Cautionary Statement

All statements included or incorporated by reference in this Annual Report on Form 10-K, other than statements or characterizations of historical fact, are forward-looking statements within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include, but are not limited to, statements concerning projected total net revenue, costs and expenses and gross margin; our accounting estimates, assumptions and judgments; the demand for our products; our dependence on a few key customers and/or design wins for a substantial portion of our revenue; our commitment to research and development efforts; the characteristics of our patents; the accuracy of our estimates and forecasts; estimates related to the amount and/or timing of the expensing of unearned stock-based compensation expense and stock-based compensation as a percentage of revenue; manufacturing, assembly and test capacity; the effect that economic conditions, seasonality and volume fluctuations in the demand for our customers' consumer-oriented products will have on our quarterly operating results; our ability to adjust operations in response to changes in demand for existing products and services or the demand for new products requested by our customers; the competitive nature of and anticipated growth in our markets; our ability to consummate acquisitions and integrate their operations successfully; our ability to migrate to smaller process geometries; our success in pending intellectual property litigation matters; our potential needs for additional capital; inventory and accounts receivable levels; our ability to permanently reinvest our foreign earnings; the effect of potential changes in U.S. or foreign tax laws and regulations or the interpretation thereof; the level of accrued rebates; and our intention to continue to pay dividends. These forward-looking statements are based on our current expectations, estimates and projections about our industry and business, management's beliefs, and certain assumptions made by us, all of which are subject to change. Forward-looking statements can often be identified by words such as "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "may," "will," "should," "would," "could," "potential," "continue," "ongoing," similar expressions, and variations or negatives of these words. These statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, our actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors, some of which are listed under the section entitled "Risk Factors" in Part I, Item 1A of this Report. These forward-looking statements speak only as of the date of this Report. We undertake no obligation to revise or update publicly any forward-looking statement to reflect future events or circumstances.

PART I

Item 1. *Business*

Overview

Broadcom Corporation (including our subsidiaries, referred to collectively in this Annual Report as "Broadcom," "we," "our" and "us") is a global leader and innovator in semiconductor solutions for wired and wireless communications. Broadcom was incorporated in California in August 1991. Our Class A common stock trades on the Nasdaq Global Select Market® under the symbol BRCM. Our principal executive offices are located at 5300 California Avenue, Irvine, California 92617-3038, and our telephone number at that location is 949.926.5000. Our Internet address is **www.broadcom.com**. The inclusion of our Internet address in this Report does not include or incorporate by reference into this Report any information on our website. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and other U.S. Securities and Exchange Commission (SEC) filings are available free of charge through the Investor Relations section of our website as soon as reasonably practicable after such reports are electronically filed with, or furnished to, the SEC. The SEC also maintains a web site, ***www.sec.gov***, which contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Communications technologies continue to evolve rapidly due to growth in the number of connected devices, continual increased demand for faster speeds across wired and wireless networks, the emergence of new communications standards, and the introduction of new technologies and features. Success in this field is influenced by the strength of a supplier's intellectual property, or IP, portfolio and the ability to integrate that IP into complex, single-chip solutions. We have one of the strongest IP portfolios among global fabless semiconductor suppliers, as

ranked by the Institute of Electrical and Electronics Engineers (IEEE). Our strategy centers on designing highly-complex and highly-integrated semiconductor solutions that leverage our leading IP portfolio and target a broad range of wired and wireless communications markets. We provide one of the industry's broadest portfolio of highly-integrated system-on-a-chip solutions, or SoCs, that seamlessly deliver voice, video, data and multimedia connectivity in the home, office and mobile environments. This focus on integration enables Broadcom to provide products that deliver leading performance, consume relatively low power and take up a minimal amount of space within our customers' products. Our strong and growing IP portfolio and solid track record in designing highly-integrated SoCs enables us to quickly and efficiently respond to a rapidly evolving marketplace for communication solutions.

Reportable Segments

Our business is structured around two reportable segments: (i) Broadband and Connectivity; and (ii) Infrastructure and Networking.

