

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

	<b>Fiscal Quarter Ended</b>			<b>Fiscal Year Ended</b>	
	<b>November 3, 2013</b>	<b>August 4, 2013</b>	<b>October 28, 2012</b>	<b>November 3, 2013</b>	<b>October 28, 2012 (1)</b>
Net revenue	\$ 738	\$ 644	\$ 618	\$ 2,520	\$ 2,364
Cost of products sold:					
Cost of products sold	374	325	304	1,261	1,164
Amortization of intangible assets	19	14	14	61	56
Restructuring charges	-	1	1	1	2
Total cost of products sold	<u>393</u>	<u>340</u>	<u>319</u>	<u>1,323</u>	<u>1,222</u>
Gross margin	<u>345</u>	<u>304</u>	<u>299</u>	<u>1,197</u>	<u>1,142</u>
Research and development	108	101	80	397	335
Selling, general and administrative	60	57	49	222	199
Amortization of intangible assets	7	6	5	24	21
Restructuring charges	-	-	1	2	5
Total operating expenses	<u>175</u>	<u>164</u>	<u>135</u>	<u>645</u>	<u>560</u>
Income from operations	170	140	164	552	582
Interest expense	-	(1)	-	(2)	(1)
Loss on extinguishment of debt	(1)	-	-	(1)	-
Other income, net	11	5	1	19	4
Income before income taxes	<u>180</u>	<u>144</u>	<u>165</u>	<u>568</u>	<u>585</u>
Provision for income taxes	8	2	6	16	22
Net income	<u>\$ 172</u>	<u>\$ 142</u>	<u>\$ 159</u>	<u>\$ 552</u>	<u>\$ 563</u>
Net income per share:					
Basic	\$ 0.69	\$ 0.57	\$ 0.65	\$ 2.23	\$ 2.30
Diluted	\$ 0.68	\$ 0.56	\$ 0.64	\$ 2.19	\$ 2.25
Shares used in per share calculations:					
Basic	248	248	245	247	245
Diluted	253	252	250	252	250
Share-based compensation expense included in:					
Cost of products sold	\$ 3	\$ 3	\$ 2	\$ 10	\$ 6
Research and development	8	8	5	30	20
Selling, general and administrative	11	9	7	37	27
Total share-based compensation expense	<u>\$ 22</u>	<u>\$ 20</u>	<u>\$ 14</u>	<u>\$ 77</u>	<u>\$ 53</u>

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

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

	<u>Fiscal Quarter Ended</u>			<u>Fiscal Year Ended</u>	
	<u>November 3, 2013</u>	<u>August 4, 2013</u>	<u>October 28, 2012</u>	<u>November 3, 2013</u>	<u>October 28, 2012 (1)</u>
Net revenue	\$ 738	\$ 644	\$ 618	\$ 2,520	\$ 2,364
Gross margin	\$ 373	\$ 328	\$ 316	\$ 1,281	\$ 1,206
% of net revenue	51%	51%	51%	51%	51%
Research and development	\$ 99	\$ 91	\$ 75	\$ 364	\$ 315
Selling, general and administrative	\$ 45	\$ 46	\$ 42	\$ 177	\$ 172
Total operating expenses	\$ 144	\$ 137	\$ 117	\$ 541	\$ 487
% of net revenue	20%	21%	19%	21%	21%
Income from operations	\$ 229	\$ 191	\$ 199	\$ 740	\$ 719
Income before income taxes	\$ 240	\$ 195	\$ 200	\$ 757	\$ 722
Provision for income taxes	\$ 13	\$ 7	\$ 6	\$ 26	\$ 22
Net income	\$ 227	\$ 188	\$ 194	\$ 731	\$ 700
Net income per share - diluted	\$ 0.89	\$ 0.74	\$ 0.77	\$ 2.89	\$ 2.77
Shares used in per share calculation - diluted	255	253	253	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 intangible assets, share-based compensation expense, restructuring charges, acquisition-related costs, loss on extinguishment of debt, and income tax effects of non-GAAP reconciling adjustments.

