

BROADCOM CORP
Form 425
June 04, 2015

Avago
to Acquire Broadcom
Creates World's Leading Diversified Communications Semiconductor Company
June 2015
Filed by Avago
Technologies Limited
Pursuant to Rule 425 under the Securities Act of 1933
And deemed filed pursuant to Rule 14a-12
Of the Securities Exchange Act of 1934, as amended
Subject Company: Broadcom Corporation
Commission File No.: 000-23993
Your Imagination, Our Innovation

Your Imagination, Our Innovation

Forward-Looking Statements

Page 1

Cautions Regarding Forward-Looking Statements

This communication contains forward-looking statements (including within the meaning of Section 21E of the United States Securities Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended) concerning Avago, Broadcom, P
Safari Cayman LP (New LP), the proposed transactions and other matters. These statements may discuss goals, intentions and
plans, trends, events, results of operations or financial condition, or otherwise, based on current beliefs of the management of A

well as assumptions made by, and information currently available to, such management. Forward-looking statements may be made as to, but not limited to, such things as aim, anticipate, believe, plan, could, would, should, estimate, expect, forecast, future, guidance, potential, predict, project or similar words, phrases or expressions. These forward-looking statements are subject to various risks, many of which are outside the parties' control. Therefore, you should not place undue reliance on such statements.

Factors which could cause actual results to differ from those projected or contemplated in any such forward-looking statements include, but are not limited to, the following factors: (1) the risk that the conditions to the closing of the transaction are not satisfied, including the risk that the necessary approvals of the shareholders of Avago or Broadcom for the transaction are not obtained; (2) litigation relating to the transaction; (3) uncertainty as to the consummation of the transaction and the ability of each party to consummate the transaction; (4) risks that the proposed transaction will adversely affect the business plans and operations of Avago or Broadcom; (5) the ability of Avago and Broadcom to retain and hire key personnel; (6) completion of the proposed transaction; (7) unexpected costs, charges or expenses resulting from the transaction; (8) potential adverse reactions or changes in relationships resulting from the announcement or completion of the transaction; (9) the combined companies' ability to achieve the synergies expected from the transaction, as well as delays, challenges and expenses associated with integrating the combined companies' businesses and the indebtedness planned to be incurred in connection with the transaction; and (10) legislative, regulatory and other changes. The foregoing review of important factors that could cause actual events to differ from expectations should not be construed as a guarantee. This information should be read in conjunction with statements that are included herein and elsewhere, including the risk factors included in Broadcom's most recent Quarterly Report on Form 10-Q and Annual Report on Form 10-K, respectively, and Broadcom's and Avago's more recent reports. Neither Broadcom nor Avago undertakes any intent or obligation to publicly update or revise any of these forward looking statements in light of new information, future events or otherwise, except as required by law.

Your Imagination, Our Innovation
Strategically and Financially Compelling Transaction
Global semiconductor leader, with combined annual revenues
of approximately \$15 billion
Enhanced scale and product breadth
Broad portfolio of complementary category-leading franchises
Levered to numerous secular growth trends
Immediately accretive to non-GAAP EPS and cash flow

Creates world's leading diversified communications semiconductor company

Your Imagination, Our Innovation
Creates a Global Semiconductor Leader
LTM Revenue (\$B)
Source: company filings as of May 27, 2015
Combined enterprise value of \$77 billion
Page 3
\$55.9
\$27.5

\$15.1
\$13.2
\$10.5
\$8.5
\$7.3
\$6.9
\$6.6
\$6.6
+
+

Your Imagination, Our Innovation

Page 4

San Jose, CA

Fort Collins, CO

Matamoros, MEX

Seoul, KR

Singapore, SG

Shanghai, CN

Pune, IN
Bangalore, IN
Colorado Springs, CO
Allentown, PA
Regensburg, DE
Boeblingen, DE
Wuxi, CN
Penang, MY
Mendota Hts, MN
Costa Mesa, CA
Headquarters in Irvine, CA
Broadcom Sites (>300 employees)
Avago and Broadcom Footprint
Irvine, CA
Hyderabad, IN
Israel,
IL
Singapore, SG
Taiwan
San Diego, CA
San Jose, CA
Santa Clara, CA
Sunnyvale, CA
United Kingdom
China
Bangalore, IN
Avago Major Sites

Your Imagination, Our Innovation

5

Source: Broadcom /Gartner Top 10 Semiconductor Vendors by Revenue, Worldwide, 2014. *Excluding memory companies.

