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Broadcom Foundation Mission

To Advance Science, Technology, Engineering and Mathematics (STEM) Education by Funding Research, Recognizing Scholarship and Increasing Opportunity.
Broadcom Foundation Leadership

Scott A. McGregor
President

Paula Golden
Executive Director

Gregg S. Morrison
Chief Financial Officer

Maria Wronski
Treasurer

Lauri D. Fischer
Secretary

DeAnn Work
Assistant Secretary

Foundation Board of Directors
Scott A. McGregor
Eric K. Brandt
Arthur Chong
Henry Samueli, Ph.D.
Terri L. Timberman
III Joint Message from Broadcom Foundation President and Executive Director

April 12, 2011

Friends,

In its first full year of operation, Broadcom Foundation has funded exciting projects that have fulfilled its mission of advancing Science, Technology, Engineering and Mathematics (STEM) Education and created opportunities for Broadcom employees to become more deeply engaged in communities where they live and work.

The STEM University Committee has been working closely with renowned universities to identify and support innovation through unrestricted gifts for student research and education; the Community Engagement Committee has successfully overseen the foundation’s first year of community gifts that have spanned the globe; and the STEM Innovation Committee spearheaded establishment of the Broadcom MASTERS™, a national science fair competition for 6th, 7th and 8th graders. Many of the programs funded by the foundation will enable young people to envision their future as scientists, engineers and innovators.

Broadcom employees have enthusiastically embraced the work of the foundation and samplings of their volunteer activities are featured at www.broadcomfoundation.org and in this Annual Report.

Sincerely,

Scott A. McGregor  Paula Golden
President  Executive Director
IV 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.
Broadcom Foundation Commitment to STEM Education

The fields of science, technology, engineering, and mathematics (STEM) are collectively considered core underpinnings of an advanced society and an indicator of a society's ability to sustain itself and prosper. To this end, the primary mission of Broadcom Foundation is to advance STEM education.

There is a sense of global urgency that we must inspire, train and deploy the next generation of scientists and engineers who can address the grand challenges of this century and beyond. Broadcom believes that improvements in STEM education require participation of a wide range of committed stakeholders, including government, non-profits, philanthropists, scientists, engineers, educators and the private sector.

Broadcom Corporation and Broadcom Foundation partner with universities, foundations, non-profit organizations and businesses that employ 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 become the next generation of great innovators.
VI STEM University

Broadcom Foundation’s STEM University Committee focuses on identifying opportunities to provide unrestricted 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 is reflected in the partnerships it forges with renowned academic institutions throughout the world, ensuring that future generations are prepared as scientists, engineers and innovators. Investigations include:

- Development of a low power in body implanted wireless transceiver that meets the IEEE MICS Specification. A wireless medical implanted device consists of three sub-systems, which perform wake-up signal reception, data-link BFSK reception, and transmission.

- Designed a Class-D Audio Amplifier using a frequency-domain quantizer with a noise-cancellation loop that is used to cancel the noise of the ring oscillator outside the PLL bandwidth. This helps to achieve a low jitter clock source with low power and low cost.

- New design techniques are developed for the design of analog and RF circuits in nanoscale CMOS technologies. The goal is to downscale the supply voltage and use digital gates to enhance the performance of analog and RF circuits.

- Design of an analog-to-digital converter (ADC) that can convert biopotential signals from integrated EEG sensors that will have extensive applications in medicine, industrial and environmental sensor networks, RFID systems, and other important fields.

- Development of a novel strategy for high-speed CDRs that employs a smart jitter detector that controls of CDR loop bandwidth while consuming negligible additional power.
VI STEM University Continued

- Development of low voltage circuits for logic-compatible embedded DRAMs that can outperform traditional SRAMs in terms of density, noise margin, power dissipation, and operating speed.

- Research on high efficiency linear power amplifiers for mobile wireless applications.

- Investigation of techniques to reduce metastability in pipelined analog-to-digital converters.

- Research on techniques to improve the performance of high-speed mixed-signal adaptive equalizers for digital communications.

- Investigation of circuit design techniques useful for high-speed broadband CMOS IC’s.

