

Broadcom Ltd
 Form 10-K
 December 23, 2016
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, DC 20549
 Form 10-K
 (MARK ONE)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
 OF THE SECURITIES EXCHANGE ACT OF 1934
 For the fiscal year ended October 30, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
 OF THE SECURITIES EXCHANGE ACT OF 1934
 For the transition period from to

State or Other Jurisdiction of Incorporation or Organization	Exact Name of Registrant as Specified in Its Charter Address of Principal Executive Offices Registrant's telephone number, including area code	Commission File Number	IRS Employer Identification No.
Singapore	Broadcom Limited 1 Yishun Avenue 7 Singapore 768923 (65) 6755-7888	001-37690	98-1254807
Cayman Islands	Broadcom Cayman L.P. c/o/ Broadcom Limited 1 Yishun Avenue 7 Singapore 768923 (65) 6755-7888 Securities registered pursuant to Section 12(b) of the Act:	333-2025938	98-1254815

Title of Class	Name of Each Exchange on Which Registered
Ordinary Shares, no par value	The NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act:
 None
 (Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
 Broadcom Limited: Yes No Broadcom Cayman L.P.: Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Broadcom Limited: Yes No Broadcom Cayman L.P.: Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Broadcom Limited: Yes No Broadcom Cayman L.P.: Yes No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Broadcom Limited: Yes No Broadcom Cayman L.P.: Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Broadcom Limited Broadcom Cayman L.P.:

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Broadcom Limited:	Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company
Broadcom Cayman L.P.:	Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Broadcom Limited: Yes No Broadcom Cayman L.P.: Yes No

State the aggregate market value of Broadcom Limited's voting and non-voting ordinary shares held by non-affiliates as of the last business day of the Registrant's most recently completed second fiscal quarter: As of May 1, 2016, the last business day of our most recently completed second fiscal quarter, the aggregate market value of Broadcom Limited's ordinary shares held by non-affiliates of Broadcom Limited (based upon the closing sale price of such shares on the Nasdaq Global Select Market on April 29, 2016, the last trading day prior to our fiscal quarter end) was approximately \$57.5 billion.

As of November 27, 2016, Broadcom Limited had 398,980,392 of its ordinary shares, no par value per share, outstanding. As of November 27, 2016, Broadcom Cayman L.P. had 390,237,855 common partnership units outstanding (all of which are owned by Broadcom Limited) and 22,804,591 restricted exchangeable partnership units outstanding.

Documents Incorporated by Reference

Information required in response to Part III of this Annual Report on Form 10-K is hereby incorporated by reference from Broadcom Limited's definitive Proxy Statement for its 2017 Annual General Meeting of Shareholders. Except as expressly incorporated by reference, Broadcom Limited's Proxy Statement shall not be deemed to be a part of this Annual Report on Form 10-K. Broadcom Limited intends to file its definitive Proxy Statement within 120 days after its fiscal year ended October 30, 2016.

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EXPLANATORY NOTE

This report combines the annual reports on Form 10-K for the fiscal year ended October 30, 2016 of Broadcom Limited and Broadcom Cayman L.P. Unless stated otherwise or the context otherwise requires, references to “Broadcom,” “we,” “our” and “us” mean Broadcom Limited and its consolidated subsidiaries, including Broadcom Cayman L.P. References to the “Partnership” mean Broadcom Cayman L.P. and its consolidated subsidiaries. Financial information and results of operations presented in the Form 10-K for the periods prior to February 1, 2016 relate to Avago Technologies Limited, our predecessor, and relate to Broadcom and the Partnership for the periods after February 1, 2016. Broadcom Corporation was indirectly acquired by Broadcom on February 1, 2016 (refer to Note 1. “Overview and Basis of Presentation” included in Part II, Item 8 of this Form 10-K for additional information). As of October 30, 2016, Broadcom Limited owned approximately 95% of the Partnership (represented by common partnership units, or Common Units) and is the sole general partner of the Partnership, or the General Partner. The balance of the interest in the Partnership is held by certain former Broadcom Corporation shareholders of common stock, or the Limited Partners, in the form of restricted exchangeable limited partnership units, or Partnership REUs. As the General Partner, Broadcom has the exclusive right, power and authority to manage, control, administer and operate the business and affairs and to make decisions regarding the undertaking and business of the Partnership in accordance with the amended and restated exempted limited partnership agreement, as amended from time to time, and applicable laws. There is no board of directors of the Partnership.

Shareholders’ equity, partners’ capital and the Limited Partners’ noncontrolling interest in Broadcom are the primary areas of difference between the consolidated financial statements of Broadcom and those of the Partnership. The Partnership’s capital consists of Common Units owned by Broadcom and Partnership REUs owned by the Limited Partners. The Partnership REUs are accounted for in partners’ capital in the Partnership’s financial statements and as noncontrolling interest in shareholders’ equity in Broadcom’s financial statements.

The material differences between Broadcom and the Partnership are discussed in sections in this report, including separate financial statements (but combined footnotes), separate disclosure controls and procedures sections, separate certifications of periodic report under Section 302 of the Sarbanes-Oxley Act of 2002 and separate certifications pursuant to 18 U.S.C Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. In the sections that combine disclosure for Broadcom and the Partnership, this report refers to actions or holdings as being actions or holdings of Broadcom.

Broadcom consolidates the Partnership for financial reporting purposes, and neither Broadcom nor the Partnership has material assets other than its interests in their subsidiaries. Therefore, while shareholders’ equity and partners’ capital differ as discussed above, the assets of Broadcom and the Partnership are materially the same on their respective financial statements.

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PART I

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 10-K. This Annual Report on Form 10-K contains forward-looking statements within the meaning of the federal securities laws and particularly in Item 1: “Business,” Item 1A: “Risk Factors,” Item 3: “Legal Proceedings” and Item 7: “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Annual Report on Form 10-K. These statements are indicated by words or phrases such as “anticipate,” “expect,” “estimate,” “seek,” “plan,” “believe,” “could,” “intend,” “will,” and similar words or phrases. These forward-looking statements may include projections of financial information; statements about historical results that may suggest trends for our business; statements of the plans, strategies, and objectives of management for future operations; statements of expectation or belief regarding future events (including any acquisitions we may make), technology developments, our products, product sales, expenses, liquidity, cash flow and growth rates, or enforceability of our intellectual property rights; and the effects of seasonality on our business. Such statements are based on current expectations, estimates, forecasts and projections of our or industry performance and macroeconomic conditions, 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. We derive most of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Accordingly, we caution you not to place undue reliance on these statements. Important factors that could cause actual results to differ materially from our expectations are disclosed under “Risk Factors” in Part I, Item 1A of this Annual Report on Form 10-K. These factors include risks associated with our acquisition of Broadcom Corporation and other acquisitions we may make, such as 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 pending acquisition of Brocade Communications Systems, Inc.; any loss of our significant customers and fluctuations in the timing and volume of significant customer demand; our dependence on contract manufacturing and outsourced supply chain; our dependence on outsourced service providers for certain key business services and their ability to execute to our requirements; our ability to accurately estimate customers’ demand and adjust supply chain and third-party manufacturing capacity accordingly; dependence on a small number of markets; dependence on and risks associated with distributors of our products; quarterly and annual fluctuations in our operating results; cyclicity in the semiconductor industry or in our target markets; global economic conditions and concerns; our competitive performance and ability to continue achieving design wins with our customers, as well as the timing of those design wins; our ability to increase our internal manufacturing capacity to meet customer demand; prolonged disruptions of our or our contract manufacturers’ manufacturing facilities or other significant operations; our ability to maintain or improve gross margin; our ability to maintain tax concessions in certain jurisdictions and changes in our taxes; our ability to protect our intellectual property and the unpredictability of any associated litigation expense; any expense or reputational damage associated with resolving customer product warranty and indemnification claims; our significant indebtedness, including the need to generate sufficient cash flows 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. All of the forward-looking statements in this Annual Report on Form 10-K are qualified in their entirety by reference to the factors listed above and those discussed under the heading “Risk Factors” in Part I, Item 1A of this Annual Report on Form 10-K. We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this Annual Report on Form 10-K may not in fact occur. We undertake no intent or obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as otherwise required by law.

Unless stated otherwise or the context otherwise requires, references to “Broadcom,” “we,” “our” and “us” mean Broadcom Limited and its consolidated subsidiaries, including Broadcom Cayman L.P. References to the “Partnership” mean Broadcom Cayman L.P. and its consolidated subsidiaries. Financial information and results of operations presented

for the periods prior to February 1, 2016 relate to Avago Technologies Limited, our predecessor, and relate to Broadcom and the Partnership for the periods after February 1, 2016. Our fiscal year ends on the Sunday closest to October 31. We refer to our fiscal years by the calendar year in which they end. For example, the fiscal year ended October 30, 2016 is referred to as “fiscal year 2016.”

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ITEM 1. BUSINESS

Overview

Broadcom Limited, or Broadcom, is the successor to Avago Technologies Limited, or Avago, as a result of the business combination between Avago and Broadcom Corporation, or BRCM, completed on February 1, 2016. We are a leading designer, developer and global supplier of a broad range of semiconductor devices with a focus on complex digital and mixed signal complementary metal oxide semiconductor, or CMOS, based devices and analog III-V based products. We have a history of innovation and offer thousands of products that are used in end products such as enterprise and data center networking, home connectivity, set-top boxes, broadband access, telecommunication equipment, smartphones, data center servers and storage systems, factory automation, power generation and alternative energy systems, and electronic displays. We differentiate ourselves through our high performance design and integration capabilities and focus on developing products for target markets where we believe we can earn attractive margins. We have four reportable segments: wired infrastructure, wireless communications, enterprise storage, and industrial & other, which align with our principal target markets.

The Partnership is an exempted limited partnership formed under the laws of the Cayman Islands in order to effect the business combination between Avago and BRCM. Broadcom is the sole General Partner of, and currently owns a majority interest (by vote and value) in, the Partnership. As General Partner, Broadcom has the exclusive right, power and authority to manage, control, administer and operate the business and affairs and to make decisions regarding the undertaking and business of the Partnership in accordance with the Partnership's amended and restated exempted partnership agreement, or the Partnership Agreement, and applicable laws. There is no board of directors of the Partnership.

Semiconductors are made by imprinting a network of electronic components onto a semiconductor wafer. These devices are designed to perform various functions such as processing, amplifying and selectively filtering electronic signals, controlling electronic system functions and processing, transmitting and storing data. Our digital and mixed signal products are based on silicon wafers with CMOS transistors offering fast switching speeds and low power consumption, which are both critical design factors for the markets we serve. We also offer analog products, which are based on III-V semiconductor materials that have higher electrical conductivity than silicon, and thus tend to have better performance characteristics in radio frequency, or RF, and optoelectronic applications. III-V refers to elements from the 3rd and 5th groups in the periodic table of chemical elements. Examples of these materials used in our products are gallium arsenide, or GaAs, gallium nitride, or GaN, and indium phosphide, or InP.

Our over 50-year history of innovation dates back to our diverse origins from Hewlett-Packard Company, AT&T, LSI Corporation, or LSI, and BRCM. Over the years, we have assembled a large team of digital, mixed signal and analog design engineers around the world. We maintain design and product development engineering resources at locations in the United States, Asia, Europe and Israel, providing us with engineering expertise worldwide. We strategically focus our research and development resources to address niche opportunities in our target markets and leverage our extensive portfolio of U.S. and other patents and other intellectual property, or IP, to integrate multiple technologies and create system-on-chip, or SoC, and component solutions that target growth opportunities. We design products that deliver high-performance and provide mission-critical functionality.

Original equipment manufacturers, or OEMs, or their contract manufacturers, and distributors typically account for the substantial majority of our sales. We have established strong relationships with leading OEM customers across multiple target markets. Many of our major customer relationships have been in place for many years and have often been built as a result of years of collaborative product development. This has enabled us to build our IP portfolio and develop critical expertise regarding our customers' requirements, including substantial system level knowledge. This collaboration has provided us with key insights into our customers' businesses and has enabled us to be more efficient and productive and to better serve our target markets and customers. We have a direct sales force focused on supporting large OEMs. We also distribute a substantial portion of our products through our broad distribution network, and a significant amount of these sales are to large global electronic components distributors, including Avnet, Inc.

We focus on maintaining an efficient global supply chain and a variable, low-cost operating model. Accordingly, we outsource a majority of our manufacturing operations, utilizing third-party foundry and assembly and test capabilities,

as well as some of our corporate infrastructure functions. We focus our internal manufacturing capacity and capital expenditures on analog products that utilize our innovative materials and proprietary processes, to protect our IP and to develop the technology for manufacturing, while outsourcing standard CMOS processes. We also have a long history of operating in Asia, where approximately 41% of our employees are located and where we manufacture and source the majority of our products and materials. Our presence in Asia places us in close proximity to many of our customers' manufacturing facilities and at the center of worldwide electronics manufacturing.

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Recent Developments

Since the acquisition of BRCM on February 1, 2016, we have divested substantially all of the non-core BRCM businesses held-for-sale, which generated aggregate cash proceeds of \$830 million in fiscal year 2016. Non-core BRCM businesses sold and those still held-for-sale are presented as discontinued operations, and have been excluded from continuing operations and from segment results for all periods presented in accordance with applicable accounting guidance.

On November 2, 2016, we entered into an Agreement and Plan of Merger, or Brocade Agreement, with Brocade Communications Systems, Inc., or Brocade, and other parties named therein, which provides for a proposed business combination transaction between us and Brocade, or the Brocade Merger. Brocade's networking solutions help the world's leading organizations turn their networks into platforms for business innovation. With solutions spanning public and private data centers to the network edge, Brocade is a leader in Fibre channel storage area network switching and IP networking.

Products and Markets

Our product portfolio ranges from discrete devices to complex sub-systems that include multiple device types and may also incorporate firmware for interfacing between analog and digital systems. In some cases, our products include mechanical hardware that interfaces with optoelectronic or capacitive sensors. We focus on markets that require high quality and the integrated performance characteristics of our products. For the fiscal year ended October 30, 2016, or fiscal year 2016, our wired infrastructure segment contributed 50%, our wireless communications segment contributed 28%, our enterprise storage segment contributed 17%, and our industrial & other segment contributed 5% of our net revenue. Fiscal year 2016 net revenue included contributions from BRCM commencing on February 1, 2016, which are included in the wired infrastructure and wireless communications segments. Fiscal year 2015 net revenue included contributions from Emulex Corporation, or Emulex, commencing on May 6, 2015, which are included in the enterprise storage segment. Fiscal year 2014 net revenue included contributions from LSI and PLX Technologies, Inc., or PLX, commencing on May 6, 2014 and August 18, 2014, respectively; LSI and PLX primarily contributed to the enterprise storage segment, with LSI also contributing to the wired infrastructure segment.

See discussion in the "Results of Operations" section included in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and Note 12. "Segment Information" included in Part II, Item 8. Financial Statements and Supplementary Data, of this Form 10-K for additional segment information.

The table below presents the major product families and their major applications in our reportable segments.

