

Avago Technologies



Company Overview – May 2015

Safe Harbor Statement

This presentation contains forward-looking statements (including within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended) concerning Avago, Broadcom Corporation (“Broadcom”), Pavonia Limited (“HoldCo”), Safari Cayman LP (“New LP”), the proposed transactions and other matters. These statements may discuss goals, intentions and expectations as to future plans, trends, events, results of operations or financial condition, or otherwise, based on current beliefs of the management of Avago and Broadcom, as well as assumptions made by, and information currently available to, such management. Forward-looking statements may be accompanied by words such as “aim,” “anticipate,” “believe,” “plan,” “could,” “would,” “should,” “estimate,” “expect,” “forecast,” “future,” “guidance,” “intend,” “may,” “will,” “possible,” “potential,” “predict,” “project” or similar words, phrases or expressions. These forward-looking statements are subject to various risks and uncertainties, many of which are outside the parties’ control. Therefore, you should not place undue reliance on such statements.

This presentation contains forward-looking statements that address our expected future business and financial performance. These forward-looking statements are based on current expectations, estimates, forecasts and projections of future Company or industry performance, based on management’s judgment, beliefs, current trends and market conditions, and involve risks and uncertainties that may cause actual results to differ materially from those contained in the forward-looking statements. Accordingly, we caution you not to place undue reliance on these statements. Particular uncertainties that could materially affect future results include any loss of our significant customers and fluctuations in the timing and volume of significant customer demand; risks associated with our pending acquisition of Broadcom, including, (1) the failure to complete the acquisition, (2) litigation relating to the transaction, (3) disruption of our current plans and operations, (4) our ability to retain and hire key personnel, (5) competitive responses to the proposed transaction, (6) unexpected costs, charges or expenses resulting from the transaction, (7) potential adverse reactions or changes to our business relationships resulting from the announcement or completion of the transaction, (8) our ability to achieve the growth prospects and synergies expected the acquisition; delays, challenges and expenses associated with integrating acquired companies with our existing businesses and our ability to achieve the growth prospects and synergies expected from acquisitions we may make, including our recent acquisitions and our pending acquisition of Broadcom; our ability to increase our internal manufacturing capacity to meet customer demand; our ability to accurately estimate customers’ demand and adjust supply chain and third party manufacturing capacity accordingly; our ability to improve our manufacturing efficiency and quality; cyclicality in the semiconductor industry or in our target markets; increased dependence on the volatile wireless handset market and on the enterprise storage market; our ability to integrate and realize the expected benefits from our acquisition of LSI Corporation; global economic conditions and concerns; quarterly and annual fluctuations in operating results; our competitive performance and ability to continue achieving design wins with our customers, as well as the timing of those design wins; rates of growth in our target markets; our dependence on contract manufacturing and outsourced supply chain and our ability to improve our cost structure through our manufacturing outsourcing program; prolonged disruptions of our or our contract manufacturers’ manufacturing facilities or other significant operations; our dependence on outsourced service providers for certain key business services and their ability to execute to our requirements; our ability to maintain or improve gross margin; our ability to maintain tax concessions in certain jurisdictions; our ability to protect our intellectual property and the unpredictability of any associated litigation expenses; any expenses or reputational damage associated with resolving customer product and warranty and indemnification claims; dependence on and risks associated with distributors of our products; our ability to sell to new types of customers and to keep pace with technological advances; market acceptance of the end products into which our products are designed; the significant indebtedness incurred by us in connection with the LSI Corporation acquisition, including the need to generate sufficient cashflows to service and repay such debt; and other events and trends on a national, regional and global scale, including those of a political, economic, business, competitive and regulatory nature.

Our Quarterly Report on Form 10-Q filed on March 11, 2015 and our other filings with the Securities and Exchange Commission, or “SEC” (which you may obtain for free at the SEC’s website at <http://www.sec.gov>) discuss some of the important risk factors that may affect our business, results of operations and financial condition. We undertake no intent or obligation to publicly update or revise any of these forward looking statements, whether as a result of new information, future events or otherwise, except as required by law.

In addition to US GAAP financials, this presentation includes certain financial measures on a non-GAAP basis. These historical and forward-looking non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. A reconciliation between historical GAAP and non-GAAP measures is included in the appendix of this presentation.

Heritage of Innovation



Started as HP semiconductor division



Agilent Technologies

Agilent spun off from HP



Avago spun off from Agilent

Avago IPO

TODAY



Emulex founded



PLX Technology founded in Silicon Valley



LSI founded in Silicon Valley



AT&T Bell Labs founded in 1925



Lucent spun off from AT&T



Agere spun off from Lucent

LSI merged with Agere

1960s

1970s

1980s

1990s

2000s

2010-Present

Global Presence

- The 9th Largest Semiconductor Company Worldwide by Revenue, excluding Memory companies
- Multiple Growth Drivers across Wireless, Enterprise Storage, Wired Infrastructure and Industrial Markets
- Headquarters in Singapore and San Jose, CA
- Proprietary RF and Optical Fabs in Fort Collins, Allentown and Singapore



Business Model...



