

Non-GAAP Financial Information

The following non-GAAP financial measures are based upon our unaudited consolidated statements of operations and cash flows for the periods shown, giving effect to the adjustments shown in the reconciliations set forth below. You should note that financial information for the three months ended March 31, 2006 and all prior periods reflects the company's restated financial statements, contained in its amended Annual Report on Form 10-K/A for the year ended December 31, 2005, and an amended Quarterly Report on Form 10-Q/A for the quarter ended March 31, 2006, filed with the Securities and Exchange Commission (SEC) January 23, 2007. This presentation is not in accordance with, or an alternative for, U.S. generally accepted accounting principles (GAAP). The non-GAAP financial information presented herein should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. However, Broadcom believes that non-GAAP reporting, giving effect to the adjustments shown in the reconciliation below, provides important supplemental information to management and investors regarding financial and business trends relating to the company's financial condition and results of operations.

Non-GAAP free cash flow is defined as net cash provided from operating activities less purchases of property and equipment, net as reported in our statements of cash flows presented in accordance with GAAP.

For further information regarding why Broadcom believes that certain non-GAAP financial measures provide useful information to investors, the specific manner in which management uses these measures, and some of the limitations associated with the use of these measures, please refer to the company's Current Report on Form 8-K filed with the SEC on January 24, 2008.

Broadcom Corporation
Unaudited GAAP Consolidated Statements of Operations
(In thousands, except per share amounts)

