,209	\$ 61,826	\$ 103,156	\$ 97,129	\$ 99,479
Adjustments to reconcile net income to net cash provided by operating activities:								
Depreciation and amortization	21,285	22,317	26,227	24,966	25,697	25,913	26,176	27,006
Share-based compensation	33,228	30,374	36,486	33,513	41,091	43,201	38,068	29,969
Amortization and write-off of acquired intangible assets	13,023	13,054	12,268	10,686	10,638	10,645	12,037	7,174
Other expense, net	2,272	1,260	957	2,523	1,816	1,655	2,184	1,470
Gain from sale of a product line	-	-	-	-	-	-	(6,975)	-
Excess tax benefits from share-based compensation	(3)	(5)	(9)	(7)	(25)	(10)	22	(44)
Changes in assets and liabilities:								
Accounts receivable	26,610	16,002	44,532	(40,112)	(60,524)	(35,855)	13,233	(63,578)
Inventories	7,832	21,601	73,468	(20,123)	(64,170)	(45,157)	32,262	(3,105)
Prepaid expenses and other assets	11,393	358	(15,861)	6,802	12,503	(4,293)	8,365	(2,161)
Accounts payable	6,288	(54,674)	2,833	28,936	54,933	44,442	(88,520)	85,128
Accrued liabilities and other non-current liabilities	(4,204)	(3,653)	(2,272)	(20,081)	(13,013)	12,584	10,883	(7,134)
Accrued employee compensation	(24,033)	29,509	(24,878)	4,423	(471)	10,013	(19,752)	30,001
Deferred income	2,427	(8,382)	692	(880)	16,195	10,905	(24,623)	30,932
Net cash provided by operating activities	189,192	136,577	204,595	83,855	86,496	177,199	100,489	235,137
<b>Cash flows from investing activities:</b>								
Purchases of available-for-sale securities	(225,255)	(558,457)	(338,538)	(306,838)	(164,631)	(220,280)	(146,143)	(181,889)
Sales and maturities of available-for-sale securities	322,532	436,435	517,911	335,771	162,909	346,826	149,533	182,311
Net proceeds from sale of a product line	-	-	-	-	-	-	6,306	-
Investments in privately-held-companies	(750)	-	(3,000)	-	(750)	(1,119)	-	(441)
Cash paid for acquisitions, net	-	(1,000)	-	(2,551)	-	-	-	-
Purchases of technology licenses	(4,407)	(4,235)	(24,315)	(5,860)	(1,750)	(6,383)	(3,654)	(8,111)
Purchases of property and equipment	(10,830)	(19,356)	(19,096)	(20,080)	(18,981)	(14,222)	(13,310)	(16,131)
Net cash (used in) provided by investing activities	81,290	(146,613)	132,962	442	(23,203)	104,822	(7,268)	(24,261)
<b>Cash flows from financing activities:</b>								
Repurchase of common stock	(250,327)	(202,987)	(260,464)	(216,694)	(88,114)	(71,477)	-	-
Proceeds from employee stock plans	39,526	8,915	38,692	19,805	53,316	24,155	107,686	19,092
Minimum tax withholding paid on behalf of employees for net share settlement	(598)	(345)	(277)	(9,378)	(510)	(518)	(466)	(24,286)
Dividend payment to shareholders	(33,537)	(33,476)	(31,748)	(30,253)	(29,791)	(29,516)	(29,889)	(30,172)
Payments on technology license obligations	-	-	-	(5,317)	(984)	-	(1,110)	-
Excess tax benefits from share-based compensation	3	5	9	7	25	10	(22)	44
Net cash (used in) provided by financing activities	(244,933)	(227,888)	(253,788)	(241,830)	(66,058)	(77,346)	76,199	(35,322)
Net increase (decrease) in cash and cash equivalents	25,549	(237,924)	83,769	(157,533)	(2,765)	204,675	169,420	175,554
Cash and cash equivalents at beginning of period	880,559	906,108	668,184	751,953	594,420	591,655	796,330	965,750
Cash and cash equivalents at end of period	\$ 906,108	\$ 668,184	\$ 751,953	\$ 594,420	\$ 591,655	\$ 796,330	\$ 965,750	\$ 1,141,304
<b>Unaudited Supplemental Financial Information</b>								
GAAP net cash provided by operating activities	\$ 189,192	\$ 136,577	\$ 204,595	\$ 83,855	\$ 86,496	\$ 177,199	\$ 100,489	\$ 235,137
Purchases of technology licenses	(4,407)	(4,235)	(24,315)	(5,860)	(1,750)	(6,383)	(3,654)	(8,111)
Purchases of property and equipment	(10,830)	(19,356)	(19,096)	(20,080)	(18,981)	(14,222)	(13,310)	(16,131)
Payment on technology license obligations	-	-	-	(5,317)	(984)	-	(1,110)	-
Free cash flow	\$ 173,955	\$ 112,986	\$ 161,184	\$ 52,598	\$ 64,781	\$ 156,594	\$ 82,415	\$ 210,895