Net revenue for these reportable segments is presented below. "Cellular Baseband" represents the operations of the cellular baseband business that is currently winding down. "All Other" is comprised of income from our April 2009 agreement with Qualcomm Incorporated, or the Qualcomm Agreement. See detailed discussion in the "*Overview*" section in Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations.*

Percentage of Net Revenue

Net Revenue: $8.43 billion | Net Revenue: $8.31 billion | Net Revenue: $8.01 billion

Broadband and Connectivity Reportable Segment

Our solutions in this reportable segment include: set-top box solutions, broadband modem solutions, connectivity solutions, and a range of other technologies. Customer products incorporating our solutions in this reportable segment include: set-top boxes, or STBs, central office broadband access equipment, residential gateways, stand-alone broadband access modems, and a range of consumer devices, including smartphones and tablets, wearable devices, PCs, laptops, access points, and others.

Set-Top Box Solutions

Global service providers are increasingly introducing 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. Service providers are also 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 HD services by effectively doubling the capacity of existing networks to deploy new or existing content.

We offer complete platform solutions for cable, satellite, Internet Protocol, over-the-top and terrestrial STBs. Our families of STB solutions support the complete range of resolutions, from standard definition, to high definition, and Ultra HD. We also provide a family of related mixed-signal and digital RF tuner front-ends. Our latest generation of digital tuners leverages our Full-Band Capture (FBC) technology, which digitizes the entire downstream spectrum, replacing multiple tuners with a single FBC digital tuner. Our FBC technology is integrated into a range of gateways and STB platforms.

Broadband Modem Solutions

Global service providers 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 see global service providers moving toward DOCSIS 3.1 for cable modem technologies, G.Fast for DSL, and deploying more fiber-based solutions to increase speeds and bandwidth for customers.

We offer complete platform solutions for DSL, cable and fiber for both central office deployments and consumer premise equipment (CPE). For CPE deployments, we see continued transitions toward residential gateway solutions, which are frequently powered by Broadcom. For the central office, our solutions include cable modem termination systems for cable, optical line termination for fiber, and DSLAM's for DSL.

Connectivity Technologies

Our connectivity solutions include integrated and discrete Wi-Fi, Bluetooth and near field communication, or NFC, solutions. Devices incorporating our wireless connectivity solutions include: smartphones; tablets; laptops, and related peripherals; wireless home routers and gateways; printers; handheld media devices; home gaming systems; smart TVs and connected STBs; as well as a range of wearable and connected devices, including watches and glasses, smoke alarms and thermostats.

Wi-Fi allows devices on a local area network to communicate wirelessly. It adds the convenience of mobility to the utility of high-speed data networks. We offer a family of high performance, low power Wi-Fi chipsets. We support a broad range of value added features on top of our WiFi solutions, including Wi-Fi Direct, WiFi Display and Miracast.

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. We continue to drive the evolution of Bluetooth with support of the Bluetooth Low Energy (BLE) standard, or Bluetooth Smart, for supporting low power applications such as health and fitness, medical devices, and wearable devices.

NFC, an ultra short-range wireless standard that enables simple pairing between devices, has been adopted for contactless payment systems and can also be implemented to facilitate simple pairing between a variety of devices, including smartphones, tablets, TVs, remote controls, wireless mice, and Bluetooth headsets. We offer a family of low-power NFC solutions for a range of consumer devices.

Other Broadband and Connectivity Technologies

Our other broadband and connectivity technologies include small cell/femtocell solutions, location (GPS) and touch controllers.

Small-cell: We offer complete 3G/4G platform solutions for femtocells and small and residential cells. We see service providers continuing to deploy small cells to add capacity and coverage to their cellular network topology. Femtocells are deployed primarily in residences to enhance cellular coverage in the home. Small cells are low-powered radio access nodes that operate in licensed and unlicensed spectrum with a range of 10 meters to 2 kilometers. Service providers are deploying small cells to enable data offload, which will enable them to more

efficiently utilize their limited spectrum.

Location (GPS): We also offer a family of GPS, assisted GPS (A-GPS) and GNSS semiconductor products, software and data services. Our location-based services technology delivers data to our GNSS devices, further enhancing performance and reliability. These GPS solutions are part of a broader location platform that leverages a broad range of communications technologies, including WiFi, Bluetooth, MEMS sensors and GPS, to provide more accurate location, navigation and more functionality indoors, including indoor location and navigation.

Touch controllers: We also offer touch controllers targeted to one customer, which are integrated circuits designed to process signals from touch screens on mobile devices. Our touch controllers can be found in smartphones and tablets.

