

AVAGO TECHNOLOGIES LIMITED
CONDENSED CONSOLIDATED STATEMENTS OF INCOME - UNAUDITED
(IN MILLIONS, EXCEPT PER SHARE DATA)

	Fiscal Quarter Ended		
	February 3, 2013	October 28, 2012	January 29, 2012
Net revenue	\$ 576	\$ 618	\$ 563
Cost of products sold:			
Cost of products sold	286	304	279
Amortization of intangible assets	14	14	14
Restructuring charges	-	1	-
Total cost of products sold	<u>300</u>	<u>319</u>	<u>293</u>
Gross margin	<u>276</u>	<u>299</u>	<u>270</u>
Research and development	93	80	82
Selling, general and administrative	53	49	50
Amortization of intangible assets	5	5	5
Restructuring charges	1	1	1
Total operating expenses	<u>152</u>	<u>135</u>	<u>138</u>
Income from operations	124	164	132
Interest expense	-	-	(1)
Other income (expense), net	2	1	(1)
Income before income taxes	<u>126</u>	<u>165</u>	<u>130</u>
Provision for income taxes	1	6	5
Net income	<u><u>\$ 125</u></u>	<u><u>\$ 159</u></u>	<u><u>\$ 125</u></u>
Net income per share:			
Basic	\$ 0.51	\$ 0.65	\$ 0.51
Diluted	\$ 0.50	\$ 0.64	\$ 0.50
Shares used in per share calculations:			
Basic	246	245	245
Diluted	251	250	250
Share-based compensation expense included in:			
Cost of products sold	\$ 2	\$ 2	\$ 1
Research and development	7	5	4
Selling, general and administrative	9	7	6
Total share-based compensation expense	<u><u>\$ 18</u></u>	<u><u>\$ 14</u></u>	<u><u>\$ 11</u></u>

AVAGO TECHNOLOGIES LIMITED
NON-GAAP FINANCIAL SUMMARY - UNAUDITED(1)
(IN MILLIONS, EXCEPT PERCENTAGES AND PER SHARE DATA)

	Fiscal Quarter Ended		
	February 3, 2013	October 28, 2012	January 29, 2012
Net revenue	\$ 576	\$ 618	\$ 563
Gross margin	\$ 292	\$ 316	\$ 285
% of net revenue	51%	51%	51%
Research and development	\$ 86	\$ 75	\$ 78
Selling, general and administrative	\$ 44	\$ 42	\$ 44
Total operating expenses	\$ 130	\$ 117	\$ 122
% of net revenue	23%	19%	22%
Income from operations	\$ 162	\$ 199	\$ 163
Net income	\$ 163	\$ 194	\$ 156
Net income per share - diluted	\$ 0.65	\$ 0.77	\$ 0.62
Shares used in per share calculation - diluted	252	253	253

(1) A reconciliation of the non-GAAP measures presented above to the most directly comparable GAAP financial data appears on the next page. These non-GAAP measures are provided in addition to and not as a substitute for measures of financial performance prepared in accordance with GAAP. The financial summary excludes amortization of acquisition-related intangible assets, share-based compensation, and restructuring charges.

AVAGO TECHNOLOGIES LIMITED
FINANCIAL RECONCILIATION: GAAP TO NON-GAAP - UNAUDITED
(IN MILLIONS)

	Fiscal Quarter Ended		
	February 3, 2013	October 28, 2012	January 29, 2012
Net income on GAAP basis	\$ 125	\$ 159	\$ 125
Amortization of intangible assets	19	19	19
Share-based compensation expense	18	14	11
Restructuring charges	1	2	1
Net income on Non-GAAP basis	<u>\$ 163</u>	<u>\$ 194</u>	<u>\$ 156</u>
Gross margin on GAAP basis	\$ 276	\$ 299	\$ 270
Amortization of intangible assets	14	14	14
Share-based compensation expense	2	2	1
Restructuring charges	-	1	-
Gross margin on Non-GAAP basis	<u>\$ 292</u>	<u>\$ 316</u>	<u>\$ 285</u>
Research and development on GAAP basis	\$ 93	\$ 80	\$ 82
Share-based compensation expense	7	5	4
Research and development on Non-GAAP basis	<u>\$ 86</u>	<u>\$ 75</u>	<u>\$ 78</u>
Selling, general and administrative on GAAP basis	\$ 53	\$ 49	\$ 50
Share-based compensation expense	9	7	6
Selling, general and administrative on Non-GAAP basis	<u>\$ 44</u>	<u>\$ 42</u>	<u>\$ 44</u>
Total operating expenses on GAAP basis	\$ 152	\$ 135	\$ 138
Amortization of intangible assets	5	5	5
Share-based compensation expense	16	12	10
Restructuring charges	1	1	1
Total operating expenses on Non-GAAP basis	<u>\$ 130</u>	<u>\$ 117</u>	<u>\$ 122</u>
Income from operations on GAAP basis	\$ 124	\$ 164	\$ 132
Amortization of intangible assets	19	19	19
Share-based compensation expense	18	14	11
Restructuring charges	1	2	1
Income from operations on Non-GAAP basis	<u>\$ 162</u>	<u>\$ 199</u>	<u>\$ 163</u>
Shares used in per share calculation - diluted on GAAP basis	251	250	250
Non-GAAP adjustment	1	3	3
Shares used in per share calculation - diluted on Non-GAAP basis(1)	<u>252</u>	<u>253</u>	<u>253</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.