- Study and development of technologies that can bring health benefit to patients, but in a way that is acceptable and appropriate for people, such as inobtrusive hand sensors that are used to monitor hand motion in stroke patients.

- Researching highly efficient CMOS power amplifiers suitable for applications such as Wireless LAN (WLAN) with the goal of boosting the average efficiency to 25%.

- A Chip prototype in CMOS has been designed for a new Digital Data Storage that: eliminates phase-accumulator (PA) pipelining; raises SNR by using PA rounding; and gets 2’s complement conditional negations via 1’s with no carry ripple.

- Research on a code-independent analysis of the latency reduction potential of the use of feedback and incremental redundancy in communication systems.

- Research in the development of digitally-based techniques to improve the linearity of analog circuits to avert “Moore’s Law”.

- Coding
VII  STEM Innovation

Broadcom Foundation’s STEM Innovation Committee focuses on identifying programs that will achieve quantitative and scalable impact on STEM education, with special attention given to programs that offer opportunities for Broadcom employees to contribute their time and talent as volunteer presenters, mentors, judges and educators.

The STEM Innovation Committee strives to position Broadcom Foundation as a thought leader in the field of STEM education and enable foundation leadership to work with their peers in non-profit, business and government who share a similar goal of advancing STEM education in science, technology, engineering and math. Through its partnerships, Broadcom Foundation is able to leverage its resources and achieve high impact return in educating the next generation of scientists, engineers and innovators.
Broadcom MASTERS – National Middle School Science Fair Competition

In the fall of 2010, Broadcom Foundation announced its six-year sponsorship of Broadcom MASTERS™, the premier national Middle School Science and Engineering competition.

Broadcom MASTERS is a program of Society for Science & the Public, founded in 1921. It is designed to inspire and reward interest in STEM education among students in the 6th, 7th and 8th grades. Broadcom MASTERS (Math, Applied Science, Technology and Engineering for Rising Stars) will reach hundreds of thousands of middle school students around the United States, commencing at their local science fair competitions and culminating at the Broadcom MASTERS national finals in Washington, D.C.

It is the intention of Broadcom Foundation to see that every middle school student who participates in the Broadcom MASTERS will have an experience that inspires and encourages him or her to pursue science, technology, engineering and math education throughout high school and beyond. In so doing, these students will expand their options to enter exciting careers, expand their economic opportunities and fulfill their potential as tomorrow’s scientists, engineers and innovators.
Engaging Girls in STEM at the 2010 Tween Summit

In 2010, Broadcom Foundation teamed with the Association of American University Women (AAUW) and the Discovery Science Center of Orange County (California) to bring project-based learning to approximately 300 “Tween” girls, ages 8 to 14, at the 2010 Tween Summit in New York City.

Broadcom Foundation tapped Rozi Rofougaran, a Senior Principal Design Engineer in Broadcom Corporation’s wireless and RF team to represent engineering professionals as one of eight successful women who addressed these young ‘Tween’ women at this event.

Rozi also joined Mike Fuhr of the Discovery Science Center and Broadcom Foundation Executive Director Paula Golden to introduce the ‘Tween’ girls to a hands-on, experiment about engineering, volume and buoyancy. Using a plastic container of water, household tin foil and marbles, the girls were challenged to build a boat that could cross the East River carrying as many passengers (marbles) as possible. The girls built many variations of tin foil boats– and when their boat would sink, they were eager to try again. “The process of learning from mistakes is essential to becoming a good scientist or engineer and we encouraged the girls to see this process as a positive experience rather than a failure,” said Rozi.

In 2011, Rozi is leading a team of Broadcom engineers who are working with the Discovery Science Center to develop an educational kit about electrical engineering for the Center’s signature afterschool program called, ‘Future Scientists and Engineers of America’ (FSEA).
Cal State East Bay teams up with Broadcom to advance Teacher curriculum

In order to have a high impact on improving the quality of STEM education in grades K-8, Broadcom Foundation partnered with the S. D. Bechtel, Jr. Foundation to fund curriculum development for a “Foundation Level” science course for individuals training as teachers at the California State University, East Bay.