Segment	Major Applications	Major Product Families
Wired Infrastructure	<ul style="list-style-type: none"> Set-top Box (STB) and Broadband Access Data center, Telecom, Enterprise and Small-and-Medium size Business/Remote-Office-Branch-Office (SMB)/(ROBO) Networking 	<ul style="list-style-type: none"> Set-top box SoCs Cable, digital subscriber line (DSL) and passive optical networking (PON) central office/consumer premise equipment (CO/CPE) SoCs Ethernet switching and routing application specific standard product (ASSP) Embedded processors and controllers Serializer/Deserializer (SerDes), application specific integrated circuits (ASICs) Optical and copper, physical layer (PHYs) Fiber optic laser and receiver components

Wireless
Communications

- Smartphones

- RF front end modules (FEMs), filters, power amplifiers
- WiFi, Bluetooth, global positioning system/global navigation satellite system (GPS/GNSS) SoCs
- Custom touch controllers

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Segment	Major Applications	Major Product Families
Enterprise Storage	<ul style="list-style-type: none"> • Servers and storage systems • Hard disk drives (HDD); Solid state drives (SSD) 	<ul style="list-style-type: none"> • Serial attached small computer system interface (SAS) and Redundant Array of independent disks (RAID) controllers and adapters • Peripheral component interconnect express (PCIe) switches • Fibre channel host bus adapters (HBA) • Read channel based SoCs • Preamplifiers
Industrial & Other	<ul style="list-style-type: none"> • Power isolation, power conversion and renewable energy systems • Factory automation, in-car infotainment and renewable energy systems • Motor controls and factory automation • Displays and lighting 	<ul style="list-style-type: none"> • Optocouplers • Industrial fiber optics • Motion control encoders and subsystems • Light emitting diode (LEDs)

Wired Infrastructure Segment. We provide semiconductor solutions for enabling the set-top box and broadband access markets. We also provide a wide variety of semiconductor solutions which manage the movement of data in data center, telecom, enterprise and SMB/ROBO networking applications.

Set-Top Box Solutions: We offer complete SoC platform solutions for cable, satellite, Internet Protocol, over-the-top and terrestrial STBs. Our products enable global service providers to introduce new and enhanced technologies and services in STBs, including transcoding, digital video recording functionality, higher definition, increased networking capabilities, and more tuners to enable faster channel change and more simultaneous recordings. We are also enabling service providers in deploying High Efficiency Video Coding, or HEVC, a video compression format that is a successor to the H.264/MPEG-4 format. HEVC enables ultra-high definition, or Ultra HD, services by effectively doubling the capacity of existing networks to deploy new or existing content. Our families of STB solutions support the complete range of resolutions, from standard definition, to HD and Ultra HD.

Broadband Access Solutions: We offer complete SoC platform solutions for DSL, cable and fiber for both central office deployments and consumer premise equipment, or CPE. For CPE deployments, we support broadband modems, wireless local area network, or WLAN, routers as well as residential gateway solutions. For central office deployment, our solutions include cable modem termination systems, or CMTS, for cable, optical line termination, or OLTs, for fiber, and DSL Access Multiplexer, or DSLAM's for DSL. Our products enable global service providers to continue to deploy next generation broadband access technologies across multiple standards, including DSL, cable and fiber, to provide more bandwidth and faster speeds to consumers. Over the coming years, we expect to see global service providers moving toward new technologies, including data over cable service interface specification, or DOCSIS, 3.1 for cable modem technologies, G.Fast for DSL, and deploying more fiber-based solutions to increase speeds and bandwidth for customers.

Ethernet Switching and Routing: Ethernet is a ubiquitous interconnection technology that enables high performance and cost effective networking infrastructure. We offer a broad set of Ethernet switching and routing products that are optimized for data center implementations, service provider networks, enterprise, and SMB/ROBO. In the data center market, our high capacity, low latency, switching silicon supports advanced protocols around virtualization and multi-pathing. Our Ethernet switching fabric technologies provide the ability to build highly scalable flat networks supporting tens of thousands of servers. Our service provider switch portfolio enables carrier/service provider networks to support a large number of services in the wireless backhaul, access, aggregation and core of their networks. For enterprise and SMB/ROBO applications, we offer product families that combine multi-layer switching capabilities and support lower power modes that comply with industry standards around energy efficient Ethernet.

Embedded processors and controllers: Our embedded processors leverage our ARM central processing unit, or CPU, and Ethernet switching technology to deliver SoCs for high performance embedded applications in a wide range of communication products such as voice-over-internet-protocol, or VOIP, telephony, point-of-sale devices and enterprise and retail access points and gateways. We offer a range of knowledge-based processors to enable high-performance decision-making for packet processing in a variety of advanced devices in the enterprise, metro, access, edge and core networking spaces. We also offer a range of Ethernet controllers for servers and workstations supporting multiple generations of Ethernet technology.

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SerDes ASICs: For data center and enterprise networking, and high performance compute applications, we supply high speed SerDes technology integrated into ASICs. These ASICs are custom products built to individual customers specifications. Our ASICs are designed on advanced CMOS process technologies, focused primarily on leading edge geometries.

Physical Layer Devices: These devices, also referred to as PHYs, are transceivers which enable the reception and transmission of Ethernet data packets over a physical medium such as copper wire or optical fibers. Our high performance Ethernet transceivers are built upon a proprietary digital signal processing communication architecture optimized for high-speed network connections and support the latest standards and advanced features, such as energy efficient Ethernet, data encryption and time synchronization. We also offer a range of automotive Ethernet products to meet growing consumer demand for in-vehicle connectivity.

Fiber optic components: We supply optical laser and receiver components to the Ethernet networking, storage, and access, metro- and long-haul telecommunication markets. Our optical components enable the high speed reception and transmission of data through optical fibers.

Wireless Communications Segment. We support the wireless communications industry with a broad variety of RF semiconductor devices, connectivity solutions and custom touch controllers. Devices incorporating our wireless solutions include smartphones and tablets.

RF Semiconductor Devices: Our RF semiconductor devices selectively filter, as well as amplify, RF signals. Filters enable modern wireless communication systems to support a large number of subscribers simultaneously by ensuring that the multiple transmissions and receptions of voice and data streams do not interfere with each other. We were among the first to deliver commercial film bulk acoustic resonator, or FBAR, filters that offer technological advantages over competing filter technologies, to allow smartphones to function more efficiently in today's congested RF spectrum. FBAR technology has a significant market share within the cellular handset market. As cellular carriers continue to move to 4G/long-term evolution, or LTE, and LTE-advanced standards worldwide, we believe these technological advantages will continue to benefit our business. Our RF products include FEMs that incorporate multiple die into multi-function RF devices, duplexers and multiplexers, which are a combination of two or more transmit and receive filters in a single device, using our proprietary FBAR technology, discrete filters and discrete power amplifiers.

Our expertise in FBAR technology, amplifier design, and module integration enables us to offer industry-leading performance in cellular RF transceiver applications. Our proprietary GaAs wafer manufacturing processes are critical to the production of power amplifier and low noise amplifier products.

Connectivity solutions: Our connectivity solutions include discrete and integrated Wi-Fi and Bluetooth solutions, location (GPS/GNSS) controllers and touch controllers.

Wi-Fi allows devices on a local area network to communicate wirelessly, adding the convenience of mobility to the utility of high-speed data networks. We offer a family of high performance, low power Wi-Fi chipsets. Bluetooth is a low power technology that enables direct connectivity between devices. We offer a complete family of Bluetooth silicon and software solutions that enable manufacturers to easily and cost-effectively add Bluetooth functionality to virtually any device. These solutions include combination chips that offer integrated Wi-Fi and Bluetooth functionality, which provides significant performance advantages over discrete solutions.

We also offer a family of GPS, assisted-GPS (A-GPS) and GNSS semiconductor products, software and data services. These products are part of a broader location platform that leverages a broad range of communications technologies, including WiFi, Bluetooth and GPS, to provide more accurate location and navigation capabilities.

Custom Touch Controllers: Our touch controllers process signals from touch screens in smartphones and tablets.

Enterprise Storage Segment. Our enterprise storage products enable secure movement of digital data to and from host machines such as servers, personal computers and storage systems to the underlying storage devices such as HDDs and SSDs.

SAS, RAID and PCIe Products: We provide SAS and RAID controller and adapter solutions to server and storage system OEMs. These solutions enable secure and high speed data transmission between a host computer, such as a server, and storage peripheral devices, such as HDD, SSD and optical disk drives and disk and tape-based storage systems. Some of these solutions are delivered as stand-alone semiconductors, typically as a controller. Other

solutions are delivered as circuit boards, known as adapter products, which incorporate our semiconductors onto a circuit board with other features. RAID technology is a critical part of our server storage connectivity solutions as it provides protection against the loss of critical data resulting from HDD failures.

We also provide interconnect semiconductors that support the PCI and PCIe communication standards. PCIe is the primary interconnection mechanism inside computing systems today.

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Fibre Channel Products: We provide Fibre Channel HBAs, which connect host computers such as servers to Fibre Channel Storage Area Networks, or FC SANs. FC SANs are networks dedicated to storage traffic, and enable simultaneous high speed and secure connections among multiple host computers and multiple storage arrays.

HDD and SSD products: We provide read channel-based SoCs and preamplifiers to HDD OEMs. These are the critical chips required to read, write and protect data. An HDD SoC is an integrated circuit, or IC, that combines the functionality of a read channel, serial interface, memory and a hard disk controller in a small, high-performance, low-power and cost-effective package. Read channels convert analog signals that are generated by reading the stored data on the physical media into digital signals. In addition, we sell preamplifiers, which are used to amplify the initial signal to and from the drive disk heads so the signal can be processed by the read channel.

We also provide custom flash controllers to SSD OEMs. An SSD stores data in flash memory instead of on a hard disk, providing high speed access to the data. Flash controllers manage the underlying flash memory in SSDs, performing critical functions such as reading and writing data to and from the flash memory and performing error correction, wear leveling and bad block management.

Industrial & Other. We provide a broad variety of products for the general industrial and automotive markets. This segment also includes IP licensing revenue.

Optocouplers: We offer optical isolators, or optocouplers, which provide electrical insulation and signal isolation for signaling systems that are susceptible to electrical noise or interference. Optocouplers are used in a diverse set of applications, including industrial motors, automotive systems including those used in hybrid engines, power generation and distribution systems, switching power supplies, motion sensors, telecommunications equipment, computers and office equipment, plasma displays, and military electronics.

Industrial Fiber Optics: For industrial networking, we provide fast optical transceivers using plastic optical fiber that enable quick and interoperable networking and factory automation.

Motion Encoders: For industrial motors and robotic motion control, we supply optical encoders, as well as ICs for the controller and decoder functions.

LEDs: For electronic signs and signals, we supply Light Emitting Diode, or LED, assemblies that offer high brightness and stable light output over thousands of hours, enabling us to support traffic signals, large commercial signs and other displays.

Research and Development

We are committed to continuous investment in product development, with a focus on rapidly introducing new, proprietary products. Many of our products have grown out of our own research and development efforts, and have given us competitive advantages in certain target markets due to performance differentiation. However, from time to time we also seek to enhance our capabilities through the acquisition of engineers with complementary research and development skills and complementary technologies and businesses. We focus our research and development efforts on the development of innovative, sustainable and higher value product platforms. We leverage our design capabilities in markets where we believe our innovation and reputation will allow us to earn attractive margins by developing high value-add products.

We plan to continue investing in product development, both organically and through acquisition, to drive growth in our business. We also invest in process development and fabrication capabilities to optimize processes for devices that are manufactured internally. Our field application engineers, or FAEs, and design engineers are located in many places around the world, and in many cases near our top customers. This enhances our customer reach and our visibility into new product opportunities and enables us to support our customers in each stage of their product development cycle, from early stages of production design through to volume manufacturing and future growth. By collaborating with our customers, we have opportunities to develop high value-added, customized products for them that leverage our existing technologies. Research and development expense was \$2.7 billion, \$1 billion and \$695 million for fiscal years 2016, 2015 or 2014, respectively. These amounts included share-based compensation expense of \$430 million, \$107 million and \$57 million for fiscal years 2016, 2015 and 2014, respectively. We anticipate that we will continue to make significant research and development expenditures in order to maintain our competitive position, and with a continuous flow of innovative and sustainable product platforms.

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Customers, Sales and Distribution

We sell our products to a wide variety of OEMs or their contract manufacturers, distributors and end users. Certain customers require us to contract with them directly and with specified intermediaries, such as contract manufacturers, and both they and their contract manufacturers often require time-critical delivery of our products to multiple locations around the world. Historically, a relatively small number of customers have accounted for a significant portion of our net revenue. During fiscal year 2016, Foxconn Technology Group companies (including Hon Hai Precision Industries), or together referred to as Foxconn, accounted for 14% of our net revenue, and our top ten direct customers, which also included four distributors, collectively accounted for 50% of our net revenue. During fiscal year 2015, Foxconn accounted for 24% of our net revenue and our top ten direct customers, which also included three distributors, collectively accounted for 58% of our net revenue. We believe our aggregate sales to Apple, Inc., when our direct sales to it are combined with our sales to the contract manufacturers that it utilizes (which includes Foxconn), accounted for more than 10% of our net revenues for fiscal year 2016 and more than 20% for fiscal year 2015. We expect to continue to experience significant customer concentration in future periods. The loss of, or significant decrease in demand from, any of our top ten direct or indirect customers could have a material adverse effect on our business, results of operations and financial condition.

We sell our products through our direct sales force and a select network of distributors globally. Our direct sales force is focused on supporting our large OEM customers. Our sales force has specialized product and service knowledge that enables us to sell specific offerings at key levels throughout a customer's organization.

We have sales offices located in various countries, with a significant presence in Asia, which is a key center of the worldwide electronics supply chain. Many of our customers design products in North America or Europe that are then manufactured in Asia. We also maintain dedicated regional customer support call centers, where we address customer issues and handle logistics and other order fulfillment requirements.

We have strategically developed distributor relationships to serve thousands of customers around the world. A significant amount of our sales are to large global electronic components distributors, including Avnet, Inc., complemented by a number of regional distributors with customer relationships based on their respective product ranges.

We believe we are well-positioned to support our customers throughout the design, technology transfer and manufacturing stages across all geographies.

Operations

The majority of our front-end wafer manufacturing operations is outsourced to external foundries, including Taiwan Semiconductor Manufacturing Company Limited, or TSMC, primarily, as well as United Microelectronics Corporation, Semiconductor Manufacturing International Corporation, GlobalFoundries Inc., Tower Jazz and WIN Semiconductors Corp. We use third-party contract manufacturers for a significant majority of our assembly and test operations, including ASE Korea, Inc., Amkor Technology, Siliconware Precision Industries Co. Ltd., UTAC Holdings Ltd., King Yuan Electronics Corp. and Inari Technology SDN BHD. We use our internal fabrication facilities for products utilizing our innovative materials and processes, to protect our IP and to develop specialized manufacturing technology. Examples of internally fabricated semiconductors include our FBAR filters for wireless communications and our VCSEL-based and InP-based lasers for fiber optic communications. The majority of our internal III-V semiconductor wafer fabrication is done in the United States and Singapore. Many of our products are designed to be manufactured in a specific process, typically at one particular foundry, either our own or with a particular contract manufacturer, and in some instances, we may only qualify one contract manufacturer to manufacture certain of our products. For selected customers, we maintain finished goods inventory near or at customer manufacturing sites to support their just-in-time production.