Core Technologies

Proprietary Products

Growth Markets

**Sustainable
Revenue Growth**

**Expand
Margins**

**Earnings
Leverage**

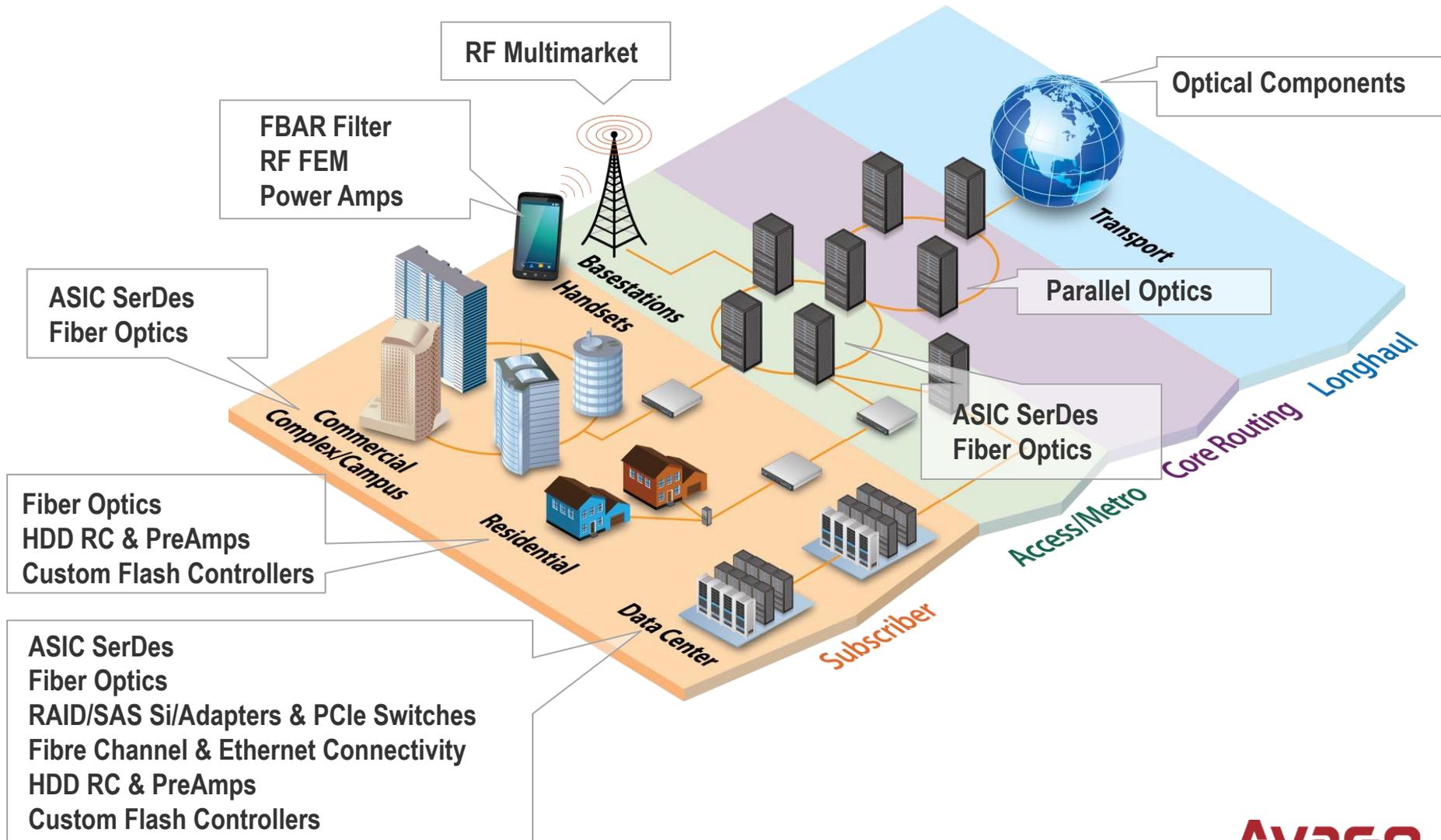
Focusing on Proprietary Products

End Markets	Product Lines	Core Technologies
Wireless 	FBAR Filters RF Front End Modules RAID & SAS Si/Adapters & PCIe Switches	FBAR Filters
Enterprise Storage 	Fibre Channel and Ethernet Connectivity HDD Read Channel/Preamps Custom Flash Controllers	Storage Connectivity Embedded Parallel Optics
Wired 	ASIC SerDes Parallel Optics Optical Isolation	High Speed SerDes
Industrial 	Motion Encoders Industrial Fiber	Optical Sensing

