

**Company Registration No. 03446594**

**PMC-Sierra Europe Limited**

**Annual Report and Financial Statements**

**31 December 2014**

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# **PMC-Sierra Europe Limited**

## **Annual report and financial statements 2014**

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# **PMC-Sierra Europe Limited**

## **Annual report and financial statements 2014**

### **Directors, officers and professional advisors**

#### **Directors**

A Flaminia  
N Schneider  
K Pruden

#### **Secretary**

Huntsmoor Nominees Limited

#### **Registered office**

5 New Street Square  
London  
EC4A 3TW

#### **Bankers**

Bank of America NA  
26 Elmfield Road  
Bromley  
Kent  
BR1 1WA

#### **Independent auditor**

Ernst & Young LLP  
Barony House  
Stoneyfield Business Park  
Inverness  
IV2 7PA

## **PMC-Sierra Europe Limited**

### **Directors' report**

The directors present their annual report on the affairs of the Company, together with the financial statements and auditors' report, for the year ended 31 December 2014.

#### **Principal activity**

The company's principal activity is to sell custom and other semiconductors in the UK and provide research & development services to PMC-Sierra International Sdn. Bhd.

#### **Dividends**

Nil dividend was paid during the year.

#### **Directors**

The directors, who served throughout the year except as noted, were as follows:

A Flaminia  
N Schneider  
K Pruden

#### **Going concern**

PMC-Sierra Europe Limited ("The Company") has net current assets of £3,185,536 (2013 - £2,245,402) and cash of £267,950 (2013 - £802,986) as at 31 December 2014. The Company is expected to continue to generate positive cash flows for the foreseeable future. On the basis of their assessment of the Company's financial position the Company's directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies note 1 in the financial statements.

#### **Independent auditor**

Ernst & Young LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- (2) the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s 418 of the Companies Act 2006.

The directors have taken advantage of the small companies exemption provided by section 414B of the Companies Act 2006 not to prepare a strategic report.

In preparing this report the directors have taken advantage of the small companies' exemption provided by section 415A of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board.



N Schneider

Director 4 June 2015

## **PMC-Sierra Europe Limited**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with the applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditor's report to the members of PMC-Sierra Europe Limited**

We have audited the financial statements of PMC-Sierra Europe Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the director and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing UK and Ireland. Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in not preparing the strategic report or in preparing the directors' report.

*Eunice McAdam*

Eunice McAdam (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP

Statutory Auditor

Inverness

Date: 4 June 2015

## **PMC-Sierra Europe Limited**

### **Profit and loss account Year ended 31 December 2014**

	<b>Note</b>	<b>2014 £</b>	<b>2013 £</b>
<b>Turnover</b>	2	<u>6,359,071</u>	<u>5,623,863</u>
Administrative expenses		<u>5,445,191</u>	<u>5,059,631</u>
<b>Operating profit on ordinary activities before taxation</b>	4	913,880	564,232
Tax on profit on ordinary activities	5	<u>(135,569)</u>	<u>(232,992)</u>
<b>Profit for the financial year</b>		778,311	331,240
<b>Retained profit brought forward</b>		404,790	4,673,675
<b>Dividend paid</b>		-	<u>(4,600,125)</u>
<b>Retained profit carried forward</b>		<u>1,183,101</u>	<u>404,790</u>

All results are derived from continuing operations.

There are no recognised gains and losses from the current or preceding financial year other than as stated above. Accordingly, no statement of total recognised gains and losses is presented.

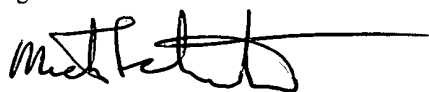
## **PMC-Sierra Europe Limited**

### **Balance sheet 31 December 2014**

	<b>Note</b>	<b>2014 £</b>	<b>2013 £</b>
<b>Fixed assets</b>			
Tangible fixed assets	7	57,870	70,978
Long-term deposits		31,792	25,247
<b>Current assets</b>			
Debtors	8	5,760,535	2,912,154
Cash at bank and in hand		267,950	802,986
		6,028,485	3,715,140
<b>Creditors: amounts falling due within one year</b>	9	(2,842,949)	(1,469,738)
<b>Net current assets</b>		3,185,536	2,245,402
<b>Total assets less current liabilities</b>		3,275,198	2,341,627
<b>Creditors: amounts falling due after more than one year</b>	10	(70,420)	-
<b>Total assets less long term liabilities</b>		3,204,778	2,341,627
<b>Capital and reserves</b>			
Called up share capital	11	1,000	1,000
Additional paid-in capital	12	2,020,677	1,935,837
Profit and loss account	12	1,183,101	404,790
<b>Total shareholders' funds</b>	13	3,204,778	2,341,627

The financial statements of PMC-Sierra Europe Limited, registered number 03446594 were approved by the board of directors and authorised for issue on 4 June 2015.