**Marvell Technology Group Ltd.**  
**Unaudited Condensed Consolidated Balance Sheets**  
(In thousands)

	<u>Q2'13</u>	<u>Q3'13</u>	<u>Q4'13</u>	<u>Q1'14</u>	<u>Q2'14</u>	<u>Q3'14</u>	<u>Q4'14</u>	<u>Q1'15</u>
<b>Assets</b>								
Current assets:								
Cash, cash equivalents, and short-term investments	\$ 2,134,193	\$ 2,016,799	\$ 1,918,990	\$ 1,732,643	\$ 1,726,198	\$ 1,804,068	\$ 1,969,405	\$ 2,146,445
Accounts receivable, net	390,772	374,770	330,238	370,350	430,874	466,729	453,496	517,074
Inventories	345,712	323,997	250,420	270,652	335,320	380,412	347,861	350,649
Prepaid expenses and other current assets	58,904	62,264	85,698	79,269	66,238	66,450	68,458	72,815
Total current assets	<u>2,929,581</u>	<u>2,777,830</u>	<u>2,585,346</u>	<u>2,452,914</u>	<u>2,558,630</u>	<u>2,717,659</u>	<u>2,839,220</u>	<u>3,086,983</u>
Property and equipment, net	366,935	362,297	372,971	370,634	363,486	358,150	356,165	349,321
Long-term investments	18,103	18,103	16,769	16,550	16,299	16,158	16,279	13,456
Goodwill and acquired intangible assets, net	2,146,118	2,134,061	2,121,793	2,114,893	2,104,255	2,093,610	2,078,980	2,071,806
Other non-current assets	123,815	133,663	164,885	166,176	161,574	162,379	160,366	161,406
Total assets	<u>\$ 5,584,552</u>	<u>\$ 5,425,954</u>	<u>\$ 5,261,764</u>	<u>\$ 5,121,167</u>	<u>\$ 5,204,244</u>	<u>\$ 5,347,956</u>	<u>\$ 5,451,010</u>	<u>\$ 5,682,972</u>
<b>Liabilities and Shareholders' Equity</b>								
Current liabilities:								
Accounts payable	\$ 335,100	\$ 291,366	\$ 286,552	\$ 307,393	\$ 355,164	\$ 400,403	\$ 316,389	\$ 409,005
Accrued liabilities	223,508	249,645	261,186	246,432	242,953	270,199	273,170	288,076
Deferred income	67,840	59,458	60,150	59,270	75,465	86,370	61,747	92,679
Total current liabilities	<u>626,448</u>	<u>600,469</u>	<u>607,888</u>	<u>613,095</u>	<u>673,582</u>	<u>756,972</u>	<u>651,306</u>	<u>789,760</u>
Other non-current liabilities	154,990	149,191	169,281	155,631	138,152	127,765	123,794	123,725
Total liabilities	<u>781,438</u>	<u>749,660</u>	<u>777,169</u>	<u>768,726</u>	<u>811,734</u>	<u>884,737</u>	<u>775,100</u>	<u>913,485</u>
Shareholders' equity:								
Common stock	3,318,693	3,154,536	2,946,660	2,790,522	2,802,304	2,797,744	2,942,655	2,967,113
Accumulated other comprehensive income (loss)	1,378	3,375	1,148	2,176	(1,572)	57	597	409
Retained earnings	1,483,043	1,518,383	1,536,787	1,559,743	1,591,778	1,665,418	1,732,658	1,801,965
Total shareholders' equity	<u>4,803,114</u>	<u>4,676,294</u>	<u>4,484,595</u>	<u>4,352,441</u>	<u>4,392,510</u>	<u>4,463,219</u>	<u>4,675,910</u>	<u>4,769,487</u>
Total liabilities and shareholders' equity	<u>\$ 5,584,552</u>	<u>\$ 5,425,954</u>	<u>\$ 5,261,764</u>	<u>\$ 5,121,167</u>	<u>\$ 5,204,244</u>	<u>\$ 5,347,956</u>	<u>\$ 5,451,010</u>	<u>\$ 5,682,972</u>
GAAP inventory turns	4.4	4.5	5.2	5.1	5.1	5.2	5.2	5.7
GAAP days in inventory	83	81	76	71	71	70	69	64

