Education
Engagement
Excellence

BROADCOM FOUNDATION
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www.broadcomfoundation.org
Broadcom Foundation Mission

To Advance Science, Technology, Engineering and Mathematics (STEM) Education by Funding Research, Recognizing Scholarship and Increasing Opportunity.
II Joint Message from Broadcom Foundation President and Executive Director

April 12, 2010

Friends,

As a cutting-edge technology company, where 75 percent of our employees are engineers, Broadcom Corporation has always had a special interest in supporting science, technology, engineering and mathematics programs that will prepare the next generation of technology innovators. Broadcom Foundation’s mission to advance STEM education, research and scholarship is an extension of Broadcom’s core values. The establishment of Broadcom Foundation marks an important milestone in Broadcom Corporation’s strong commitment to corporate citizenship. In addition to fulfilling STEM education goals, Broadcom Foundation is a vehicle by which Broadcom can offer financial and active volunteer support to local nonprofit institutions that provide vital services in the more than 100 communities where over 7,000 Broadcom employees live and work worldwide.

In its first year of operation, Broadcom Foundation is reaching out to innovative academic and philanthropic partners in Broadcom communities to identify projects that will help facilitate our STEM education mission.

In the years ahead, Broadcom Foundation intends to play a leadership role in inspiring and motivating young men and women from all walks of life to pursue careers in science and engineering.

In these economic times, charitable institutions are facing unprecedented challenges. We are proud that Broadcom is in a strong financial position that enables it to step up and provide critical support through its new foundation. We look forward with great anticipation to working with our charitable partners, advancing STEM education and becoming deeply engaged in Broadcom communities around the world.

Sincerely,

Scott A. McGregor       Paula Golden
President               Executive Director
III Broadcom Foundation Goals

• Advance STEM education, from kindergarten through university post-graduate level.

• Increase the number of engineers entering the workforce by supporting academic inquiry and fostering programs to inspire youth to pursue careers in engineering.

• Create opportunities to expand access to STEM education and close the STEM education gap among women and ethnic and minority populations.

• Inspire philanthropic and civic engagement by Broadcom Corporation employees in their communities through awareness, volunteerism and direct participation in the mission and goals of Broadcom Foundation.

• Align the values and culture of Broadcom Foundation and Broadcom Corporation to strengthen social responsibility and global citizenship.
IV Broadcom Foundation Commitment to STEM Education

The fields of science, technology, engineering, and mathematics (STEM) are collectively considered core technological underpinnings of an advanced society and an indicator of a society’s ability to sustain itself and prosper. The primary mission of Broadcom Foundation is to advance science, technology, engineering and mathematics (STEM) education by funding research and scholarship in K-12 through post-graduate education.

There is a sense of global urgency to inspire, train and deploy the next generation of scientists and engineers to address the grand challenges of this century. Broadcom believes that improvement in STEM education requires participation of a wide range of stakeholders including non-profits, philanthropists, scientists, engineers, educators and the private sector.

Broadcom Corporation and Broadcom Foundation are partnering with universities, foundations, non-profits and organizations representing thousands of scientists, engineers and educators to motivate and inspire young people from all walks of life to excel in science, technology, engineering and mathematics in order to take part in creating the next great generation of innovators.
V STEM University

Broadcom Foundation’s STEM University initiatives focus on providing strategic support for undergraduate, graduate and post-graduate scholarship and research at select colleges and universities with the goal of advancing STEM innovation and leadership in science, engineering and related academic fields. Broadcom Foundation’s commitment to excellence will be reflected in the partnerships it forges with recognized institutions, ensuring that future generations are prepared as scientists, engineers and innovators.

VI STEM Innovation and STEM Community

Broadcom Foundation’s STEM Innovation and Community initiatives focus on identifying innovative programs designed to achieve quantitative and scalable impact on STEM education at the K-12 levels. The Foundation supports application of these programs within the communities where Broadcom employees live and work. Broadcom Foundation may invite organizations that are engaged in innovative STEM education to partner with Broadcom Foundation, giving special attention to those programs that also offer volunteer opportunities for Broadcom employees to contribute their time and talent as mentors and educators.

