

Broadcom Expands its Portfolio for Triple Play Broadband Access Networks with the Addition of Teknovus' EPON Technology

IRVINE, Calif., Feb 03, 2010 /PRNewswire via COMTEX News Network/ -- Broadcom Corporation (Nasdaq: BRCM), a global leader in semiconductors for wired and wireless communications, today announced that it has signed a definitive agreement to acquire Teknovus, a leading supplier of Ethernet Passive Optical Network (EPON) chipsets and software. EPON is a technology providing broadband services at up to 10 Gigabits per second over fiber optic cables. EPON represents approximately 94% of the FTTx (e.g. Fiber-to-the-Home) connections in the Asia Pacific region. According to the Dell'Oro Group, the Asia Pacific PON market is expected to grow from 22.8 million to 94.5 million subscribers by 2014, a CAGR of 33% (2009-2014)(1).

"Teknovus has a strong product and has established a solid reputation with our existing customers," said Martin Lund, Senior Vice President and General Manager, Broadcom's Network Switching line of business. "Today Broadcom has switching, DSL, GPON, and cable solutions in the service provider segment that span from the access to the core of the network. Teknovus' products will add a key element to our existing service provider offering that will enable us to better serve our customers in this segment."

"Broadcom is known globally for its Ethernet switching expertise," said Greg Caltabiano, President and CEO, Teknovus. "As the EPON market segment evolves and expands, technologies from both companies can be combined to enable a higher performance, lower cost EPON-based access infrastructure."

In connection with the acquisition, Broadcom expects to pay approximately \$123 million to acquire all of the outstanding shares of capital stock and other rights of Teknovus. The purchase price will be paid in cash, with a portion placed into escrow pursuant to the terms of the acquisition agreement. Excluding any purchase accounting related adjustments and fair value measurements, Broadcom expects that the acquisition of Teknovus will be approximately neutral to earnings per share in 2010. The boards of directors of the two companies have approved the merger. The closing, which is expected to occur in the first or second quarter of this year, remains subject to the satisfaction of regulatory requirements and other customary closing conditions.



About Teknovus

Teknovus is the leading developer and supplier of access chips and embedded software for the FTTx market, supporting EPON (Ethernet Passive Optical Networking) at 1G, 2.5G and 10G speeds. Teknovus products are deployed by more than 35 service providers around the world, enabling the delivery of advanced triple-play services, including IPTV, via optical fiber networks. Teknovus products support the full FTTx network, covering the Central Office (OLT) and the Customer Premises (ONU). Teknovus is headquartered in Petaluma, California with sales, design and support centers in Tokyo, Seoul, Beijing, Shanghai, Hong Kong, San Jose and Boston. To learn more about Teknovus, visit: www.teknovus.com



About Broadcom

Broadcom Corporation is a major technology innovator and global leader in semiconductors for wired and wireless communications. Broadcom® products enable the delivery of voice, video, data and multimedia to and throughout the home, the office and the mobile environment. We provide the industry's broadest portfolio of state-of-the-art system-on-a-chip and software solutions to manufacturers of computing and networking equipment, digital entertainment and broadband access products, and mobile devices. These solutions support our core mission: Connecting everything®.

Broadcom, one of the world's largest fabless semiconductor companies, with 2009 revenue of \$4.49 billion, holds more than 3,800 U.S. and 1,550 foreign patents, and has more than 7,800 additional pending patent applications, and one of the broadest intellectual property portfolios addressing both wired and wireless transmission of voice, video, data and multimedia.

A FORTUNE 500® company, Broadcom is headquartered in Irvine, Calif., and has offices and research facilities in North America, Asia and Europe. Broadcom may be contacted at +1.949.926.5000 or at www.broadcom.com.

HTTP News link: <http://www.broadcom.com/press/release.php?id=s442811>