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

	Fiscal Quarter Ended			Fiscal Year Ended	
	November 3, 2013	August 4, 2013	October 28, 2012	November 3, 2013	October 28, 2012 (1)
Net income on GAAP basis	\$ 172	\$ 142	\$ 159	\$ 552	\$ 563
Amortization of intangible assets	26	20	19	85	77
Share-based compensation expense	22	20	14	77	53
Restructuring charges	-	1	2	3	7
Acquisition-related costs	11	10	-	23	-
Loss on extinguishment of debt	1	-	-	1	-
Income tax effects of non-GAAP reconciling adjustments	(5)	(5)	-	(10)	-
Net income on non-GAAP basis	<u>\$ 227</u>	<u>\$ 188</u>	<u>\$ 194</u>	<u>\$ 731</u>	<u>\$ 700</u>
Gross margin on GAAP basis	\$ 345	\$ 304	\$ 299	\$ 1,197	\$ 1,142
Amortization of intangible assets	19	14	14	61	56
Share-based compensation expense	3	3	2	10	6
Restructuring charges	-	1	1	1	2
Acquisition-related costs	6	6	-	12	-
Gross margin on non-GAAP basis	<u>\$ 373</u>	<u>\$ 328</u>	<u>\$ 316</u>	<u>\$ 1,281</u>	<u>\$ 1,206</u>
Research and development on GAAP basis	\$ 108	\$ 101	\$ 80	\$ 397	\$ 335
Share-based compensation expense	8	8	5	30	20
Acquisition-related costs	1	2	-	3	-
Research and development on non-GAAP basis	<u>\$ 99</u>	<u>\$ 91</u>	<u>\$ 75</u>	<u>\$ 364</u>	<u>\$ 315</u>
Selling, general and administrative on GAAP basis	\$ 60	\$ 57	\$ 49	\$ 222	\$ 199
Share-based compensation expense	11	9	7	37	27
Acquisition-related costs	4	2	-	8	-
Selling, general and administrative on non-GAAP basis	<u>\$ 45</u>	<u>\$ 46</u>	<u>\$ 42</u>	<u>\$ 177</u>	<u>\$ 172</u>
Total operating expenses on GAAP basis	\$ 175	\$ 164	\$ 135	\$ 645	\$ 560
Amortization of intangible assets	7	6	5	24	21
Share-based compensation expense	19	17	12	67	47
Restructuring charges	-	-	1	2	5
Acquisition-related costs	5	4	-	11	-
Total operating expenses on non-GAAP basis	<u>\$ 144</u>	<u>\$ 137</u>	<u>\$ 117</u>	<u>\$ 541</u>	<u>\$ 487</u>
Income from operations on GAAP basis	\$ 170	\$ 140	\$ 164	\$ 552	\$ 582
Amortization of intangible assets	26	20	19	85	77
Share-based compensation expense	22	20	14	77	53
Restructuring charges	-	1	2	3	7
Acquisition-related costs	11	10	-	23	-
Income from operations on non-GAAP basis	<u>\$ 229</u>	<u>\$ 191</u>	<u>\$ 199</u>	<u>\$ 740</u>	<u>\$ 719</u>
Income before income taxes on GAAP basis	\$ 180	\$ 144	\$ 165	\$ 568	\$ 585
Amortization of intangible assets	26	20	19	85	77
Share-based compensation expense	22	20	14	77	53
Restructuring charges	-	1	2	3	7
Acquisition-related costs	11	10	-	23	-
Loss on extinguishment of debt	1	-	-	1	-
Income before income taxes on non-GAAP basis	<u>\$ 240</u>	<u>\$ 195</u>	<u>\$ 200</u>	<u>\$ 757</u>	<u>\$ 722</u>
Provision for income taxes on GAAP basis	\$ 8	\$ 2	\$ 6	\$ 16	\$ 22
Income tax effects of non-GAAP reconciling adjustments	5	5	-	10	-
Provision for income taxes on non-GAAP basis	<u>\$ 13</u>	<u>\$ 7</u>	<u>\$ 6</u>	<u>\$ 26</u>	<u>\$ 22</u>
Shares used in per share calculation - diluted on GAAP basis	253	252	250	252	250
Non-GAAP adjustment	2	1	3	1	3
Shares used in per share calculation - diluted on non-GAAP basis(1)	<u>255</u>	<u>253</u>	<u>253</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)**

