

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

	Fiscal Quarter Ended			Fiscal Year Ended	
	October 30, 2016	July 31, 2016	November 1, 2015	October 30, 2016	November 1, 2015
Net revenue	\$ 4,136	\$ 3,792	\$ 1,840	\$ 13,240	\$ 6,824
Cost of products sold:					
Cost of products sold	1,639	1,520	712	5,295	2,750
Purchase accounting effect on inventory	86	271	-	1,185	30
Amortization of acquisition-related intangible assets	224	211	129	763	484
Restructuring charges	16	8	2	57	7
Total cost of products sold	<u>1,965</u>	<u>2,010</u>	<u>843</u>	<u>7,300</u>	<u>3,271</u>
Gross margin	2,171	1,782	997	5,940	3,553
Research and development	806	814	287	2,674	1,049
Selling, general and administrative	224	230	118	806	486
Amortization of acquisition-related intangible assets	356	728	63	1,873	249
Restructuring, impairment and disposal charges	404	274	15	996	137
Total operating expenses	<u>1,790</u>	<u>2,046</u>	<u>483</u>	<u>6,349</u>	<u>1,921</u>
Operating income (loss)	381	(264)	514	(409)	1,632
Interest expense	(106)	(139)	(41)	(585)	(191)
Loss on debt extinguishment	(49)	(21)	-	(123)	(10)
Other income, net	9	4	12	10	36
Income (loss) from continuing operations before income taxes	235	(420)	485	(1,107)	1,467
Provision for (benefit from) income taxes	841	(117)	15	642	76
Income (loss) from continuing operations	(606)	(303)	470	(1,749)	1,391
Loss from discontinued operations, net of income taxes	(62)	(12)	(41)	(112)	(27)
Net income (loss)	(668)	(315)	429	(1,861)	1,364
Net loss attributable to noncontrolling interest	(36)	(17)	-	(122)	-
Net income (loss) attributable to ordinary shares	<u>\$ (632)</u>	<u>\$ (298)</u>	<u>\$ 429</u>	<u>\$ (1,739)</u>	<u>\$ 1,364</u>
Basic income (loss) per share ⁽¹⁾ :					
Income (loss) per share from continuing operations	\$ (1.44)	\$ (0.72)	\$ 1.70	\$ (4.46)	\$ 5.27
Loss per share from discontinued operations, net of income taxes	(0.15)	(0.03)	(0.15)	(0.29)	(0.10)
Net income (loss) per share	<u>\$ (1.59)</u>	<u>\$ (0.75)</u>	<u>\$ 1.55</u>	<u>\$ (4.75)</u>	<u>\$ 5.17</u>
Diluted income (loss) per share ⁽²⁾ :					
Income (loss) per share from continuing operations	\$ (1.44)	\$ (0.72)	\$ 1.64	\$ (4.57)	\$ 4.95
Loss per share from discontinued operations, net of income taxes	(0.15)	(0.03)	(0.15)	(0.29)	(0.10)
Net income (loss) per share	<u>\$ (1.59)</u>	<u>\$ (0.75)</u>	<u>\$ 1.49</u>	<u>\$ (4.86)</u>	<u>\$ 4.85</u>
Shares used in per share calculations:					
Basic	398	396	276	366	264
Diluted	421	419	287	383	281
Share-based compensation expense included in continuing operations:					
Cost of products sold	\$ 14	\$ 15	\$ 7	\$ 48	\$ 26
Research and development	136	144	30	430	107
Selling, general and administrative	58	54	26	186	99
Total share-based compensation expense	<u>\$ 208</u>	<u>\$ 213</u>	<u>\$ 63</u>	<u>\$ 664</u>	<u>\$ 232</u>