Signed on behalf of the Board of Directors



N Schneider  
Director



# **PMC-Sierra Europe Limited**

## **Notes to the accounts Year ended 31 December 2014**

### **1. Accounting policies**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding financial year.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

#### **Going Concern**

The Company had net current assets of £3,185,536 (2013 - £2,245,402) and cash of £267,950 (2013 - £802,986) as at 31 December 2014. The Company is expected to continue to generate positive cash flows for the foreseeable future. On the basis of their assessment of the Company's financial position the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Tangible fixed assets**

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The estimated useful economic lives are as follows:

Leasehold improvements	Period of lease
Equipment	2-5 years
Fixtures and fittings	2-5 years
Software	3 years

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Foreign exchange**

The currency of the primary economic environment in which the Company operates (its functional currency) is United States Dollar (USD) and the Company has presented its financial statement in Pound Sterling (GBP) only for statutory reporting purpose.

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (USD) are recorded at the rate of exchange prevailing on the dates of the transactions. At the balance sheet date, monetary items carried at fair value or cost, which are denominated in foreign currencies, are translated into USD at the rates prevailing. Differences are recognised in profit and loss.

For statutory reporting, the Company's balance sheet accounts are translated into the presentation currency (GBP) at exchange rates prevailing on the balance sheet date. Income and expense items are translated at average exchange rates for the period. Exchange differences arising are recognised in the profit and loss.

#### **Leases**

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term.

## **PMC-Sierra Europe Limited**

### **Notes to the accounts Year ended 31 December 2014**

#### **1. Accounting policies (continued)**

##### **Turnover**

Turnover represents amounts earned for services provided, net of value added tax. It is recognised when services are provided.

##### **Pension costs**

The ultimate parent company, PMC-Sierra, Inc., operates a defined contribution pension scheme for all qualified employees. The contribution by the Company is charged to the profit and loss account as it falls due. Any difference between contributions paid and payable is recorded in the balance sheet as a prepayment or accrual.

##### **Share-based payment**

The Company has applied the requirements of FRS 20, Share-Based Payment. In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were invested as of 1 January 2006.

The ultimate parent company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period. The fair value of stock option awards granted to employees during the year ended 31 December 2014, was estimated using a lattice-binomial valuation model. The binomial model considers the contractual term of the option, the probability that the option will be exercised prior to the end of its contractual life, and the probability of termination or retirement of the option holder in computing the value of the option.

##### **Related party transactions**

The Company has taken advantage of the exemption under FRS 8 not to disclose transactions with other group companies.

##### **Cash flow statement**

The Company has taken advantage of the exemption available under FRS 1 not to prepare a cash flow statement on the basis that group financial statements are publicly available.

#### **2. Turnover**

Turnover represents commission earned on sales made by PMC-Sierra International Sdn. Bhd in the United Kingdom when the sale is recorded by the principal company.

The turnover, which arises in the United Kingdom, is attributable to the Company's principal activity.

#### **3. Information regarding directors and employees**

No director received any emoluments for their services as a director of the Company in the years ended 31 December 2014 and 2013.

	<b>2014 No.</b>	<b>2013 No.</b>
<b>Average number of persons employed</b>		
Research and development	4	-
Marketing and distribution	10	12
	<u>14</u>	<u>12</u>

# **PMC-Sierra Europe Limited**

## **Notes to the accounts** **Year ended 31 December 2014**

### **3. Information regarding directors and employees (continued)**

	2014 £	2013 £
<b>Staff costs during the year</b>		
Wages and salaries	1,241,542	1,246,458
Social security costs	286,843	235,824
Pension costs	87,953	107,863
	<u>1,616,338</u>	<u>1,590,145</u>

The FRS 20 charge in respect of share options was £142,563 (2013 - £197,254) in the year ended 31 December 2014.

### **4. Operating profit on ordinary activities before taxation**

	2014 £	2013 £
<b>Operating profit on ordinary activities before taxation is after charging/crediting:</b>		
Depreciation		
Owned assets	30,732	13,046
Rentals under operating leases		
Other operating leases	73,838	49,150
Fees payable to the Company's auditor for the audit of the Company's annual accounts	5,837	9,258
Fees payable to the Company's auditor for other services related to taxation	30,606	37,348
Net foreign exchange (gain)/loss debited to the profit and loss account	<u>(173,972)14</u>	<u>9,123</u>

