

BROADCOM LIMITED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS - UNAUDITED
(IN MILLIONS, EXCEPT PER SHARE DATA)

	Fiscal Quarter Ended		
	January 31, 2016	November 1, 2015	February 1, 2015
Net revenue	\$ 1,771	\$ 1,840	\$ 1,635
Cost of products sold:			
Cost of products sold	699	712	690
Purchase accounting effect on inventory	-	-	4
Amortization of intangible assets	130	129	113
Restructuring charges	1	2	2
Total cost of products sold	<u>830</u>	<u>843</u>	<u>809</u>
Gross margin	<u>941</u>	<u>997</u>	<u>826</u>
Research and development	267	287	235
Selling, general and administrative	114	118	117
Amortization of intangible assets	54	63	59
Restructuring and disposal charges	31	15	14
Total operating expenses	<u>466</u>	<u>483</u>	<u>425</u>
Operating income	475	514	401
Interest expense	(84)	(41)	(54)
Other income, net	3	12	4
Income from continuing operations before income taxes	<u>394</u>	<u>485</u>	<u>351</u>
Provision for income taxes	17	15	13
Income from continuing operations	<u>377</u>	<u>470</u>	<u>338</u>
Income (loss) from discontinued operations, net of income taxes	-	(41)	13
Net income	<u>\$ 377</u>	<u>\$ 429</u>	<u>\$ 351</u>
Basic income per share:			
Income per share from continuing operations	\$ 1.36	\$ 1.70	\$ 1.33
Income (loss) per share from discontinued operations, net of income taxes	\$ -	\$ (0.15)	\$ 0.05
Net income per share	\$ 1.36	\$ 1.55	\$ 1.38
Diluted income per share:			
Income per share from continuing operations	\$ 1.30	\$ 1.64	\$ 1.22
Income (loss) per share from discontinued operations, net of income taxes	\$ -	\$ (0.15)	\$ 0.04
Net income per share	\$ 1.30	\$ 1.49	\$ 1.26
Shares used in per share calculations:			
Basic	277	276	255
Diluted	289	287	278
Share-based compensation expense included in continuing operations:			
Cost of products sold	\$ 6	\$ 7	\$ 6
Research and development	28	30	19
Selling, general and administrative	23	26	24
Total share-based compensation expense	<u>\$ 57</u>	<u>\$ 63</u>	<u>\$ 49</u>

BROADCOM LIMITED
FINANCIAL RECONCILIATION: GAAP TO NON-GAAP - UNAUDITED
(IN MILLIONS, EXCEPT DAYS)

	Fiscal Quarter Ended		
	January 31, 2016	November 1, 2015	February 1, 2015
Net revenue on GAAP basis	\$ 1,771	\$ 1,840	\$ 1,635
Acquisition-related purchase accounting revenue adjustment	11	13	22
Net revenue on non-GAAP basis	<u>\$ 1,782</u>	<u>\$ 1,853</u>	<u>\$ 1,657</u>
Gross margin on GAAP basis	\$ 941	\$ 997	\$ 826
Acquisition-related purchase accounting revenue adjustment	11	13	22
Purchase accounting effect on inventory	-	-	4
Amortization of intangible assets	130	129	113
Share-based compensation expense	6	7	6
Restructuring charges	1	2	2
Acquisition-related costs	-	1	1
Gross margin on non-GAAP basis	<u>\$ 1,089</u>	<u>\$ 1,149</u>	<u>\$ 974</u>
Research and development on GAAP basis	\$ 267	\$ 287	\$ 235
Share-based compensation expense	28	30	19
Acquisition-related costs	1	-	6
Research and development on non-GAAP basis	<u>\$ 238</u>	<u>\$ 257</u>	<u>\$ 210</u>
Selling, general and administrative expense on GAAP basis	\$ 114	\$ 118	\$ 117
Share-based compensation expense	23	26	24
Acquisition-related costs	23	11	10
Selling, general and administrative expense on non-GAAP basis	<u>\$ 68</u>	<u>\$ 81</u>	<u>\$ 83</u>
Total operating expenses on GAAP basis	\$ 466	\$ 483	\$ 425
Amortization of intangible assets	54	63	59
Share-based compensation expense	51	56	43
Restructuring and disposal charges	31	15	14
Acquisition-related costs	24	11	16
Total operating expenses on non-GAAP basis	<u>\$ 306</u>	<u>\$ 338</u>	<u>\$ 293</u>
Operating income on GAAP basis	\$ 475	\$ 514	\$ 401
Acquisition-related purchase accounting revenue adjustment	11	13	22
Purchase accounting effect on inventory	-	-	4
Amortization of intangible assets	184	192	172
Share-based compensation expense	57	63	49
Restructuring and disposal charges	32	17	16
Acquisition-related costs	24	12	17
Operating income on non-GAAP basis	<u>\$ 783</u>	<u>\$ 811</u>	<u>\$ 681</u>