Fortune

300

GLOBAL

leader in

semiconductors
for wired and wireless
communications

One of
TOP 5
semiconductor
companies by
revenue*

2014 Revenue:
\$8.43B

One of the
industry s
broadest IP
portfolios with
>20,000 U.S.
and foreign
patents and
applications

HQ in Irvine,
California with
DESIGN
CENTERS

around the world
~10,000 global
employees
78% of employees
in

engineering

One of the
LARGEST
VOLUME

fabless
semiconductor
suppliers

Ships ~
7M

chips a day

Broadcom
at a Glance

Page 5

Your Imagination, Our Innovation
99.98% of All Data Traffic Crosses at Least One Broadcom Chip
Broadcom Chips are Pervasive
Source: Broadcom internal estimate
Coax
Service Provider
Network

Wi-Fi Router
Cloud Data Center
Corporate
Enterprise
Wi-Fi Router
Coax
DSL
Ethernet
PON
Home
Fiber
Macro Base
Station
Microwave
Backhaul
Fiber
Powerline
Ethernet
CMTS
DSLAM
OLT
Page 6

Your Imagination, Our Innovation
Broad and Deep Product Portfolio
Femtocell
xDSL
HomePlug & MoCA
Cable & Satellite
Set-top Box

IPTV Solutions
Ultra HD &
Multimedia
Processors
xPON
Automotive
GPS
NFC
Wireless LAN Solutions
& WICED

Wi-Fi
WICED

Smart
CMTS
DSLAM
OLT
Point of Sale
VoIP
Processors
Switching
Microwave &
Mobile Backhaul
Ethernet
Controllers
& Adapters
Security
Base Station
Cable Modem
Wireless Charging
BT/Wi-Fi Combo
Work
Home
On the Go
Source: Broadcom
Page 7

Your Imagination, Our Innovation
Custom
Cell
Libraries,
Custom
Memories,
Analog

and
RF
Building
Blocks,
I/O
Cells
Self-Sufficiency in IP Cores
Data Center/
Enterprise
Switching
Service
Provider
Switching
Software
Defined
Networking
Network
Function
Virtualization
Ethernet
Copper
PHYs
Ethernet
Optical
PHYs
Automotive
PHYs
Long-haul
Optical
Transport
Ethernet
Controllers
Fiber Channel
over Ethernet
Multicore
Processors
Knowledge
Based
Processors
SMB
Processors
Backplane
SERDES
Power Over
Ethernet
Energy
Efficient
Ethernet
Time Sensitive
Networking

Microwave
Backhaul
Digital
Front-End
Processors
VoIP
Security
Processors
Cable STB
Satellite STB
IP STB
Terrestrial
STB
DOCSIS
Cable Modem
Cable
Head-end
Processors
ADSL/VDSL
(CO/CPE)
EPON/GPON
(OLT/ONU)
MoCA Home
Networking
Powerline
Networking
Ultra HD/HEVC
Processors
STB Graphics
Processors
Digital
Transport
Adaptors
Video
Transcoders
STB Security
Processors
Small Cells
Satellite
Outdoor Unit
Media Terminal
Adapters
Video over
Wi-Fi
Conditional
Access
Full-Band
Capture
Front-ends
Wi-Fi