Growth Drivers in Avago End Markets

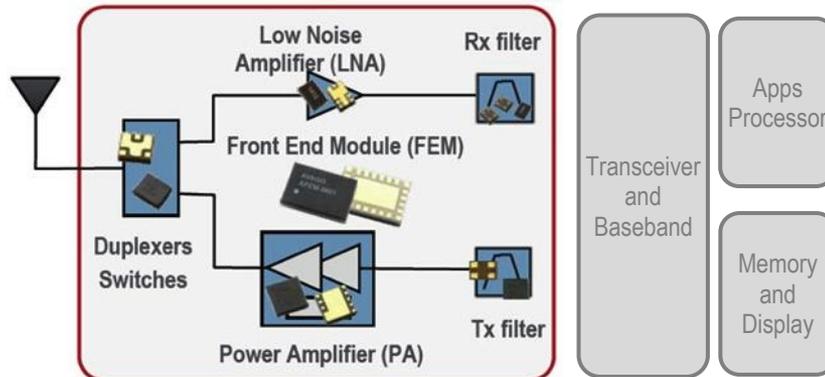
End Markets	Market Trends
Wireless 	<ul style="list-style-type: none"> ▪ LTE Deployment ▪ Increasing RF Bands per Phone ▪ LTE Advanced/Carrier Aggregation
Enterprise Storage 	<ul style="list-style-type: none"> ▪ Data Center – Higher Reach/Bandwidth ▪ 4G/LTE Infrastructure Expansion ▪ Internet of Things
Wired 	<ul style="list-style-type: none"> ▪ Cloud, Social Media and Video Streaming ▪ Big Data and Data Analytics ▪ Exponential Digital Universe Growth
Industrial 	<ul style="list-style-type: none"> ▪ Increased Factory Automation ▪ Energy Efficiency / Energy Conversion ▪ Emerging Markets

Avago Wireless, Storage and Wired Presence

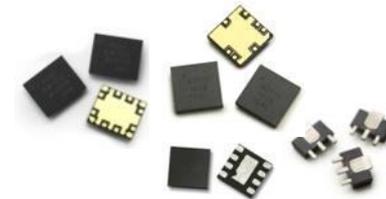


Wireless Communications - Creating Winning Solutions by Combining High Performance Differentiated Technologies