AVAGO TECHNOLOGIES LIMITED
CONDENSED CONSOLIDATED BALANCE SHEETS - UNAUDITED
(IN MILLIONS)

	<u>February 3, 2013</u>	<u>October 28, 2012 (1)</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,151	\$ 1,084
Trade accounts receivable, net	266	341
Inventory	208	194
Other current assets	88	72
Total current assets	<u>1,713</u>	<u>1,691</u>
Property, plant and equipment, net	529	503
Goodwill	180	180
Intangible assets, net	403	422
Other long-term assets	67	66
Total assets	<u>\$ 2,892</u>	<u>\$ 2,862</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 196	\$ 248
Employee compensation and benefits	48	61
Capital lease obligations - current	1	1
Other current liabilities	32	36
Total current liabilities	<u>277</u>	<u>346</u>
Long-term liabilities:		
Capital lease obligations - non-current	2	2
Other long-term liabilities	95	95
Total liabilities	<u>374</u>	<u>443</u>
Shareholders' equity:		
Ordinary shares, no par value	1,493	1,479
Retained earnings	1,034	951
Accumulated other comprehensive loss	(9)	(11)
Total shareholders' equity	<u>2,518</u>	<u>2,419</u>
Total liabilities and shareholders' equity	<u>\$ 2,892</u>	<u>\$ 2,862</u>

(1) Amounts as of October 28, 2012 have been derived from audited financial statements as of that date.

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

	Fiscal Quarter Ended		
	February 3, 2013	October 28, 2012	January 29, 2012
Cash flows from operating activities:			
Net income	\$ 125	\$ 159	\$ 125
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	41	40	37
Share-based compensation	17	14	11
Tax benefits of share-based compensation	-	3	-
Excess tax benefits from share-based compensation	-	(3)	-
Other	(2)	-	2
Changes in assets and liabilities, net of acquisitions:			
Trade accounts receivable	75	(11)	20
Inventory	(14)	22	1
Accounts payable	(34)	12	(8)
Employee compensation and benefits	(13)	(8)	(38)
Other current assets and current liabilities	(11)	(7)	(10)
Other long-term assets and long-term liabilities	1	(6)	(1)
Net cash provided by operating activities	185	215	139
Cash flows from investing activities:			
Purchases of property, plant and equipment	(67)	(73)	(47)
Acquisitions and investment, net of cash acquired	(9)	(2)	-
Proceeds from insurance claims	-	1	-
Net cash used in investing activities	(76)	(74)	(47)
Cash flows from financing activities:			
Proceeds from government grants	3	-	1
Issuance of ordinary shares	10	16	5
Repurchases of ordinary shares	(13)	(10)	(79)
Excess tax benefits from share-based compensation	-	3	-
Dividend payments to shareholders	(42)	(39)	(29)
Net cash used in financing activities	(42)	(30)	(102)
Net increase (decrease) in cash and cash equivalents	67	111	(10)
Cash and cash equivalents at the beginning of period	1,084	973	829
Cash and cash equivalents at end of period	\$ 1,151	\$ 1,084	\$ 819

AVAGO TECHNOLOGIES LIMITED
NET REVENUE BY TARGET MARKET - UNAUDITED
(IN MILLIONS, EXCEPT PERCENTAGES)

Commencing in our first quarter of fiscal year 2013, we will cease to separately present revenues from our legacy consumer and computing peripherals target market. Instead they will be combined and presented with revenues from our industrial and automotive electronics market, which will be referred to as our 'Industrial & Other' target market. For comparison purposes, the below tables present net revenue by target market for the four quarters in fiscal year 2012, assuming the change in presentation occurred at the beginning of fiscal year 2012.

	Fiscal Quarter Ended			
	January 29, 2012	April 29, 2012	July 29, 2012	October 28, 2012
<u>Net Revenue</u>				
Wireless Communications	\$ 254	\$ 255	\$ 241	\$ 314
Wired Infrastructure	162	168	173	159
Industrial & Other	147	154	192	145
Total Net Revenue	<u>\$ 563</u>	<u>\$ 577</u>	<u>\$ 606</u>	<u>\$ 618</u>

	Fiscal Quarter Ended			
	January 29, 2012	April 29, 2012	July 29, 2012	October 28, 2012
<u>% of Net Revenue</u>				
Wireless Communications	45%	44%	40%	51%
Wired Infrastructure	29	29	29	26
Industrial & Other	26	27	31	23
Total Net Revenue	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>