GPS/GNSS

Bluetooth

NFC

Power

Management

Touch

Controllers

Wireless

Power

IoT SoCs

ZigBee

Location Based

Services

FM Radio

60 GHz

Wearable

SoCs

Antennas

Home

Work

On the Go

Source: Broadcom

Page 8

Your Imagination, Our Innovation
Expand Our Portfolio of Category-Leading Franchises
Leading
Positions
Key Customers
Page 9
RF
Fiber Optics

ASIC
Optocouplers
HDD
Storage
Connectivity
Wireless
Combo
Set Top Box
Broadband
Ethernet
Switching
PHY

Your Imagination, Our Innovation
Drive Towards a Very Profitable Financial Model
Sustainable and
growing revenue
Proven operating
model with industry
leading margins
\$750M of annual run

rate synergies within
18 months of closing
Strong
cash flow
generation & liquidity
Track record of rapid
deleveraging

Note: Financials presented on non-GAAP basis, excluding stock-based compensation, amortization of intangible assets, and other

(1) Pro forma for LSI, PLX and Emulex transactions

(2) Depreciation estimated as 3% of revenues

Page 10

(2)

Source: company filings as of May 27, 2015

+

Your Imagination, Our Innovation

Next Steps

Pre-Closing

Need regulatory approvals in various jurisdictions

Need approval of Avago's
and Broadcom's shareholders

Already unanimously approved by the Boards of Directors of both companies

Integration

Still run as two separate companies

Planning towards Day One

Post-Closing

Avago

adopts the name Broadcom Limited

Hock Tan will continue to serve as Chief Executive Officer, supported by Avago's current management

Henry Samueli

will be appointed Chief Technical Officer and join the board

Your Imagination, Our Innovation

Important Additional Information

Page 12

No Offer or Solicitation

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction pursuant to the proposed transactions or any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made without a prospectus meeting the requirements of Section 10 of the United States Securities Act of 1933, as amended. Subject to certain

approved by the relevant regulators or certain facts to be ascertained, the public offer will not be made directly or indirectly, in order to do so would constitute a violation of the laws of such jurisdiction, or by use of the mails or by any means or instrumentality (including facsimile transmission, telephone and the internet) of interstate or foreign commerce, or any facility of a national securities exchange or other national securities jurisdiction.

Important Additional Information Will be Filed with the SEC

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

Participants in the Solicitation

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

Forward-Looking Statements

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

Factors which could cause actual results to differ from those projected or contemplated in any such forward-looking statements include, but are not limited to, the following factors: (1) the risk that the conditions to the closing of the transaction are not satisfied, including the risk that required approvals from the shareholders of Avago or Broadcom for the transaction are not obtained; (2) litigation relating to the transaction; (3) uncertainties as to the timing of the consummation of the transaction and the ability of each party to consummate the transaction; (4) risks that the proposed transaction disrupts the current plans and operations of Avago or Broadcom; (5) the ability of Avago and Broadcom to retain and hire key personnel; (6) competitive responses to the proposed transaction; (7) unexpected costs, charges or expenses resulting from the transaction; (8) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the transaction; (9) the combined companies ability to achieve the growth prospects and synergies expected from the transaction, as well as delays, challenges and expenses associated with integrating the combined companies existing businesses and the indebtedness planned to be incurred in connection with the transaction; and (10) legislative, regulatory and economic developments. The foregoing review of important factors that could cause actual events to differ from expectations should not be construed as exhaustive and should be read in conjunction with statements that are included herein and elsewhere, including the risk factors included in Broadcom s and Avago s most recent Quarterly Report on Form 10-Q and Annual Report on Form 10-K, respectively, and Broadcom s and Avago s more recent reports filed with the SEC. Neither Broadcom nor Avago undertakes any intent or obligation to publicly update or revise any of these forward looking statements, whether as a result of new information, future events or otherwise, except as required by law.

No Offer or Solicitation

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

Important Additional Information Will be Filed with the SEC

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

Participants in the Solicitation

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