Materials and Suppliers

Our manufacturing operations employ a wide variety of semiconductors, electromechanical components and assemblies and raw materials. We purchase materials from hundreds of suppliers on a global basis. These supply relationships are generally conducted on a purchase order basis. While we have not experienced any significant difficulty in obtaining the materials used in the conduct of our business and we believe that no single supplier is material, some of the parts are not readily available from alternate suppliers due to their unique design or the length of

time necessary for re-design or qualification. Our long-term relationships with our suppliers allow us to proactively manage our technology development and product discontinuance plans, and to monitor our suppliers' financial health. Some suppliers may, nonetheless, extend their lead times, limit supplies, increase prices or cease to produce necessary parts for our products. If these are unique or highly specialized components, we may not be able to find a substitute quickly, or at all. To address the potential disruption in our supply chain, we may use a number of techniques, including qualifying more than one source of supply, redesigning products for alternative components and incremental, or in some cases "lifetime," purchases of affected parts for supply buffer.

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Competition

The global semiconductor market is highly competitive. Our competitors range from large, international companies offering a wide range of products to smaller companies specializing in narrow markets. We compete with integrated device manufacturers, or IDMs, and fabless semiconductor companies as well as the internal resources of large, integrated OEMs. The competitive landscape is changing as a result of a trend toward consolidation within the industry, as some of our competitors have merged with or been acquired by other competitors while others have begun collaborating with each other. We expect this consolidation trend to continue. We expect competition in the markets in which we participate to continue to increase as existing competitors improve or expand their product offerings and as new companies enter the market. Additionally, our ability to compete effectively depends on a number of factors, including: quality, technical performance, price, product features, product system compatibility, system-level design capability, engineering expertise, responsiveness to customers, new product innovation, product availability, delivery timing and reliability, and customer sales and technical support.

Our primary competitors in the wired infrastructure segment are Cavium Inc., Intel Corp., Finisar Corp., GlobalFoundries, HiSilicon Technologies Co. Ltd., Lumentum Operations LLC, MACOM Technology Solutions Holdings, Inc., Marvell Corp., Mediatek Inc., Mellanox Technologies, Mitsubishi Electric Corporation, NXP Semiconductors N.V., Quantenna Inc., ST Microelectronics N.V., and Sumitomo Corporation. We compete based on the strength of our high speed proprietary design expertise, our customer relationships, and broad product portfolio. Our primary competitors in the wireless communications segment are Murata Manufacturing Co., Ltd., Qorvo, Inc., Qualcomm Inc., Skyworks Solutions, Inc., and TDK-EPC Corporation. We compete based on our expertise in FBAR technology, amplifier design, module integration and proprietary material processes.

Our competitors in the enterprise storage segment include Cavium Inc., Marvell Technology Group, Ltd., Microsemi Corp., and Texas Instruments, Inc. We compete based on our expertise in multiple storage protocols and mixed-signal design.

Our primary competitors in the industrial & other segment are Analog Devices, Inc., Cree, Inc., Hamamatsu Photonics K.K., Heidenhain Corporation, Renesas Electronics Corporation and Toshiba Corporation. We compete based on our design expertise, broad product portfolio, reputation for quality products and large customer base.

Intellectual Property

Our success depends in part upon our ability to protect our IP. To accomplish this, we rely on a combination of IP rights, including patents, copyrights, trademarks, service marks, trade secrets and similar IP, as well as customary contractual protections with our customers, suppliers, employees and consultants, and through security measures to protect our trade secrets. We believe our current product expertise, key engineering talent and IP portfolio provide us with a strong platform from which to develop application specific products in key target markets.

As of October 30, 2016, we had approximately 27,640 U.S. and other patents and approximately 3,020 U.S. and other pending patent applications. Our research and development efforts are presently resulting in approximately 350 new patent applications per year, relating to a wide range of ASIC, isolation, encoder, LED, RF and optoelectronic components, enterprise storage products, HDD silicon, PCIe, USB and other standard I/O devices, Ethernet and Fibre-Channel connectivity and controllers, set-top box SoCs, cable modem SoCs, broadband access SoCs, wireless connectivity SoCs, switching/routing SoCs, high performance processor SoCs and associated applications. The expiration dates of our patents range from 2017 to 2035, with a small number of patents expiring in the near future, none of which are expected to be material to our IP portfolio. We are not substantially dependent on any single patent or group of related patents.

We focus our patent application program to a greater extent on those inventions and improvements that we believe are likely to be incorporated into our products, as contrasted with more basic research. However, we do not know how many of our pending patent applications will result in the issuance of patents or the extent to which the examination process could require us to narrow our claims.

We and our predecessors have also entered into a variety of IP licensing and cross-licensing arrangements that have both benefited our business and enabled some of our competitors. A portion of our revenue comes from IP licensing royalty payments and from technology claim settlements relating to such IP. We also license in third-party technologies that are incorporated into some elements of our design activities, products and manufacturing processes.

Historically, licenses of the third-party technologies used by us have been available to us on acceptable terms. The semiconductor industry is characterized by the existence of a large number of patents, copyrights, trademarks and trade secrets and by the vigorous pursuit, protection and enforcement of IP rights. Many of our customer agreements require us to indemnify our customers for third-party IP infringement claims. Claims of this sort could harm our relationships with our customers and might deter future customers from doing business with us. With respect to any IP rights claims against us or our customers or distributors, we may be required to cease manufacture of the infringing product, pay damages, expend resources to

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develop non-infringing technology, seek a license which may not be available on commercially reasonable terms or at all, or relinquish patents or other IP rights.

Employees

As of October 30, 2016, we had approximately 15,700 employees worldwide. By geography, approximately 55% of our employees are located in North America, 41% in Asia, and 4% in Europe. In Singapore, approximately 300 of our 1,000 employees are subject to a collective bargaining agreement. In the United States, none of our employees is represented by a labor union. A small number of our employees in other countries are represented by workers' councils or labor unions.

Environmental and Other Regulation

Our research and development and manufacturing operations involve the use of hazardous substances and are regulated under international, federal, state and local laws governing health and safety and the environment. These regulations include limitations on discharge of pollutants to air, water, and soil; remediation requirements; product chemical content limitations; manufacturing chemical use and handling restrictions; pollution control requirements; waste minimization considerations; and treatment, transport, storage and disposal of solid and hazardous wastes. We are also subject to regulation by the United States Occupational Safety and Health Administration and similar health and safety laws in other jurisdictions.

We believe that our properties and operations at our facilities comply in all material respects with applicable environmental laws and worker health and safety laws; however, the risk of environmental liabilities cannot be completely eliminated and there can be no assurance that the application of environmental and health and safety laws to our business will not require us to incur significant expenditures.

We are also regulated under a number of international, federal, state and local laws regarding recycling, product packaging and product content requirements, including legislation enacted in the United States, European Union and China, among a growing number of jurisdictions, which have placed greater restrictions on the use of lead, among other chemicals, in electronic products, which affects materials composition and semiconductor packaging. These laws are becoming more stringent and may in the future cause us to incur significant expenditures.

Backlog

Our sales are generally made pursuant to short-term purchase orders. These purchase orders are made without deposits and may be, and often are, rescheduled, canceled or modified on relatively short notice, without substantial penalty. Therefore, we believe that purchase orders or backlog are not necessarily a reliable indicator of future sales.

Seasonality

Historically, our net revenue has typically been higher in the second half of the fiscal year than in the first half, primarily due to seasonality in our wireless communications segment. This segment has historically experienced seasonality due to launches of new mobile handsets manufactured by our OEM customers. However, from time to time, typical seasonality and industry cyclicality are overshadowed by other factors such as wider macroeconomic effects, the timing of significant product transitions and launches by large OEMs, particularly in the wireless communications and enterprise storage segments.

Financial Information about Geographic Areas

For information on the geographic concentration of our net revenue and long-lived assets, please see Note 12. "Segment Information," of our consolidated financial statements, included elsewhere in the Annual Report on Form 10-K.

Other Information

Broadcom Limited was incorporated under the laws of the Republic of Singapore in March 2015 and is successor to Avago Technologies Limited, which was incorporated under the laws of the Republic of Singapore in August 2005. Our Singapore company registration number is 201505572G. The address of our registered office and our principal executive offices is 1 Yishun Avenue 7, Singapore 768923, and our telephone number there is +65-6755-7888. Our ordinary shares are listed on the Nasdaq Global Select Market under the trading symbol "AVGO".

Broadcom Cayman, L.P. was formed under the laws of the Cayman Islands in May 2015. The address of the Partnership's registered office is P.O. Box 309, Uglund House, Grand Cayman, KY1-104, Cayman Islands. The address of the Partnership's principal executive offices is 1 Yishun Avenue 7, Singapore 768923, and the telephone

number there is +65-6755-7888.

Broadcom Limited is subject to the information and periodic reporting requirements of the Securities Exchange Act of 1934, or Exchange Act, and, in accordance therewith, file periodic reports, proxy statements and other information with the U.S. Securities and Exchange Commission, or the SEC. In addition, the Partnership restricted exchangeable units, or Partnership REUs (which are held by former BRCM shareholders), are deemed to be registered under Section 12(b) of the

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Exchange Act and the Partnership is subject to the informational requirements of the Exchange Act and the rules and regulations promulgated thereunder.

Such periodic reports, proxy statements and other information is available for inspection and copying at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549 or may be obtained by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a website at <http://www.sec.gov> that contains reports, proxy statements and other information regarding issuers that file electronically with the SEC. We maintain a website at www.broadcom.com. You may access our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other reports (and amendments thereto) filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act with the SEC, as well as, proxy statements filed by Broadcom Limited, free of charge at the "Investor Center — SEC Filings" section of our website at www.broadcom.com, as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The reference to our website address does not constitute incorporation by reference of the information contained on or accessible through our website.

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Item 1A. Risk Factors

As noted above, Broadcom is the successor to Avago. Following the acquisition of BRCM, on February 1, 2016, Broadcom became the ultimate parent company of Avago and BRCM. Financial information and results of operations presented in this Form 10-K for periods prior to February 1, 2016 relate to Avago and relate to us for the periods after February 1, 2016.

Our business, operations and financial results are subject to various risks and uncertainties, including those described below, that could adversely affect our business, financial condition, results of operations, cash flows, and the trading price of our ordinary shares. The following important factors, among others, could cause our actual results to differ materially from those expressed in forward-looking statements made by us or on our behalf in filings with the SEC, press releases, communications with investors and oral statements.

Risks Related to Our Business

Our acquisition of BRCM and the integration of its business, operations and employees with our own will involve risks and the failure to integrate successfully or realize the anticipated benefits could adversely affect our financial results and the value of our ordinary shares.

We completed the Broadcom Transaction on February 1, 2016. Although we expect significant benefits to result from this acquisition, there can be no assurance that we will actually realize all of the anticipated benefits of the acquisition. Achieving these benefits depends, in part, on our ability to integrate BRCM's business successfully and efficiently with our business, and the harmonization of differences in the business cultures between the two companies and their personnel. The challenges and risks involved in this integration, which are complex and time-consuming, include the following:

- consolidating and integrating information technology, corporate, finance and administrative infrastructures;
- coordinating and integrating our international operations;
- integrating employees and related HR systems and benefits, maintaining employee morale and retaining key employees;
- servicing the substantial debt we incurred in connection with Broadcom Transaction; and
- integrating financial forecasting and controls, procedures and reporting cycles, including integration of the BRCM businesses onto our enterprise resource planning system.

If we do not successfully manage these issues and the other challenges inherent in integrating an acquired business of the size and complexity of BRCM, then we may not achieve all of the anticipated benefits of the acquisition and our revenue, expenses, operating results, financial condition and the value of our ordinary shares could be materially adversely affected. In addition, we may be exposed to unexpected contingencies or liabilities of BRCM. For example, goodwill and intangible assets could be determined to be impaired, which could adversely impact our financial results. As a result of the acquisition of BRCM, we have implemented a number of cost reduction activities, including the elimination of a substantial number of positions from our combined global workforce across all business and functional areas. During this time we have been, and will continue to be, dependent on the services of a number of employees who are transitioning out of our workforce. We may be unable to successfully manage these employees in the performance of their transition activities.

The successful integration of the BRCM business will require significant management attention, and may divert the attention of management from our business and operational issues.

The majority of our sales come from a small number of customers and a reduction in demand or loss of one or more of our significant customers may adversely affect our business.

We are dependent on a small number of direct customers, OEMs, their respective contract manufacturers, and certain distributors for a majority of our business, revenue and results of operations. For fiscal year 2016, our top ten direct customers, which included four distributors, collectively accounted for 50% of our net revenue, of which direct sales to Foxconn accounted for 14%. We also believe our aggregate sales to Apple Inc. when our direct sales to it are combined with our sales to the contract manufacturers that it utilizes (which include Foxconn), accounted for more than 10% of our net revenue for fiscal year 2016.

This customer concentration increases the risk of quarterly fluctuations in our operating results and our sensitivity to any material, adverse developments experienced by our significant customers. In addition, our top customers'

purchasing power has, in some cases, given them the ability to make greater demands on us with regard to pricing and contractual terms in general. We expect this trend to continue, which may adversely affect our gross margin on certain products. Although we believe that our relationships with our major customers are good, we generally do not have long-term contracts with any of them and the relationship can usually be terminated at any time, without penalty, which is typical of our industry. In addition,

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we are selling an increasing amount of our products through an increasingly limited number of distributors, which may expose us to additional customer concentration and related credit risks.

The loss of, or any substantial reduction in sales to, any of our major direct or end customers could have a material adverse effect on our business, financial condition and results of operations and cash flows.

Dependence on contract manufacturing and suppliers of critical components within our supply chain may adversely affect our ability to bring products to market, damage our reputation and adversely affect our results of operations.

We operate a primarily outsourced manufacturing business model that principally utilizes third-party wafer foundry and module assembly and test capabilities, referred to as contract manufacturers. Our products require semiconductor wafers manufacturers with state-of-the-art fabrication equipment and techniques, and most of our products are designed to be manufactured in a specific process, typically at one particular fab or foundry, either our own or with a particular contract manufacturer.

We utilize Taiwan Semiconductor Manufacturing Company Limited, or TSMC, to produce the substantial majority of our semiconductor wafers. TSMC manufactured approximately two-thirds of the wafers manufactured by our contract manufacturers during fiscal year 2016. Our wafer requirements represent a significant portion of the total production capacity of TSMC. However, TSMC also fabricates wafers for other companies, including certain of our competitors, and could choose to prioritize capacity for other users or reduce or eliminate deliveries to us on short notice, or raise their prices to us, all of which could harm our business, results of operations and gross margin.