(1) For the fiscal quarters ended October 30, 2016 and July 31, 2016 and the fiscal year ended October 30, 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 each of the fiscal quarters ended October 30, 2016 and July 31, 2016. Net loss attributable to noncontrolling interest for the fiscal year ended October 30, 2016 is an accumulation of net loss attributable to noncontrolling interest since February 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 October 30, 2016 and July 31, 2016 and the fiscal year ended October 30, 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 Partnership REUs for each of the fiscal quarters ended October 30, 2016 and July 31, 2016, respectively, and include 17 million Partnership REUs for the fiscal year ended October 30, 2016, 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			Fiscal Year Ended	
	October 30, 2016	July 31, 2016	November 1, 2015	October 30, 2016	November 1, 2015
Net revenue on GAAP basis	\$ 4,136	\$ 3,792	\$ 1,840	\$ 13,240	\$ 6,824
Acquisition-related purchase accounting revenue adjustment ⁽¹⁾	10	10	13	52	81
Net revenue on non-GAAP basis	<u>\$ 4,146</u>	<u>\$ 3,802</u>	<u>\$ 1,853</u>	<u>\$ 13,292</u>	<u>\$ 6,905</u>
Gross margin on GAAP basis	\$ 2,171	\$ 1,782	\$ 997	\$ 5,940	\$ 3,553
Acquisition-related purchase accounting revenue adjustment ⁽¹⁾	10	10	13	52	81
Purchase accounting effect on inventory	86	271	-	1,185	30
Amortization of acquisition-related intangible assets	224	211	129	763	484
Share-based compensation expense	14	15	7	48	26
Restructuring charges	16	8	2	57	7
Acquisition-related costs	1	-	1	1	3
Gross margin on non-GAAP basis	<u>\$ 2,522</u>	<u>\$ 2,297</u>	<u>\$ 1,149</u>	<u>\$ 8,046</u>	<u>\$ 4,184</u>
Research and development on GAAP basis	\$ 806	\$ 814	\$ 287	\$ 2,674	\$ 1,049
Share-based compensation expense	136	144	30	430	107
Acquisition-related costs	4	3	-	10	9
Research and development on non-GAAP basis	<u>\$ 666</u>	<u>\$ 667</u>	<u>\$ 257</u>	<u>\$ 2,234</u>	<u>\$ 933</u>
Selling, general and administrative expense on GAAP basis	\$ 224	\$ 230	\$ 118	\$ 806	\$ 486
Share-based compensation expense	58	54	26	186	99
Acquisition-related costs	29	35	11	128	62
Selling, general and administrative expense on non-GAAP basis	<u>\$ 137</u>	<u>\$ 141</u>	<u>\$ 81</u>	<u>\$ 492</u>	<u>\$ 325</u>
Total operating expenses on GAAP basis	\$ 1,790	\$ 2,046	\$ 483	\$ 6,349	\$ 1,921
Amortization of acquisition-related intangible assets	356	728	63	1,873	249
Share-based compensation expense	194	198	56	616	206
Restructuring, impairment and disposal charges	404	274	15	996	137
Acquisition-related costs	33	38	11	138	71
Total operating expenses on non-GAAP basis	<u>\$ 803</u>	<u>\$ 808</u>	<u>\$ 338</u>	<u>\$ 2,726</u>	<u>\$ 1,258</u>
Operating income (loss) on GAAP basis	\$ 381	\$ (264)	\$ 514	\$ (409)	\$ 1,632
Acquisition-related purchase accounting revenue adjustment ⁽¹⁾	10	10	13	52	81
Purchase accounting effect on inventory	86	271	-	1,185	30
Amortization of acquisition-related intangible assets	580	939	192	2,636	733
Share-based compensation expense	208	213	63	664	232
Restructuring, impairment and disposal charges	420	282	17	1,053	144
Acquisition-related costs	34	38	12	139	74
Operating income on non-GAAP basis	<u>\$ 1,719</u>	<u>\$ 1,489</u>	<u>\$ 811</u>	<u>\$ 5,320</u>	<u>\$ 2,926</u>
Interest expense on GAAP basis	\$ (106)	\$ (139)	\$ (41)	\$ (585)	\$ (191)
Acquisition-related costs	-	-	-	149	-