Handsets and Tablets – RF



Base Stations



LNAs & Driver Amplifiers

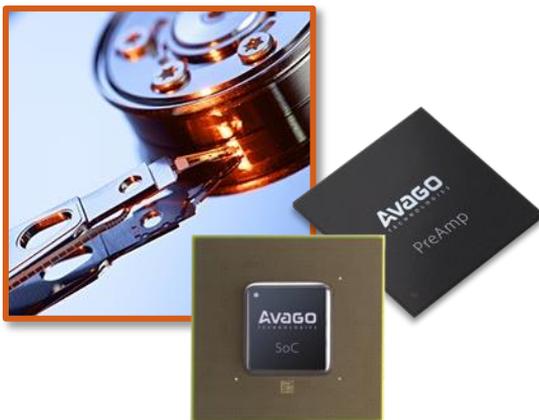
Significant Customers



Enterprise Storage

Complete Portfolio of Silicon and Software Leadership Solutions

HDD Read Channel & PreAmps



Custom Flash Controllers



Server/Storage Connectivity



Significant Customers



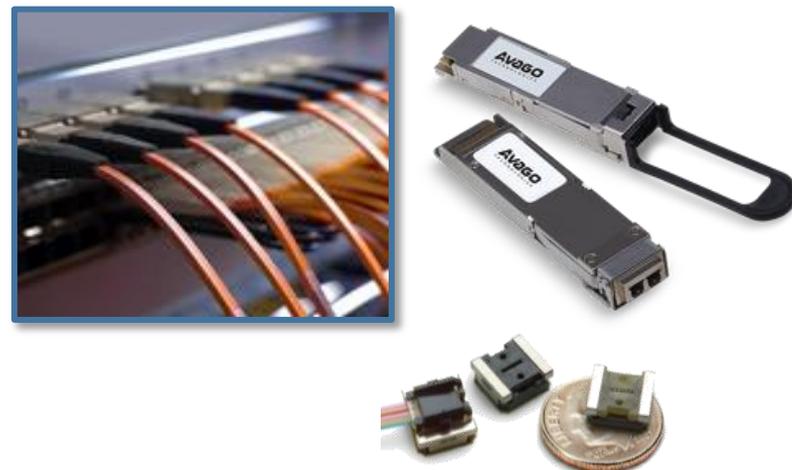
Wired Infrastructure

Comprehensive Solutions Enabling Bandwidth Expansion

ASIC SerDes



Fiber Optics

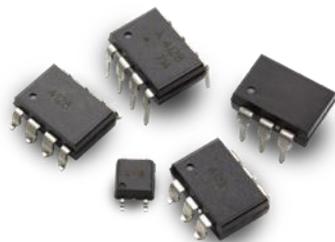


Significant Customers



Industrial & Other

Power Generation and Conversion



Optocouplers



Factory Automation