We depend on our contract manufacturers to allocate sufficient manufacturing capacity to meet our needs, to produce products of acceptable quality at acceptable yields, and to deliver those products to us on a timely basis. Although we often have long-term contracts with our contract manufacturers, we do not generally have long-term capacity commitments. We obtain substantially all of our manufacturing services on a purchase order basis and our contract manufacturers have no obligation to provide us with any specified minimum quantities of product. Further, from time to time our contract manufacturers will cease to, or will become unable to, manufacture a component for us. As the lead time needed to identify, qualify, and establish reliable production, at acceptable yields, with a new contract manufacturing partner is typically lengthy, there is often no readily available alternative source for the wafer or other contract manufacturing services we require. In addition, qualifying such manufacturers is often expensive, and they may not produce as cost-effectively as our other suppliers, which would reduce our margins. In such circumstances, we may be unable to meet our customer demand and may fail to meet our contractual obligations. This could result in the payment of significant damages by us to our customers, and our net revenue could decline adversely affecting our business, financial condition and results of operations. Any substantial disruption in TSMC's supply of wafers to us, or in the other contract manufacturing services that we utilize, as a result of a natural disaster, political unrest, economic instability, equipment failure or other cause, could materially harm our business, customer relationships and results of operations.

We also depend on our third party contract manufacturers to timely develop new, advanced manufacturing processes, including, in the case of wafer fabrication, transitions to smaller geometry process technologies. If these new processes are not timely developed or we do not have sufficient access to them, we may be unable to maintain or increase our manufacturing efficiency to the same extent as our competitors or deliver products to our customers, which could result in loss of revenue opportunities and damage our relationships with our customers.

We purchase a significant amount of the materials used in our products from a limited number of suppliers.

Our manufacturing processes rely on many materials, including silicon, gallium arsenide and indium phosphide wafers, copper lead frames, precious metals, mold compound, ceramic packages and various chemicals and gases. We purchase a significant portion of our semiconductor materials and finished goods from a few materials providers, some of which are single source suppliers. During fiscal year 2016, we purchased approximately two-thirds of the materials for our manufacturing processes from five materials providers. Substantially all of our purchases are on a purchase order basis, and we do not generally have long-term contracts with our contract manufacturers or materials providers. Suppliers may extend lead times, limit supplies or increase prices due to commodity price increases, capacity constraints or other factors, which may lead to interruption of supply or increased demand in the industry. In the event that we cannot timely obtain sufficient quantities of materials at reasonable prices, the quality of the material deteriorates or we are not able to pass on higher materials or energy costs to our customers, our business, financial

condition and results of operations could be adversely impacted.

We may pursue acquisitions, dispositions, investments and joint ventures, which could adversely affect our results of operations.

Our growth strategy includes the acquisition of, and investment in, businesses that offer complementary products, services and technologies, augment our market coverage, or enhance our technological capabilities, such as our pending acquisition of Brocade. We may also enter into strategic alliances or joint ventures to achieve these goals. We may not be able to identify

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suitable acquisition, investment, alliance, or joint venture opportunities, or to consummate any such transactions. In addition, our original estimates and assumptions used in assessing any acquisition that we make may be inaccurate and we may not realize the expected financial or strategic benefits of any such acquisition, including the pending acquisition of Brocade.

Any acquisitions, including the pending acquisition of Brocade, we may undertake involve risks and uncertainties. For example, if we fail to complete an acquisition our share price could fall to the extent the price reflects an assumption that such acquisition will be completed, we may have incurred significant unrecoverable costs, and be subject to legal proceedings related to the acquisition. Further, the failure to consummate an acquisition may result in negative publicity and negatively impact our relationships with our customers, vendors and employees. If an acquisition is completed, we may become subject to litigation and the integration of acquired businesses may not be successful. The integration of an acquired business involves significant challenges, including among others: minimizing the disruption of our business and diversion of management's attention from daily operations; incurring significant restructuring charges and amortization expense, assuming liabilities and ongoing lawsuits, acquiring goodwill and other non-amortization intangible assets, and increasing our expenses and working capital requirements; and implementing our management information systems, operating systems and internal controls over, and integrating the personnel of, the acquired operations. These difficulties may be complicated by factors such as the size of the business or entity acquired, geographic distances, lack of experience operating in the geographic markets or industry sectors of the acquired business, potential loss of key employees and customers, the potential for deficiencies in internal controls at the acquired or combined business, performance problems with the acquired business' technology, exposure to unanticipated liabilities of the acquired business, insufficient revenue to offset increased expenses associated with the acquisition, adverse tax consequences and our potential inability to achieve the growth prospects or synergies expected from any such acquisition. Failure to manage and successfully integrate the acquisitions we make, or to improve margins of the acquired businesses and products could materially harm our business, operating results and margins.

Any future acquisitions we make may require significant additional debt or equity financing, which, in the case of debt financing, would increase our leverage and potentially affect our credit ratings, and in the case of an equity or equity-linked financing, would be dilutive to our existing shareholders. Any downgrades in our credit ratings associated with an acquisition could adversely affect our ability to borrow by resulting in more restrictive borrowing terms. As a result, we also may not be able to complete acquisitions or other strategic transactions in the future to the same extent as in the past, or at all. These and other factors could harm our ability to achieve anticipated levels of profitability of acquired operations or realize other anticipated benefits of an acquisition, and could adversely affect our business, financial condition and results of operations.

From time to time, we may also seek to divest or wind down portions of our business, both acquired or otherwise, that are not strategically important, such as the portions of the Brocade business that we do not intend to retain, or we may exit minority investments, each of which could materially affect our cash flows and results of operations. Under the Brocade Agreement, Brocade has agreed to cooperate with us to facilitate the sale, disposition or other transfer of its IP Networking business, including its recently acquired Ruckus Wireless business, or the non-core Brocade assets. The disposition of the non-core Brocade assets or any other future dispositions we make may involve risks and uncertainties, including our ability to sell these businesses on terms acceptable to us, or at all. Any such dispositions could result in disruption to other parts of our business, potential loss of employees or customers, exposure to unanticipated liabilities or result in ongoing obligations and liabilities to us following any such divestiture. For example, in connection with a disposition, we may enter into transition services agreements or other strategic relationships, including long-term research and development arrangements, sales arrangements or agree to provide certain indemnities to the purchaser in any such transaction, which may result in additional expense and may adversely affect our financial condition and results of operations. In addition, dispositions may include the transfer of technology and/or the licensing of certain IP rights to third party purchasers, which could limit our ability to assert our IP rights against such third party purchasers.

Failure to adjust our manufacturing and supply chain to accurately meet customer demand could adversely affect our results of operations.

We make significant decisions, including determining the levels of business that we will seek and accept, production schedules, levels of reliance on contract manufacturing and outsourcing, internal fab capacity and other resource requirements, based on our estimates of customer requirements. Factors that can impact our ability to accurately estimate future customer requirements include the short-term nature of many customers' commitments, our customers' ability to reschedule, cancel and modify orders with little or no notice and without significant penalty, the accuracy of our customers' forecasts and the possibility of rapid changes in demand for our customers' products, as well as seasonal or cyclical trends in their industries or the semiconductor industry.

To ensure availability of our products, particularly for our largest customers, we typically start manufacturing our relevant products based on our customers' forecasts, which are not binding. As a result, we incur inventory and manufacturing costs in advance of anticipated sales that may never materialize or which may be substantially lower than expected. If actual demand for our products is lower than forecast, we may also experience higher inventory carrying and operating costs and product

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obsolescence. Because certain of our sales, research and development and internal manufacturing overhead expenses are relatively fixed, a reduction in customer demand may also decrease our gross margin and operating income. Conversely, customers often require rapid increases in production on short notice. We may be unable to secure sufficient materials or contract manufacturing capacity to meet such increases in demand. This could damage our customer relationships, reduce revenue growth and margins, subject us to additional liabilities, harm our reputation, and prevent us from taking advantage of opportunities.

We are dependent on a small number of markets, and dynamics in these markets could negatively impact our business or results of operations.

We operate in a limited number of markets. If demand in these markets declines or grows at a significantly slower pace than expected, our results may be adversely affected. The success of our wired infrastructure segment is primarily dependent on IT and data center spending, which can vary dramatically from quarter to quarter, consumer demand for traditional pay-TV services, capital expenditures on the installation of broadband capacity and our ability to transition our products to increasingly smaller line width geometries. Our wireless communications segment is primarily dependent on the mobile handset market, which is characterized by intense competition, rapidly evolving technologies and changing consumer preferences, and our success is dependent on the overall demand for mobile handsets and macroeconomic conditions in general, as well as relative success of the mobile handsets into which our products are incorporated.

Similar to our wired infrastructure segment, our enterprise storage segment is dependent on data center spending, as well as HDD-related sales. In addition, the shift to cloud-based IT solutions and services, such as hyperscale computing, may adversely affect both our wired infrastructure and enterprise storage segments. We currently sell a substantial portion of our products for use in traditional enterprise data centers. As cloud-based IT solutions become more prevalent, our results of operations will suffer if we are unable to increase sales of our products to cloud-based data center providers.

We are subject to risks associated with our distributors' product inventories and product sell-through.

We sell many of our products through distributors who maintain their own inventory of our products for sale to dealers and end customers. We limit distributor return rights and we allow limited price adjustments on sales to distributors. Price adjustments may be effected by way of credits for future product or by cash payments to the distributor, either in arrears or in advance, using estimates based on historical transactions. These programs may require us to deploy a substantial amount of cash to fund them. As of October 30, 2016, we had an aggregate of approximately \$149 million on deposit with various distributors to fund these programs. The timing and mix of payments and credits associated with such price adjustments could change over time, which could adversely affect our cash flows. Sales to distributors accounted for 30% of our net revenue for fiscal year 2016.

If our distributors are unable to sell an adequate amount of their inventory of our products in a given quarter or if they decide to decrease their inventories for any reason, our sales to these distributors and our revenue may decline. We also face the risk that our distributors may increase inventory levels of our products in any particular quarter in excess of future anticipated sales. If such sales do not occur in the time frame anticipated by these distributors for any reason, these distributors may substantially decrease the amount of product they order from us in subsequent periods until their inventory levels realign with end-customer demand, which would harm our business and could adversely affect our revenue in such subsequent periods.

We do not always have a direct relationship with the end-customers of our products sold through distributors. As a result, our products may be used in applications for which they were not necessarily designed or tested, including, for example, medical devices, and they may not perform as anticipated in such applications. In such event, failure of even a small number of parts could result in significant liabilities to us, damage our reputation and harm our business and results of operations.

Our operating results are subject to substantial quarterly and annual fluctuations.

Our revenue and operating results have fluctuated in the past and are likely to fluctuate in the future. These fluctuations may occur on a quarterly and annual basis and are due to a number of factors, many of which are beyond our control. These factors include, among others:

- our ability to successfully and timely integrate, and realize the benefits of acquisitions we may make;

the timing of launches by our customers of new products, such as mobile handsets, in which our products are included and changes in end-user demand for the products manufactured and sold by our customers;
changes in our product mix or customer mix and their effect on our gross margin;
seasonality or other fluctuations in our markets;
the timing of receipt, reduction or cancellation of significant orders by customers;
fluctuations in the levels of component inventories held by our customers;

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customer concentration and the gain or loss of significant customers;
utilization of our internal manufacturing facilities and fluctuations in manufacturing yields;
the timing of acquisitions or dispositions of, or making and exiting investments in, other entities, businesses or technologies;
fluctuations in interest rates, as substantially all of our outstanding indebtedness bears interest at floating rates;
fluctuations in currency exchange rates;
our ability to develop, introduce and market new products and technologies on a timely basis;
the timing and extent of our non-product revenue, such as product development revenue and royalty and other payments from IP sales and licensing arrangements;
new product announcements and introductions by us or our competitors;
timing and amount of research and development and related new product expenditures, and the timing of receipt of any research and development grant monies;
significant warranty claims, including those not covered by our suppliers or our insurers;
availability and cost of raw materials from our suppliers;
IP disputes and associated litigation expense;
loss of key personnel or the shortage of available skilled workers;
the effects of competitive pricing pressures, including decreases in average selling prices of our products; and
changes in our tax incentive arrangements or structure, which may adversely affect our net tax expense and our cash flow in any quarter in which such an event occurs.

The foregoing factors are difficult to forecast, and these, as well as other factors, could materially adversely affect our quarterly or annual operating results. In addition, a significant amount of our operating expenses are relatively fixed in nature due to our significant sales, research and development and internal manufacturing overhead costs. Any failure to adjust spending quickly enough to compensate for a revenue shortfall could magnify the adverse impact of such revenue shortfall on our results of operations. As a result, we believe that quarter-to-quarter comparisons of our revenue and operating results may not be meaningful or a reliable indicator of our future performance. If our operating results in one or more future quarters fail to meet the expectations of securities analysts or investors, an immediate and significant decline in the trading price of our ordinary shares may occur.

Our business would be adversely affected by the departure of existing members of our senior management team. Our success depends, in large part, on the continued contributions of our senior management team, and in particular, the services of Mr. Hock E. Tan, our President and Chief Executive Officer. Although we sometimes provide certain retention-based incentives to certain executives, none of our senior management is bound by written employment contracts to remain with us for a specified period. In addition, we do not currently maintain key person life insurance covering our senior management. The loss of any of our senior management could harm our ability to implement our business strategy and respond to the rapidly changing market conditions in which we operate.

Adverse global economic conditions could have a negative effect on our business, results of operations and financial condition and liquidity.

Adverse global economic conditions have from time to time caused or exacerbated significant slowdowns in the semiconductor industry generally, as well as in our target markets, which have adversely affected our business and results of operations. In recent periods, investor and customer concerns about the global economic outlook have adversely affected market and business conditions in general. Macroeconomic weakness and uncertainty also make it more difficult for us to accurately forecast revenue, gross margin and expenses. Sustained uncertainty about, or worsening of, current global economic conditions may cause our customers and consumers to reduce or delay spending, could lead to the insolvency of key suppliers and customers, and could intensify pricing pressures. Any or all of these factors could negatively affect demand for our products and our business, financial condition and result of operations.

Winning business is subject to lengthy, competitive selection processes that often require us to incur significant expense, from which we may ultimately generate no revenue.

Our business is dependent on us winning competitive bid selection processes, known as “design wins,” to develop semiconductors for use in our customers’ products. These selection processes are typically lengthy and can require us

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dedicate significant development expenditures and scarce engineering resources in pursuit of a single customer opportunity. Failure to obtain a particular design win may prevent us from obtaining design wins in subsequent generations of a particular product. This can result in lost revenue and could weaken our position in future competitive selection processes.