Interest expense on non-GAAP basis	<u>\$ (106)</u>	<u>\$ (139)</u>	<u>\$ (41)</u>	<u>\$ (436)</u>	<u>\$ (191)</u>
Other income, net on GAAP basis	\$ 9	\$ 4	\$ 12	\$ 10	\$ 36
Other	-	-	(2)	-	(2)
Other income, net on non-GAAP basis	<u>\$ 9</u>	<u>\$ 4</u>	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 34</u>
Income (loss) from continuing operations before income taxes on GAAP basis	\$ 235	\$ (420)	\$ 485	\$ (1,107)	\$ 1,467
Acquisition-related purchase accounting revenue adjustment ⁽¹⁾	10	10	13	52	81
Purchase accounting effect on inventory	86	271	-	1,185	30
Amortization of acquisition-related intangible assets	580	939	192	2,636	733
Share-based compensation expense	208	213	63	664	232
Restructuring, impairment and disposal charges	420	282	17	1,053	144
Acquisition-related costs	34	38	12	288	74
Loss on debt extinguishment	49	21	-	123	10
Other	-	-	(2)	-	(2)
Income before income taxes on non-GAAP basis	<u>\$ 1,622</u>	<u>\$ 1,354</u>	<u>\$ 780</u>	<u>\$ 4,894</u>	<u>\$ 2,769</u>

Provision for (benefit from) income taxes on GAAP basis	\$ 841	\$ (117)	\$ 15	\$ 642	\$ 76
Income tax effects of non-GAAP reconciling adjustments	(768)	178	28	(420)	80
Provision for income taxes on non-GAAP basis	<u>\$ 73</u>	<u>\$ 61</u>	<u>\$ 43</u>	<u>\$ 222</u>	<u>\$ 156</u>
Net income (loss) on GAAP basis	\$ (668)	\$ (315)	\$ 429	\$ (1,861)	\$ 1,364
Acquisition-related purchase accounting revenue adjustment ⁽¹⁾	10	10	13	52	81
Purchase accounting effect on inventory	86	271	-	1,185	30
Amortization of acquisition-related intangible assets	580	939	192	2,636	733
Share-based compensation expense	208	213	63	664	232
Restructuring, impairment and disposal charges	420	282	17	1,053	144
Acquisition-related costs	34	38	12	288	74
Loss on debt extinguishment	49	21	-	123	10
Other	-	-	(2)	-	(2)
Income tax effects of non-GAAP reconciling adjustments	768	(178)	(28)	420	(80)
Discontinued operations, net of income taxes	62	12	41	112	27
Net income on non-GAAP basis	<u>\$ 1,549</u>	<u>\$ 1,293</u>	<u>\$ 737</u>	<u>\$ 4,672</u>	<u>\$ 2,613</u>
Shares used in per share calculation - diluted on GAAP basis	421	419	287	383	281
Non-GAAP adjustment	26	28	7	25	10
Shares used in per share calculation - diluted on non-GAAP basis ⁽²⁾	<u>447</u>	<u>447</u>	<u>294</u>	<u>408</u>	<u>291</u>
Inventory Days on Hand on GAAP basis	74	66	67		
Non-GAAP adjustment	4	8	1		
Inventory Days on Hand on non-GAAP basis ⁽³⁾	<u>78</u>	<u>74</u>	<u>68</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) 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)

	<u>October 30,</u> <u>2016</u>	<u>November 1,</u> <u>2015 (1)</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,097	\$ 1,822
Trade accounts receivable, net	2,181	1,019
Inventory	1,400	524
Other current assets	447	394
Total current assets	7,125	3,759
Long-term assets:		
Property, plant and equipment, net	2,509	1,460
Goodwill	24,732	1,674
Intangible assets, net	15,068	3,277
Other long-term assets	532	345
Total assets	\$ 49,966	\$ 10,515
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,261	\$ 617
Employee compensation and benefits	517	250
Current portion of long-term debt	454	46
Other current liabilities	846	206