Infrastructure and Networking Reportable Segment

Our solutions in this reportable segment include: Ethernet switches and PHYs, which includes switches and fabrics; copper and optical transceivers; backplane and optical front-end physical layer devices; processors (including multicore processors); and other Infrastructure and Networking technologies (including knowledge-based processors, VoIP solutions, microwave backhaul solutions and radio head digital front ends). We also offer a family of Ethernet controllers.

Customer products incorporating our solutions in this reportable segment include: service provider metro equipment; edge and core routers, wireless infrastructure and wireless access points; switches and routers; servers and workstations; network interface cards; LAN on motherboard applications; optical networks and dense wave division multiplexing applications; security appliances; storage controllers; microwave links for wireless backhaul; cellular remote radio heads; automobile Ethernet networks; point-of-sale equipment; and other embedded SoC subsystems.

Ethernet Switches and PHYs

Ethernet is a ubiquitous interconnection technology that enables high performance and cost effective networking infrastructure across the enterprise, service provider, data center and small and medium business spaces.

Ethernet Switch. We offer a broad set of Ethernet switching products that are optimized for service provider networks, data center implementations, and enterprise and small-and-medium businesses. These solutions range from low-cost five port switch chips to complete solutions enabling in excess of 400 terabits per second of switching capacity in a multi-chassis configuration. More specifically:

- *Data center* - High capacity, low latency switching silicon that 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 and supporting 100 gigabits per second (Gbps) Ethernet.

- *Service provider* - 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. In addition, we also offer a full duplex 100 Gbps fully programmable packet processor.

- *Enterprise and small-and-medium businesses (SMB)* - For enterprise applications, we offer product families that combine multi-layer switching capabilities and wire-speed Gigabit, 10, 40 and 100 Gbps Ethernet switching performance for unified wired and wireless enterprise business networks. Our family of SMB Ethernet switch products are designed to support lower power modes and comply with industry standards around energy efficient Ethernet.

Ethernet Copper Transceivers. 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 at one or 10 Gbps.

Automotive Ethernet. As consumer demand for in-vehicle connectivity continues to grow, automotive manufacturers are under pressure to deliver competitive, innovative features while minimizing cost. Broadcom's BroadR-Reach® automotive solutions allow multiple in-vehicle systems (such as infotainment, on-board diagnostics and automated driver assistance) to simultaneously access information over unshielded single twisted pair cable. Our automotive Ethernet product portfolio consists of five devices (including three highly integrated switches with embedded PHYs and two stand-alone PHY solutions) that deliver high-performance bandwidth of 100Mbps and beyond while dramatically reducing connectivity costs and cabling weight, as well as increasing energy efficiency.

Backplane and Optical Front-End Physical Layer Devices. To address increasing volumes of data traffic both in data centers and service provider networks, we offer a portfolio of 10G and 40G Ethernet transceivers, 100 Gbps gear boxes, forward error correction solutions, and chips for backplanes and optical interconnect. These devices are low-power solutions for very high density 10, 40 and 100 Gbps switching and transport solutions. We also offer 2.5 Gbps and 10 Gbps SONET/SDH/OTN transceivers that enable the development of low-cost, high-density optical transport equipment, enabling telecommunications and service providers to efficiently deliver data and voice traffic over existing fiber networks.

Processors

Multicore Communication Processor. Used in building current and next-generation server, storage, data networking and wireless equipment, our multicore solutions include high performance quad-issue, quad-threaded central processing units (CPUs) that are coupled with high performance on-chip fabric and accelerators, enabling multi-chip cache coherent configurations. Broadcom's high-speed communications processors support complex networking applications, such as deep content switching, routing and load balancing at wireline speed. In addition to our multicore processors, we provide a line of highly integrated processor and networking solutions based on ARM processors.

Ethernet Controllers

We offer Ethernet controllers for servers, workstations, and desktop and notebook computers, supporting multiple generations of Ethernet technology. We also supply ASIC controllers through a relationship with QLogic Corporation.

Other Infrastructure and Networking Technologies

Knowledge-Based Processors (KBP). Broadcom's knowledge-based processors enable high-performance decision-making for packet processing in a variety of advanced devices in the enterprise, metro, access, edge and core networking spaces. This family features the ability to process packets at wire-speed while consuming relatively little power.

Microwave Modems and RF. Our family of microwave and millimeter modems and RF chip sets allows our customers to build high performance wireless backhaul and LAN extension products for service providers. They include features such as dual polarization for increased throughput, integrated networking functionality and full path protection.