Interest expense on GAAP basis	\$ (84)	\$ (41)	\$ (54)
Acquisition-related costs	43	-	-
Interest expense on non-GAAP basis	<u>\$ (41)</u>	<u>\$ (41)</u>	<u>\$ (54)</u>
Other income, net on GAAP basis	\$ 3	\$ 12	\$ 4
Other	-	(2)	-
Other income, net on non-GAAP basis	<u>\$ 3</u>	<u>\$ 10</u>	<u>\$ 4</u>
Income from continuing operations before income taxes on GAAP basis	\$ 394	\$ 485	\$ 351
Acquisition-related purchase accounting revenue adjustment	11	13	22
Purchase accounting effect on inventory	-	-	4
Amortization of intangible assets	184	192	172
Share-based compensation expense	57	63	49
Restructuring and disposal charges	32	17	16
Acquisition-related costs	67	12	17
Other	-	(2)	-
Income before income taxes on non-GAAP basis	<u>\$ 745</u>	<u>\$ 780</u>	<u>\$ 631</u>
Provision for income taxes on GAAP basis	\$ 17	\$ 15	\$ 13
Income tax effects of non-GAAP reconciling adjustments	18	28	22
Provision for income taxes on non-GAAP basis	<u>\$ 35</u>	<u>\$ 43</u>	<u>\$ 35</u>
Net income on GAAP basis	\$ 377	\$ 429	\$ 351
Acquisition-related purchase accounting revenue adjustment	11	13	22
Purchase accounting effect on inventory	-	-	4
Amortization of intangible assets	184	192	172
Share-based compensation expense	57	63	49
Restructuring and disposal charges	32	17	16
Acquisition-related costs	67	12	17
Income tax effects of non-GAAP reconciling adjustments	(18)	(28)	(22)
Discontinued operations, net of income taxes	-	41	(13)
Other	-	(2)	-
Net income on non-GAAP basis	<u>\$ 710</u>	<u>\$ 737</u>	<u>\$ 596</u>
Shares used in per share calculation - diluted on GAAP basis	289	287	278
Non-GAAP adjustment	6	7	7
Shares used in per share calculation - diluted on non-GAAP basis ⁽¹⁾	<u>295</u>	<u>294</u>	<u>285</u>
Days sales outstanding on GAAP basis	55	50	40
Non-GAAP adjustment	(1)	-	(1)
Days sales outstanding on non-GAAP basis ⁽²⁾	<u>54</u>	<u>50</u>	<u>39</u>

Inventory Days on Hand on GAAP basis	64	67	66
Non-GAAP adjustment	-	1	1
Inventory Days on Hand on non-GAAP basis ⁽³⁾	<u>64</u>	<u>68</u>	<u>67</u>

(1) The number of shares used in the diluted per share calculations on a non-GAAP basis excludes the impact of share-based compensation expense expected to be incurred in future periods and not yet recognized in the financial statements, which would otherwise be assumed to be used to repurchase shares under the GAAP treasury stock method.

(2) Days sales outstanding on a non-GAAP basis includes the impact of the acquisition-related purchase accounting revenue adjustment and excludes the impact of accounts receivable related to discontinued operations.

(3) Inventory days on hand on a non-GAAP basis excludes the impact of purchase accounting on inventory, amortization of intangible assets, share-based compensation expense, restructuring charges, acquisition-related costs, and cost of products sold attributable to discontinued operations.