Total current liabilities	3,078	1,119
Long-term liabilities:		
Long-term debt	13,188	3,826
Pension and post-retirement benefit obligations	531	475
Other long-term liabilities	11,293	381
Total liabilities	28,090	5,801
Shareholders' equity:		
Ordinary shares	19,241	2,547
Retained earnings (accumulated deficit)	(215)	2,240
Accumulated other comprehensive loss	(134)	(73)
Total Broadcom Limited shareholders' equity	18,892	4,714
Noncontrolling interest	2,984	-
Total shareholders' equity	21,876	4,714
Total liabilities and shareholders' equity	\$ 49,966	\$ 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			Fiscal Year Ended	
	October 30, 2016	July 31, 2016	November 1, 2015	October 30, 2016	November 1, 2015
Cash flows from operating activities:					
Net income (loss)	\$ (668)	\$ (315)	\$ 429	\$ (1,861)	\$ 1,364
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation and amortization	700	1,058	250	3,042	962
Share-based compensation	205	219	63	679	232
Excess tax benefits from share-based compensation	(21)	(10)	(23)	(89)	(125)
Non-cash restructuring, impairment and disposal charges	394	224	2	662	77
Non-cash portion of debt extinguishment loss, net	49	21	-	100	10
Deferred taxes	718	(181)	(185)	365	(220)
Amortization of debt issuance costs and accretion of debt discount	9	10	4	36	22
Other	4	(36)	36	(6)	32
Changes in assets and liabilities, net of acquisitions and disposals:					
Trade accounts receivable, net	-	(322)	(209)	(491)	(187)
Inventory	(92)	168	(1)	996	62
Accounts payable	94	156	81	33	29
Employee compensation and benefits	93	121	20	163	8
Other current assets and current liabilities	(60)	(124)	37	(98)	12
Other long-term assets and long-term liabilities	(73)	(26)	78	(120)	40
Net cash provided by operating activities	<u>1,352</u>	<u>963</u>	<u>582</u>	<u>3,411</u>	<u>2,318</u>
Cash flows from investing activities:					
Acquisitions of businesses, net of cash acquired	-	(20)	-	(10,055)	(394)
Proceeds from sales of businesses	200	630	-	898	650
Purchases of property, plant and equipment	(193)	(232)	(106)	(723)	(593)
Proceeds from disposals of property, plant and equipment	-	5	47	5	110
Purchases of investments	-	-	(5)	(58)	(14)
Proceeds from sales and maturities of investments	15	57	-	104	-
Other	4	(14)	-	(11)	-
Net cash provided by (used in) investing activities	<u>26</u>	<u>426</u>	<u>(64)</u>	<u>(9,840)</u>	<u>(241)</u>
Cash flows from financing activities:					
Proceeds from term loan borrowings	3,584	-	-	19,510	-
Debt repayments	(3,697)	(1,306)	(12)	(9,842)	(1,639)
Payments of assumed debt	-	-	-	(1,475)	(178)
Debt issuance costs	(15)	-	-	(123)	-
Dividend payments	(213)	(211)	(116)	(750)	(408)
Issuance of ordinary shares	78	38	55	295	241
Excess tax benefits from share-based compensation	21	10	23	89	125
Net cash provided by (used in) financing activities	<u>(242)</u>	<u>(1,469)</u>	<u>(50)</u>	<u>7,704</u>	<u>(1,859)</u>
Net change in cash and cash equivalents	1,136	(80)	468	1,275	218
Cash and cash equivalents at the beginning of period	1,961	2,041	1,354	1,822	1,604
Cash and cash equivalents at end of period	<u>\$ 3,097</u>	<u>\$ 1,961</u>	<u>\$ 1,822</u>	<u>\$ 3,097</u>	<u>\$ 1,822</u>