	<b>November 3, 2013</b>	<b>October 28, 2012 (1)</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 985	\$ 1,084
Trade accounts receivable, net	418	341
Inventory	285	194
Other current assets	130	72
Total current assets	1,818	1,691
Property, plant and equipment, net	661	503
Goodwill	391	180
Intangible assets, net	492	422
Other long-term assets	53	66
Total assets	\$ 3,415	\$ 2,862
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 278	\$ 248
Employee compensation and benefits	98	61
Capital lease obligations - current	1	1
Other current liabilities	46	36
Total current liabilities	423	346
Long-term liabilities:		
Capital lease obligations - non-current	1	2
Other long-term liabilities	105	95
Total liabilities	529	443
Shareholders' equity:		
Ordinary shares, no par value	1,587	1,479
Retained earnings	1,305	951
Accumulated other comprehensive loss	(6)	(11)
Total shareholders' equity	2,886	2,419
Total liabilities and shareholders' equity	\$ 3,415	\$ 2,862

(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			Fiscal Year Ended	
	November 3, 2013	August 4, 2013	October 28, 2012	November 3, 2013	October 28, 2012 (1)
<b>Cash flows from operating activities:</b>					
Net income	\$ 172	\$ 142	\$ 159	\$ 552	\$ 563
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	58	46	40	187	155
Loss on disposal of property, plant and equipment	-	-	-	1	3
Share-based compensation	22	20	14	77	53
Tax benefits of share-based compensation	19	6	3	25	13
Excess tax benefits from share-based compensation	(14)	(3)	(3)	(17)	(9)
Gain from sale of investments	(10)	-	-	(10)	-
Impairment of investment and loan receivable from investee	-	-	-	-	2
Amortization of debt issuance costs	1	-	-	1	-
Loss on extinguishment of debt	1	-	-	1	-
Other	(2)	(1)	-	(4)	-
Changes in assets and liabilities, net of acquisitions:					
Trade accounts receivable	(53)	(43)	(11)	(26)	(13)
Inventory	(1)	(20)	22	(55)	-
Accounts payable	9	11	12	22	(2)
Employee compensation and benefits	18	16	(8)	32	(28)
Other current assets and current liabilities	(4)	(33)	(7)	(58)	(32)
Other long-term assets and long-term liabilities	(4)	(4)	(6)	(6)	(12)
<b>Net cash provided by operating activities</b>	<u>212</u>	<u>137</u>	<u>215</u>	<u>722</u>	<u>693</u>
<b>Cash flows from investing activities:</b>					
Purchase of property, plant and equipment	(57)	(65)	(73)	(236)	(241)
Acquisitions and investment, net of cash acquired	(10)	(373)	(2)	(429)	(4)
Proceeds from sale of investments	13	-	-	13	-
Proceeds from insurance claims on property, plant and equipment	-	-	1	-	1
<b>Net cash used in investing activities</b>	<u>(54)</u>	<u>(438)</u>	<u>(74)</u>	<u>(652)</u>	<u>(244)</u>
<b>Cash flows from financing activities:</b>					
Proceeds from government grants	2	-	-	10	2
Debt financing costs	(2)	-	-	(2)	-
Payments on capital lease obligations	(1)	-	-	(2)	(2)
Issuance of ordinary shares	41	32	16	101	44
Repurchases of ordinary shares	(33)	(38)	(10)	(95)	(110)
Excess tax benefits from share-based compensation	14	3	3	17	9
Dividend payments to shareholders	(57)	(52)	(39)	(198)	(137)
<b>Net cash used in financing activities</b>	<u>(36)</u>	<u>(55)</u>	<u>(30)</u>	<u>(169)</u>	<u>(194)</u>
Net increase (decrease) in cash and cash equivalents	122	(356)	111	(99)	255
Cash and cash equivalents at the beginning of period	863	1,219	973	1,084	829
Cash and cash equivalents at end of period	<u>\$ 985</u>	<u>\$ 863</u>	<u>\$ 1,084</u>	<u>\$ 985</u>	<u>\$ 1,084</u>

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