

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

	Fiscal Quarter Ended			Two Fiscal Quarters Ended	
	May 1, 2016	January 31, 2016	May 3, 2015	May 1, 2016	May 3, 2015
Net revenue	\$ 3,541	\$ 1,771	\$ 1,614	\$ 5,312	\$ 3,249
Cost of products sold:					
Cost of products sold	1,437	699	654	2,136	1,344
Purchase accounting effect on inventory	828	-	-	828	4
Amortization of intangible assets	198	130	113	328	226
Restructuring charges	32	1	1	33	3
Total cost of products sold	<u>2,495</u>	<u>830</u>	<u>768</u>	<u>3,325</u>	<u>1,577</u>
Gross margin	1,046	941	846	1,987	1,672
Research and development	787	267	251	1,054	486
Selling, general and administrative	238	114	108	352	225
Amortization of intangible assets	735	54	59	789	118
Restructuring, impairment and disposal charges	287	31	10	318	24
Total operating expenses	<u>2,047</u>	<u>466</u>	<u>428</u>	<u>2,513</u>	<u>853</u>
Operating income (loss)	(1,001)	475	418	(526)	819
Interest expense	(256)	(84)	(53)	(340)	(107)
Loss on extinguishment of debt	(53)	-	(13)	(53)	(13)
Other income (expense), net	(6)	3	12	(3)	16
Income (loss) from continuing operations before income taxes	(1,316)	394	364	(922)	715
Provision for (benefit from) income taxes	(99)	17	25	(82)	38
Income (loss) from continuing operations	(1,217)	377	339	(840)	677
Income (loss) from discontinued operations, net of income taxes	(38)	-	5	(38)	18
Net income (loss)	(1,255)	377	344	(878)	695
Net loss attributable to noncontrolling interest	(69)	-	-	(69)	-
Net income (loss) attributable to ordinary shares	<u>\$ (1,186)</u>	<u>\$ 377</u>	<u>\$ 344</u>	<u>\$ (809)</u>	<u>\$ 695</u>
Basic income (loss) per share <sup>(1)</sup> :					
Income (loss) per share from continuing operations	\$ (2.93)	\$ 1.36	\$ 1.31	\$ (2.31)	\$ 2.63
Income (loss) per share from discontinued operations, net of income taxes	(0.09)	-	0.02	(0.10)	0.07
Net income (loss) per share	<u>\$ (3.02)</u>	<u>\$ 1.36</u>	<u>\$ 1.33</u>	<u>\$ (2.41)</u>	<u>\$ 2.70</u>
Diluted income (loss) per share <sup>(2)</sup> :					
Income (loss) per share from continuing operations	\$ (2.93)	\$ 1.30	\$ 1.19	\$ (2.43)	\$ 2.41
Income (loss) per share from discontinued operations, net of income taxes	(0.09)	-	0.02	(0.11)	0.06
Net income (loss) per share	<u>\$ (3.02)</u>	<u>\$ 1.30</u>	<u>\$ 1.21</u>	<u>\$ (2.54)</u>	<u>\$ 2.47</u>
Shares used in per share calculations:					
Basic	392	277	258	335	257
Diluted	415	289	284	346	281
Share-based compensation expense included in continuing operations:					
Cost of products sold	\$ 13	\$ 6	\$ 6	\$ 19	\$ 12
Research and development	122	28	27	150	46
Selling, general and administrative	51	23	24	74	48
Total share-based compensation expense	<u>\$ 186</u>	<u>\$ 57</u>	<u>\$ 57</u>	<u>\$ 243</u>	<u>\$ 106</u>

(1) For the fiscal quarter and two fiscal quarters ended May 1, 2016, basic loss per share numerators are reduced by the amount of net loss attributable to noncontrolling interest, which is 5.5% of net loss incurred subsequent to January 31, 2016. The noncontrolling interest is related to the restricted exchangeable partnership units of Broadcom Cayman L.P. ("Partnership REUs"), of which Broadcom Limited is the General Partner.