Over sixty percent of California’s public school teachers are trained through Cal State Universities. The course being developed at Cal State East Bay will create a template for potential use throughout the entire system. Broadcom engineers from the San Jose office have volunteered their time to work along side chairs of academic departments to develop and critique the laboratory portions of the new curriculum.

Once the course is implemented in its entirety, it is anticipated that students throughout California, as well as teachers seeking a Foundation Level certificate in science, will be able to access this STEM based course.
The Orange County STEM Initiative

Broadcom Foundation takes the view that the process of educating and inspiring kids belongs to all of us and is not solely the responsibility of our schools. This is a time for “all hands on deck” if kids are to be prepared to succeed in the global economy. The Broadcom Foundation has teamed up with the Samueli Foundation to establish the OC STEM Initiative whereby stakeholders in education, business and nonprofit communities throughout Orange County, California team up to share resources and achieve greater impact on STEM education.

Acknowledging the challenges of time and resources for today’s teachers, OC STEM Initiative is developing a web-based teacher/STEM volunteer matching system that may be migrated throughout other Broadcom locations around the country. The objective of the matching system, through www.nationallabnetowork.org, is to enable employees in companies like Broadcom to self-select volunteer projects at local schools and after school programs where they can share their expertise and assist teachers in offering project-based learning to students.
Community Engagement

Broadcom Foundation actively seeks philanthropic partnerships in communities where Broadcom employees live and work. Community Engagement Committee initiatives are focused on expanding volunteerism and deepening Broadcom’s leadership role as a corporate citizen around the globe. STEM related projects through Community Engagement initiatives focus on identifying innovative programs designed to achieve quantitative and scalable impact on STEM education at the K-12 levels.

Broadcom Foundation invites qualified non-profit organizations to apply for funding support during the Open Enrollment Period from April 30 to June 30, 2011, giving special attention to those programs that offer volunteer opportunities for Broadcom employees to contribute their time and talent as community volunteers.

The return to Broadcom employees from their volunteer work is as important as the gift of time they give. Said a volunteer, “When I volunteer, I realize that I truly benefit more from the actual experience than the people whom I am serving.” Another added, “I hope all of us at Broadcom can find little ways to share our fortune and help those in need.” And from a third, “Kudos to Broadcom for contributing time and resources to such a worthwhile program.”
Broadcom Foundation has supported health services at Children’s Hospital of Orange County (CHOC) and Hoag Hospital Presbyterian in Orange County.

“Talium Health Kick,” is a partnership with the Children’s Miracle Network that raises funds for CHOC while promoting healthy physical activities for children such as TaeKwonDo. For a number of years this program has had the active support of a Broadcom Vice President and his daughter, both black belts in a martial arts program through Talium TaeKwonDo, in the tradition of Grandmaster Sang Soon Shin, a 9th Dan Master Black Belt in Seoul, Korea.

Broadcom Foundation’s support for CHOC, a regional pediatric health system that includes a state-of-the-art 238 bed main hospital facility in the City of Orange, a hospital-within-a-hospital in Mission Viejo and over 100 additional programs and services, helps sustain this vital community health service for children throughout Orange County, regardless of their family’s ability to pay. In fiscal year 2009, approximately 220,000 children were provided care as either inpatient, outpatient or during emergency room visits.

Broadcom Foundation also lends support to Hoag Hospital Presbyterian’s Nursing Scholarship program, funding the clinical training of three nurses at this premier regional healthcare delivery network that treats over 30,000 inpatients and 350,000 outpatients annually. Hoag consists of two acute-care hospitals, seven health centers and a network for more than 1,300 physicians, 5,000 employees and 2,000 volunteers.
Southern California – Bike Philanthropy

Irvine-based Broadcom employees combine their love of cycling with volunteerism, participating in a different charity race each month that benefit a multitude of causes, from youth programs to challenged athletes.

The cycling group includes several triathletes, a competitive jet skier, extreme cyclists, a mountain bike racer, and a Team-in-Training coach. They proudly wear Broadcom cycling jerseys and share bike equipment, hydration supplies and food as needed to help each other during the races.