### **5. Tax on profit on ordinary activities**

#### **(a) Tax on profit on ordinary activities**

	2014 £	2013 £
<b>Current tax</b>		
United Kingdom corporation tax at 21.5% (2013 – 23.5%)	111,205	190,492
Adjustment in respect of prior years	(66,408)	-
Foreign tax	<u>43,411</u>	<u>20,193</u>
Total current tax	<u>88,208</u>	<u>210,685</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	<u>47,361</u>	<u>22,307</u>
Total deferred tax	<u>47,361</u>	<u>22,307</u>
Tax on profit on ordinary activities	<u>135,569</u>	<u>232,992</u>

## **PMC-Sierra Europe Limited**

### **Notes to the accounts Year ended 31 December 2014**

#### **5. Tax on profit on ordinary activities (continued).**

##### **(b) Factors affecting current tax charge for the year**

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 21.5% for the year ended 31 December 2014 (2013: 23.5%). The actual tax charge for the current and the previous year differs from the standard tax rate for the reasons set out in the following reconciliation:

	2014 £	2013 £
Profit on ordinary activities before tax	913,880	564,232
Tax on profit on ordinary activities at standard rate	196,484	132,595
Factors affecting charge for the year:		
Expenses not deductible for tax purposes	1,792	78,090
Income not taxable for tax purposes	(43,660)	-
Prior period adjustments	(66,408)	-
Total actual amount of current tax	88,208	210,685

The Budget on 20 March 2013 announced that the UK corporation tax rate for financial years beginning 1 April 2015 would reduce to 20%.

#### **6. Share-based payments**

At 31 December 2014, the ultimate parent company has two share-based compensation programs, which are described below.

The fair value of the ultimate parent company's stock option awards granted to employees during 2014 was estimated using the lattice-binomial valuation model. The binomial model considers the contractual term of the option, the probability that the option will be exercised prior to the end of its contractual life, and the probability of termination or retirement of the option holder in computing the value of the option.

The estimated volatility of share-based awards are made by management based on a weighted historical and market-based implied volatility. Management has used historical data to estimate option exercises and employee terminations within the valuation model. Separate groups of employees that have similar historical exercise behaviour are considered separately for valuation purpose. The expected term of options granted is derived from the output of the stock option valuation model and represents the period of time that granted options are expected to be outstanding. The risk-free rate for periods within the contractual life of the stock options is based on U.S. Treasury yield curve in effect at the time of the grant.

## **PMC-Sierra Europe Limited**

### **Notes to the accounts Year ended 31 December 2014**

#### **6. Share-based payments (continued)**

The fair values of the Company's share option and Employee Stock Purchase Plan, ("ESPP") awards were estimated using the following weighted average assumptions:

<b><u>Share Options:</u></b>	<b>2014</b>	<b>2013</b>
Expected life (years)	5.75	5.86
Expected volatility	32.46%	40%
Risk free interest rate	1.83%	1.57%

<b><u>Employee Share Purchase Plan:</u></b>	<b>2014</b>	<b>2013</b>
Expected life (years)	0.5	0.5
Expected volatility	35.36%	35%
Risk free interest rate	0.08%	0.10%

#### **Equity-settled share option scheme**

PMC-Sierra, Inc. issues its common stock under the provisions of various share option schemes. Share option awards are granted with an exercise price equal to the closing market price of the ultimate parent company's common stock at the grant date. The options generally expire within five to ten years and vest over four years.

Activity under the share option plan during the years ended 31 December 2014 and 2013 was as follows:

	<b>Number of share options</b>	<b>2014 Weighted average exercise price £</b>	<b>Number of share options</b>	<b>2013 Weighted average exercise price £</b>
Outstanding - beginning of year	184,102	5.34	218,486	4.93
Transfer	-	-	-	-
Granted	-	-	-	-
Forfeited	(8,015)	4.75	(4,215)	4.16
Exercised	(29,609)	4.11	(30,169)	2.54
Expired	(11,452)	8.22	-	-
Outstanding - end of year	135,026	5.02	184,102	5.34
Exercisable - end of year	130,983	5.04	157,154	5.43

The weighted average share price at the date of exercise for share options exercised during the period was £4.11 (2013 - £2.54). The options outstanding at 31 December 2014 had a weighted average remaining contractual life of 4.29 years (2013 - 4.88 years).

## **PMC-Sierra Europe Limited**

### **Notes to the accounts Year ended 31 December 2014**

#### **6. Share-based payments (continued)**

##### **Restricted Stock Units**

PMC-Sierra, Inc.'s stock award plans also allow for the issuance of Restricted Stock Units ("RSUs") to the Company's employees and members of the Board of Directors of the ultimate parent company. The grants vest over varying terms, to a maximum of four years from the date of grant.

