

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

	Fiscal Quarter Ended			Three Fiscal Quarters Ended	
	July 31, 2016	May 1, 2016	August 2, 2015	July 31, 2016	August 2, 2015
Net revenue	\$ 3,792	\$ 3,541	\$ 1,735	\$ 9,104	\$ 4,984
Cost of products sold:					
Cost of products sold	1,520	1,437	694	3,656	2,038
Purchase accounting effect on inventory	271	828	26	1,099	30
Amortization of intangible assets	211	198	129	539	355
Restructuring charges	8	32	2	41	5
Total cost of products sold	<u>2,010</u>	<u>2,495</u>	<u>851</u>	<u>5,335</u>	<u>2,428</u>
Gross margin	<u>1,782</u>	<u>1,046</u>	<u>884</u>	<u>3,769</u>	<u>2,556</u>
Research and development	814	787	276	1,868	762
Selling, general and administrative	230	238	143	582	368
Amortization of intangible assets	728	735	68	1,517	186
Restructuring, impairment and disposal charges	274	287	98	592	122
Total operating expenses	<u>2,046</u>	<u>2,047</u>	<u>585</u>	<u>4,559</u>	<u>1,438</u>
Operating income (loss)	(264)	(1,001)	299	(790)	1,118
Interest expense	(139)	(256)	(43)	(479)	(150)
Gain (loss) on debt extinguishment	(21)	(53)	3	(74)	(10)
Other income (expense), net	4	(6)	8	1	24
Income (loss) from continuing operations before income taxes	(420)	(1,316)	267	(1,342)	982
Provision for (benefit from) income taxes	(117)	(99)	23	(199)	61
Income (loss) from continuing operations	(303)	(1,217)	244	(1,143)	921
Income (loss) from discontinued operations, net of income taxes	(12)	(38)	(4)	(50)	14
Net income (loss)	(315)	(1,255)	240	(1,193)	935
Net loss attributable to noncontrolling interest	(17)	(69)	-	(86)	-
Net income (loss) attributable to ordinary shares	<u>\$ (298)</u>	<u>\$ (1,186)</u>	<u>\$ 240</u>	<u>\$ (1,107)</u>	<u>\$ 935</u>
Basic income (loss) per share ⁽¹⁾ :					
Income (loss) per share from continuing operations	\$ (0.72)	\$ (2.93)	\$ 0.92	\$ (2.99)	\$ 3.54
Income (loss) per share from discontinued operations, net of income taxes	(0.03)	(0.09)	(0.01)	(0.13)	0.06
Net income (loss) per share	<u>\$ (0.75)</u>	<u>\$ (3.02)</u>	<u>\$ 0.91</u>	<u>\$ (3.12)</u>	<u>\$ 3.60</u>
Diluted income (loss) per share ⁽²⁾ :					
Income (loss) per share from continuing operations	\$ (0.72)	\$ (2.93)	\$ 0.85	\$ (3.09)	\$ 3.25
Income (loss) per share from discontinued operations, net of income taxes	(0.03)	(0.09)	(0.01)	(0.13)	0.05
Net income (loss) per share	<u>\$ (0.75)</u>	<u>\$ (3.02)</u>	<u>\$ 0.84</u>	<u>\$ (3.22)</u>	<u>\$ 3.30</u>
Shares used in per share calculations:					
Basic	396	392	265	355	260
Diluted	419	415	287	370	283
Share-based compensation expense included in continuing operations:					
Cost of products sold	\$ 15	\$ 13	\$ 7	\$ 34	\$ 19
Research and development	144	122	31	294	77
Selling, general and administrative	54	51	25	128	73
Total share-based compensation expense	<u>\$ 213</u>	<u>\$ 186</u>	<u>\$ 63</u>	<u>\$ 456</u>	<u>\$ 169</u>