Winning a product design does not guarantee sales to a customer or that we will realize as much revenue, if any, as anticipated. A delay or cancellation of a customer's plans could materially and adversely affect our financial results, as we incur significant expense in the design process and may generate little or no revenue from it. In addition, the timing of design wins is unpredictable and implementing production for a major design win, or multiple design wins occurring at the same time, may strain our resources and those of our contract manufacturers. In such event, we may be forced to dedicate significant additional resources and incur additional, unanticipated costs and expenses. Often customers will only purchase limited numbers of evaluation units from us until they qualify the products and/or the manufacturing line for the products. The qualification process can take significant time and resources and we may not always be able to satisfy the customers' qualification requirements. Delays in qualification or failure to qualify our products may cause a customer to discontinue use of our products and result in a significant loss of revenue. Finally, customers could choose at any time to stop using our products or may fail to successfully market and sell their products, which could reduce demand for our products, and cause us to hold excess inventory, materially adversely affecting our business, financial condition and results of operations. These risks are exacerbated by the fact that many of our products, and the end products into which our products are incorporated, often have very short life cycles. Competition in our industry could prevent us from growing our revenue.

The global semiconductor market is highly competitive. We expect competition in the markets in which we participate to continue to increase as existing competitors improve or expand their product offerings. Competition may further increase as companies not currently in direct competition with us may introduce competing products in the future. In addition, the competitive landscape is changing as a result of a trend toward consolidation within the industry, as some of our direct competitors have merged with or been acquired by other competitors while others have begun collaborating with each other. We expect this consolidation trend to continue.

Some of our competitors may have a more extensive product portfolio or greater resources for manufacturing, distribution, financial, research and development or marketing resources than us. In addition, some of our competitors may also have longer independent operating histories, greater presence in key markets, larger customer base or more comprehensive patent protection. We compete with integrated device manufacturers and fabless semiconductor companies as well as the internal resources of large, integrated OEMs. Our competitors range from large, international companies offering a wide range of semiconductor products to smaller companies specializing in niche markets and new technologies. Because our products are often building block semiconductors, providing functions that in some cases can be integrated into more complex integrated circuits, or ICs, we also face competition from manufacturers of ICs, as well as customers that may develop their own IC products.

If we are unable to compete successfully, we may lose market share for our products or incur significant reduction in our project margins, any of which could have a material adverse effect on our business and results of operations. We are making substantial capital investments in our wireless product manufacturing facilities to increase our capacity, however this may be insufficient to meet demand. Conversely, if we overestimate demand, we may not realize the benefit we anticipate from these investments.

We are continuing to add manufacturing capacity at our Fort Collins facility to support anticipated growth in sales of our proprietary products, particularly for our wireless communications segment. Unanticipated delays in these activities could result in significant additional costs, and could result in us being unable to timely satisfy customer demand for the products we plan to manufacture at this facility. Even with this expansion, our manufacturing capacity may be insufficient to meet demand. From time to time, we have put products for our wireless FBAR filter products on allocation when we have been unable to bring capacity online quickly enough to meet stronger than anticipated demand. If we underestimate customer demand, or if insufficient manufacturing capacity is available at this facility to satisfy customers' demands, we could forgo revenue opportunities, potentially lose market share, damage our customer relationships and be subject to litigation and additional liabilities, all of which could have a material adverse effect on our business, financial condition and results of operations. Conversely, if we overestimate customer demand we would

experience excess capacity at these facilities, which would result in increased fixed costs relative to the revenue we generate and adversely affect our results of operations.

A prolonged disruption of our manufacturing facilities, research and development facilities or other significant operations, or those of our suppliers, could have a material adverse effect on our business, financial condition and results of operations.

Although we operate a primarily outsourced manufacturing business model, we also rely on our own manufacturing facilities, in particular in Fort Collins, Colorado, Singapore, and Breinigsville, Pennsylvania. We use these internal manufacturing facilities for products utilizing our innovative materials and proprietary processes, to protect our IP, to develop the technology for manufacturing and to ensure supply of certain components. Many of our facilities, and those of our contract

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manufacturers and suppliers, are located in California and the Pacific Rim region, which has above average seismic activity and severe weather activity. In addition, our research and development personnel are primarily concentrated in China, India, Malaysia, Singapore, South Korea, Fort Collins, Colorado, San Jose, California, Southern California and Breinigsville and Allentown, Pennsylvania, with the expertise of the personnel at each such location tending to be focused on one or two specific areas.

A prolonged disruption at one or more of our manufacturing or research facilities for any reason, especially our Fort Collins, Singapore and Breinigsville facilities, or those of our contract manufacturers or suppliers, due to natural- or man-made disasters or other events outside of our control, such as widespread outbreaks of acute illness or the failure to maintain our labor force at one or more of these facilities, would limit our capacity to meet customer demands and delay new product development until a replacement facility and equipment, if necessary, were found. Any such event would likely disrupt our operations, delay production, shipments and revenue, expose us to claims by our customers and could materially and adversely affect our business. Although we purchase insurance to mitigate such losses, any uninsured losses could negatively affect our operating results. In addition, even if we were able to promptly resume production of our affected products, if our customers cannot timely resume their own manufacturing following such an event, they may cancel or scale back their orders from us and this may in turn adversely affect our results of operations. Such events could also result in significant expense to repair or replace our affected facilities, and in some instances could significantly curtail our research and development efforts in a particular product area or target market.

Any failure of our IT systems or one or more of our vendors to provide necessary services could have a material adverse effect on our business.

We depend on various IT systems, including networks, applications, internal IT systems and personnel, and outsourced services. We rely on third-party vendors to provide critical corporate infrastructure services, including certain services related to accounting, billing, human resources, benefit plan administration, IT network development and network monitoring. While we may be entitled to damages if our vendors fail to perform under their agreements with us, we may be unable to collect on any award of damages and any award may be insufficient to cover the actual costs we may incur as a result of a vendor's failure to perform under its agreement with us. Upon expiration or termination of any of our third-party vendor agreements we may not be able to timely replace the vendor on terms and conditions, including service levels and cost, that are favorable to us. In addition, a transition from one vendor to another vendor could subject us to operational delays and inefficiencies until the transition is complete.

Any failure of these internal or third-party systems and services to operate effectively could disrupt our operations and could have a material adverse effect on our business, financial condition and results of operations by harming our ability to accurately forecast sales demand, manage our supply chain and production facilities, fulfill customer orders, and report financial and management information on a timely and accurate basis.

Our gross margin is dependent on a number of factors, including our product mix, price erosion, acquisitions we may make and level of capacity utilization and commodity prices.

Our gross margin is highly dependent on product mix, which is susceptible to seasonal and other fluctuations in our markets. A shift in sales mix away from our higher margin products, as well as the timing and amount of our non-product and IP-related revenue, could adversely affect our future gross margin percentages. Although our non-product revenue is generally high margin, it fluctuates significantly from quarter to quarter. In addition, increased competition and the existence of product alternatives, more complex engineering requirements, lower demand, reductions in our technological lead, compared to our competitors, and other factors may lead to further price erosion, lower revenue and lower margin for us in the future.

Our gross margin may also be adversely affected by expenses related to the acquisitions of businesses, such as amortization of intangible assets and restructuring and impairment charges. Furthermore, businesses or companies that we acquire may have different gross margin profiles than us and could, therefore, also affect our overall gross margin. In addition, semiconductor manufacturing requires significant capital investment, leading to high fixed costs, including depreciation expense. If we are unable to utilize our owned internal manufacturing facilities at a high level, the fixed costs associated with these facilities, such as depreciation expense, will not be fully absorbed, resulting in higher average unit costs and a lower gross margin. Furthermore, fluctuations in commodity prices, either directly in

the price of the raw materials we buy, or as a result of price increases passed on to us by our suppliers could negatively impact our margins. We do not hedge our exposure to commodity prices, some of which (including gold and fuel prices) are very volatile, and sudden or prolonged increases in commodities prices may adversely affect our gross margin.

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If the tax incentive or tax holiday arrangements we have negotiated in Singapore and other jurisdictions change or cease to be in effect or applicable, in part or in whole, for any reason, or if our assumptions and interpretations regarding tax laws and incentive or holiday arrangements prove to be incorrect, the amount of corporate income taxes we have to pay could significantly increase.

Our operations are currently structured to benefit from the various tax incentives and tax holidays extended to us in various jurisdictions to encourage investment or employment. For example, we have obtained several tax incentives from the Singapore Economic Development Board, an agency of the Government of Singapore, which provide that qualifying income we earn in Singapore is subject to tax holiday or reduced rates of Singapore income tax. Each such tax incentive is separate and distinct from the others, and may be granted, withheld, extended, modified, truncated, complied with or terminated independently without any effect on the other incentives. In order to retain these tax benefits in Singapore, we must meet certain operating conditions specific to each incentive relating to, among other things, maintenance of a corporate headquarters function and specified IP and related activities in Singapore. Subject to our compliance with these conditions, the Singapore tax incentives are presently scheduled to expire at various dates generally between 2020 and 2025, subject in certain cases to potential extensions, which we may or may not be able to obtain. Absent these tax incentives, the corporate income tax rate in Singapore that would otherwise apply to us would be 17%. We also have tax holidays on our qualifying income in Malaysia, which are scheduled to expire between 2018 and 2028. The tax incentives and tax holidays that we have negotiated are also subject to our compliance with various operating and other conditions. If we cannot, or elect not to, comply with the operating conditions included in any particular tax incentive or tax holiday, we will lose the related tax benefits and we could be required to refund previously realized material tax benefits. Depending on the incentive at issue, we could also be required to modify our operational structure and tax strategy, which may not be as beneficial to us as the benefits provided under the present tax concession arrangements. The effect of all these tax incentives and tax holidays, in the aggregate, was to reduce the overall provision for income taxes by approximately \$169 million, \$207 million and \$99 million, for fiscal years 2016, 2015 and 2014, respectively, reduce diluted net loss per share by \$0.44 for fiscal year 2016 and increase diluted net income per share by \$0.74 and \$0.37 for fiscal years 2015 and 2014, respectively. Our interpretations and conclusions regarding the tax incentives are not binding on any taxing authority, and if our assumptions about tax and other laws are incorrect or if these tax incentives are substantially modified or rescinded we could suffer material adverse tax and other financial consequences, which would increase our expenses, reduce our profitability and adversely affect our cash flows.

We may be subject to claims of infringement of third-party IP rights or demands that we license third-party technology, which could result in significant expense and loss of our IP rights.

The semiconductor industry is characterized by companies holding large numbers of patents, copyrights, trademarks and trade secrets and by the vigorous pursuit, protection and enforcement of IP rights, including actions by patent-holding companies that do not make or sell products. From time to time, third parties assert against us and our customers and distributors their patent, copyright, trademark, trade secret and other IP rights to technologies that are important to our business.

Litigation or settlement of claims that our products or processes infringe or misappropriate these rights, regardless of their merit, are frequently costly and divert the efforts and attention of our management and technical personnel. In addition, many of our customer agreements, and in some cases our asset sale agreements, require us to indemnify our customers or purchasers for third-party IP infringement claims, including costs to defend those claims, and payment of damages in the case of adverse rulings. Claims of this sort could also harm our relationships with our customers and might deter future customers from doing business with us. We do not know whether we will prevail in such proceedings, given the complex technical issues and inherent uncertainties in IP litigation. If any pending or future proceedings result in an adverse outcome, we could be required to:

- cease the manufacture, use or sale of the infringing products, processes or technology and/or make changes to our processes or products;
- pay substantial damages for past, present and future use of the infringing technology;
- expend significant resources to develop non-infringing technology;
-

license technology from the third-party claiming infringement, which license may not be available on commercially reasonable terms, or at all;

- enter into cross-licenses with our competitors, which could weaken our overall IP portfolio and our ability to compete in particular product categories;
- indemnify our customers or distributors;
- pay substantial damages to our direct or end customers to discontinue use or replace infringing technology with non-infringing technology; or

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relinquish IP rights associated with one or more of our patent claims, if such claims are held invalid or otherwise unenforceable.

Any of the foregoing results could have a material adverse effect on our business, financial condition and results of operations.

We utilize a significant amount of IP in our business. If we are unable or fail to protect our IP, our business could be adversely affected.

Our success depends in part upon protecting our IP. To accomplish this, we rely on a combination of IP rights, including patents, copyrights, trademarks and trade secrets, as well as customary contractual protections with our customers, suppliers, employees and consultants. We may be required to spend significant resources to monitor and protect our IP rights, and even with significant expenditures we may not be able to protect our IP rights that are valuable to our business. We are unable to predict or assure that:

• IP rights that we presently employ in our business will not lapse or be invalidated, circumvented, challenged, or, in the case of third-party IP rights licensed to us, be licensed to others;

• our IP rights will provide competitive advantages to us;

rights previously granted by third parties to IP rights licensed or assigned to us, including portfolio

• cross-licenses, will not hamper our ability to assert our IP rights against potential competitors or hinder the settlement of currently pending or future disputes;

• any of our pending or future patent, trademark or copyright applications will be issued or have the coverage originally sought;

• our IP rights will be enforced in certain jurisdictions where competition may be intense or where legal protection may be weak; or

• we have sufficient IP rights to protect our products or our business.

In addition, our competitors or others may develop products or technologies that are similar or superior to our products or technologies, duplicate our products or technologies or design around our protected technologies. Effective patent, trademark, copyright and trade secret protection may be unavailable or more limited in other jurisdictions, relative to those protections available in the United States, may not be applied for or may be abandoned in one or more relevant jurisdictions. We may elect to abandon or divest patents or otherwise not pursue prosecution of certain pending patent applications, due to strategic concerns or other factors. In addition, when patents expire, we lose the protection and competitive advantages they provided to us.

We also generate some of our revenue from licensing royalty payments and from technology claim settlements relating to certain of our IP. Licensing of our IP rights, particularly exclusive licenses, may limit our ability to assert those IP rights against third parties, including the licensee of those rights. In addition, we may acquire companies having IP that is subject to licensing obligations to other third parties. These licensing obligations may extend to our own IP following any such acquisition and may limit our ability to assert our IP rights. From time to time we pursue litigation to assert our IP rights, including, in some cases, against third parties with whom we have ongoing relationships, such as customers and suppliers. Conversely, third parties may pursue IP litigation against us, including as a result of our IP licensing business. An adverse decision in such types of legal action could limit our ability to assert our IP rights and limit the value of our technology, including the loss of opportunities to sell or license our technology to others or to collect royalty payments based upon successful protection and assertion of our IP against others. In addition, such legal actions or adverse decisions could otherwise negatively impact our business, financial condition and results of operations.

From time to time we may need to obtain additional IP licenses or renew existing license agreements. We are unable to predict whether these license agreements can be obtained or renewed on acceptable terms or at all.

If we are unable to attract and retain qualified personnel, especially our design and technical personnel, we may not be able to execute our business strategy effectively.

Our future success depends on our ability to retain, attract and motivate qualified personnel. We also seek to acquire talented engineering and technical personnel through acquisitions we may make from time to time or otherwise. We have historically encountered difficulties in hiring and retaining qualified engineers, particularly in Silicon Valley and Southeast Asia where qualified engineers are in high demand. In addition, our employees, including employees whom

we have retained as a result of an acquisition may decide not to continue working for us and may leave with little or no notice following an acquisition. As the source of our technological and product innovations, our design and technical personnel represent a

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significant asset. Any inability to retain, attract or motivate such personnel could have a material adverse effect on our business, financial condition and results of operations.

We are subject to warranty claims, product recalls and product liability.