VII Community Engagement

Broadcom Foundation’s Community Engagement initiatives are focused on expanding Broadcom’s leadership role as a corporate citizen in communities where Broadcom has a significant presence. Broadcom Foundation is actively seeking partnerships and programs with qualified nonprofits in communities where Broadcom employees live and work.

Consistent with its mission to “increase opportunity,” Broadcom Foundation is inviting qualifying nonprofit organizations to apply for funding support for 2011 during the Open Enrollment Period from April 30 to June 30, 2010. Broadcom Foundation will give special attention to those programs that also offer volunteer opportunities for Broadcom employees to contribute their time and talent as community volunteers.
VIII Broadway Foundation Leadership

Scott A. McGregor  
President

Paula Golden  
Executive Director

Gregg S. Morrison  
Chief Financial Officer

Maria Wronski  
Treasurer

Lauri D. Fischer  
Secretary

Foundation Board of Directors

Scott A. McGregor

Eric K. Brandt

Arthur Chong

Henry Samueli, Ph.D.

Terri L. Timberman
IX  Message from Broadcom Foundation Chief Financial Officer

Broadcom Foundation is a nonprofit public benefit corporation organized under the California Nonprofit Public Benefit Corporation Law, funded solely by Broadcom Corporation.

Broadcom Foundation funds qualified organizations engaged in educational, scientific, and philanthropic activities.

Broadcom Foundation will begin making gifts in 2010. By 2011, the Foundation anticipates that it will be making gifts in excess of $2 million annually and taking a leadership role in initiatives that help fulfill its mission.

Pursuant to California Corporations Code, Section 6321, attached as the Appendix A to this Annual Report are the following audited financial statements:

- A statement of Broadcom Foundation's assets and net assets - modified cash basis, as of December 31, 2009;

- A statement of Broadcom Foundation's support, revenues and expenses - modified cash basis, for the period April 28, 2009 to December 31, 2009;

Because 2009 is the first year of operation for Broadcom Foundation, there are no comparison reports illustrating principal changes in Broadcom Foundation's revenues/expenses and assets/net assets between the end of the previous fiscal year and the most recent fiscal year. There were no liabilities as of December 31, 2009.

Additional information can be found in the IRS Form 990, which upon filing will be made available on Broadcom Foundation's website at www.broadcomfoundation.org.

We have no transactions or information to report pursuant to California Corporations Code, Section 6322, regarding self-dealing, indemnifications, or advances between Broadcom Foundation and any director, officer, or holder of more than ten percent (10%) of the Foundation's voting power.

Respectfully submitted,

Gregg S. Morrison
Chief Financial Officer
Broadcom Foundation

April 12, 2010
Financial Statements

For the Period April 28, 2009 to December 31, 2009
(With Independent Auditors’ Report Thereon)
Independent Auditors’ Report

We have audited the accompanying statement of assets and net assets - modified cash basis of the Broadcom Foundation (the “Foundation”), a nonprofit corporation, as of December 31, 2009 and the related statement of support, revenues and expenses - modified cash basis for the period April 28, 2009 to December 31, 2009. These financial statements are the responsibility of the management of the Foundation. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and net assets of the Foundation as of December 31, 2009 and its support, revenues and expenses for the period April 8, 2009 to December 31, 2009 on the basis of accounting described in note 1.

Irvine, California
March 22, 2010
Assets
Cash and cash equivalents (note 2) ........................................................................................................ $ 50,028,684
Total Assets ............................................................................................................................................ $ 50,028,684

Net Assets
Net Assets (note 5):
Unrestricted ............................................................................................................................................. $ 50,028,684
Temporarily Restricted –
Permanently Restricted –
Total Net Assets ....................................................................................................................................... $ 50,028,684