	<u>Q1'05</u>	<u>Q2'05</u>	<u>Q3'05</u>	<u>Q4'05</u>	<u>Q1'06</u>	<u>Q2'06</u>	<u>Q3'06</u>	<u>Q4'06</u>	<u>Q1'07</u>	<u>Q2'07</u>	<u>Q3'07</u>	<u>Q4'07</u>	<u>Q1'08</u>	<u>Q2'08</u>
Net revenue	\$ 550,345	\$ 604,861	\$ 694,977	\$ 820,605	\$ 900,647	\$ 941,131	\$ 902,586	\$ 923,454	\$ 901,481	\$ 897,920	\$ 949,959	\$ 1,027,035	\$ 1,032,210	\$ 1,200,931
Cost of revenue	<u>266,819</u>	<u>284,092</u>	<u>327,742</u>	<u>389,146</u>	<u>434,209</u>	<u>457,374</u>	<u>450,164</u>	<u>453,818</u>	<u>440,949</u>	<u>437,037</u>	<u>465,970</u>	<u>488,222</u>	<u>481,163</u>	<u>554,596</u>
Gross profit	283,526	320,769	367,235	431,459	466,438	483,757	452,422	469,636	460,532	460,883	483,989	538,813	551,047	646,335
Gross margin	51.5%	53.0%	52.8%	52.6%	51.8%	51.4%	50.1%	50.9%	51.1%	51.3%	50.9%	52.5%	53.4%	53.8%
Operating expense:														
Research and development	154,584	161,991	178,612	185,860	251,694	280,024	272,565	312,731	300,810	332,130	352,283	363,285	355,688	380,035
Selling, general and administrative	62,048	64,899	72,218	75,095	112,899	121,982	125,281	143,850	128,647	119,859	124,907	119,324	111,946	142,017
Amortization of purchased intangible assets	912	1,040	1,040	1,041	1,083	605	329	330	329	200	314	184	183	184
In-process research and development	6,652	-	35,000	1,800	5,200	-	-	-	300	10,200	4,970	-	10,900	-
Impairment of intangible assets	-	-	-	500	-	-	-	-	1,500	-	-	-	-	1,900
Restructuring costs (reversal)	-	-	(2,500)	-	-	-	-	-	-	-	-	-	-	(1,000)
Settlement costs	-	110,000	-	-	-	-	-	-	-	-	-	-	15,810	-
Income (loss) from operations	59,330	(17,161)	82,865	167,163	95,562	81,146	54,247	12,725	28,946	(1,506)	1,515	56,020	56,520	123,199
Interest income, net	7,958	10,678	14,317	18,254	23,738	28,194	31,826	35,239	37,008	32,904	31,443	29,714	20,104	12,428
Other income (expense), net	<u>98</u>	<u>679</u>	<u>2,580</u>	<u>108</u>	<u>1,771</u>	<u>1,448</u>	<u>299</u>	<u>446</u>	<u>(1,409)</u>	<u>642</u>	<u>(1,670)</u>	<u>5,849</u>	<u>924</u>	<u>(191)</u>
Income (loss) before income taxes	67,386	(5,804)	99,762	185,525	121,071	110,788	86,372	48,410	64,545	32,040	31,288	91,583	77,548	135,436
Provision (benefit) for income taxes	<u>3,017</u>	<u>(570)</u>	<u>(21,448)</u>	<u>(1,219)</u>	<u>3,373</u>	<u>4,702</u>	<u>(23,809)</u>	<u>3,334</u>	<u>3,554</u>	<u>(2,216)</u>	<u>3,528</u>	<u>1,248</u>	<u>3,234</u>	<u>647</u>
Net income (loss)	<u>\$ 64,369</u>	<u>\$ (5,234)</u>	<u>\$ 121,210</u>	<u>\$ 186,744</u>	<u>\$ 117,698</u>	<u>\$ 106,086</u>	<u>\$ 110,181</u>	<u>\$ 45,076</u>	<u>\$ 60,991</u>	<u>\$ 34,256</u>	<u>\$ 27,760</u>	<u>\$ 90,335</u>	<u>\$ 74,314</u>	<u>\$ 134,789</u>
Net income (loss) per share (basic)	<u>\$ 0.13</u>	<u>\$ (0.01)</u>	<u>\$ 0.24</u>	<u>\$ 0.36</u>	<u>\$ 0.22</u>	<u>\$ 0.19</u>	<u>\$ 0.20</u>	<u>\$ 0.08</u>	<u>\$ 0.11</u>	<u>\$ 0.06</u>	<u>\$ 0.05</u>	<u>\$ 0.17</u>	<u>\$ 0.14</u>	<u>\$ 0.26</u>
Net income (loss) per share (diluted)	<u>\$ 0.12</u>	<u>\$ (0.01)</u>	<u>\$ 0.21</u>	<u>\$ 0.32</u>	<u>\$ 0.20</u>	<u>\$ 0.18</u>	<u>\$ 0.19</u>	<u>\$ 0.08</u>	<u>\$ 0.10</u>	<u>\$ 0.06</u>	<u>\$ 0.05</u>	<u>\$ 0.16</u>	<u>\$ 0.14</u>	<u>\$ 0.25</u>
Weighted average shares (basic)	<u>497,206</u>	<u>502,353</u>	<u>512,773</u>	<u>521,535</u>	<u>538,968</u>	<u>547,790</u>	<u>547,927</u>	<u>548,210</u>	<u>547,860</u>	<u>540,851</u>	<u>539,931</u>	<u>541,006</u>	<u>530,338</u>	<u>512,875</u>
Weighted average shares (diluted)	<u>534,340</u>	<u>502,353</u>	<u>570,860</u>	<u>581,575</u>	<u>601,204</u>	<u>594,546</u>	<u>572,597</u>	<u>584,927</u>	<u>585,740</u>	<u>575,115</u>	<u>577,583</u>	<u>572,289</u>	<u>539,827</u>	<u>529,977</u>

The following table presents details of total stock-based compensation expense *included* in each functional line item in the unaudited condensed consolidated statements of income above:

Cost of revenue	\$ 1,059	\$ 1,007	\$ 1,074	\$ 1,037	\$ 6,286	\$ 7,105	\$ 5,742	\$ 5,456	\$ 5,814	\$ 6,861	\$ 7,214	\$ 6,581	\$ 5,465	\$ 6,237
Research and development	15,537	17,872	18,534	16,663	70,005	86,420	78,191	72,480	78,431	90,832	94,619	89,767	78,706	90,003
Selling, general and administrative	7,543	7,268	7,338	7,083	31,695	38,940	37,595	28,449	32,626	36,607	37,023	33,277	29,065	31,268

All share numbers and per share amounts have been adjusted to reflect the Company's three-for-two stock split effected February 21, 2006.