VoIP solutions. Our family of VoIP solutions allows our customers to build VoIP-enabled telephony products primarily for the enterprise environment.

Digital Front-End Processors (DFE). We offer a family of Remote Radio Head DFE products that can be found in wireless infrastructure deployments around the globe.

Custom Silicon Products

We offer customers a range of custom application-specific integrated circuit, or ASIC, products that integrate customer-specific intellectual property into larger, more highly integrated solutions. This approach enables our customers to leverage their own intellectual property while still benefiting from the cost, power and performance benefits of a more integrated single-chip solution.

Reference Platforms

To assist our customers in developing products, we develop reference platforms designed around our integrated circuit products that represent prototypical system-level applications. These reference platforms generally include an extensive suite of software drivers, as well as protocol and application layer software. By providing reference platforms that may ultimately be incorporated into our customers' end products, we believe we enable our customers to achieve easier and faster transitions from the initial prototype designs through final production releases. We believe these reference platform designs also significantly enhance customers' confidence that our products will meet their market requirements and product introduction schedules.

Customers and Strategic Relationships

We sell our products to leading wired and wireless communications manufacturers. We have also established strategic relationships with multiservice operators that provide wired and wireless communications services to consumers and businesses. Our leading customers currently shipping wired and/or wireless communications equipment and devices incorporating our products include:

- Alcatel-Lucent
- Apple
- Arris
- Cisco
- Huawei Technologies
- Humax
- Pace
- Samsung
- Technicolor
- ZTE

A small number of customers have historically accounted for a substantial portion of our net revenue. Contributions to our net revenue by these customers have increased in the last several years. Sales to our five largest customers represented 44.1%, 48.3% and 46.9% of our net revenue in 2014, 2013 and 2012, respectively. In 2014, 2013 and 2012 sales to Samsung represented 14.2%, 21.3%, and 17.3% of our net revenue, respectively. In 2014, 2013 and 2012 sales to Apple represented 14.0%, 13.3%, and 14.6% of our net revenue, respectively. See Note 11 of Notes to Consolidated Financial Statements, included in Part IV, Item 15 of this Report. We expect that our key customers will continue to account for a substantial portion of our net revenue in 2015 and in the foreseeable future. We typically sell products pursuant to purchase orders that customers can generally cancel, change or defer on short notice without incurring a significant penalty.

Research and Development

We have assembled a large team of experienced engineers and technologists, many of whom are leaders in their particular field or discipline. As of December 31, 2014 we had approximately 8,000 research and development employees (or approximately 75% of our total employees), including over 800 employees with Ph.D.s. These key employees are involved in advancing our core technologies, as well as product development. We believe that increased intellectual property integration and the timely introduction of new products are essential to our growth. Because SoC solutions benefit from the same underlying core technologies, we are able to address a wide range of communications markets with a relatively focused investment in research and development. Our research and development expense was $2.37 billion, $2.49 billion and $2.32 billion in 2014, 2013 and 2012, respectively. These amounts included stock-based compensation expense for employees engaged in research and development of $304 million, $363 million and $368 million in 2014, 2013 and 2012, respectively. We have design centers throughout the United States, including our principal design facilities in Irvine, California and Santa Clara County, California, as well as Asia, Europe and the Middle East.

Our revenue and our research and development costs as a percentage of revenue are subject to the cyclicality and seasonality of our industry. Our research and development costs on an absolute dollar basis are not, however, meaningfully affected by these patterns. We endeavor to manage our cost structure to attain long-term business objectives, rather than focusing on short-term profit targets.

Manufacturing

Wafer Fabrication

We depend on multiple foundry subcontractors located in Asia to manufacture a majority of our products. Our key silicon foundries are:

- Taiwan Semiconductor Manufacturing Corporation, or TSMC, in Taiwan;
- United Microelectronics Corporation in Singapore and Taiwan;
- Semiconductor Manufacturing International Corporation in China; and
- GlobalFoundries, Inc. (formerly Chartered Semiconductor Manufacturing) in Singapore and Germany.

By subcontracting manufacturing, we focus resources on design and test applications where we believe we have greater competitive advantages. This strategy also avoids the high capital cost of owning and operating semiconductor wafer fabrication facilities. See "*Risk Factors*" under Item 1A of this Report for a discussion of the risks associated with our dependence on independent foundry subcontractors.