See accompanying notes to financial statements - modified cash basis
### Support and Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions (note 3)</td>
<td>$50,000,000</td>
</tr>
<tr>
<td>Investment income (note 4)</td>
<td>67,294</td>
</tr>
<tr>
<td>Donated services and facilities</td>
<td>21,844</td>
</tr>
<tr>
<td><strong>Total support and revenues</strong></td>
<td><strong>50,089,138</strong></td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal and professional fees</td>
<td>37,310</td>
</tr>
<tr>
<td>Donated services and facilities</td>
<td>21,844</td>
</tr>
<tr>
<td>Excise tax</td>
<td>1,300</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>60,454</strong></td>
</tr>
</tbody>
</table>

Increase (decrease) in unrestricted net assets .......................................................... 50,028,684

Net assets at beginning of year ..........................................................

Net assets at end of year .......................................................... $50,028,684

*See accompanying notes to financial statements - modified cash basis*
Summary of significant accounting policies

Organization and nature of services - Broadcom Foundation (the “Foundation”) was incorporated on April 28, 2009. The Foundation is a 501(c)(3) California nonprofit public benefit corporation organized and operated exclusively for charitable, scientific, and educational purposes. After an initial startup contribution, the Foundation's principal source of income will be income earned on investments.

Basis of accounting - The Foundation prepares its financial statements on the modified cash basis. Under this basis, revenue is recognized when collected, rather than when earned, and expenses are recognized when paid, rather than when incurred. Consequently, interest and dividends receivable, accounts payable and accrued liabilities are not included in the accompanying financial statements.

Financial Statement Presentation - The Foundation has implemented the financial statement presentation recommended by the Financial Accounting Standards Boards (FASB) in its Auditing Standards Codification (ASC) 958-205, Presentation of Financial Statements. Under ASC 958-205, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets are net assets comprised of contributions that have no external restrictions and are intended to fund current and future operations.

Temporarily restricted net assets are net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time.

Permanently restricted net assets are net assets subject to donor-imposed stipulations that must be maintained permanently by the Foundation.

Contributions - The Foundation recognizes all contributions received as income in the period received. Unconditional contributions are reported as unrestricted, temporarily restricted, or permanently restricted depending on the existence of donor stipulations that limit the use of the support.

Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the contribution is received. All other donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Support, Revenues and Expenses - Modified Cash Basis as net assets released from restrictions.
Summary of significant accounting policies (cont.)

Donated services and facilities – Donated services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Other volunteer services that do not meet these criteria are not recognized in the financial statements as there is no objective basis of deriving their value. Donated facilities are reflected in the accompanying statements at their estimated fair value at date of receipt. The Foundation reported donated services and facilities from Broadcom Corporation in the amount of $21,844 for the Period April 28, 2009 to December 31, 2009.

Cash and cash equivalents - The Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Fair value – On September 2006, the Financial Accounting Standards Board (“FASB”) issued ASC 820-10, Fair Value Measurements, which establishes a framework for measuring fair value using generally accepted accounting principles, and expands disclosures related to fair value measurements. The Statement applies to other accounting pronouncements that require or permit fair value measurements. The Statement does not expand the use of fair value in any new circumstances. ASC 820-10 is effective for financial statements issued for fiscal periods beginning after November 15, 2007. Although ASC 820-10 increases the level of disclosures required, it did not have a material impact on the Financial Statements. See within Note 2 for the related fair value measurements disclosures for the period April 28, 2009 to December 31, 2009.

ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820-10 are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.
(1) Summary of significant accounting policies (cont.)

Income taxes - The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”) and corresponding California statute as a charitable organization whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax. The Foundation is subject to a 2% federal excise tax on net taxable investment income because it is classified as a Private Foundation under the Internal Revenue Code. The excise tax is reduced to 1% if certain requirements are met. Accordingly, a payment for excise tax has been reported in the accompanying financial statements.

Use of estimates - The preparation of financial statements in accordance with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and net assets and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events – Management has evaluated subsequent events through March 22, 2010, and noted that there were no items that require financial statement disclosure.

(2) Cash and cash equivalents

Cash and cash equivalents reflected in the accompanying financial statements include demand deposits and money market accounts in the amount of $50,028,684 at December 31, 2009. As it relates to fair value measurement, these balances fall under the Level 1 category because they represent quoted prices in active markets for identical assets.