From time to time, we may be subject to warranty or product liability claims that have led, and may in the future lead, to significant expense. We may also be exposed to such claims as a result of any acquisition we may undertake in the future. Although we maintain reserves for reasonably estimable liabilities and purchase product liability insurance, our reserves may be inadequate to cover the uninsured portion of such claims. Conversely, in some cases, amounts we reserve may ultimately exceed our actual liability for particular claims and may need to be reversed.

Product liability insurance is subject to significant deductibles and there is no guarantee that such insurance will be available or adequate to protect against all such claims, or we may elect to self-insure with respect to certain matters. It is possible for one of our customers to recall a product containing one of our devices. In such an event, we may incur significant costs and expenses, including among others, replacement costs, contract damage claims from our customers and reputational harm. Our customer contracts typically contain warranty and indemnification provisions, and in certain cases may also contain liquidated damages provisions, relating to product quality issues. The potential liabilities associated with such provisions are significant, and in some cases, including in agreements with some of our largest customers, are potentially unlimited. Any such liabilities may greatly exceed any revenue we receive from the relevant products. Costs, payments or damages incurred or paid by us in connection with warranty and product liability claims and product recalls could materially and adversely affect our financial condition and results of operations.

The complexity of our products could result in unforeseen delays or expense or undetected defects or bugs, which could adversely affect the market acceptance of new products, damage our reputation with current or prospective customers, and materially and adversely affect our operating costs.

Highly complex products, such as those we offer, may contain defects and bugs when they are first introduced or as new versions are released, or their release may be delayed due to unforeseen difficulties during product development. If any of our products, or third-party components used in our products, contain defects or bugs, or have reliability, quality or compatibility problems, we may not be able to successfully design workarounds. Furthermore, if any of these problems are not found until after we have commenced commercial production of a new product, we may be required to incur additional development costs and product recall, repair or replacement costs. Consequently, our reputation may be damaged and customers may be reluctant to buy our products, which could materially and adversely affect our ability to retain existing customers and attract new customers. To resolve these problems, we may have to invest significant capital and other resources. These problems may also result in claims against us by our customers or others. For example, if a delay in the manufacture and delivery of our products causes the delay of a customer's end-product delivery, we may be required, under the terms of our agreement with that customer, to compensate the customer for the adverse effects of such delays. In addition, these problems may divert our technical and other resources from other development efforts, and we would likely lose, or experience a delay in, market acceptance of the affected product or products. As a result, our financial results could be materially and adversely affected.

Our effective tax rates and cash taxes payable are affected by reorganizations or restructurings of our businesses or assets, changes in our corporate or debt financing structure, jurisdictional revenue mix, changes in tax regulations or policy and the outcome of tax audits and examinations, which could materially, adversely affect financial results.

We are a Singapore-based multinational company subject to tax in various tax jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes. In the ordinary course of our business, there are many transactions where the ultimate tax determination is uncertain. Additionally, our calculations of income taxes are based on our interpretations of applicable tax laws in the jurisdictions in which we are required to file tax returns. Our provision for income taxes is subject to volatility and could be adversely affected by numerous factors including: reorganization or restructuring of our businesses, tangible and intangible assets, outstanding indebtedness and corporate structure;

jurisdictional mix of our income and assets, and the resulting tax effects of differing tax rates in different countries;

changes in the allocation of income and expenses, including adjustments related to changes in our corporate structure, acquisitions or tax law;

• changes in transfer pricing rules or methods of applying these rules;

• changes in tax laws including, in Singapore, changes to the taxation of earnings of foreign subsidiaries, the deductibility of expenses attributable to income and foreign tax credit rules;

• tax effects of increases in non-deductible employee compensation;

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• changes in tax accounting rules or principles and in the valuation of deferred tax assets and liabilities;
• outcomes of income tax audits; and
• expiration or lapses of tax credits or incentives.

At the time we completed the Broadcom Merger, in connection with the preliminary allocation of purchase price, we established a deferred tax liability on our balance sheet. This is associated with our potential tax liability arising from our planned integration of BRCM's IP, which was completed in November 2016. This tax liability will become payable as earnings resulting from this integration of IP is distributed over time. In addition, prior to the closing of the Broadcom Merger, our policy was to indefinitely reinvest a portion of our foreign earnings to fund our operations outside Singapore. Effective as of our fiscal quarter ended May 1, 2016, we no longer intend to indefinitely reinvest any of our accumulated and current foreign earnings in our operations outside Singapore. As a result of these events, the amount of our income taxes payable could increase materially and consume an increasing amount of our cash. In addition, our provision for income taxes in future periods is likely to change as a result of the impact of internal restructuring and reorganization, in particular as a result of the Broadcom Merger, which would also affect our overall effective tax rate.

We have also adopted transfer-pricing policies between our affiliated entities. Our policies call for the provision of services, the sale of products, and licenses from one affiliate to another at prices that we believe are negotiated on an arm's length basis. Our taxable income in any jurisdiction is dependent upon acceptance of our operational practices and intercompany transfer pricing by local tax authorities as being on an arm's length basis. Due to inconsistencies in application of the arm's length standard among taxing authorities, as well as lack of adequate treaty-based protection, transfer pricing challenges by tax authorities could, if successful, result in adjustments for prior or future tax years. As a result of these adjustments, we could become subject to higher taxes and our earnings and results of operations would be adversely affected in any period in which such determination is made.

Although we believe our tax estimates are reasonable, there is no assurance that the final determination of our income tax liability will not be materially different than what is reflected in our income tax provisions and accruals.

Significant judgment is required to determine the recognition and measurement of tax liabilities prescribed in the relevant accounting guidance for uncertainty in income taxes. The accounting guidance for uncertainty in income taxes applies to all income tax positions, which, if settled unfavorably, could adversely impact our provision for income taxes.

In addition, we are subject to, and are under, tax audit in various jurisdictions, and such jurisdictions may assess additional income tax against us. Although we believe our tax positions are reasonable, the final determination of tax audits could be materially different from our income tax provisions and accruals. The ultimate results of an audit could have a material adverse effect on our results of operations and cash flows in the period or periods for which that determination is made.

The enactment of legislation implementing changes in taxation of international business activities, the adoption of other tax reform policies or changes in tax legislation or policies in jurisdictions outside Singapore could materially impact our financial position and results of operations.

Tax bills are introduced from time to time to reform taxation of international business activities. The Organisation for Economic Co-operation and Development, or OECD, has released guidance covering various topics, including country-by-country reporting, definitional changes to permanent establishment and guidelines in determining arm's length transfer pricing. This guidance is collectively referred to as Base Erosion and Profit Shifting, or BEPS, an initiative that aims to standardize and modernize global tax policy. Depending on legislation ultimately enacted in connection with this guidance by jurisdictions in which we operate, there may be significant consequences for us due to the large scale of our international business activities. For example, adoption of BEPS by foreign jurisdictions in which we operate could result in changes to tax policies, including transfer-pricing policies that could ultimately impact our tax liabilities to foreign jurisdictions. If any of these proposals are enacted into law, or if other international, consensus-based tax policies and principles are amended or implemented, they could have material adverse consequences on the amount of tax we pay and thereby on our financial position and results of operations. In addition, policies regarding corporate income taxes in numerous jurisdictions are under heightened scrutiny. As a result, decisions by tax authorities regarding treatments and positions of corporate income taxes could be subject to

legislative investigation and inquiry, which could result in changes in tax policies or prior tax rulings. There can be no assurance as to the outcome of these investigations and inquiries. As such, the taxes we previously paid may be subject to change and our taxes may increase in the future, which could have an adverse effect on our results of operations, financial condition and our corporate reputation.

We operate in the highly cyclical semiconductor industry, which is subject to significant downturns.

The semiconductor industry is highly cyclical and is characterized by constant and rapid technological change and price erosion, evolving technical standards, frequent new product introductions, short product life cycles (for semiconductors and for

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many of the end products in which they are used) and wide fluctuations in product supply and demand. From time to time, these factors, together with changes in general economic conditions, cause significant upturns and downturns in the industry in general, and in our business in particular. Periods of industry downturns have been characterized by diminished demand for end-user products, high inventory levels and periods of inventory adjustment, under-utilization of manufacturing capacity, changes in revenue mix and accelerated erosion of average selling prices, resulting in an adverse effect on our business, financial condition and results of operations. We expect our business to continue to be subject to cyclical downturns even when overall economic conditions are relatively stable. If we cannot offset industry or market downturns, our net revenue may decline and our financial condition and results of operations may suffer. We make substantial investments in research and development to improve existing and develop new technologies to keep pace with technological advances and to remain competitive in our business, and unsuccessful investments could materially adversely affect our business, financial condition and results of operations.

The semiconductor industry is characterized by rapid technological change, changes in customer requirements, frequent new product introductions and enhancements, short product cycles and evolving industry standards, and requires substantial investment in our research and development in order to develop and bring to market new and enhanced technologies and products. In addition, semiconductor products transition over time to increasingly smaller line width geometries. This requires us to adapt our products and manufacturing processes to these new technologies, which requires expertise in new procedures. Our failure to successfully transition to smaller geometry process technologies could impair our competitive position. In order to remain competitive, we have made, and expect to continue to make, significant investments in research and development. We expect the dollar amount of research and development expenses to increase for the foreseeable future, due to the increasing complexity and number of products we plan to develop. If we fail to develop new and enhanced products and technologies, if we focus on technologies that do not become widely adopted, or if new competitive technologies that we do not support, become widely accepted, demand for our products may be reduced. Significant investments in unsuccessful research and development efforts could materially adversely affect our business, financial condition and results of operations. In addition, increased investments in research and development could cause our cost structure to fall out of alignment with demand for our products, which would have a negative impact on our financial results.

Our business, financial condition and results of operations could be adversely affected by the political and economic conditions of the countries in which we conduct business and other factors related to our international operations.

A majority of our products are produced and sourced in Asia, including China, Malaysia, the Philippines, Singapore, South Korea, Taiwan and Thailand and we sell our products throughout the world. In addition, as of October 30, 2016, approximately 41% of our employees are located in Asia. Multiple factors relating to our international operations and to particular countries in which we operate could have a material adverse effect on our business, financial condition and results of operations. These factors include:

- changes in political, regulatory, legal or economic conditions or geopolitical turmoil, including terrorism, war or political or military coups, or civil disturbances or political instability;
- restrictive governmental actions, such as restrictions on the transfer or repatriation of funds and foreign investments and trade protection measures, including export restrictions, export duties and quotas, and customs duties and tariffs;
- disruptions of capital and trading markets and currency fluctuations, which may result in our products becoming too expensive for foreign customers or foreign-sourced materials and services becoming more expensive for us;
- difficulty in obtaining product distribution and support, and transportation delays;
- public health or safety concerns;
- nationalization of businesses and expropriation of assets; and
- changes in tax laws.

A significant legal risk associated with conducting business internationally is compliance with the various and differing laws and regulations, including anti-corruption and anti-bribery laws and regulations of the countries in which we do business, antitrust and competition laws, data privacy laws and export regulations. In addition, the anti-corruption laws in various countries are constantly evolving and may, in some cases, conflict with each other. Although, our Code of Ethics and Business Conduct and other policies prohibit us and our employees from engaging in unethical business practices, there can be no assurance that all of our employees or agents will refrain from acting

in violation of our related anti-corruption policies and procedures. Any such violation could have a material adverse effect on our business.

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Our business is subject to various governmental regulations, and compliance with these regulations may cause us to incur significant expense. If we fail to maintain compliance with applicable regulations, we may be forced to cease the manufacture and distribution of certain products, and we could be subject to civil or criminal penalties.

Our business is subject to various international laws and other legal requirements, including packaging, product content, labor and import/export regulations, and many of our products are regulated or sold into regulated industries, such as the U.S. Export Administration Regulations. These laws and regulations are complex, change frequently and have generally become more stringent over time. We may be required to incur significant expense to comply with, or to remedy violations of, these regulations. In addition, if our customers fail to comply with these regulations, we may be required to suspend sales to these customers, which could negatively impact our results of operations.

In addition, the manufacture and distribution of our semiconductors must comply with various laws and adapt to changes in regulatory requirements as they occur. For example, if a country in which our products are manufactured or sold sets technical standards that are not widely shared, it may require us to stop distributing our products commercially until they comply with such new standards, lead certain of our customers to suspend imports of their products into that country, require manufacturers in that country to manufacture products with different technical standards and disrupt cross-border manufacturing relationships, any of which could have a material adverse effect on our business, financial condition and results of operations. If we fail to comply with these requirements, we could also be required to pay civil penalties or face criminal prosecution.

Our products and operations are also subject to the rules of industrial standards bodies, like the International Standards Organization, as well as regulation by other agencies, such as the U.S. Federal Communications Commission. If we fail to adequately address any of these rules or regulations, our business could be harmed.

We are subject to environmental, health and safety laws, which could increase our costs, restrict our operations and require expenditures that could have a material adverse effect on our results of operations and financial condition.

We are subject to a variety of international laws and regulations relating to the use, disposal, clean-up of and human exposure to, hazardous materials. Compliance with environmental, health and safety requirements could, among other things, require us to modify our manufacturing processes, restrict our ability to expand our facilities, or require us to acquire pollution control equipment, all of which can be very costly. Any failure by us to comply with such requirements could result in the limitation or suspension of the manufacture of our products, and could result in litigation against us and the payment of significant fines and damages by us in the event of a significant adverse judgment. In addition, complying with any cleanup or remediation obligations for which we are or become responsible could be costly and have a material adverse effect on our business, financial condition and results of operations.

Changing requirements relating to the materials composition of our products, including the restrictions on lead and certain other substances in electronics that apply to specified electronics products sold in various countries, including the United States, China, Japan, and in the European Union, increase the complexity and costs of our product design and procurement operations and may require us to re-engineer our products. Such re-engineering may result in excess inventory or other additional costs and could have a material adverse effect on our results of operations. We may also experience claims from employees from time to time with regard to exposure to hazardous materials or other workplace related environmental claims.

Social and environmental responsibility regulations, policies and provisions, including, for example, regulations related to “conflict minerals,” may make our supply chain more complex and may adversely affect our relationships with customers.

There is an increasing focus on corporate social and environmental responsibility in the semiconductor industry, particularly with OEMs that manufacture consumer electronics. A number of our customers have adopted, or may adopt, procurement policies that include social and environmental responsibility provisions that their suppliers should comply with, or they seek to include such provisions in their procurement terms and conditions. An increasing number of participants in the semiconductor industry are also joining voluntary social responsibility initiatives such as the U.N. Global Compact, a voluntary initiative for businesses to develop, implement and disclose sustainability policies and practices. These social and environmental responsibility provisions and initiatives are subject to change, can be unpredictable, and may be difficult for us to comply with, given the complexity of our supply chain and our

significant outsourced manufacturing. If we are unable to comply, or are unable to cause our suppliers or contract manufacturers to comply, with such policies or provisions, a customer may stop purchasing products from us, and may take legal action against us, which could harm our reputation, revenue and results of operations.