Broadcom Corporation
Unaudited GAAP Condensed Consolidated Statements of Cash Flows
(In thousands)

	Q1'05	Q2'05	Q3'05	Q4'05	Q1'06	Q2'06	Q3'06	Q4'06	Q1'07	Q2'07	Q3'07	Q4'07	Q1'08	Q2'08
Operating activities														
Net income (loss)	\$ 64,369	\$ (5,234)	\$ 121,210	\$ 186,744	\$ 117,698	\$ 106,086	\$ 110,181	\$ 45,076	\$ 60,991	\$ 34,256	\$ 27,760	\$ 90,335	\$ 74,314	\$ 134,789
Adjustments to reconcile net income (loss) to net cash provided by operating activities:														
Depreciation and amortization	14,513	13,265	12,644	12,991	11,188	12,137	11,880	12,397	13,299	15,725	15,712	16,782	17,249	18,115
Stock-based compensation expense:														
Stock options and other awards	18,981	17,746	17,071	13,022	93,825	87,423	87,140	72,277	79,145	86,053	84,128	74,935	58,029	57,178
Restricted stock units issued by the Company	5,158	8,401	9,875	11,761	14,161	45,042	34,388	34,108	37,726	48,247	54,728	54,690	55,207	70,330
Acquisition-related items:														
Amortization of purchased intangible assets	3,202	4,284	3,814	3,814	4,064	3,349	2,643	2,347	3,379	2,766	4,249	4,118	4,118	4,118
In-process research and development	6,652	-	35,000	1,800	5,200	-	-	-	300	10,200	4,970	-	10,900	-
Impairment of intangible assets	-	-	-	500	-	-	-	-	1,500	-	-	-	-	1,900
Loss (gain) on strategic investments, net	-	-	(1,151)	(12)	(700)	-	-	-	2,637	11	2,121	(2,960)	-	1,760
Change in operating assets and liabilities:														
Accounts receivable	(2,153)	(35,695)	(31,606)	(31,958)	(44,199)	(56,702)	(15,998)	41,476	22,459	(19,280)	(11,509)	26,730	6,581	(117,396)
Inventory	20,386	(25,114)	(29,257)	(31,249)	(31,105)	(51,735)	54,508	20,734	2,383	9,087	(20,399)	(18,153)	9,911	(34,944)
Prepaid expenses and other assets	2,890	(13,512)	(28,749)	11,915	16,395	1,352	(3,809)	6,228	(16,290)	(356)	(24,964)	(18,081)	(6,296)	25,054
Accounts payable	20,008	20,111	58,944	10,062	30,225	(2,510)	(80,590)	44,539	21,475	(10,873)	44,547	(41,451)	46,014	77,815
Accrued settlement liabilities	(10,053)	109,905	(110,426)	(79)	(2,000)	-	-	(11)	(2,000)	-	-	-	10,000	(12,000)
Other accrued and long-term liabilities	7,146	(15,065)	25,390	(55,553)	16,647	1,151	29,522	5,631	17,652	(17,359)	30,507	20,825	(46,959)	20,386
Net cash provided by operating activities	151,099	79,092	82,759	133,758	231,399	145,593	229,865	284,802	244,656	158,477	211,850	207,770	239,068	247,105
Investing activities														
Net purchase of property and equipment	(8,054)	(5,376)	(11,755)	(16,582)	(14,957)	(22,272)	(19,926)	(35,322)	(63,964)	(43,415)	(15,939)	(27,109)	(25,662)	(23,405)
Net cash paid for acquisitions and other purchased intangible assets	(24,028)	-	(54,121)	(33,305)	(67,921)	-	(2,204)	75	(47,677)	(30,275)	(141,372)	-	(19,795)	(9,943)
Sales (purchases) of strategic investments	(119)	14	1,867	(336)	137	-	-	(2,121)	(3,500)	306	-	3,506	(355)	-
Purchases of marketable securities	(133,323)	(201,557)	(198,616)	(62,590)	(174,927)	(197,106)	(302,162)	(252,761)	(268,932)	(188,164)	(113,547)	(94,177)	(135,194)	(202,272)
Proceeds from sales and maturities of marketable securities	104,951	113,453	161,834	194,562	167,881	103,542	214,391	235,899	378,154	285,978	156,960	270,136	148,183	72,415
