

Avago Technologies LTD  
Form 10-Q  
June 07, 2013  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-Q  
(MARK ONE)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 5, 2013

OR  
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-34428

Avago Technologies Limited  
(Exact Name of Registrant as Specified in Its Charter)

Singapore  
(State or Other Jurisdiction of  
Incorporation or Organization)

1 Yishun Avenue 7  
Singapore 768923

(Address of Principal Executive Offices)

98-0682363  
(I.R.S. Employer  
Identification No.)

N/A

(Zip Code)

(65) 6755-7888

(Registrant's telephone number, including area code)

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 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. YES  NO

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). YES  NO

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):

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). YES  NO

As of May 31, 2013 there were 246,911,684 shares of our ordinary shares, no par value per share, outstanding.

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For the Quarterly Period Ended May 5, 2013

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## PART I — FINANCIAL INFORMATION

## Item 1. Condensed Consolidated Financial Statements — Unaudited

## AVAGO TECHNOLOGIES LIMITED

## CONDENSED CONSOLIDATED BALANCE SHEETS — UNAUDITED

(in millions, except share amounts)

	May 5, 2013	October 28, 2012 (1)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$1,219	\$1,084
Trade accounts receivable, net	271	341
Inventory	229	194
Other current assets	99	72
Total current assets	1,818	1,691
Property, plant and equipment, net	561	503
Goodwill	201	180
Intangible assets, net	393	422
Other long-term assets	66	66
Total assets	\$3,039	\$2,862
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$240	\$248
Employee compensation and benefits	59	61
Capital lease obligations — current	1	1
Other current liabilities	30	36
Total current liabilities	330	346
Long-term liabilities:		
Capital lease obligations — non-current	2	2
Other long-term liabilities	96	95
Total liabilities	428	443
Commitments and contingencies (Note 11)		
Shareholders' equity:		
Ordinary shares, no par value; 246,852,295 shares and 245,477,491 shares issued and outstanding on May 5, 2013 and October 28, 2012, respectively	1,518	1,479
Retained earnings	1,100	951
Accumulated other comprehensive loss	(7	) (11
Total shareholders' equity	2,611	2,419
Total liabilities and shareholders' equity	\$3,039	\$2,862

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(1) Amounts as of October 28, 2012 have been derived from audited consolidated financial statements as of that date.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.



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AVAGO TECHNOLOGIES LIMITED  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS — UNAUDITED  
 (in millions, except per share data)

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	May 5, 2013	April 29, 2012	May 5, 2013	April 29, 2012
Net revenue	\$562	\$577	\$1,138	\$1,140
Cost of products sold:				
Cost of products sold	276	284	562	563
Amortization of intangible assets	14	14	28	28
Restructuring charges	—	1	—	1
Total cost of products sold	290	299	590	592
Gross margin	272	278	548	548
Research and development	95	84	188	166
Selling, general and administrative	52	51	105	101
Amortization of intangible assets	6	5	11	10
Restructuring charges	1	1	2	2
Total operating expenses	154	141	306	279
Income from operations	118	137	242	269
Interest expense	(1 )	—	(1 )	(1 )
Other income, net	1	3	3	2
Income before income taxes	118	140	244	270
Provision for income taxes	5	6	6	11
Net income	\$113	\$134	\$238	\$259

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