(2) For the fiscal quarter and two fiscal quarters ended May 1, 2016, diluted loss per share numerators and denominators include the impact of the noncontrolling interest, which assumes conversion of Partnership REUs to Broadcom ordinary shares. The diluted loss per share calculations include 23 million and 11 million Partnership REUs for the fiscal quarter and two fiscal quarters ended May 1, 2016, respectively, representing an assumed conversion of 100% of the Partnership REUs under the "if converted" method.

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

	Fiscal Quarter Ended			Two Fiscal Quarters Ended	
	May 1, 2016	January 31, 2016	May 3, 2015	May 1, 2016	May 3, 2015
Net revenue on GAAP basis	\$ 3,541	\$ 1,771	\$ 1,614	\$ 5,312	\$ 3,249
Acquisition-related purchase accounting revenue adjustment <sup>(1)</sup>	21	11	31	32	53
Net revenue on non-GAAP basis	<u>\$ 3,562</u>	<u>\$ 1,782</u>	<u>\$ 1,645</u>	<u>\$ 5,344</u>	<u>\$ 3,302</u>
Gross margin on GAAP basis	\$ 1,046	\$ 941	\$ 846	\$ 1,987	\$ 1,672
Acquisition-related purchase accounting revenue adjustment <sup>(1)</sup>	21	11	31	32	53
Purchase accounting effect on inventory	828	-	-	828	4
Amortization of intangible assets	198	130	113	328	226
Share-based compensation expense	13	6	6	19	12
Restructuring charges	32	1	1	33	3
Acquisition-related costs	-	-	1	-	2
Gross margin on non-GAAP basis	<u>\$ 2,138</u>	<u>\$ 1,089</u>	<u>\$ 998</u>	<u>\$ 3,227</u>	<u>\$ 1,972</u>
Research and development on GAAP basis	\$ 787	\$ 267	\$ 251	\$ 1,054	\$ 486
Share-based compensation expense	122	28	27	150	46
Acquisition-related costs	2	1	3	3	9
Research and development on non-GAAP basis	<u>\$ 663</u>	<u>\$ 238</u>	<u>\$ 221</u>	<u>\$ 901</u>	<u>\$ 431</u>
Selling, general and administrative expense on GAAP basis	\$ 238	\$ 114	\$ 108	\$ 352	\$ 225
Share-based compensation expense	51	23	24	74	48
Acquisition-related costs	41	23	8	64	18
Selling, general and administrative expense on non-GAAP basis	<u>\$ 146</u>	<u>\$ 68</u>	<u>\$ 76</u>	<u>\$ 214</u>	<u>\$ 159</u>
Total operating expenses on GAAP basis	\$ 2,047	\$ 466	\$ 428	\$ 2,513	\$ 853
Amortization of intangible assets	735	54	59	789	118
Share-based compensation expense	173	51	51	224	94
Restructuring, impairment and disposal charges	287	31	10	318	24
Acquisition-related costs	43	24	11	67	27
Total operating expenses on non-GAAP basis	<u>\$ 809</u>	<u>\$ 306</u>	<u>\$ 297</u>	<u>\$ 1,115</u>	<u>\$ 590</u>
Operating income (loss) on GAAP basis	\$ (1,001)	\$ 475	\$ 418	\$ (526)	\$ 819
Acquisition-related purchase accounting revenue adjustment <sup>(1)</sup>	21	11	31	32	53
Purchase accounting effect on inventory	828	-	-	828	4
Amortization of intangible assets	933	184	172	1,117	344
Share-based compensation expense	186	57	57	243	106
Restructuring, impairment and disposal charges	319	32	11	351	27
Acquisition-related costs	43	24	12	67	29
Operating income on non-GAAP basis	<u>\$ 1,329</u>	<u>\$ 783</u>	<u>\$ 701</u>	<u>\$ 2,112</u>	<u>\$ 1,382</u>
Interest expense on GAAP basis	\$ (256)	\$ (84)	\$ (53)	\$ (340)	\$ (107)
Acquisition-related costs	106	43	-	149	-
Interest expense on non-GAAP basis	<u>\$ (150)</u>	<u>\$ (41)</u>	<u>\$ (53)</u>	<u>\$ (191)</u>	<u>\$ (107)</u>
Income (loss) from continuing operations before income taxes on GAAP basis	\$ (1,316)	\$ 394	\$ 364	\$ (922)	\$ 715
Acquisition-related purchase accounting revenue adjustment <sup>(1)</sup>	21	11	31	32	53
Purchase accounting effect on inventory	828	-	-	828	4
Amortization of intangible assets	933	184	172	1,117	344
Share-based compensation expense	186	57	57	243	106
Restructuring, impairment and disposal charges	319	32	11	351	27
Acquisition-related costs	149	67	12	216	29
Loss on extinguishment of debt	53	-	13	53	13
Income before income taxes on non-GAAP basis	<u>\$ 1,173</u>	<u>\$ 745</u>	<u>\$ 660</u>	<u>\$ 1,918</u>	<u>\$ 1,291</u>
Provision for (benefit from) income taxes on GAAP basis	\$ (99)	\$ 17	\$ 25	\$ (82)	\$ 38
Income tax effects of non-GAAP reconciling adjustments	152	18	15	170	37
Provision for income taxes on non-GAAP basis	<u>\$ 53</u>	<u>\$ 35</u>	<u>\$ 40</u>	<u>\$ 88</u>	<u>\$ 75</u>