Most of our products are manufactured using complementary metal oxide semiconductor, or CMOS, process technology. Our products are currently fabricated on a variety of processes ranging from 500 nanometers to 28 nanometers. We generally evaluate the benefits of migrating to smaller geometry process technologies based on the benefits in performance, power and/or cost. In 2014, approximately 50% of our products were manufactured in 40 nanometers and30% in 65 nanometers. We are designing most new products in 40 nanometers and 28 nanometers, and are beginning to evaluate FinFET technologies. As we move to smaller geometries, we have become increasingly reliant on Taiwan Semiconductor Manufacturing Company (TSMC) for the manufacture of product at and below 40 nanometers. See "*Risk Factors*" under Item 1A of this Report for a discussion of the risks associated with transitioning to smaller geometry process technologies.

Assembly and Test

Our products are tested at either the wafer level and/or the packaged finished products level. Our product testing is conducted by independent foundries, and independent test subcontractors. The die are assembled into finished products by independent assembly and package subcontractors. A majority of our test and assembly is performed by the following independent subcontractors:

- Advanced Semiconductor Engineering (ASE) in Singapore, China and Taiwan (test, assembly and packaging);
- Siliconware Precision in Taiwan (test, assembly and packaging);
- United Test and Assembly Center in Singapore, China and Thailand (test, assembly and packaging);
- Amkor in Korea, Philippines, Taiwan and China (assembly and packaging only); and
- STATSChipPAC in Singapore, Korea, Malaysia and China (test, assembly and packaging).

See "*Risk Factors*" under Item 1A of this Report for a discussion of the risks associated with our dependence on third party assembly and test subcontractors.

Quality Assurance

We consider product reliability from the initial stage of the design cycle through each specific design process, from layout through testing. Our operations and quality engineering teams closely manage the interface between manufacturing and design engineering. We evaluate each assembly and foundry subcontractor. We also participate in quality and reliability monitoring by reviewing electrical and parametric data from our wafer foundry and assembly subcontractors. We closely monitor wafer foundry production to ensure consistent overall quality, reliability and yield levels. All of our principal independent foundries and package assembly facilities are currently ISO 9001 certified, a comprehensive International Standards Organization specified quality system acknowledgment. As part of our total quality program, we received ISO 9001 certification for our Singapore distribution facility.

Environmental Management

We assess the environmental impact of our products to international standards. Our manufacturing subcontractors have registered our manufacturing flow to ISO 14000, the international standard related to environmental management. Lead-free solutions in electronic components and systems are receiving increasing attention within the semiconductor industry. Our products are compliant with the Restriction of Hazardous Substances Directive, or RoHS, the European legislation that restricts the use of a number of substances, including lead, and current European REACH (Regulation, Evaluation and Authorization of Chemicals) laws.

Product Distribution

Due largely to the location of our customers and their fabrication facilities, the majority of our products are shipped outside of the United States to customers through our distribution center in Singapore and a smaller portion within the United States via an operations and distribution center in Irvine, California. Net product revenue derived from actual shipments to international destinations, primarily in Asia represented 95.7%, 96.4% and 96.4% of our net revenue in 2014, 2013 and 2012, respectively.

Sales and Marketing

Our sales and marketing strategy is to achieve design wins with industry leaders by providing quality, state-of-the-art products and superior technical support. We market and sell our products in the United States through a direct sales force, but we also use distributors and manufacturers' representatives. The majority of our domestic sales occur through our direct sales force, which is located in offices throughout the United States. We market and sell our products internationally through regional offices in Asia and Europe, as well as through a network of independent distributors and representatives in Asia, Australia, Europe, South Africa and South America. We or our customers select these independent entities based largely on their ability to provide effective sales and technical support to our customers. All international sales to date have been in U.S. dollars. We present revenue from independent customers by geographic area in Note 11 of Notes to Consolidated Financial Statements, included in Part IV, Item 15 of this Report.

Backlog

Our sales are primarily made through standard purchase orders for delivery of products. We follow industry practice that allows customers to cancel, change or defer orders with limited advance notice prior to shipment. Given this practice, we do not believe that backlog, by itself, is a reliable indicator of future revenue levels.