A Summary of RSU activity during the year ended 31 December 2014 is as follows:

	<b>Restricted Stock Units</b>	<b>Weighted average remaining contractual term</b>	<b>Aggregate intrinsic value 31/12/14 £</b>
Outstanding - beginning of year	80,682		
Awarded	54,930		
Released	(25,033)		
Forfeited	(6,763)		
	<hr/>	<hr/>	<hr/>
Outstanding - end of year	103,816	1.74	574,586
	<hr/>	<hr/>	<hr/>
Restricted Stock Units vested and expected to vest	103,816	1.74	574,586

##### **Employee Share Purchase Plan**

The ESPP allows eligible participants to purchase shares of PMC-Sierra, Inc.'s common stock through payroll deductions at a price of 85% of the lower of the fair market value of PMC-Sierra, Inc.'s common stock on the close of the first trading day or last trading day of the six-month purchase period. Shares are purchased twice per year on February 10 and August 10, or on the next business day.

During 2014, 8,506 (2013 – 14,033) shares were issued to the Company's employees at a weighted average price of £3.39 (2013 - £3.33).

## **PMC-Sierra Europe Limited**

### **Notes to the accounts Year ended 31 December 2014**

#### **7. Tangible fixed assets**

	<b>Leasehold Improve- ments £</b>	<b>Equipment £</b>	<b>Fixtures and fittings £</b>	<b>Construction In Progress</b>	<b>Software</b>	<b>Total £</b>
<b>Cost</b>						
At 1 January 2014	17,966	52,708	3,927	27,653	-	102,254
Additions in year	-	11,262	2,676	-	4,390	18,328
Write off in year	(486)	(413)	-	-	-	(899)
Transfer in year	27,653	-	-	(27,653)	-	-
At 31 December 2014	45,133	63,557	6,603	-	4,390	119,683
<b>Accumulated depreciation</b>						
At 1 January 2014	12,575	14,774	3,927	-	-	31,276
Charge in year	9,592	20,758	-	-	382	30,732
Write off in year	-	(195)	-	-	-	(195)
At 31 December 2014	22,167	35,337	3,927	-	382	61,813
<b>Net book value</b>						
At 31 December 2014	22,966	28,220	2,676	-	4,008	57,870
At 31 December 2013	5,391	37,934	-	27,653	-	70,978

#### **8. Debtors**

	<b>2014 £</b>	<b>2013 £</b>
Amounts due from group undertakings	5,686,212	2,682,027
Deferred tax asset	-	47,190
Prepayments and accrued income	74,323	182,937
	<u>5,760,535</u>	<u>2,912,154</u>

All amounts are due within one year.

#### **9. Creditors: amounts falling due within one year**

	<b>2014 £</b>	<b>2013 £</b>
Trade creditors	16,783	27,309
Amounts due to group undertakings	2,426,277	855,426
Corporation tax	41,030	33,405
Accruals	345,069	479,182
Other taxation and social security	13,790	74,416
	<u>2,842,949</u>	<u>1,469,738</u>

# **PMC-Sierra Europe Limited**

## **Notes to the accounts Year ended 31 December 2014**

### **10. Creditors: amounts falling due after more than one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Accruals	70,420	-
	<u>70,420</u>	<u>-</u>

### **11. Called up share capital**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Called up, allotted and fully paid</b>		
1,000 (2010 – 1,000) ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

### **12. Reserves**

	<b>Additional paid in capital £</b>	<b>Profit and loss account £</b>	<b>2014 Total £</b>	<b>2013 Total £</b>
At 1 January	1,935,837	404,790	2,340,627	6,413,012
Profit for the financial year	-	778,311	778,311	331,240
Share based payment charge	84,840	-	84,840	196,500
Payment of dividend	-	-	-	(4,600,125)
At 31 December	<u>2,020,677</u>	<u>1,183,101</u>	<u>3,203,778</u>	<u>2,340,627</u>

### **13. Reconciliation of movements in shareholders' funds**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Opening shareholder's funds	2,341,627	6,414,012
Profit for the financial year	778,311	331,240
Share based payment charge	84,840	196,500
Payment of dividend	-	(4,600,125)
Closing shareholders funds	<u>3,204,778</u>	<u>2,341,627</u>



## **PMC-Sierra Europe Limited**

### **Notes to the accounts Year ended 31 December 2014**

#### **14. Financial commitments**

##### **Operating lease commitments**

At 31 December 2014, the Company was committed to making the following payments during the next year in respect of operating leases:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Leases which expire:</b>				
Within one year	17,450	19,350	5,265	8,678
Within two to five years	13,088	33,862	878	10,125
	<u>30,538</u>	<u>53,212</u>	<u>6,143</u>	<u>18,803</u>

#### **15. Ultimate parent company**

PMC-Sierra, Inc., is incorporated in the State of Delaware, USA, and is the ultimate parent company and controlling party. This is the largest and smallest group into which PMC-Sierra Europe Limited is consolidated. Copies of the ultimate parent company's consolidated financial statements are available from 8555 Baxter Place, Burnaby, B.C., Canada, V5A 4V7.