Plastic Fiber Optics

Servo Drives



Optical Encoders



Solid State Displays



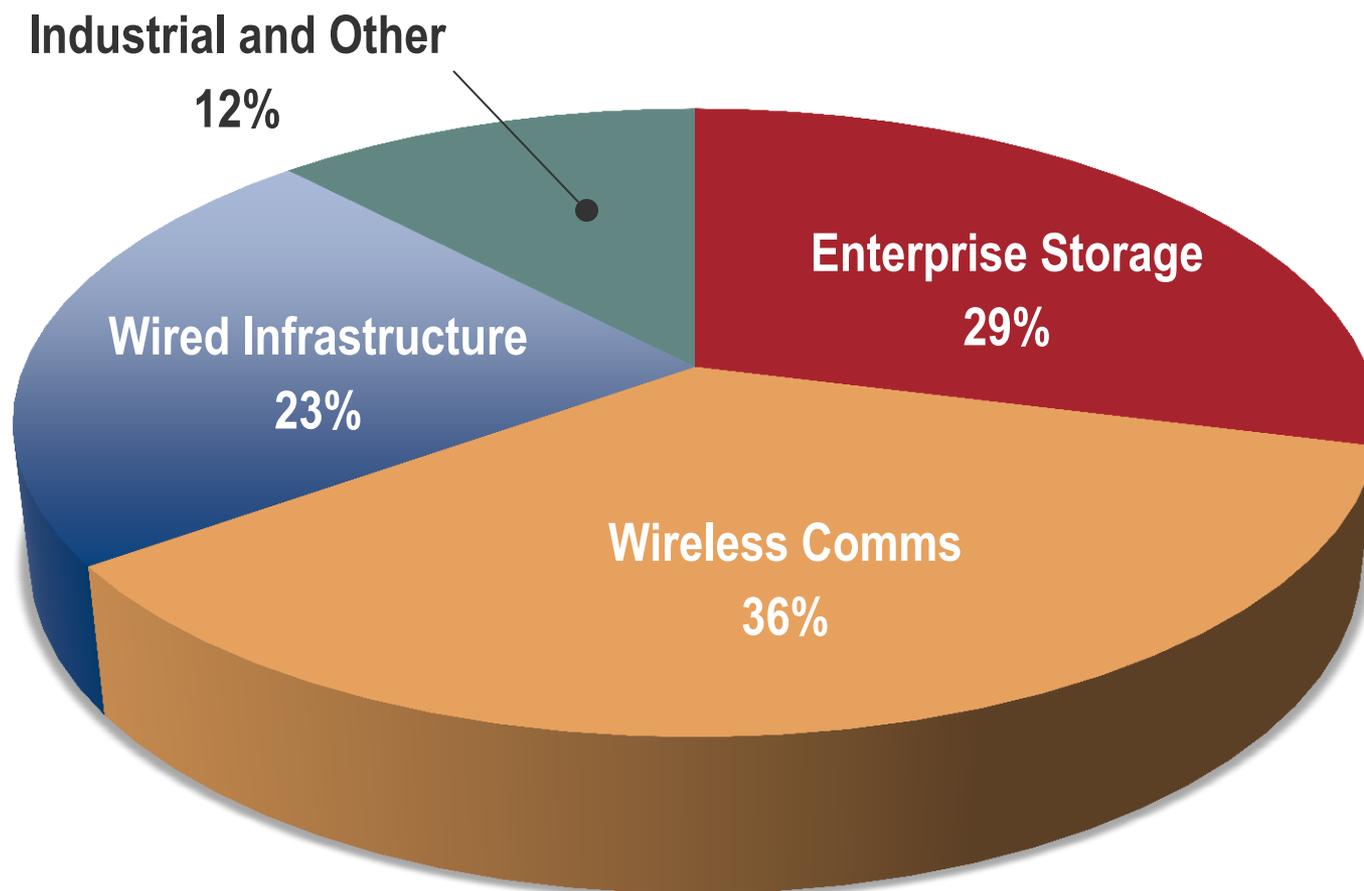
Specialized LEDs

Significant Customers



Diversified Revenue Model

Q2 FY2015 GAAP Revenue by Segment

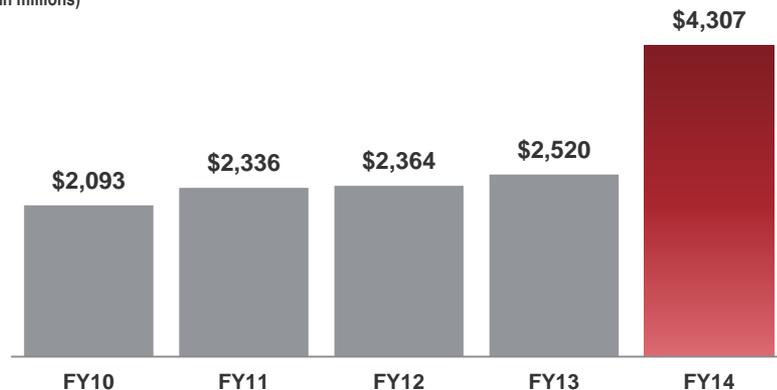


Source: Avago filings and presentations

Avago - Annual Financial Performance

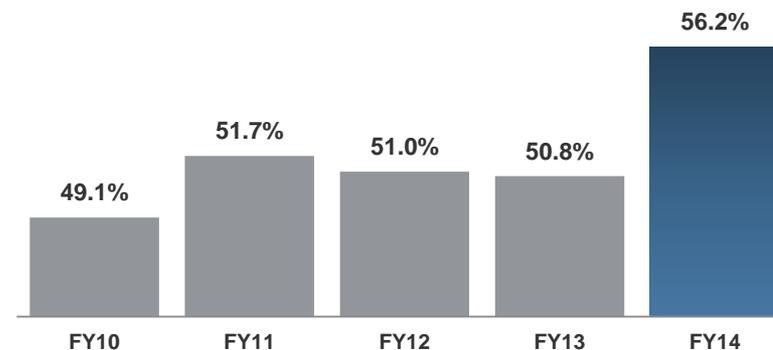
Net Revenue (non-GAAP)

(\$ in millions)



Gross Margin (non-GAAP)

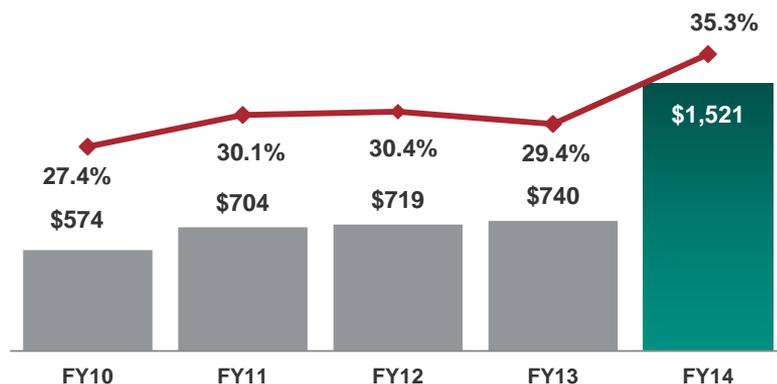
(% of Net Revenue)



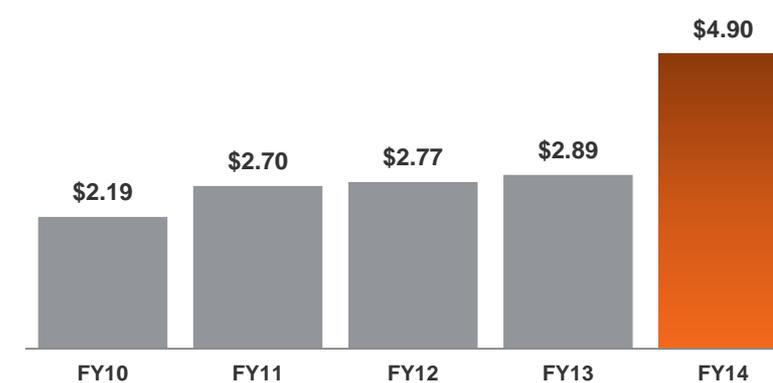
Income from Operations (non-GAAP)

(\$ in millions)

(% of Net Revenue)



EPS (non-GAAP)