(1) For the fiscal quarters ended July 31, 2016 and May 1, 2016 and the three fiscal quarters ended July 31, 2016, basic loss per share numerators are reduced by the amount of net loss attributable to noncontrolling interest, which is approximately 5.4% of net loss for the fiscal quarter ended July 31, 2016 and 5.5% for the fiscal quarter ended May 1, 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 quarters ended July 31, 2016 and May 1, 2016 and the three fiscal quarters ended July 31, 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, 23 million and 15 million Partnership REUs for the fiscal quarters July 31, 2016 and May 1, 2016 and three fiscal quarters ended July 31, 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			Three Fiscal Quarters Ended	
	July 31, 2016	May 1, 2016	August 2, 2015	July 31, 2016	August 2, 2015
Net revenue on GAAP basis	\$ 3,792	\$ 3,541	\$ 1,735	\$ 9,104	\$ 4,984
Acquisition-related purchase accounting revenue adjustment ⁽¹⁾	10	21	15	42	68
Net revenue on non-GAAP basis	<u>\$ 3,802</u>	<u>\$ 3,562</u>	<u>\$ 1,750</u>	<u>\$ 9,146</u>	<u>\$ 5,052</u>
Gross margin on GAAP basis	\$ 1,782	\$ 1,046	\$ 884	\$ 3,769	\$ 2,556
Acquisition-related purchase accounting revenue adjustment ⁽¹⁾	10	21	15	42	68
Purchase accounting effect on inventory	271	828	26	1,099	30
Amortization of intangible assets	211	198	129	539	355
Share-based compensation expense	15	13	7	34	19
Restructuring charges	8	32	2	41	5
Acquisition-related costs	-	-	-	-	2
Gross margin on non-GAAP basis	<u>\$ 2,297</u>	<u>\$ 2,138</u>	<u>\$ 1,063</u>	<u>\$ 5,524</u>	<u>\$ 3,035</u>
Research and development on GAAP basis	\$ 814	\$ 787	\$ 276	\$ 1,868	\$ 762
Share-based compensation expense	144	122	31	294	77
Acquisition-related costs	3	2	-	6	9
Research and development on non-GAAP basis	<u>\$ 667</u>	<u>\$ 663</u>	<u>\$ 245</u>	<u>\$ 1,568</u>	<u>\$ 676</u>
Selling, general and administrative expense on GAAP basis	\$ 230	\$ 238	\$ 143	\$ 582	\$ 368
Share-based compensation expense	54	51	25	128	73
Acquisition-related costs	35	41	33	99	51
Selling, general and administrative expense on non-GAAP basis	<u>\$ 141</u>	<u>\$ 146</u>	<u>\$ 85</u>	<u>\$ 355</u>	<u>\$ 244</u>
Total operating expenses on GAAP basis	\$ 2,046	\$ 2,047	\$ 585	\$ 4,559	\$ 1,438
Amortization of intangible assets	728	735	68	1,517	186
Share-based compensation expense	198	173	56	422	150
Restructuring, impairment and disposal charges	274	287	98	592	122
Acquisition-related costs	38	43	33	105	60
Total operating expenses on non-GAAP basis	<u>\$ 808</u>	<u>\$ 809</u>	<u>\$ 330</u>	<u>\$ 1,923</u>	<u>\$ 920</u>
Operating income (loss) on GAAP basis	\$ (264)	\$ (1,001)	\$ 299	\$ (790)	\$ 1,118
Acquisition-related purchase accounting revenue adjustment ⁽¹⁾	10	21	15	42	68
Purchase accounting effect on inventory	271	828	26	1,099	30
Amortization of intangible assets	939	933	197	2,056	541
Share-based compensation expense	213	186	63	456	169
Restructuring, impairment and disposal charges	282	319	100	633	127
Acquisition-related costs	38	43	33	105	62
Operating income on non-GAAP basis	<u>\$ 1,489</u>	<u>\$ 1,329</u>	<u>\$ 733</u>	<u>\$ 3,601</u>	<u>\$ 2,115</u>
Interest expense on GAAP basis	\$ (139)	\$ (256)	\$ (43)	\$ (479)	\$ (150)
Acquisition-related costs	-	106	-	149	-
Interest expense on non-GAAP basis	<u>\$ (139)</u>	<u>\$ (150)</u>	<u>\$ (43)</u>	<u>\$ (330)</u>	<u>\$ (150)</u>
Income (loss) from continuing operations before income taxes on GAAP basis	\$ (420)	\$ (1,316)	\$ 267	\$ (1,342)	\$ 982
Acquisition-related purchase accounting revenue adjustment ⁽¹⁾	10	21	15	42	68
Purchase accounting effect on inventory	271	828	26	1,099	30
Amortization of intangible assets	939	933	197	2,056	541
Share-based compensation expense	213	186	63	456	169
Restructuring, impairment and disposal charges	282	319	100	633	127
Acquisition-related costs	38	149	33	254	62
(Gain) loss on debt extinguishment	21	53	(3)	74	10
Income before income taxes on non-GAAP basis	<u>\$ 1,354</u>	<u>\$ 1,173</u>	<u>\$ 698</u>	<u>\$ 3,272</u>	<u>\$ 1,989</u>
Provision for (benefit from) income taxes on GAAP basis	\$ (117)	\$ (99)	\$ 23	\$ (199)	\$ 61
Income tax effects of non-GAAP reconciling adjustments	178	152	15	348	52
Provision for income taxes on non-GAAP basis	<u>\$ 61</u>	<u>\$ 53</u>	<u>\$ 38</u>	<u>\$ 149</u>	<u>\$ 113</u>