Net income (loss) on GAAP basis	\$ (1,255)	\$ 377	\$ 344	\$ (878)	\$ 695
Acquisition-related purchase accounting revenue adjustment <sup>(1)</sup>	21	11	31	32	53
Purchase accounting effect on inventory	828	-	-	828	4
Amortization of intangible assets	933	184	172	1,117	344
Share-based compensation expense	186	57	57	243	106
Restructuring, impairment and disposal charges	319	32	11	351	27
Acquisition-related costs	149	67	12	216	29
Loss on extinguishment of debt	53	-	13	53	13
Income tax effects of non-GAAP reconciling adjustments	(152)	(18)	(15)	(170)	(37)
Discontinued operations, net of income taxes	38	-	(5)	38	(18)
Net income on non-GAAP basis	<u>\$ 1,120</u>	<u>\$ 710</u>	<u>\$ 620</u>	<u>\$ 1,830</u>	<u>\$ 1,216</u>
Shares used in per share calculation - diluted on GAAP basis	415	289	284	346	281
Non-GAAP adjustment	27	6	7	22	7
Shares used in per share calculation - diluted on non-GAAP basis <sup>(2)</sup>	<u>442</u>	<u>295</u>	<u>291</u>	<u>368</u>	<u>288</u>
Days sales outstanding on GAAP basis	48	55	43		
Non-GAAP adjustment	(1)	(1)	(1)		
Days sales outstanding on non-GAAP basis <sup>(3)</sup>	<u>47</u>	<u>54</u>	<u>42</u>		
Inventory Days on Hand on GAAP basis	59	64	68		
Non-GAAP adjustment	13	-	1		
Inventory Days on Hand on non-GAAP basis <sup>(4)</sup>	<u>72</u>	<u>64</u>	<u>69</u>		

(1) Amounts represent licensing revenue not included in GAAP net revenue as a result of the effect of purchase accounting for acquisitions.

(2) 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.

(3) 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.

(4) 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**  
**CONDENSED CONSOLIDATED BALANCE SHEETS - UNAUDITED**  
**(IN MILLIONS)**