Competition

The semiconductor industry in general, and wired and wireless communications markets in particular, are intensely competitive and are characterized by constant innovation, rapid change, rapid cadence through technology standards, short product life cycles and steady price erosion. We believe that the principal factors of competition for integrated circuit providers in general, or their product offerings in particular, include:

- product quality and reputation
- product capabilities
- level of integration
- engineering execution and scale
- reliability
- power efficiency
- circuit board footprint
- market presence
- standards compliance
- system cost
- breadth of intellectual property
- customer interface and support
- time-to-market
- security

We believe that we currently compete favorably with respect to each of these factors.

We compete with a number of major domestic and international suppliers of integrated circuits and related applications, including, but not limited to the following:

Broadband and Connectivity	**Infrastructure and Networking**
• Intel Corporation	• Cavium, Inc.
• Marvell Technology Group Ltd.	• Freescale Semiconductor,Ltd.
• Mediatek Inc.	• Intel Corporation
• Qualcomm Incorporation	• Marvell Technology Group Ltd.
• STMicroelectronics NV	• Mellanox

We also compete with suppliers of system-level and motherboard-level solutions incorporating integrated circuits that are proprietary or sourced from manufacturers other than Broadcom. This competition, along with Moore's law, has resulted and may continue to result in declining average selling prices for our products in certain markets. We also may face competition from newly established competitors, suppliers of products based on new or emerging technologies, and customers that choose to develop their own silicon solutions.

Some of our competitors operate their own fabrication facilities and have longer operating histories and presence in key markets, greater name recognition, larger customer bases and significantly greater financial, sales and marketing, manufacturing, distribution and other resources than we do. As a result, these competitors may be able to adapt more quickly to new or emerging technologies and changes in customer requirements or devote greater resources to the promotion and sale of their products. Current and potential competitors have established or may establish financial or strategic relationships among themselves or with existing or potential customers, resellers or other third parties, and may refuse to provide us with information necessary to permit the interoperability of our products with theirs. Accordingly, it is possible that new competitors or alliances among competitors could emerge and rapidly acquire significant market share. In addition, competitors may develop technologies that more effectively address our markets with products that offer enhanced features, lower power requirements or lower costs. Increased competition could result in pricing pressures, decreased gross margins and loss of market share and may materially and adversely affect our business, financial condition and results of operations. See "*Risk Factors*" under Item 1A of this Report for further discussion of the risks associated with competition.

Seasonality

Our revenue, at both the consolidated and reportable segment level, is subject to some seasonal variation. Our revenue tends to be weaker in the first and fourth quarters of the calendar year and stronger in the middle of the calendar year. This trend is driven by multiple factors, including manufacturers preparing for the major holiday selling seasons. Our seasonality has varied significantly over time, which ultimately limits the usefulness of this metric as a predictive indicator of our revenue trend on a quarterly basis.

Intellectual Property

Our success and future product revenue growth depend, in part, on our ability to protect our intellectual property. We rely primarily on patents, copyrights, trademarks and trade secrets, as well as nondisclosure agreements and other methods, to protect our proprietary technologies and processes. However, these may not provide

meaningful or adequate protection for our intellectual property.

We currently hold more than 10,350 U.S. patents (up from more than 9,000 U.S. patents from the prior year) and more than 3,550 foreign patents and have more than 6,550 additional U.S. and foreign pending patent applications. We believe that no single patent is solely responsible for protecting our products and that the duration of our patents is adequate relative to the expected lives of our products.

We generally enter into confidentiality agreements with our employees and strategic partners, and typically control access to and distribution of product documentation and other proprietary information. Despite these precautions, it is possible that competitors or other unauthorized third parties may obtain, copy, use or disclose our technologies and processes, develop similar technology independently, or design around our patents. As such, any rights granted under our patents may not provide us with meaningful protection. In addition, we may not be able to successfully enforce our patents against infringing products in every jurisdiction. See "*Risk Factors*" under Item 1A of this Report for further discussion of the risks associated with patents and intellectual property.

Some or all of our patents have in the past been licensed and may in the future be licensed to certain of our competitors through cross-license agreements. Moreover, because we have participated and continue to participate in developing various industry standards, we may be required to license some of our patents to others, including competitors, who develop products based on those standards.

Companies in the semiconductor industry, particularly in the wired and wireless communications markets, often aggressively protect and pursue their intellectual property rights. We are currently engaged in litigation and may need to engage in future litigation to enforce or protect our intellectual property rights or the rights of our customers, to protect our trade secrets, or to determine the validity and scope of proprietary rights of others, including our customers. Such litigation could result in substantial costs and diversion of our resources and could materially and adversely affect our business, financial condition and results of operations. For a detailed description of various outstanding intellectual property litigation matters, see Note 8 of Notes to Consolidated Financial Statements, included in Part IV, Item 15 of this Report.