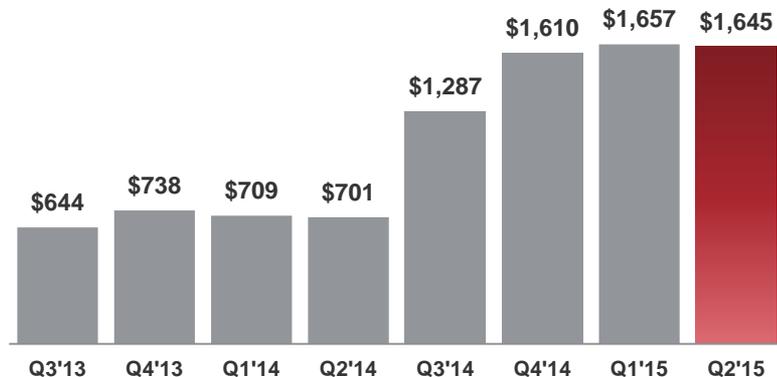


Note: A reconciliation of the non-GAAP measures presented above to the most directly comparable GAAP financial data appears in the appendix. Non-GAAP results exclude acquisition-related revenue adjustments, amortization of intangible assets, share-based compensation expense, restructuring charges, acquisition-related costs including the purchase accounting effect on inventory and integration costs, loss on extinguishment of debt, loss (income) from and (gain) on discontinued operations and income tax effects of non-GAAP reconciling adjustments. Avago's fiscal year ends on or about 10/31.

Avago - Quarterly Financial Performance

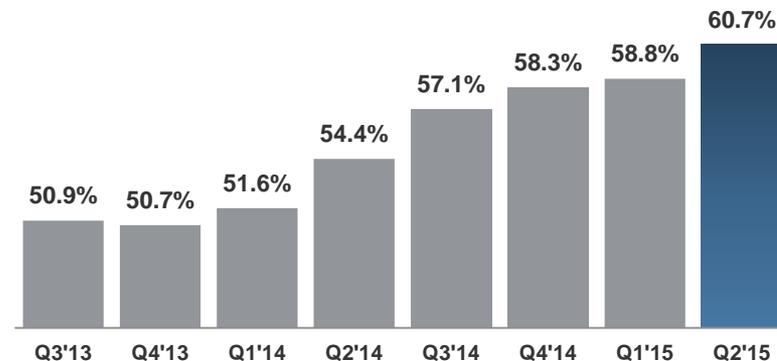
Net Revenue (non-GAAP)

(\$ in millions)



Gross Margin (non-GAAP)

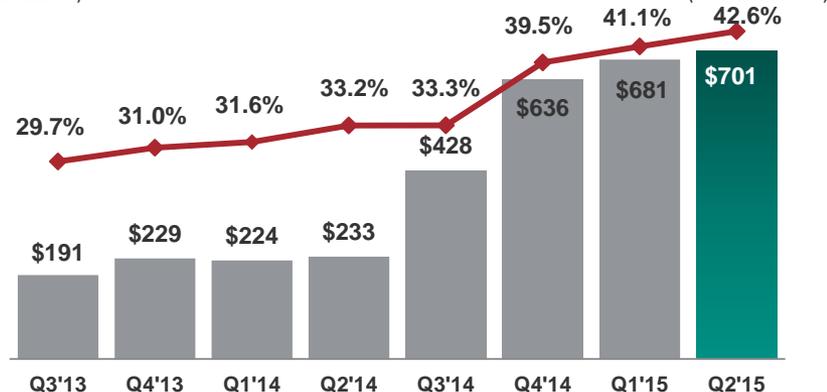
(% of Net Revenue)



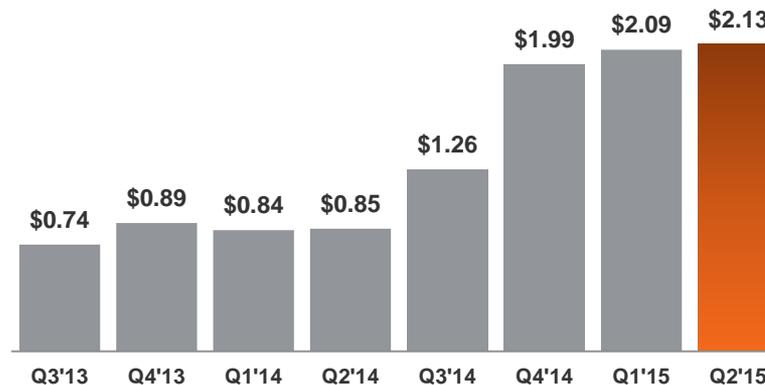
Operating Income (non-GAAP)

(\$ in millions)

(% of Net Revenue)



EPS (non-GAAP)



Note: A reconciliation of the non-GAAP measures presented above to the most directly comparable GAAP financial data appears in the appendix. Non-GAAP results exclude acquisition-related revenue adjustments, amortization of intangible assets, share-based compensation expense, restructuring charges, acquisition-related costs including the purchase accounting effect on inventory and integration costs, loss on extinguishment of debt, loss (income) from and (gain) on discontinued operations and income tax effects of non-GAAP reconciling adjustments. Avago's fiscal year ends on or about 10/31.