Broadcom jerseys give these active volunteers a special identity as a bicycling team, allowing them to visually demonstrate that they and their company are committed to giving back to the community.

Says one team member, “When we ride for charitable events, the most meaningful thing to us is how we can integrate our passion for the sport of cycling with being able to give back to charities in the community. While Broadcom offers various events that allow co-workers to come together to help raise funds for an event, we as a group try to participate in some formal event every month for this same purpose.”
Broadcom Foundation supports Habitat for Humanity, an organization with global reach like Broadcom that provides housing to families in need. Habitat for Humanity is a target-rich environment for Broadcom employees to volunteer their time and talent as engineers and community activists.

Broadcom employees in Northern California partnered with Habitat for Humanity on the “Broadcom Playhouse Project” – building playhouses to donate to children’s organizations in Santa Clara County. Twenty-five Broadcom volunteers worked together to build a playhouse from scratch in one day: painting, roof construction, fabrication of sides, door, windows, trim and final assembly of the unit, using rotary saws, saber saws, routers, power screw drivers and drills.

The San Jose Broadcom team joined the ranks of other Silicon Valley companies whose volunteer activities support organizations like Ronald McDonald House, Inn Vision, Community Solutions, Rebekah’s Children’s Services, Chamberlain Children Center, and the YWCA. This was the first of many projects with Habitat for Humanity that the foundation hopes to support around the globe.
Broadcom Foundation provided support to San Francisco based Sikshana – ‘Help Them Grow’ that partners with volunteers in Broadcom’s Bangalore office who participate in Project LOTUS.

Project LOTUS was launched in 2002 by Broadcom volunteers who sought to bring social and educational improvement for local children, initially addressing malnutrition and inadequate infrastructures. Over time, Project LOTUS adopted 3 schools with a total of 250 children and partnered with Sikshana to positively impact their education: donating equipment, stationery and providing temporary teachers, teacher training and volunteering mentors conducting talent competitions, educational tours and scholarship programs. In 2010, more than 40 children are being supported through Project LOTUS’ local scholarship initiative.

In Hyderabad, Broadcom’s India Technologies Pvt Ltd was awarded a Gold medal by His Excellency, the Governor of Andhra Pradesh on March 30, 2010 for helping the Red Cross mobilize resources for various humanitarian activities, including its response to the 2008 Bihar flood.
VIII e Beijing/San Diego - The Panda Project

Broadcom engineer Steven Larky and his wife Alexis developed a love for the San Diego Zoo and Wild Animal Park, a world leader in wildlife conservation. The Larkys’ work with the zoo inspired a Broadcom Foundation initiative to support the Broadcom ‘Panda Project’ that helps protect the endangered Giant Panda by funding breeding research in San Diego. Through its community affairs initiative, Broadcom donated computers for use in research at the Wolong National Nature Reserve and the Institute of Zoology at the Chinese Academy of Sciences in Beijing.

The Panda Project assists in groundbreaking radio tracking program that applies advanced technology and human innovation to protect the beloved Giant Panda, one of the most well known endangered animals in the world. With only about one thousand Pandas left in the wild, the challenges to protect the species have been even more difficult after the Great Sichuan Earthquake in 2008.

This international project was commemorated at a formal ceremony in Beijing with Broadcom CEO and foundation president Scott McGregor.
Israel – Mentoring and Books for Local Schools

Broadcom Israel strives to provide every employee with an opportunity to volunteer in an activity that suits him or her. Although their initiatives cover a variety of volunteer programs, it is their leadership as mentors to students at one of Tel-Aviv’s tougher neighborhood schools that stands out.

Broadcom employees participated in a workshop to learn about the challenges facing local kindergartners and how to effectively interact with children in this age group. For four months thereafter, Broadcom volunteers visited the kindergarten each Sunday for a two-hour “workshop” where they read books to the children and engaged in an activity related to the story.

During June “Book Week”, employees helped parents make special library bags for their children to bring a book home once a week, donating a total of 200 books.