Employees

As of December 31, 2014 we had approximately 10,650 employees, including 8,000 individuals engaged in research and development, 1,000 engaged in sales and marketing, 700 engaged in manufacturing operations, and 950 engaged in general and administrative activities. Although we have works council or employee representatives in certain countries, our U.S. employees are not represented by a labor union.

Additional Information

Investors and others should note that we announce material financial information using our company website (www.broadcom.com), our investor relations website (investors.broadcom.com), SEC filings, press releases, public conference calls and webcasts. Information about Broadcom and our business may also be communicated in posts on the following social media channels:

- B-Connected Blog (blog.broadcom.com)
- Broadcom's Twitter feed (www.twitter.com/Broadcom)
- Broadcom's Facebook page (www.facebook.com/Broadcom)

The information that we post on these social media channels could be deemed to be material information. As a result, we encourage investors, the media, and others interested in Broadcom to review the information that we post on these social media channels. These channels may be updated from time to time on our website. The information on or accessible through our websites and social media channels is not incorporated by reference in this Annual Report on Form 10-K.

Item 1A. ***Risk Factors***

Before deciding to purchase, hold or sell our common stock, you should carefully consider the risks described below in addition to the other information contained in this Report and in our other filings with the SEC, including subsequent reports on Forms 10-Q and 8-K. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business. If any of these known or unknown risks or uncertainties actually occurs with material adverse effects on Broadcom, our business, financial condition, results of operations and/or liquidity could be seriously harmed. In that event, the market price for our Class A common stock will likely decline, and you may lose all or part of your investment.

Our quarterly operating results may fluctuate significantly.

Our quarterly net revenue and operating results have fluctuated significantly in the past and may vary from quarter to quarter. Variability in the nature of our operating results may be attributed to the factors identified throughout this "Risk Factors" section, many of which may be outside our control, including:

- changes in economic conditions in the markets we address, including the continuing volatility in the technology sector and semiconductor industry;
- our dependence on a few significant customers and/or design wins for a substantial portion of our revenue;
- our exit or entry into various markets and our ability to align our resources to areas of strategic focus;
- changes in customer product needs and market acceptance of our products;
- seasonality in sales of consumer and enterprise products in which our products are incorporated;
- timing, rescheduling or cancellation of significant customer orders and our ability, as well as the ability of our customers, to manage inventory;
- competitive pressures and other factors such as the qualification, availability and pricing of competing products and technologies and the resulting effects on sales and pricing of our products;
- goodwill and other purchased intangible impairment charges;
- the impact of a significant natural disaster, such as an earthquake, severe weather, tsunami or other flooding, or a nuclear crisis, as well as interruptions or shortages in the supply of utilities such as water and electricity, in a key location such as our corporate headquarters or our Northern California facilities, both of which are located near major earthquake fault lines, in our Singapore distribution center or in a key location of one of our suppliers, foundries or customers;
- the impact of enterprise system failures or network disruptions, the lack of system redundancies, and the potential failure of our disaster recovery planning to cover various unanticipated occurrences; and
- the impact of tax examinations.

We depend on a few significant customers for a substantial portion of our revenue.

We derive a substantial portion of our revenue from sales to a relatively small number of customers. Contributions to our net revenue by these customers have increased in the last several years. Sales to our five largest customers represented 44.1%, 48.3% and 46.9% of our total net revenue in 2014, 2013 and 2012, respectively. Sales to two significant customers, those representing 10% or more of total net revenue, represented 28.2%, 34.6% and 31.9% of our total net revenue in 2014, 2013 and 2012, respectively. We expect that our largest customers will continue to account for a substantial portion of our total net revenue for the foreseeable future. The loss of any significant customer could materially and adversely affect our financial condition and results of operations. Also, as our significant customers become larger relative to our business and the industry, they may be able to leverage pricing pressure through the supply chain, vertical integration or other avenues, thereby adversely affecting our gross margins.

A significant portion of our revenue in any period may also depend on a single product design win with a large customer. As a result, the loss of any such key design win or any significant delay in the ramp of volume production of the customer's products into which our product is designed could materially and adversely affect our financial