Corporate Executives



Hock Tan
President & CEO



Bryan Ingram
COO



Anthony Maslowski
SVP & CFO



Charlie Kawwas
SVP, Sales



B.C. Ooi
SVP, Global Operations



Thomas Krause
VP, Corporate Development



Bob Mantz
VP, FP&A



Patricia McCall
VP and General Counsel



Andy Nallappan
CIO



Ah-Chee Neo
VP, Quality



Ivy Pong
VP, Tax



Kirsten Spears
VP and Controller



Debbie Streeter
VP, Human Resources

Division Executives



Jim Bland
*SVP & GM, Data
Controller Division*



Philip Gadd
*SVP & GM, Fiber Optics
Products Division*



Frank Ostojic
*SVP & GM, ASIC
Products Division*



Ron Ruebusch
*SVP & GM, Wireless
Semiconductor Division*



Tom Swinford
*SVP & GM, Data Center
Solutions Group*



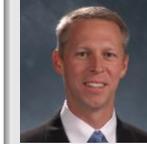
Tze Siong Chong
*VP & GM, Isolation
Products Division*



Sally Doherty
*VP & GM, PreAmp
Components Division*



Fatt Lun Ho
*VP & GM, Optoelectronic
Products Division*



Jeff Hoogenboom
*VP & GM, Emulex
Connectivity Division*



Hassan Hussain
*VP & GM, Motion
Control Products
Division*



Mark Terrano
*VP & GM, IP Licensing
Division*



Martin Weigert
*VP & GM, Industrial
Fiber Products Division*

Appendices

GAAP to Non-GAAP Reconciliation - Annual

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
Net revenue on non-GAAP basis	\$ 2,093	\$ 2,336	\$ 2,364	\$ 2,520	\$ 4,307
Acquisition-related purchase accounting revenue adjustment	-	-	-	-	38
Net revenue on GAAP basis	\$ 2,093	\$ 2,336	\$ 2,364	\$ 2,520	\$ 4,269
Non-GAAP Gross Margin	\$ 1,028	\$ 1,207	\$ 1,206	\$ 1,282	\$ 2,421
Acquisition-related purchase accounting revenue adjustment	-	-	-	-	38
SBC - COGS	3	4	6	10	18
Amortization of Intangibles	58	56	56	61	249
Acquisition-related costs	-	-	-	12	217
Restructuring Charges	1	-	2	1	22
GAAP Gross Margin	\$ 966	\$ 1,147	\$ 1,142	\$ 1,198	\$ 1,877
Non-GAAP Income from Operations	\$ 574	\$ 704	\$ 719	\$ 740	\$ 1,521
SBC - R&D	8	14	20	30	57
SBC - SG&A	14	20	27	37	78
Amortization of Intangibles	21	22	21	24	197
Acquisition-related costs	-	-	-	11	67
Restructuring Charges	3	4	5	2	140
<i>Non-GAAP/GAAP Gross Margin Difference</i>	(62)	(60)	(64)	(84)	(544)
GAAP Operating Income	\$ 466	\$ 584	\$ 582	\$ 552	\$ 438
Non-GAAP Net Income	\$ 547	\$ 692	\$ 700	\$ 731	\$ 1,343
Loss on extinguishment of debt	(24)	(20)	-	(1)	-
Income from and gain on discontinued operations, net of income taxes	-	-	-	-	(46)
Income tax effects of non-GAAP reconciling adjustments	-	-	-	10	49
<i>Non-GAAP/GAAP Income from Operations Difference</i>	(108)	(120)	(137)	(188)	(1,083)
GAAP Net Income	\$ 415	\$ 552	\$ 563	\$ 552	\$ 263

Note: A reconciliation of the non-GAAP measures presented above to the most directly comparable GAAP financial data appears in the appendix. Non-GAAP results exclude acquisition-related revenue adjustments, amortization of intangible assets, share-based compensation expense, restructuring charges, acquisition-related costs including the purchase accounting effect on inventory and integration costs, loss on extinguishment of debt, loss (income) from and (gain) on discontinued operations and income tax effects of non-GAAP reconciling adjustments. Avago's fiscal year ends on or about 10/31.