In another project, employees volunteered to tutor local school children from needy families. The participating children came to the Yahum office once a week for a one-on-one meeting with a volunteer Broadcom employee and spent quality time learning math and playing strategic games. This project provided a great opportunity to contribute to the local community and gave children exposure to Broadcom’s environment of excellence and careers they might aspire to if they stay committed to their education.
**UK – Cambridge Fun Run**

Since 2005, Broadcom's UK Cambridge office has organized and participated in the annual *Fun Run* at Cambridge Science Park to raise money for BBC Children in Need, one of the largest NGO charities in the UK. The *Fun Run* supports making positive change to the lives of disadvantaged children across the UK. Each year the *Fun Run* has grown in size, popularity and financial support raised for the charity.

Broadcom's Cambridge office stepped in to save the event when the organizing company withdrew the use of their location and Broadcom's team banded together to make sure the fundraising event went forward. To honor the volunteerism of Broadcom employees, Broadcom Foundation made a gift of in-kind equipment strategically placed in Orange County, San Jose, Santa Clara and Beijing, where used computers are assisting researchers to track and study the Giant Panda. Support to BBC Children In Need is the first overseas gift made by the foundation.

“It's fantastic to bring people together at Cambridge Science Park and have fun in aid of such a worthy cause – there's always a real buzz to the atmosphere,” said one volunteer. “We're also really lucky to have so many volunteers, many from Broadcom, who were prepared to stand in the cold directing runners and traffic during the race.”

The *Fun Run* brings local companies together around the Cambridge Science Park where they compete in a 4-person relay race. Over the years, a tradition that runners dress in costumes added to the festive teambuilding spirit of the event, a tradition started in 1989 when one team came dressed as floppy discs.
IX 2010 Foundation Partners

- American Association of University Women
- American Red Cross - Orange County Chapter
- Arizona State University
- Boys and Girls Club of Santa Ana
- California State University (East Bay)
- "Cambridge Fun Run" / BBC Children’s Fund (UK)
- Chapman University
- CHOC Foundation
- Clinton Bush Haiti Fund
- Columbia University
- Habitat for Humanity - Silicon Valley
- The Lotus Project / Help Them Grow, Inc. (India)
- Hoag Hospital Foundation
- Irvine Public Schools Foundation
- Irvine Police Association
- Susan G. Komen for the Cure®, Orange County
- Susan G. Komen for the Cure®, San Diego
- Macquarie University, Department of Electronic Engineering (Australia)
- Oregon State University
- Society for Science & the Public
- Talium Tae Kwon Do/CHOC Fund
- Texas A&M University
- University of California, Berkeley
- University of California, Irvine
- University of California, Davis
- University of California, Los Angeles
- University of California, San Diego
- Università degli Studi di Pavia, Pavia, Italy*
- University of Minnesota
- University of Toronto, Canada
- Washington University
- Zoological Society of San Diego
Broadcom Community Support

While Broadcom Foundation focuses on strategic funding to achieve its mission and goals, Broadcom Corporation augments support of STEM education and community engagement through volunteer activities and with in-kind donations of used computers, and other equipment to universities, schools and non-profit services.

In 2010, the Santa Ana School District received over 70 “white boards” for “online learning” in the classroom. In-kind equipment was also strategically placed in education non-profits throughout Orange County, San Jose, Santa Clara and Beijing, where computers are assisting researchers who track and study the Giant Panda.

Organizations receiving in-kind donations during 2010 include:

Beit Shabtai, Haifa
Brancowess Institute, Jerusalem
Chapman University
Discovery Science Center
Institute of Zoology at the Chinese Academy
National Nature Reserve
Santa Ana Unified School District
Sivasri Charitable Trust, Bangalore
THINK Together
University of California, San Diego
University of California, Berkeley
University of California, Irvine
University of California, Irvine Child Development Center
Message from Broadcom Foundation Chief Financial Officer