	<u>May 1,</u> <u>2016</u>	<u>November 1,</u> <u>2015 (1)</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,041	\$ 1,822
Trade accounts receivable, net	1,857	1,019
Inventory	1,467	524
Assets held-for-sale	842	22
Other current assets	480	372
Total current assets	6,687	3,759
Property, plant and equipment, net	2,486	1,460
Goodwill	24,776	1,674
Intangible assets, net	16,944	3,277
Other long-term assets	514	345
Total assets	\$ 51,407	\$ 10,515
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 985	\$ 617
Employee compensation and benefits	303	250
Current portion of long-term debt	344	46
Other current liabilities	1,019	206
Total current liabilities	2,651	1,119
Long-term liabilities:		
Long-term debt	14,664	3,826
Pension and post-retirement benefit obligations	475	475
Other long-term liabilities	10,855	381
Total liabilities	28,645	5,801
Shareholders' equity:		
Ordinary shares	18,659	2,547
Retained earnings	1,116	2,240
Accumulated other comprehensive loss	(73)	(73)
Total Broadcom Limited shareholders' equity	19,702	4,714
Noncontrolling interest	3,060	-
Total shareholders' equity	22,762	4,714
Total liabilities and shareholders' equity	\$ 51,407	\$ 10,515

(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			Two Fiscal Quarters Ended	
	May 1, 2016	January 31, 2016	May 3, 2015	May 1, 2016	May 3, 2015
<b>Cash flows from operating activities:</b>					
Net income (loss)	\$ (1,255)	\$ 377	\$ 344	\$ (878)	\$ 695
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation and amortization	1,040	244	230	1,284	456
Share-based compensation	198	57	57	255	106
Excess tax from share-based compensation	(35)	(23)	(50)	(58)	(70)
Non-cash portion of debt extinguishment loss	30	-	13	30	13
Non-cash restructuring, impairment and disposal charges	22	22	-	44	5
Gain on sale of business	-	-	-	-	(14)
Deferred taxes	(164)	(8)	4	(172)	(2)
Amortization of debt issuance costs and accretion of debt discount	13	4	7	17	14
Other	22	4	-	26	6
Changes in assets and liabilities, net of acquisitions and disposals:					
Trade accounts receivable, net	(128)	(41)	(40)	(169)	24
Inventory	886	34	10	920	43
Accounts payable	(149)	(68)	55	(217)	(23)
Employee compensation and benefits	98	(149)	49	(51)	(41)
Other current assets and current liabilities	70	16	27	86	(18)
Other long-term assets and long-term liabilities	(26)	5	(43)	(21)	(50)
<b>Net cash provided by operating activities</b>	<b>622</b>	<b>474</b>	<b>663</b>	<b>1,096</b>	<b>1,144</b>
<b>Cash flows from investing activities:</b>					
Acquisitions of businesses, net of cash acquired	(10,023)	(12)	-	(10,035)	-
Proceeds from sales of businesses	-	68	-	68	650
Purchases of property, plant and equipment	(158)	(140)	(177)	(298)	(339)
Proceeds from disposals of property, plant and equipment	-	-	37	-	63
Purchases of investments	(58)	(1)	(9)	(59)	(9)
Proceeds from sales and maturities of investments	32	-	-	32	-
<b>Net cash provided by (used in) investing activities</b>	<b>(10,207)</b>	<b>(85)</b>	<b>(149)</b>	<b>(10,292)</b>	<b>365</b>
<b>Cash flows from financing activities:</b>					
Proceeds from term loan borrowings	15,926	-	-	15,926	-
Debt repayments	(4,828)	(11)	(605)	(4,839)	(617)
Payment of assumed debt	(1,475)	-	-	(1,475)	-
Debt issuance costs	(104)	(4)	-	(108)	-
Dividend payments	(204)	(122)	(99)	(326)	(188)
Issuance of ordinary shares	107	72	79	179	130
Excess tax from share-based compensation	35	23	50	58	70
<b>Net cash provided by (used in) financing activities</b>	<b>9,457</b>	<b>(42)</b>	<b>(575)</b>	<b>9,415</b>	<b>(605)</b>
Net change in cash and cash equivalents	(128)	347	(61)	219	904
Cash and cash equivalents at the beginning of period	2,169	1,822	2,569	1,822	1,604
Cash and cash equivalents at end of period	<u>\$ 2,041</u>	<u>\$ 2,169</u>	<u>\$ 2,508</u>	<u>\$ 2,041</u>	<u>\$ 2,508</u>