BROADCOM LIMITED
GAAP AND NON-GAAP NET REVENUE BY SEGMENT - UNAUDITED
(IN MILLIONS, EXCEPT PERCENTAGES)

	Fiscal Quarter Ended											
	January 31, 2016				November 1, 2015				February 1, 2015			
	GAAP		Non-GAAP		GAAP		Non-GAAP		GAAP		Non-GAAP	
Net revenue by segment:												
Enterprise Storage	\$ 678	38 %	\$ 678	38 %	\$ 639	35 %	\$ 639	35 %	\$ 486	30 %	\$ 486	29 %
Wireless Communications	578	33	578	32	680	37	680	37	664	41	664	40
Wired Infrastructure	386	22	386	22	378	20	378	20	347	21	347	21
Industrial & Other ⁽¹⁾	129	7	140	8	143	8	156	8	138	8	160	10
Total net revenue	<u>\$ 1,771</u>	<u>100 %</u>	<u>\$ 1,782</u>	<u>100 %</u>	<u>\$ 1,840</u>	<u>100 %</u>	<u>\$ 1,853</u>	<u>100 %</u>	<u>\$ 1,635</u>	<u>100 %</u>	<u>\$ 1,657</u>	<u>100 %</u>

(1) Non-GAAP data includes the effect of acquisition-related purchase accounting revenue adjustment.

BROADCOM LIMITED
CONDENSED CONSOLIDATED BALANCE SHEETS - UNAUDITED
(IN MILLIONS)

	January 31, 2016	November 1, 2015 ⁽¹⁾
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,169	\$ 1,822
Trade accounts receivable, net	1,060	1,019
Inventory	490	524
Assets held-for-sale	4	22
Other current assets	248	388
Total current assets	3,971	3,775
Property, plant and equipment, net	1,505	1,460
Goodwill	1,685	1,674
Intangible assets, net	3,089	3,277
Other long-term assets	527	406
Total assets	\$ 10,777	\$ 10,592
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 523	\$ 617
Employee compensation and benefits	101	250
Current portion of long-term debt	46	46
Other current liabilities	192	206
Total current liabilities	862	1,119
Long-term liabilities:		
Long-term debt	3,892	3,903
Pension and post-retirement benefit obligations	469	475
Other long-term liabilities	433	381
Total liabilities	5,656	5,878
Shareholders' equity:		
Ordinary shares, no par value	2,699	2,547
Retained earnings	2,495	2,240
Accumulated other comprehensive loss	(73)	(73)
Total shareholders' equity	5,121	4,714
Total liabilities and shareholders' equity	\$ 10,777	\$ 10,592

(1) Amounts as of November 1, 2015 have been derived from audited financial statements as of that date.

BROADCOM LIMITED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - UNAUDITED
(IN MILLIONS)

	Fiscal Quarter Ended		
	January 31, 2016	November 1, 2015	February 1, 2015
Cash flows from operating activities:			
Net income	\$ 377	\$ 429	\$ 351
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	244	250	226
Share-based compensation	57	63	49
Excess tax from share-based compensation	(23)	(23)	(20)
Non-cash restructuring and disposal charges	22	2	5
Loss (gain) on sale of businesses	-	28	(14)
Deferred taxes	(8)	(185)	(6)
Amortization of debt issuance costs and accretion of debt discount	4	4	7
Other	4	8	6
Changes in assets and liabilities, net of acquisitions and disposals:			
Trade accounts receivable, net	(41)	(209)	64
Inventory	34	(1)	33
Accounts payable	(68)	81	(78)
Employee compensation and benefits	(149)	20	(90)
Other current assets and current liabilities	16	37	(45)
Other long-term assets and long-term liabilities	5	78	(7)
Net cash provided by operating activities	474	582	481
Cash flows from investing activities:			
Purchases of property, plant and equipment	(140)	(106)	(162)
Proceeds from disposals of property, plant and equipment	-	47	26
Proceeds from sale of businesses	68	-	650
Acquisition of business	(12)	-	-
Purchases of investments	(1)	(5)	-
Net cash (used in) provided by investing activities	(85)	(64)	514
Cash flows from financing activities:			
Dividend payments to shareholders	(122)	(116)	(89)
Issuance of ordinary shares	72	55	51
Excess tax from share-based compensation	23	23	20
Debt repayments	(11)	(12)	(12)
Debt issuance costs	(4)	-	-
Net cash used in financing activities	(42)	(50)	(30)
Net change in cash and cash equivalents	347	468	965
Cash and cash equivalents at beginning of period	1,822	1,354	1,604
Cash and cash equivalents at end of period	\$ 2,169	\$ 1,822	\$ 2,569