Net income (loss) on GAAP basis	\$ (315)	\$ (1,255)	\$ 240	\$ (1,193)	\$ 935
Acquisition-related purchase accounting revenue adjustment ⁽¹⁾	10	21	15	42	68
Purchase accounting effect on inventory	271	828	26	1,099	30
Amortization of intangible assets	939	933	197	2,056	541
Share-based compensation expense	213	186	63	456	169
Restructuring, impairment and disposal charges	282	319	100	633	127
Acquisition-related costs	38	149	33	254	62
(Gain) loss on debt extinguishment	21	53	(3)	74	10
Income tax effects of non-GAAP reconciling adjustments	(178)	(152)	(15)	(348)	(52)
Discontinued operations, net of income taxes	12	38	4	50	(14)
Net income on non-GAAP basis	<u>\$ 1,293</u>	<u>\$ 1,120</u>	<u>\$ 660</u>	<u>\$ 3,123</u>	<u>\$ 1,876</u>
Shares used in per share calculation - diluted on GAAP basis	419	415	287	370	283
Non-GAAP adjustment	28	27	7	24	7
Shares used in per share calculation - diluted on non-GAAP basis ⁽²⁾	<u>447</u>	<u>442</u>	<u>294</u>	<u>394</u>	<u>290</u>
Days sales outstanding on GAAP basis	52	48	43		
Non-GAAP adjustment	-	(1)	(1)		
Days sales outstanding on non-GAAP basis ⁽³⁾	<u>52</u>	<u>47</u>	<u>42</u>		
Inventory Days on Hand on GAAP basis	66	59	64		
Non-GAAP adjustment	8	13	3		
Inventory Days on Hand on non-GAAP basis ⁽⁴⁾	<u>74</u>	<u>72</u>	<u>67</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 and acquisition-related costs.