Net cash provided by (used in) investing activities	(60,573)	(93,466)	(100,791)	81,749	(89,787)	(115,836)	(109,901)	(54,230)	(5,919)	24,430	(113,898)	152,356	(32,823)	(163,205)
Financing activities														
Repurchases of Class A common stock	-	(18,240)	(77,652)	(57,860)	(93,799)	(152,303)	(29,631)	-	(425,062)	(216,226)	(170,534)	(328,391)	(391,732)	(444,131)
Minimum tax withholding paid on behalf of employees for restricted stock units	(68)	(2,420)	(3,850)	(4,170)	(7,680)	(13,487)	(7,664)	-	(23,991)	(12,588)	(16,453)	(16,644)	(12,130)	(13,623)
Proceeds from issuance of common stock, net	28,347	73,687	221,087	148,678	395,040	106,243	6,757	78	80,825	61,625	81,912	134,267	12,314	78,300
Excess tax benefits from stock-based compensation	-	-	-	-	338	-	-	(338)	-	-	-	-	-	-
Payment on assumed debt and other obligations	(2,482)	-	-	-	(4,625)	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) financing activities	25,797	53,027	139,585	86,648	289,274	(59,547)	(30,538)	(260)	(368,228)	(167,189)	(105,075)	(210,768)	(391,548)	(379,454)
Increase (decrease) in cash and cash equivalents	116,323	38,653	121,553	302,155	430,886	(29,790)	89,426	230,312	(129,491)	15,718	(7,123)	149,358	(185,303)	(295,554)
Cash and cash equivalents at beginning of period	858,592	974,915	1,013,568	1,135,121	1,437,276	1,868,162	1,838,372	1,927,798	2,158,110	2,028,619	2,044,337	2,037,214	2,186,572	2,001,269
Cash and cash equivalents at end of period	\$ 974,915	\$ 1,013,568	\$ 1,135,121	\$ 1,437,276	\$ 1,868,162	\$ 1,838,372	\$ 1,927,798	\$ 2,158,110	\$ 2,028,619	\$ 2,044,337	\$ 2,037,214	\$ 2,186,572	\$ 2,001,269	\$ 1,705,715
Unaudited Supplemental Financial Information														
Cash and cash equivalents	\$ 974,915	\$ 1,013,568	\$ 1,135,121	\$ 1,437,276	\$ 1,868,162	\$ 1,838,372	\$ 1,927,798	\$ 2,158,110	\$ 2,028,619	\$ 2,044,337	\$ 2,037,214	\$ 2,186,572	\$ 2,001,269	\$ 1,705,715
Short-term marketable securities	310,123	390,590	424,320	295,402	272,402	366,894	449,353	522,340	460,677	370,336	308,932	141,728	90,033	228,418
Long-term marketable securities	135,208	142,845	145,897	142,843	172,889	171,961	177,273	121,148	73,589	66,116	84,107	75,352	114,456	105,513
Total cash, cash equivalents and marketable securities	\$ 1,420,246	\$ 1,547,003	\$ 1,705,338	\$ 1,875,521	\$ 2,313,453	\$ 2,377,227	\$ 2,554,424	\$ 2,801,598	\$ 2,562,885	\$ 2,480,789	\$ 2,430,253	\$ 2,403,652	\$ 2,205,758	\$ 2,039,646
Increase (decrease) from prior quarter end	\$ 144,695	\$ 126,757	\$ 158,335	\$ 170,183	\$ 437,932	\$ 63,774	\$ 177,197	\$ 247,174	\$ (238,713)	\$ (82,096)	\$ (50,536)	\$ (26,601)	\$ (197,894)	\$ (166,112)
GAAP net cash provided by operating activities	\$ 151,099	\$ 79,092	\$ 82,759	\$ 133,758	\$ 231,399	\$ 145,593	\$ 229,865	\$ 284,802	\$ 244,656	\$ 158,477	\$ 211,850	\$ 207,770	\$ 239,068	\$ 247,105
Purchase of property and equipment, net	(8,054)	(5,376)	(11,755)	(16,582)	(14,957)	(22,272)	(19,926)	(35,322)	(63,964)	(43,415)	(15,939)	(27,109)	(25,662)	(23,405)
Free cash flow	\$ 143,045	\$ 73,716	\$ 71,004	\$ 117,176	\$ 216,442	\$ 123,321	\$ 209,939	\$ 249,480	\$ 180,692	\$ 115,062	\$ 195,911	\$ 180,661	\$ 213,406	\$ 223,700