Broadcom Foundation is a non-profit public benefit corporation organized under the California Non-profit Public Benefit Corporation Law, funded solely by Broadcom Corporation. Broadcom Foundation funds qualified organizations engaged in educational, scientific, and philanthropic activities. Broadcom Foundation made gifts in excess of $1 million in 2010. Going forward, 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, included as Section XII in 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, 2010 and December 31, 2009;
- A statement of Broadcom Foundation's support, revenues and expenses – modified cash basis, for the year ended December 31, 2010 and for the period of April 28, 2009 to December 31, 2009;
- Comparison reports illustrating principal changes in Broadcom Foundation's revenues/expenses and assets/net assets between the end of the most recent fiscal year ended December 31, 2010 and the previous fiscal year ended December 31, 2009. There were no liabilities as of December 31, 2010 or 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, 2011
XII

Financial Statements

For the Year Ended December 31, 2010
(With Independent Auditors’ Report Thereon)
Financial Statements Table of Contents

Independent Auditors' Report ................................................................. F-1

Financial Statements:

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  Statement of Support, Revenues and Expenses – Modified Cash Basis .......... F-3
  Notes to Financial Statements ............................................................... F-4
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, 2010 and the related statement of support, revenues and expenses - modified cash basis for the year ended December 31, 2010. 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, 2010 and its support, revenues and expenses for the year then ended on the basis of accounting described in note 1.

Mayer Hoffman McCann P.C.
Irvine, California
April 5, 2011
XII  Broadcom Foundation  Statement of Assets and Net Assets – Modified Cash Basis

December 31, 2010

Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents (note 2)</td>
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</tr>
<tr>
<td>Investments (note 2)</td>
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<tr>
<td>Total Assets</td>
<td>$49,801,977</td>
</tr>
</tbody>
</table>

Net Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>$ 49,801,977</td>
</tr>
<tr>
<td>Temporarily Restricted</td>
<td>–</td>
</tr>
<tr>
<td>Permanently Restricted</td>
<td>–</td>
</tr>
<tr>
<td>Total Net Assets</td>
<td>$49,801,977</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements – modified cash basis
Support and revenues:

- Investment income (note 3) $1,040,929
- Donated services and facilities 20,904
- Total support and revenues $1,061,833

Expenses:

- Grants 1,022,833
- Salaries and benefits 90,670
- Professional fees 79,083
- Administrative fees 50,083
- Miscellaneous expenses 13,021
- Donated services and facilities 20,904
- Excise tax 11,946
- Total expenses 1,288,540

Increase (decrease) in unrestricted net assets (226,707)

Net assets at beginning of year 50,028,684

Net assets at end of year $49,801,977

See accompanying notes to financial statements – modified cash basis
Organization and nature of services - The 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.

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.

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 amounts of $12,870 and $8,034, respectively, for the year ending December 31, 2010.

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 – The Foundation follows ASC 820-10, Fair Value Measurements. 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.

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%) 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.

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 April 5, 2011, which is the date of the financial statements, and noted that there were no items that require financial statement disclosure.
Cash, Cash Equivalents and Investments

Cash and investments held by the Foundation are reported in the accompanying financial statements as follows at December 31, 2010:

- Cash and cash equivalents $3,296,820
- Investments 46,505,157
- Total cash and investments $49,801,977

At December 31, 2010, deposits with financial institutions exceeded the federally insured limits by $2,329,141.