GAAP to Non-GAAP Reconciliation - Quarterly

	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15
Net revenue on non-GAAP basis	\$ 644	\$ 738	\$ 709	\$ 701	\$ 1,287	\$ 1,610	\$ 1,657	\$ 1,645
Acquisition-related purchase accounting revenue adjustment	-	-	-	-	18	20	22	31
Net revenue on GAAP basis	\$ 644	\$ 738	\$ 709	\$ 701	\$ 1,269	\$ 1,590	\$ 1,635	\$ 1,614
Non-GAAP Gross Margin	\$ 328	\$ 374	\$ 366	\$ 381	\$ 735	\$ 939	\$ 974	\$ 998
Acquisition-related purchase accounting revenue adjustment	-	-	-	-	18	20	22	31
SBC - COGS	3	3	3	3	6	6	6	6
Amortization of Intangibles	14	19	18	18	105	108	113	113
Restructuring Charges	1	-	5	-	11	6	2	1
Acquisition-related costs	6	6	1	3	202	11	5	1
GAAP Gross Margin	\$ 304	\$ 346	\$ 339	\$ 357	\$ 393	\$ 788	\$ 826	\$ 846
Non-GAAP Operating Income	\$ 191	\$ 229	\$ 224	\$ 233	\$ 428	\$ 636	\$ 681	\$ 701
SBC - R&D	8	8	8	10	20	19	19	27
SBC - SG&A	9	11	13	17	24	24	24	24
Amortization of Intangibles	6	7	7	8	91	91	59	59
Acquisition-related costs	4	5	18	6	26	17	16	11
Restructuring Charges	-	-	12	8	87	33	14	10
<i>Non-GAAP/GAAP Gross Margin Difference</i>	(24)	(28)	(27)	(24)	(342)	(151)	(148)	(152)
GAAP Operating Income	\$ 140	\$ 170	\$ 139	\$ 160	\$ (162)	\$ 301	\$ 401	\$ 418
Non-GAAP Net Income	\$ 188	\$ 227	\$ 217	\$ 223	\$ 347	\$ 556	\$ 596	\$ 620
Loss on extinguishment of debt	-	(1)	-	-	-	-	-	(13)
Income (loss) from and gain on discontinued operations, net of income taxes	-	-	-	-	(44)	(2)	13	5
Income tax effects of non-GAAP reconciling adjustments	5	5	2	8	123	(84)	22	15
<i>Non-GAAP/GAAP Income from Operations Difference</i>	(51)	(59)	(85)	(73)	(590)	(335)	(280)	(283)
GAAP Net Income (Loss)	\$ 142	\$ 172	\$ 134	\$ 158	\$ (164)	\$ 135	\$ 351	\$ 344

Note: A reconciliation of the non-GAAP measures presented above to the most directly comparable GAAP financial data appears in the appendix. Non-GAAP results exclude acquisition-related revenue adjustments, amortization of intangible assets, share-based compensation expense, restructuring charges, acquisition-related costs including the purchase accounting effect on inventory and integration costs, loss on extinguishment of debt, loss (income) from and (gain) on discontinued operations and income tax effects of non-GAAP reconciling adjustments. Avago's fiscal year ends on or about 10/31.

No Offer or Solicitation

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction pursuant to the proposed transactions or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the United States Securities Act of 1933, as amended. Subject to certain exceptions to be approved by the relevant regulators or certain facts to be ascertained, the public offer will not be made directly or indirectly, in or into any jurisdiction where to do so would constitute a violation of the laws of such jurisdiction, or by use of the mails or by any means or instrumentality (including without limitation, facsimile transmission, telephone and the internet) of interstate or foreign commerce, or any facility of a national securities exchange, of any such jurisdiction.

Important Additional Information Will be Filed with the SEC

HoldCo will file with the SEC a registration statement on Form S-4, which will include the joint proxy statement of Avago and Broadcom that also constitutes a prospectus of HoldCo and New LP (the “joint proxy statement/prospectus”). **INVESTORS AND SHAREHOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS, AND OTHER RELEVANT DOCUMENTS TO BE FILED WITH THE SEC, IN THEIR ENTIRETY CAREFULLY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT AVAGO, BROADCOM, HOLDCO, NEW LP, THE PROPOSED TRANSACTIONS AND RELATED MATTERS.** Investors and shareholders will be able to obtain free copies of the joint proxy statement/prospectus and other documents filed with the SEC by the parties through the website maintained by the SEC at www.sec.gov. In addition, investors and shareholders will be able to obtain free copies of the joint proxy statement/prospectus and other documents filed with the SEC by the parties by contacting Avago Investor Relations at (408) 435-7400 or investor.relations@avagotech.com (for documents filed with the SEC by Avago, HoldCo or New LP) or andrewtp@broadcom.com] (for documents filed with the SEC by Broadcom).

Participants in the Solicitation

Avago, Broadcom, HoldCo and New LP and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Avago and Broadcom in respect of the proposed transactions contemplated by the joint proxy statement/prospectus. Information regarding the persons who are, under the rules of the SEC, participants in the solicitation of the shareholders of Avago and Broadcom in connection with the proposed transactions, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the joint proxy statement/prospectus when it is filed with the SEC. Information regarding Avago’s directors and executive officers is contained in Avago’s Annual Report on Form 10-K for the year ended November 2, 2014 and its Proxy Statement on Schedule 14A, dated February 20, 2015, and information regarding Broadcom’s directors and executive officers is contained in Broadcom’s Annual Report on Form 10-K for the year ended December 31, 2014 and its Proxy Statement on Schedule 14A, dated March 27, 2015, each of which are filed with the SEC and can be obtained free of charge from the sources indicated above.

AVAGO
TECHNOLOGIES