We are subject to rules adopted by the SEC requiring us to make disclosures relating to whether certain minerals and metals, known as conflict minerals, used in our products originate from the Democratic Republic of Congo and its adjoining countries, or the DRC Region. In addition, as part of their corporate social and environmental responsibility programs, an increasing number of OEMs are seeking to source products that do not contain conflict minerals sourced from the DRC Region. This could adversely affect the sourcing, availability and pricing of minerals used in the manufacture of semiconductor devices, including our products. Since our supply chain is complex, we are not currently able to definitively ascertain the origins of all

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of these minerals and metals used in our products. As a result, we may face difficulties in satisfying these customers' demands, which may harm our sales and operating results.

The average selling prices of products in our markets have often decreased rapidly and may do so in the future, which could harm our revenue and gross profit.

The products we develop and sell are used for high volume applications. As a result, the prices of those products have often decreased rapidly. Gross profit on our products may be negatively affected by, among other things, pricing pressures from our customers. In the past, we have reduced the average selling prices of our products in anticipation of future competitive pricing pressures, new product introductions by us or our competitors and other factors. In addition, some of our customer agreements provide for volume-based pricing and product pricing roadmaps, which can also reduce the average selling prices of our products over time. Our margins and financial results will suffer if we are unable to offset any reductions in our average selling prices by increasing our sales volumes, reducing manufacturing costs, or developing new and higher value-added products on a timely basis.

A breach of our security systems may have a material adverse effect on our business.

Our security systems are designed to maintain the physical security of our facilities and protect our customers', suppliers' and employees' confidential information, as well as our own proprietary information. However, we are also dependent on a number of third-party "cloud-based" and other service providers of critical corporate infrastructure services relating to, among other things, human resources, electronic communication services and certain finance functions, and we are, of necessity, dependent on the security systems of these providers. Accidental or willful security breaches or other unauthorized access by third parties of our facilities, our information systems or the systems of our cloud-based or other service providers, or the existence of computer viruses or malware in our or their data or software could expose us to a risk of information loss and misappropriation of proprietary and confidential information, including information relating to our customers and the personal information of our employees. In addition, we have, from time to time, also been subject to unauthorized network intrusions and malware on our own IT networks. Any theft or misuse of confidential, personal or proprietary information as a result of such activities could result in, among other things, unfavorable publicity, damage to our reputation, loss of our trade secrets and other competitive information, difficulty in marketing our products, allegations by our customers that we have not performed our contractual obligations, litigation by affected parties and possible financial obligations for liabilities and damages related to the theft or misuse of such information, as well as fines and other sanctions resulting from any related breaches of data privacy regulations, any of which could have a material adverse effect on our reputation, business, profitability and financial condition. Since the techniques used to obtain unauthorized access or to sabotage systems change frequently and are often not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures.

We are required to assess our internal control over financial reporting on an annual basis and any adverse findings from such assessment could result in a loss of investor confidence in our financial reports, significant expense to remediate any internal control deficiencies and ultimately have an adverse effect on our share price.

We are required to assess the effectiveness of our internal control over financial reporting annually, as required by Section 404 of the Sarbanes-Oxley Act. Our evaluation of the effectiveness of our internal control over financial reporting as of October 30, 2016 did not include the internal controls of BRCM, which we acquired in February 2016. Even though, as of October 30, 2016, we concluded that our internal control over financial reporting (excluding BRCM) was effective, we need to maintain our processes and systems and adapt them as our business grows and changes, including to reflect our integration of BRCM, as well as any future acquisitions we may undertake, including our pending acquisition of Brocade. This continuous process of maintaining and adapting our internal controls and complying with Section 404 is expensive, time consuming and requires significant management attention. We cannot be certain that our internal control measures will continue to provide adequate control over our financial processes and reporting and ensure compliance with Section 404. Furthermore, as we grow our business or acquire other businesses, our internal controls may become more complex and we may require significantly more resources to ensure they remain effective. Failure to implement required new or improved controls, or difficulties encountered in the implementation of such controls, either in our existing business or in businesses that we have or acquired or may acquire in the future, could harm our operating results or cause us to fail to meet our reporting obligations. If we or

our independent registered public accounting firm identify material weaknesses in our internal controls, the disclosure of that fact, even if quickly remedied, may cause investors to lose confidence in our financial statements and the trading price of our ordinary shares may decline.

Remediation of a material weakness could require us to incur significant expenses and if we fail to remedy any material weakness, our financial statements may be inaccurate, our ability to report our financial results on a timely and accurate basis may be adversely affected, our access to the capital markets may be restricted, the trading price of our ordinary shares may decline, and we may be subject to sanctions or investigation by regulatory authorities, including the SEC or The Nasdaq Global Select Market. We may also be required to restate our financial statements from prior periods.

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Our financial condition and results of operations could be adversely affected by employee-benefit related costs and expense.

We sponsor several defined benefit plans and post-retirement medical benefit plans. We are required to make contributions to these plans to comply with minimum funding requirements imposed by laws governing these employee benefit plans. The difference between the obligations and assets of these plans, or the funded status of these plans, is a significant factor in determining our pension expense and the ongoing funding requirements of these plans. The projected benefit obligations under these pension plans exceeded the value of the assets of those plans by approximately \$516 million at the end of fiscal year 2016. We expect to have additional funding requirements in future years and we may make additional, voluntary contributions to the plans. Depending on our cash position at the time, any such funding or contributions to, our pension plans could impact our operating flexibility and financial position, including adversely affecting our cash flow for the quarter in which they are made. Furthermore, in order to reduce the expenses associated with these programs, where practicable, we are seeking to move defined benefit plans to defined contribution plans, or to cash out future retirees not yet receiving benefits, and to replace existing pension obligations with annuities. Any such changes may adversely affect our results of operations, including our profitability and cash flows. Weak economic conditions and related under-performance of asset markets could also lead to increase and post-retirement benefit expense.

The IRS may not agree that Broadcom Limited should be treated as a foreign corporation for U.S. federal income tax purposes.

A corporation is generally considered a tax resident in the jurisdiction of its organization or incorporation for U.S. federal income tax purposes. Because Broadcom is a Singapore entity, it would generally be classified as a foreign corporation (and, therefore, not a U.S. tax resident) under these rules. Even so, the IRS may assert that we should be treated as a U.S. corporation (and, therefore, a U.S. tax resident) for U.S. federal income tax purposes pursuant to Section 7874 of the Internal Revenue Code of 1986, as amended, or the Code.

Under Section 7874 of the Code, if the former shareholders of BRCM hold 80% or more of the vote or value of the ordinary shares of Broadcom, by reason of their former holding of BRCM common shares (the percentage (by vote and value) of our ordinary shares considered to be held (for purposes of Section 7874 of the Code) by former BRCM shareholders immediately after the Broadcom Transaction by reason of holding BRCM common shares is referred to in this disclosure as the “Section 7874 Percentage”), and our expanded affiliated group after the Broadcom Transaction does not have substantial business activities in Singapore relative to our worldwide business activities, Broadcom would be treated as a U.S. corporation for U.S. federal income tax purposes. If the Section 7874 Percentage were determined to be at least 60% (but less than 80%), Section 7874 of the Code would cause Broadcom to be treated as a “surrogate foreign corporation” if we did not have substantial business activities in Singapore relative to our worldwide business activities.

Under current law, Broadcom should not be treated as a U.S. corporation for U.S. federal income tax purposes. However, determining the Section 7874 Percentage is complex and is subject to factual and legal uncertainties, including that such determination takes into account several factors other than the ratio of ownership of our ordinary shares by former BRCM shareholders following the Broadcom Transaction. While we believe the Section 7874 Percentage to be significantly less than 60% (and therefore that Section 7874 should not apply to Broadcom or BRCM), there can be no assurance that the IRS will agree with the position that the Section 7874 Percentage is less than 60%.

If the Section 7874 Percentage were determined to be at least 60% (but less than 80%), several limitations could apply to BRCM. For example, BRCM would be prohibited from using its net operating losses, foreign tax credits or other tax attributes to offset the income or gain recognized by reason of the transfer of property to a foreign related person during the 10-year period following the Broadcom Transaction or any income received or accrued during such period by reason of a license of any property by BRCM to a foreign related person. In addition, the IRS has announced that it will promulgate new rules, which, in that situation, may limit the ability to restructure the non-U.S. members of the BRCM tax group or access cash earned in its non-U.S. subsidiaries. Moreover, in such case, Section 4985 of the Code and rules related thereto would impose an excise tax on the value of certain stock compensation held directly or indirectly by certain BRCM “disqualified individuals” (including former officers and directors of BRCM) at a rate equal

to 15%, but only if gain is otherwise recognized by BRCM shareholders as a result of the Broadcom Transaction.

Risks Relating to Our Indebtedness

Our substantial indebtedness could adversely affect our financial health and our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk to the extent of our variable rate indebtedness and prevent us from fulfilling our obligations under our indebtedness.

We incurred a substantial amount of indebtedness in connection with the Broadcom Transaction under and pursuant to the 2016 Credit Agreement. The borrowers' obligations under the 2016 Credit Agreement are guaranteed by and are collateralized,

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subject to certain exceptions, by substantially all of the assets of the Guarantors. Subject to restrictions in the 2016 Credit Agreement and receipt of commitments, we may incur additional indebtedness.

Our substantial indebtedness could have important consequences including:

- increasing our vulnerability to adverse general economic and industry conditions;
- exposing us to interest rate risk to the extent of our variable rate indebtedness, and we do not typically hedge against changes in interest rates;
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, research and development efforts, execution of our business strategy, acquisitions and other general corporate purposes;
- limiting our flexibility in planning for, or reacting to, changes in the economy and the semiconductor industry;
- placing us at a competitive disadvantage compared to our competitors with less indebtedness; and
- making it more difficult to borrow additional funds in the future to fund growth, acquisitions, working capital, capital expenditures and other purposes.

In addition, the 2016 Credit Agreement contains customary events of default upon the occurrence of which, after any applicable grace period, the lenders would have the ability to immediately declare the loans due and payable in whole or in part. In such event, we may not have sufficient available cash to repay such debt at the time it becomes due, or be able to refinance such debt on acceptable terms or at all. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

We receive debt ratings from the major credit rating agencies in the United States. Factors that may impact our credit ratings include debt levels, planned asset purchases or sales and near-term and long-term production growth opportunities. Liquidity, asset quality, cost structure, reserve mix and commodity pricing levels could also be considered by the rating agencies. The applicable margins with respect to the Term A Loan and the 2016 Revolving Credit Facility will vary based on the applicable public ratings assigned to the collateralized, long-term indebtedness for borrowed money of our subsidiary, Avago Technologies Cayman Finance Limited, by Moody's Investors Service, Inc., Standard & Poor's Financial Services LLC and any successor to each such rating agency business. A ratings downgrade could adversely impact our ability to access debt markets in the future and increase the cost of current or future debt and may adversely affect our share price. Our failure to continuously have a public corporate credit rating from each of Moody's and Standard & Poor's may result in a covenant default under the 2016 Credit Agreement.

Our 2016 Credit Agreement imposes significant restrictions on our business.

The 2016 Credit Agreement contains a number of covenants imposing significant restrictions on our business. These restrictions may affect our ability to operate our business, to plan for, or react to, changes in market conditions or our capital needs and may limit our ability to take advantage of potential business opportunities as they arise. The restrictions placed on us include limitations on the ability of our subsidiaries to:

- incur additional indebtedness and issue preferred or redeemable shares;
- incur or create liens;
- consolidate, merge or transfer all or substantially all of their assets;
- make investments, acquisitions, loans or advances or guarantee indebtedness;
- transfer or sell certain assets;
- pay dividends or make other distributions on, redeem or repurchase shares or make other restricted payments;
- engage in transactions with affiliates; and
- prepay certain other indebtedness.

In addition, the 2016 Credit Agreement includes financial covenants requiring our subsidiary, Avago Technologies Cayman Holdings Ltd, to, while the Term B-3 Loan remains outstanding, maintain a maximum first lien leverage ratio. Our ability to meet the financial covenant may be affected by events beyond our control, and we do not know whether we will be able to maintain the applicable maximum first lien leverage ratio.

We do not know whether we will be granted waivers under, or amendments to, our 2016 Credit Agreement if for any reason we are unable to meet these requirements, or whether we will be able to refinance our indebtedness on terms acceptable to us, or at all.

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Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt.

Our ability to make scheduled payments of the principal of, to pay interest on, and to refinance our debt, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to satisfy our obligations under the 2016 Credit Agreement and any future indebtedness we may incur and to make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as reducing or delaying investments or capital expenditures, selling assets, refinancing or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our outstanding indebtedness or future indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms when needed, which could result in a default on our indebtedness.

Risks Relating to Investments in Singapore Companies

It may be difficult to enforce a judgment of U.S. courts for civil liabilities under U.S. federal securities laws against us or our directors in Singapore.

Broadcom is incorporated under the laws of the Republic of Singapore, and certain of our directors are resident outside the United States. Moreover, a majority of our consolidated assets are located outside the United States. Although Broadcom is incorporated outside the United States, we have agreed to accept service of process in the United States through our agent designated for certain purposes. Nevertheless, since a majority of the consolidated assets owned by us are located outside the United States, any judgment obtained in the United States against us may not be collectible within the United States.

There is no treaty between the United States and Singapore providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters and a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon the federal securities laws, would, therefore, not be automatically enforceable in Singapore. There is doubt whether a Singapore court may impose civil liability on Broadcom or our directors and officers who reside in Singapore in a suit brought in the Singapore courts against us or such persons with respect to a violation solely of the federal securities laws of the United States. Consequently, there can be no assurance as to whether Singapore courts will enter judgments in actions brought in Singapore courts based upon the civil liability provisions of the federal securities laws of the United States. Broadcom is incorporated in Singapore and our shareholders may have more difficulty in protecting their interest than they would as shareholders of a corporation incorporated in the United States, and we may have more difficulty attracting and retaining qualified board members and executives.

Broadcom's corporate affairs are governed by its Constitution and by the laws governing corporations incorporated in Singapore. The rights of our shareholders and the responsibilities of the members of our Board, under Singapore law (including under the recently amended Singapore Companies Act) are different from those applicable to a corporation incorporated in the United States. Therefore, our public shareholders may have more difficulty in protecting their interest in connection with actions taken by our management or members of our Board than they would as shareholders of a corporation incorporated in the United States.

In addition, being a public company incorporated in Singapore may make it more expensive for Broadcom to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our Board, particularly to serve on committees of our Board, and qualified executive officers.

For a limited period of time, our directors have general authority to allot and issue new ordinary shares on such terms and conditions as may be determined by our Board in its sole discretion.

Under Singapore law, we may only allot and issue new ordinary shares with the prior approval of Broadcom's shareholders in a general meeting. At our 2016 annual general meeting, Broadcom's shareholders provided our directors with the general authority to allot and issue any number of new ordinary shares, which will continue in force until the earlier of (i) the conclusion of our annual general meeting in 2017, (ii) the expiration of the period within which the next annual general meeting is required by law to be held (i.e., within 15 months after the conclusion of the

last general meeting) or (iii) the subsequent revocation or modification of such general authority by our shareholders at a duly convened general meeting. Subject to the general authority to allot and issue new ordinary shares provided by our shareholders, the provisions of the Singapore Companies Act and Broadcom's Constitution, our Board may allot and issue new ordinary shares on such terms and conditions as they may think fit to impose. Any additional issuances of new ordinary shares by our directors may adversely impact the market price of our ordinary shares.