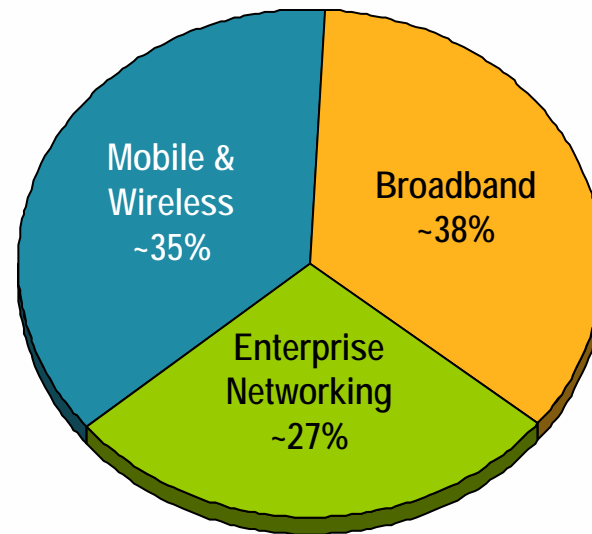
Broadcom Corporation
Unaudited GAAP Condensed Consolidated Balance Sheets and Other Metrics
(In thousands, except metric amounts)

	<u>Q1'05</u>	<u>Q2'05</u>	<u>Q3'05</u>	<u>Q4'05</u>	<u>Q1'06</u>	<u>Q2'06</u>	<u>Q3'06</u>	<u>Q4'06</u>	<u>Q1'07</u>	<u>Q2'07</u>	<u>Q3'07</u>	<u>Q4'07</u>	<u>Q1'08</u>	<u>Q2'08</u>
ASSETS														
Current assets:														
Cash and cash equivalents	\$ 974,915	\$ 1,013,568	\$ 1,135,121	\$ 1,437,276	\$ 1,868,162	\$ 1,838,372	\$ 1,927,798	\$ 2,158,110	\$ 2,028,619	\$ 2,044,337	\$ 2,037,214	\$ 2,186,572	\$ 2,001,269	\$ 1,705,715
Short-term marketable securities	310,123	390,590	424,320	295,402	272,402	366,894	449,353	522,340	460,677	370,336	308,932	141,728	90,033	228,418
Accounts receivable, net	208,096	243,791	275,397	307,356	351,599	408,301	424,299	382,823	363,001	382,285	395,732	369,004	362,436	479,832
Inventory	108,951	134,065	163,322	194,571	226,301	278,036	223,528	202,794	200,411	191,324	213,160	231,313	221,402	256,346
Prepaid expenses and other current assets	68,132	71,499	109,715	101,271	87,355	90,242	95,025	85,721	101,605	103,969	127,940	125,663	125,413	89,815
Total current assets	1,670,217	1,853,513	2,107,875	2,335,876	2,805,819	2,981,845	3,120,003	3,351,788	3,154,313	3,092,251	3,082,978	3,054,280	2,800,553	2,760,126
Property and equipment, net	101,219	93,330	92,603	96,438	100,556	110,691	118,762	164,699	221,833	228,271	226,079	241,803	250,526	252,890
Long-term marketable securities	135,208	142,845	145,897	142,843	172,889	171,961	177,273	121,148	73,589	66,116	84,107	75,352	114,456	105,513
Goodwill	1,083,563	1,083,385	1,131,941	1,149,602	1,188,694	1,186,286	1,187,263	1,185,145	1,215,070	1,236,488	1,365,764	1,376,721	1,376,936	1,386,642
Purchased intangible assets, net	19,244	14,960	11,146	7,332	37,368	34,019	31,376	29,029	42,150	39,384	50,725	46,607	42,489	38,371
Other assets	20,035	30,167	21,065	20,108	18,156	15,916	16,374	24,957	26,672	25,860	31,387	43,430	49,571	56,812
Total assets	\$ 3,029,486	\$ 3,218,200	\$ 3,510,527	\$ 3,752,199	\$ 4,323,482	\$ 4,500,718	\$ 4,651,051	\$ 4,876,766	\$ 4,733,627	\$ 4,688,370	\$ 4,841,040	\$ 4,838,193	\$ 4,634,531	\$ 4,600,354
LIABILITIES AND SHAREHOLDERS' EQUITY														
Current liabilities:														
Accounts payable	\$ 198,463	\$ 218,574	\$ 278,216	\$ 289,069	\$ 323,930	\$ 321,011	\$ 240,421	\$ 307,972	\$ 334,868	\$ 303,067	\$ 349,759	\$ 313,621	\$ 360,571	\$ 435,082
Wages and related benefits	61,358	52,540	78,841	74,709	86,968	73,852	91,431	104,940	129,346	121,304	159,132	147,853	137,373	124,276
Deferred revenue	4,703	1,830	1,742	2,053	2,121	1,520	1,463	1,873	2,493	2,874	6,371	15,864	7,907	7,514
Accrued liabilities	264,958	372,784	296,108	233,663	241,031	257,628	271,330	263,916	290,502	258,764	241,894	253,226	239,593	259,617
Total current liabilities	529,482	645,728	654,907	599,494	654,050	654,011	604,645	678,701	757,209	686,009	757,156	730,564	745,444	826,489
Commitments and contingencies														
Long-term deferred revenue	-	-	-	-	-	-	-	-	-	-	5,990	8,108	7,006	5,878
Other long-term liabilities	19,511	18,035	13,046	12,138	9,027	7,952	6,978	6,399	35,324	31,669	33,094	63,373	63,568	64,217
Shareholders' equity	2,480,493	2,554,437	2,842,574	3,140,567	3,660,405	3,838,755	4,039,428	4,191,666	3,941,094	3,970,692	4,044,800	4,036,148	3,818,513	3,703,770
Total liabilities and shareholders' equity	\$ 3,029,486	\$ 3,218,200	\$ 3,510,527	\$ 3,752,199	\$ 4,323,482	\$ 4,500,718	\$ 4,651,051	\$ 4,876,766	\$ 4,733,627	\$ 4,688,370	\$ 4,841,040	\$ 4,838,193	\$ 4,634,531	\$ 4,600,354
GAAP inventory turns	9.8	8.5	8.0	8.0	7.7	6.6	8.1	9.0	8.8	9.1	8.7	8.4	8.7	8.7
GAAP days in inventory	37.2	42.9	45.3	45.5	47.4	55.3	45.2	40.7	41.4	39.8	41.6	43.1	41.9	42.1