(3) Contributions

Broadcom Corporation made an unrestricted contribution of $50,000,000 to the Foundation in accordance with a pledge agreement dated June 29, 2009. The Foundation’s Board of Directors has approved the use of the unrestricted contribution to grant scholarships in the areas of math and science to qualified 501(c)(3) organizations and universities. The Board is required to make annual, qualifying distributions equal to five percent (5.0%) of the monthly average net asset value of the investments to support the grant program of the Foundation. The monthly average net asset value of the investments for the period April 28, 2009 to December 31, 2009 was $8,331,280. For the year ending December 31, 2010, the Foundation has budgeted for grants in the amount $785,000 to be distributed in varying amounts to STEM University, STEM Innovation, STEM Community, and Community Engagement between the months of October and December 2010.
**Investment Income**

Investment income for the period April 28, 2009 to December 31, 2009 consisted of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>$67,700</td>
</tr>
<tr>
<td>Less: Investment fees</td>
<td>$(406)</td>
</tr>
<tr>
<td>Total investment income</td>
<td>$67,294</td>
</tr>
</tbody>
</table>

**Net assets**

Net assets at December 31, 2009 consist of the following:

Unrestricted net assets:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted, available for programs</td>
<td>$49,243,684</td>
</tr>
<tr>
<td>Designated by Board of Directors for specific grants</td>
<td>$785,000</td>
</tr>
<tr>
<td>Total unrestricted net assets</td>
<td>$50,028,684</td>
</tr>
</tbody>
</table>

Total net assets .................................................. $50,028,684

**Income taxes**

The Foundation has met the requirements of reduced tax on net investment income for the period April 28, 2009 to December 31, 2009, and is subject to excise tax of 2% on net taxable investment income. The Foundation paid $1,300 of excise tax for the period April 28, 2009 to December 31, 2009. The Foundation did not engage in grant-making activities during the period from April 28, 2009 to December 31, 2009 and; therefore, did not meet the qualifying distribution requirements to have the excise tax reduced to 1%.

**Related-Party Transactions**

Broadcom Corporation provides facilities and various financial, administrative, and other services to the Foundation. These amounts have been reflected in the accompanying financial statements. Broadcom Corporation pays the salary of the Foundation’s Executive Director, contracted in November 2009, who dedicates 50% of her time providing services to the Foundation. As of December 31, 2009, the Foundation had not reimbursed Broadcom Corporation for the Executive Director’s salary for the months of November and December 2009. Under the modified cash basis of accounting, these expenses have not been reflected in the accompanying financial statements.
(8) Investment Policy

On January 28, 2010, the Board of Directors approved the Foundation’s Investment Policy which will govern the investment objectives and policies, standards of prudence and performance expectations for the Foundation’s invested assets. The primary objective of the Foundation’s Investment Fund is to attain an average return of at least six percent (6.0%) per year over rolling periods of ten years. The six percent return is net of management fees.

Per the investment policy, the percentage of equity investments should not exceed 75% of total invested assets at market value and the performance objective of the total equity fund investments is to achieve a return of at least eight percent (8%) over time.

The percentage of fixed income investments should not be less than 25% of total invested assets at market value and the benchmark for fixed income investments is the Barclays Intermediate Government/Credit Index. The objective will be to outperform this benchmark over rolling periods of three-to-five years.

Investments shall have a maximum maturity of ten (10) years from date of purchase or be purchased on a yield to call or yield to put basis when the call or put date is within 10 years. Weighted Average Duration shall be between 80% and 120% of stated benchmark.

The eligible investments are U.S. Treasury Securities, United States Agency Securities from acceptable issuers, Exchange-Traded Funds/Money Market Funds/Mutual Funds, and any of the following meeting specific rating or other criteria: Municipal or Build-America Bonds, Foreign Government Bonds, Corporate Notes and Bonds, and Commercial Paper.

Notes to Financial Statements - Modified Cash Basis (Continued)