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

	July 31,	November 1,
	2016	2015 (1)
	<hr/>	<hr/>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,961	\$ 1,822
Trade accounts receivable, net	2,181	1,019
Inventory	1,306	524
Assets held-for-sale	246	22
Other current assets	354	372
Total current assets	<hr/>	<hr/>
Property, plant and equipment, net	2,573	1,460
Goodwill	24,784	1,674
Intangible assets, net	15,819	3,277
Other long-term assets	528	345
Total assets	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,127	\$ 617
Employee compensation and benefits	424	250
Current portion of long-term debt	334	46
Other current liabilities	843	206
Total current liabilities	<hr/>	<hr/>
Long-term liabilities:		
Long-term debt	13,381	3,826
Pension and post-retirement benefit obligations	468	475
Other long-term liabilities	10,671	381
Total liabilities	<hr/>	<hr/>
Shareholders' equity:		
Ordinary shares	18,926	2,547
Retained earnings	619	2,240
Accumulated other comprehensive loss	(72)	(73)
Total Broadcom Limited shareholders' equity	<hr/>	<hr/>
Noncontrolling interest	3,031	-
Total shareholders' equity	<hr/>	<hr/>
Total liabilities and shareholders' equity	<hr/> <hr/>	<hr/> <hr/>

(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			Three Fiscal Quarters Ended	
	July 31, 2016	May 1, 2016	August 2, 2015	July 31, 2016	August 2, 2015
Cash flows from operating activities:					
Net income (loss)	\$ (315)	\$ (1,255)	\$ 240	\$ (1,193)	\$ 935
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation and amortization	1,058	1,040	256	2,342	712
Share-based compensation	219	198	63	474	169
Excess tax benefits from share-based compensation	(10)	(35)	(32)	(68)	(102)
Non-cash portion of debt extinguishment (gain) loss	21	30	(3)	51	10
Non-cash restructuring, impairment and disposal charges	224	22	70	268	75
Gain on sales of businesses	(27)	-	-	(27)	(14)
Deferred taxes	(181)	(164)	(33)	(353)	(35)
Amortization of debt issuance costs and accretion of debt discount	10	13	4	27	18
Other	(9)	22	4	17	10
Changes in assets and liabilities, net of acquisitions and disposals:					
Trade accounts receivable, net	(322)	(128)	(2)	(491)	22
Inventory	168	886	20	1,088	63
Accounts payable	156	(149)	(29)	(61)	(52)
Employee compensation and benefits	121	98	29	70	(12)
Other current assets and current liabilities	(124)	70	(7)	(38)	(25)
Other long-term assets and long-term liabilities	(26)	(26)	12	(47)	(38)
Net cash provided by operating activities	<u>963</u>	<u>622</u>	<u>592</u>	<u>2,059</u>	<u>1,736</u>
Cash flows from investing activities:					
Acquisitions of businesses, net of cash acquired	(20)	(10,023)	(394)	(10,055)	(394)
Proceeds from sales of businesses	630	-	-	698	650
Purchases of property, plant and equipment	(232)	(158)	(148)	(530)	(487)
Proceeds from disposals of property, plant and equipment	5	-	-	5	63
Purchases of investments	-	(58)	-	(58)	(9)
Proceeds from sales and maturities of investments	57	32	-	89	-
Other	(14)	-	-	(15)	-
Net cash provided by (used in) investing activities	<u>426</u>	<u>(10,207)</u>	<u>(542)</u>	<u>(9,866)</u>	<u>(177)</u>
Cash flows from financing activities:					
Proceeds from term loan borrowings	-	15,926	-	15,926	-
Debt repayments	(1,306)	(4,828)	(1,010)	(6,145)	(1,627)
Payments of assumed debt	-	(1,475)	(178)	(1,475)	(178)
Debt issuance costs	-	(104)	-	(108)	-
Dividend payments	(211)	(204)	(104)	(537)	(292)
Issuance of ordinary shares	38	107	56	217	186
Excess tax benefits from share-based compensation	10	35	32	68	102
Net cash provided by (used in) financing activities	<u>(1,469)</u>	<u>9,457</u>	<u>(1,204)</u>	<u>7,946</u>	<u>(1,809)</u>
Net change in cash and cash equivalents	(80)	(128)	(1,154)	139	(250)
Cash and cash equivalents at the beginning of period	2,041	2,169	2,508	1,822	1,604
Cash and cash equivalents at end of period	<u>\$ 1,961</u>	<u>\$ 2,041</u>	<u>\$ 1,354</u>	<u>\$ 1,961</u>	<u>\$ 1,354</u>