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Risks Relating to Owning Our Ordinary Shares

At times, Broadcom's share price has been volatile and it may fluctuate substantially in the future, which could result in substantial losses for our investors as well as class action litigation against us and our management which could cause us to incur substantial costs and divert our management's attention and resources.

The trading price of Broadcom ordinary shares has, at times, fluctuated significantly. The trading price of Broadcom ordinary shares could be subject to wide fluctuations in response to many of the risk factors listed in this "Risk Factors" section, and others, many of which are beyond our control, including:

- actual or anticipated fluctuations in our financial condition and operating results;
- issuance of new or updated research or reports by securities analysts;
- fluctuations in the valuation and results of operations of our significant customers as well as companies perceived by investors to be comparable to us;
- announcements of proposed acquisitions by us or our competitors;
- announcements of, or expectations of additional debt or equity financing efforts;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares; and
- changes in our dividend or share repurchase policies.

These fluctuations are often unrelated or disproportionate to our operating performance. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may negatively impact the market price of our ordinary shares. You may not realize any return on your investment in us and may lose some or all of your investment. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. We are also the subject of a number of lawsuits stemming from our acquisitions of PLX, Emulex and BRCM, and from our pending acquisition of Brocade. Securities litigation against us, including the lawsuits related to such transactions, could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

A substantial amount of our shares is held by a small number of large investors and significant sales of our ordinary shares in the public market by one or more of these holders could cause our share price to fall.

As of September 30, 2016, we believe that our five largest shareholders hold over 30% of Broadcom outstanding ordinary shares in the aggregate. These investors may sell their shares at any time for a variety of reasons and such sales could depress the market price of our ordinary shares, given the large amounts of our shares held by these investors. In addition, any such sales of our ordinary shares by these entities could also impair our ability to raise capital through the sale of additional equity securities.

There can be no assurance that we will continue to declare cash dividends.

Our Board has adopted a dividend policy pursuant to which we currently pay a cash dividend on Broadcom ordinary shares on a quarterly basis. The declaration and payment of any dividend is subject to the approval of our Board and our dividend may be discontinued or reduced at any time. There can be no assurance that we will declare cash dividends in the future in any particular amounts, or at all. Furthermore, we may declare dividends as interim dividends, which are wholly provisional under Singapore law and may be revoked by our Board at any time prior to the payment thereof.

Future dividends, if any, and their timing and amount, may be affected by, among other factors: management's views on potential future capital requirements for strategic transactions, including acquisitions; earnings levels; contractual restrictions; cash position and overall financial condition; and changes to our business model. The payment of cash dividends is restricted by applicable law, contractual restrictions and our corporate structure. Pursuant to Singapore law and Broadcom's Constitution, no dividends may be paid except out of our profits or expected profits. Because we are a holding company, our ability to pay cash dividends on Broadcom ordinary shares is also limited by restrictions on our ability to obtain sufficient funds through dividends from subsidiaries, the declaration and payment of which are subject to restrictions under the terms of our 2016 Credit Agreement.

Singapore corporate law may impede a takeover of our company by a third-party, which could adversely affect the value of our ordinary shares.

The Singapore Code on Take-overs and Mergers contains provisions that may delay, deter or prevent a future takeover or change in control of our company for so long as we remain a public company with more than 50 shareholders and net tangible assets of S\$5 million or more. Any person acquiring an interest, whether by a series of transactions over a period of time or not,

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either on their own or together with parties acting in concert with such person, in 30% or more of our voting shares, or, if such person holds, either on their own or together with parties acting in concert with such person, between 30% and 50% (both inclusive) of our voting shares, and such person (or parties acting in concert with such person) acquires additional voting shares representing more than 1% of our voting shares in any six-month period, must, except with the consent of the Securities Industry Council in Singapore, extend a mandatory takeover offer for the remaining voting shares in accordance with the provisions of the Singapore Code on Take-overs and Mergers. While the Singapore Code on Take-overs and Mergers seeks to ensure equality of treatment among shareholders, its provisions may discourage or prevent certain types of transactions involving an actual or threatened change of control of our company. These legal requirements may impede or delay a takeover of our company by a third-party, which could adversely affect the value of our ordinary shares.

Our actual operating results may differ significantly from our guidance.

From time to time, we release guidance regarding our future performance that represents our management's estimates as of the date of release. This guidance, which consists of forward-looking statements, is prepared by our management and is qualified by, and subject to, the assumptions and the other information contained or referred to in the release. Our guidance is not prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants, and neither any independent registered public accounting firm nor any other independent expert or outside party compiles, examines or reviews the guidance and, accordingly, no such person expresses any opinion or any other form of assurance with respect thereto.

Guidance is based upon a number of assumptions and estimates that, while presented with numerical specificity, is inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. We generally state possible outcomes as high and low ranges which are intended to provide a sensitivity analysis as variables are changed but are not intended to represent that actual results could not fall outside of the suggested ranges. The principal reason that we release this data is to provide a basis for our management to discuss our business outlook with analysts and investors. We do not accept any responsibility for any projections or reports published by any such persons.

Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions of the guidance furnished by us will not materialize or will vary significantly from actual results, particularly any guidance relating to the results of operations of acquired businesses or companies as our management will, necessarily, be less familiar with their business, procedures and operations. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date of release. Actual results will vary from the guidance and the variations may be material. Investors should also recognize that the reliability of any forecasted financial data will diminish the farther in the future that the data are forecast. In light of the foregoing, investors are urged to put the guidance in context and not to place undue reliance on it.

Any failure to successfully implement our operating strategy or the occurrence of any of the events or circumstances set forth in this Form 10-K could result in the actual operating results being different than the guidance, and such differences may be adverse and material.

Risks Relating to Restricted Exchangeable Units

Holders of Partnership REUs may not transfer, pledge or grant liens on their Partnership REUs for a period of year following the closing of the Broadcom Transaction.

During the restricted period, which will last one year following the effective time of the Broadcom Merger, or the Restricted Period, holders of the Partnership REUs may not sell, transfer, convey, assign, pledge, grant a security interest or other lien, encumber or dispose of (whether directly or indirectly, whether with or without consideration and whether voluntarily or involuntarily or by operation of law) any interest in any Partnership REUs, except under limited circumstances set forth in the Amended and Restated Exempted Limited Partnership Agreement dated February 1, 2016, among Broadcom, the Partnership and the Limited Partners, or the Partnership Agreement.

Accordingly, any such holder's investment in the Partnership is illiquid for a period of one year.

Holders of Partnership REUs are also prohibited from short sales, hedging and granting liens on their Partnership REUs.

Unless otherwise approved in writing by Broadcom, in its sole discretion as our General Partner, during the Restricted Period, holders of Partnership REUs may not be a party to or participate, directly or indirectly, in any short sale, forward contract to sell, option or forward contract to purchase, swap or other hedging, synthetic, “put” equivalent or similar derivative instrument or transaction that transfers, in whole or in part, any of the economic consequences of ownership of the Partnership REUs or any Broadcom ordinary shares, whether settled in cash or securities. Holders of Partnership REUs are subject to and are required to comply with the restrictions, terms and conditions of the Partnership REUs as set forth in the Partnership Agreement. In the event of a breach by a holder of the hedging restrictions in the Partnership Agreement, the Restricted Period applicable to such holder’s Partnership REUs will be extended by two years.

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An active trading market for Partnership REUs is not expected to develop.

The Partnership REUs are not listed on a national exchange in the United States or on a foreign exchange. An active public market for the Partnership REUs is not expected to develop. In addition, although the Partnership REUs are registered under the Exchange Act, our General Partner is under no obligation to continue such registration and is authorized to deregister the Partnership REUs at any time such registration is not legally required. As a result, even after the Restricted Period has concluded, it will be very difficult to sell the Partnership REUs at a price that is attractive, or at all.

Future sales of Broadcom ordinary shares in the public market could cause the value of Partnership REUs to fall. Sales of a substantial number of Broadcom ordinary shares in the public market, or the perception that these sales might occur, could depress the value of the Partnership REUs because the value of the Partnership REUs is derivative of the value of Broadcom ordinary shares. During the Restricted Period, holders of Partnership REUs may not sell such units to mitigate losses under such circumstances.

The exchange of the Partnership REUs into Broadcom ordinary shares is subject to significant restrictions, including the right of Broadcom in its sole discretion to cause the Partnership to repurchase such Partnership REUs for cash instead of Broadcom ordinary shares.

Under the terms of the Partnership Agreement, the Partnership REUs are not exchangeable for Broadcom ordinary shares for a period of up to three years following the closing of the Broadcom Transaction.

From and after the end of the Restricted Period, which will last one year following the effective time of the Broadcom Merger, holders of the Partnership REUs are entitled, subject to compliance with the procedures set forth in the Partnership Agreement, to require the Partnership to repurchase all or any portion of such holder's Partnership REUs in exchange for Broadcom ordinary shares, at a ratio of one Broadcom ordinary share for each Partnership REU, or the Exchange Right. However, Broadcom, in its sole discretion as our General Partner, has the right to cause the Partnership to repurchase the Partnership REUs for cash (in an amount determined in accordance with the terms of the Partnership Agreement based on the market price of Broadcom ordinary shares) in lieu of Broadcom ordinary shares. The ability of Broadcom, in its sole discretion as our General Partner, to cause the Partnership to repurchase the Partnership REUs for cash could result in, among other things, tax consequences that differ from those that would have resulted if the holder of such Partnership REUs had received Broadcom ordinary shares.

In addition, prior to the third anniversary following the effective time of the Broadcom Merger, it is a condition precedent to the obligation of the Partnership to repurchase such Partnership REUs, and the holder of such Partnership REUs shall not be permitted to exercise the Exchange Right, unless (i) Broadcom has received a written opinion from an independent nationally recognized law or accounting firm that the Exchange Right should not cause Broadcom to be treated as (a) a "surrogate foreign corporation" (within the meaning of Section 7874(a)(2)(B) of the Code) or (b) a "domestic corporation" (within the meaning of Section 7874(b) of the Code) and (ii) Broadcom's independent auditor has determined that no reserve shall be required for financial accounting purposes relating to Section 7874 of the Code as a result of the exercise of such Exchange Right. No assurance can be provided as to whether or not such determinations will be obtainable.

The value of the Broadcom ordinary shares received in any exchange of the Partnership REUs, or the cash amount to be paid by us in lieu thereof, may fluctuate.

The value of the Broadcom ordinary shares into which the Partnership REUs may be exchanged, or the cash amount to be paid by the Partnership in lieu thereof, may be subject to significant fluctuations for many reasons.

Consequently, due to these potential fluctuations in value of Broadcom ordinary shares, at the time that the Exchange Right becomes exercisable, the Broadcom ordinary shares into which Partnership REUs may be exchanged, or the cash amount to be paid by the Partnership in lieu thereof, may have a value that differs from the value of Broadcom ordinary shares as of the effective time of the Broadcom Merger. Also see "At times, our share price has been volatile and it may fluctuate substantially in the future, which could result in substantial losses for our investors as well as class action litigation against us and our management which could cause us to incur substantial costs and divert our management's attention and resources" regarding fluctuations in the value of Broadcom ordinary shares.

There can be no assurance that the Partnership will continue to declare cash distributions.

Pursuant to the terms of the Partnership Agreement, our General Partner and our Limited Partners are entitled to receive distributions from the Partnership if and when Broadcom pays dividends to holders of its ordinary shares. There can be no assurance that Broadcom will declare cash dividends in the future in any particular amounts, or at all. Also see “There can be no assurance that we will continue to declare cash dividends” regarding factors that may affect the timing and amount of dividends paid by Broadcom.

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In certain circumstances, a Limited Partner may lose its limited liability status.

The Exempted Limited Partnership Law, 2014 of the Cayman Islands, as amended and any successor to such statute, or the Cayman Islands Limited Partnerships Act, provides that a limited partner with the benefits of limited liability unless, in addition to exercising rights and powers as a limited partner, such limited partner takes part in the control or conduct of the business of a limited partnership of which such limited partner is a partner (subject to certain qualifications and exceptions). Subject to the provisions of the Cayman Islands Limited Partnerships Act and of similar legislation in other jurisdictions, the liability of each limited partner for the debts, liabilities and obligations of the Partnership will be limited to the limited partner's capital contribution, plus the limited partner's share of any undistributed income of the Partnership. However, pursuant to the Cayman Islands Limited Partnerships Act, where a limited partner has received a payment representing the return of all or part of that limited partner's capital contribution or is released from any outstanding obligation in respect of his commitment and, at the time that payment was made or release effected, (i) the limited partnership is insolvent; and (ii) the limited partner had actual knowledge of the insolvency of the limited partnership, then for a period of six months, but not thereafter, such limited partner would be liable to the Partnership or, where the Partnership is dissolved, to its creditors, to repay such payment or perform the released obligation with interest to the extent that such contribution or part thereof is, necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before the return of the capital contribution.

The limitation of liability conferred under the Cayman Limited Partnerships Act may be ineffective outside the Cayman Islands except to the extent it is given extra-territorial recognition or effect by the laws of other jurisdictions. There may also be requirements to be satisfied in each jurisdiction to maintain limited liability. If limited liability is lost, limited partners may be considered to be general partners (and therefore be subject to unlimited liability) in such jurisdiction by creditors and others having claims against the Partnership.

Under certain circumstances, the voting rights of the Partnership REUs will be limited.

Each holder of Partnership REUs has the benefit of a voting trust agreement dated February 1, 2016, among the Partnership, Broadcom and the voting trustee, or the Voting Trust Agreement. Pursuant to the terms of the Voting Trust Agreement, the voting trustee holds non-economic voting preference shares of Broadcom, or Special Voting Shares, that entitle the voting trustee to a number of votes equal to the number of votes that would attach to the Broadcom ordinary shares receivable upon the exchange of the Partnership REUs as of the record date of a Broadcom shareholder meeting. Holders of Partnership REUs are entitled to direct the voting trustee under the Voting Trust Agreement to vote the number of Special Voting Shares equal to the number of Partnership REUs held by such holder in substantially all votes that are presented to the holders of Broadcom ordinary shares. However, in the event that, under applicable law, any matter requires the approval of the holder of record of a Special Voting Share, voting separately as a class, the Voting Trust Agreement restricts the ability of holders of Partnership REUs to exercise such voting rights.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

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ITEM 2. PROPERTIES

We are co-headquartered in Yishun, Singapore and San Jose, California. We conduct our administration, manufacturing, research and development, sales and marketing in both owned and leased facilities. We believe that our owned and leased facilities are adequate for our present operations. We do not identify or allocate assets by operating segment.

As of October 30, 2016, our principal facilities consisted of:

(Square Feet) Singapore