Fair values of cash and investments at December 31, 2010 are categorized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Fair Value</th>
<th>Quoted Prices in Active Markets for Identical Assets (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
<th>Significant Unobservable Inputs (Level 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$58,925</td>
<td>58,925</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Institutional money market funds</td>
<td>2,579,141</td>
<td>2,579,141</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Short-term corporate bonds</td>
<td>658,754</td>
<td>658,754</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>U.S. Agency securities</td>
<td>9,465,937</td>
<td>9,465,937</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Municipal bonds</td>
<td>2,269,492</td>
<td>-</td>
<td>2,269,492</td>
<td>-</td>
</tr>
<tr>
<td>Foreign government bonds</td>
<td>1,002,630</td>
<td>-</td>
<td>1,002,630</td>
<td>-</td>
</tr>
<tr>
<td>Corporate bonds-Industrial</td>
<td>10,700,651</td>
<td>-</td>
<td>10,700,651</td>
<td>-</td>
</tr>
<tr>
<td>Corporate bonds-Financial</td>
<td>6,020,570</td>
<td>-</td>
<td>6,020,570</td>
<td>-</td>
</tr>
<tr>
<td>Corporate bonds-Utility</td>
<td>2,084,402</td>
<td>-</td>
<td>2,084,402</td>
<td>-</td>
</tr>
<tr>
<td>Collateralized mortgage obligations</td>
<td>597,456</td>
<td>-</td>
<td>597,456</td>
<td>-</td>
</tr>
<tr>
<td>Equity securities</td>
<td>12,989,602</td>
<td>12,989,602</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>1,374,417</td>
<td>1,374,417</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$49,801,977</td>
<td>27,126,776</td>
<td>22,675,201</td>
<td>-</td>
</tr>
</tbody>
</table>
(2) Cash, Cash Equivalents and Investments (cont.)

For fair value measurements using significant other observable inputs (Level 2), the market approach was used in determining the fair values of each class of assets or liabilities. These are frequently traded between willing buyers and sellers and are, therefore, market priced.

The Foundation carries its investments at fair value. The difference between fair value and cost is recorded as an unrealized gain (loss). The unrealized gain (loss) for the year ended December 31, 2010 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Fair Value</th>
<th>Unrealized Gain (Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$58,925</td>
<td>58,925</td>
<td>-</td>
</tr>
<tr>
<td>Institutional money market funds</td>
<td>2,579,141</td>
<td>2,579,141</td>
<td>-</td>
</tr>
<tr>
<td>Short-term corporate bonds</td>
<td>677,058</td>
<td>658,754</td>
<td>(18,304)</td>
</tr>
<tr>
<td>U.S. Agency securities</td>
<td>9,618,373</td>
<td>9,465,937</td>
<td>(152,436)</td>
</tr>
<tr>
<td>Municipal bonds</td>
<td>2,329,815</td>
<td>2,269,492</td>
<td>(60,323)</td>
</tr>
<tr>
<td>Foreign government bonds</td>
<td>1,030,245</td>
<td>1,002,630</td>
<td>(27,615)</td>
</tr>
<tr>
<td>Corporate bonds-industrial</td>
<td>10,904,218</td>
<td>10,700,651</td>
<td>(203,567)</td>
</tr>
<tr>
<td>Corporate bonds-financial</td>
<td>6,071,340</td>
<td>6,020,570</td>
<td>(50,770)</td>
</tr>
<tr>
<td>Corporate bonds-utility</td>
<td>2,118,774</td>
<td>2,084,402</td>
<td>(34,372)</td>
</tr>
<tr>
<td>Collateralized mortgage obligations</td>
<td>611,138</td>
<td>597,456</td>
<td>(13,682)</td>
</tr>
<tr>
<td>Equity securities</td>
<td>12,013,971</td>
<td>12,989,602</td>
<td>975,631</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>1,284,565</td>
<td>1,374,417</td>
<td>89,852</td>
</tr>
<tr>
<td></td>
<td>$49,297,563</td>
<td>49,801,977</td>
<td>504,414</td>
</tr>
</tbody>
</table>

Less: Unrealized gain (loss) recorded in prior year | - |

Unrealized gain (loss) recognized for year ended December 31, 2010 | $504,414 |

(3) Investment Income

Investment income for the year ended December 31, 2010 consisted of the following:

- Interest: $428,848
- Dividends: 203,461
- Realized gain (loss): (50,202)
- Unrealized gain (loss): 504,414

Less: Investment fees: (45,592)

Total investment income: $1,040,929

(4) Pledge Agreement

Broadcom Corporation previously 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 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 year ending December 31, 2010 was $49,126,486. Total grants distributed in 2010 were $1,022,833.

(5) 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. On December 17, 2010, the Foundation reimbursed Broadcom Corporation for their portion of the Executive Director’s salary, benefits, and travel expenses during the year ended December 31, 2010 in the amount of $103,185, which has been reflected in the accompanying financial statements.