Broadcom Corporation
Unaudited Supplementary Financial Data
(In thousands)

	<u>Q1'05</u>	<u>Q2'05</u>	<u>Q3'05</u>	<u>Q4'05</u>	<u>Q1'06</u>	<u>Q2'06</u>	<u>Q3'06</u>	<u>Q4'06</u>	<u>Q1'07</u>	<u>Q2'07</u>	<u>Q3'07</u>	<u>Q4'07</u>	<u>Q1'08</u>	<u>Q2'08</u>
Cost of Revenue:														
Stock-based compensation	\$ 1,059	\$ 1,007	\$ 1,074	\$ 1,037	\$ 6,286	\$ 7,105	\$ 5,742	\$ 5,456	\$ 5,814	\$ 6,861	\$ 7,214	\$ 6,581	\$ 5,465	\$ 6,237
Amortization of purchased intangible assets	2,290	3,244	2,774	2,773	2,981	2,744	2,314	2,017	3,050	2,566	3,935	3,934	3,935	3,934
Research and development:														
Stock-based compensation	15,537	17,872	18,534	16,663	70,005	86,420	78,191	72,480	78,431	90,832	94,619	89,767	78,706	90,003
Selling, general and administrative:														
Stock-based compensation	7,543	7,268	7,338	7,083	31,695	38,940	37,595	28,449	32,626	36,607	37,023	33,277	29,065	31,268
Recovery of legal fees related to certain litigation	-	-	-	-	-	-	-	-	-	-	-	-	(8,569)	-
Other Operating Expense:														
Amortization of purchased intangible assets	912	1,040	1,040	1,041	1,083	605	329	330	329	200	314	184	183	184
In-process research and development	6,652	-	35,000	1,800	5,200	-	-	-	300	10,200	4,970	-	10,900	-
Impairment of intangible assets	-	-	-	500	-	-	-	-	1,500	-	-	-	-	1,900
Settlement costs	-	110,000	-	-	-	-	-	-	-	-	-	-	15,810	-
Restructuring costs (reversal)	-	-	(2,500)	-	-	-	-	-	-	-	-	-	-	(1,000)
Other:														
Employer payroll tax expense on certain stock option exercises	635	1,256	3,083	2,505	9,404	2,638	548	-	1,886	934	1,484	3,182	930	1,169
Charges related to equity award review	-	-	-	-	-	-	1,599	48,302	3,434	(25)	-	-	-	-
Loss (gain) on strategic investments, net	-	-	(1,151)	(12)	(700)	-	-	-	2,637	11	2,121	(2,960)	-	1,760
Non-operating gains	(25)	(150)	(471)	(274)	(434)	(48)	-	-	(3)	(126)	(146)	(2,444)	-	-

Q2 2008 Revenue Mix



Q2 2008
\$1.201 Billion