**Marvell Technology Group Ltd.**  
**Unaudited Reconciliations from GAAP to Non-GAAP**  
(In thousands, except per share amounts)

	<u>Q2'13</u>	<u>Q3'13</u>	<u>Q4'13</u>	<u>Q1'14</u>	<u>Q2'14</u>	<u>Q3'14</u>	<u>Q4'14</u>	<u>Q1'15</u>
GAAP Net income	\$ 93,074	\$ 68,816	\$ 50,152	\$ 53,209	\$ 61,826	\$ 103,156	\$ 97,129	\$ 99,479
(1) Cost of goods sold								
Share-based compensation	1,775	1,944	2,300	1,867	1,868	2,531	2,597	2,299
Acquisition related costs	1,054	-	-	-	-	-	-	-
Amortization of acquired intangible assets	-	-	-	-	-	-	228	925
Legal/Tax related matters	-	-	5,698	-	4,728	-	9,500	-
(2) Research and development:								
Share-based compensation	22,413	22,565	24,997	23,279	28,982	30,084	27,087	20,368
Acquisition related costs	466	458	262	400	(1,135)	414	116	-
Restructuring and other exit related	42	2	1	-	-	4,613	829	4,682
Legal/Tax related matters	-	-	(690)	-	-	-	-	-
(3) Selling and marketing:								
Share-based compensation	3,458	3,101	3,683	3,392	3,648	3,738	3,162	2,928
Acquisition related costs	50	57	14	45	34	-	-	-
Restructuring and other exit related	7	(3)	-	-	-	795	-	48
(4) General and administrative:								
Share-based compensation	5,582	2,764	5,506	4,975	6,593	6,848	5,222	4,374
Acquisition related costs	7	8	19	20	20	19	5	-
Restructuring and other exit related	810	130	153	228	178	527	118	358
Legal/Tax related matters	250	-	-	-	500	-	-	2,000
(5) Other operating costs and expenses:								
Amortization and write-off of acquired intangible assets	13,023	13,054	12,268	10,686	10,638	10,645	11,956	6,689
(6) Gain from sale of a product line:	-	-	-	-	-	-	(6,975)	-
<b>Non-GAAP Net income</b>	<b><u>\$ 142,011</u></b>	<b><u>\$ 112,896</u></b>	<b><u>\$ 104,363</u></b>	<b><u>\$ 98,101</u></b>	<b><u>\$ 117,880</u></b>	<b><u>\$ 163,370</u></b>	<b><u>\$ 150,974</u></b>	<b><u>\$ 144,150</u></b>
<b>Non-GAAP Operating income</b>	<b><u>\$ 139,252</u></b>	<b><u>\$ 110,877</u></b>	<b><u>\$ 97,823</u></b>	<b><u>\$ 87,773</u></b>	<b><u>\$ 108,031</u></b>	<b><u>\$ 155,438</u></b>	<b><u>\$ 151,429</u></b>	<b><u>\$ 137,658</u></b>
GAAP Weighted average shares — diluted	570,325	559,348	528,082	505,387	500,625	501,189	510,449	520,751
Non-GAAP adjustment	16,302	18,452	16,196	17,094	15,021	13,014	12,932	9,625
<b>Non-GAAP Weighted average shares — diluted</b>	<b><u>586,627</u></b>	<b><u>577,800</u></b>	<b><u>544,278</u></b>	<b><u>522,481</u></b>	<b><u>515,646</u></b>	<b><u>514,203</u></b>	<b><u>523,381</u></b>	<b><u>530,376</u></b>

Marvell believes that the presentation of non-GAAP financial measures provides important supplemental information to management and investors regarding financial and business trends relating to its financial condition and results of operations. Marvell uses non-GAAP financial measures as a tool to enhance its understanding of certain aspects of its financial performance, Marvell does not consider these measures to be a substitute for, or superior to, the information provided by GAAP financial measures. Consistent with this approach, Marvell believes that disclosing non-GAAP financial measures to the readers of its financial statements provides such readers with useful supplemental data that, while not a substitute for GAAP financial measures, allows for greater transparency in the review of its financial and operational performance. Marvell has chosen to provide this information to investors to enable them to perform comparisons of operating results in a manner similar to how Marvell analyzes its operating results internally. Management also believes that these non-GAAP financial measures may be used to facilitate comparisons of Marvell's results with that of other companies in its industry.