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Qualcomm Announces Fourth Quarter and Fiscal 2013 Results Fiscal 2013 Revenues \$24.9 billion GAAP EPS \$3.91, Non-GAAP EPS \$4.51

- Record Fiscal Year Results -

SAN DIEGO - November 6, 2013 - Qualcomm Incorporated (Nasdaq: QCOM), a leading developer and innovator of advanced wireless technologies, products and services, today announced results for the fiscal fourth quarter and year ended September 29, 2013.

"I am very pleased with our record financial performance this year as we delivered revenues of \$25 billion, up 30% versus last year. Our technologies underpin the global growth of wireless data, and our semiconductor solutions are used across the industry's flagship smartphones," said Dr. Paul E. Jacobs, chairman and CEO of Qualcomm. "Looking forward, we expect continued strong growth of 3G and 3G/4G multimode devices around the world, particularly in China with the anticipated launch of LTE. Qualcomm remains well positioned from a growth standpoint, and we expect double-digit compound annual growth rates for both revenues and earnings per share over the next five years."

GAAP Results

Fourth Quarter Fiscal 2013*

- Revenues: 1\$6.48 billion, up 33 percent year-over-year (y-o-y) and 4 percent sequentially.
- Operating income: ¹\$1.59 billion, up 29 percent y-o-y and down 5 percent sequentially.
- Net income: ² \$1.50 billion, up 18 percent y-o-y and down 5 percent sequentially.
- Diluted earnings per share: ² \$0.86, up 18 percent y-o-y and down 4 percent sequentially.
- Effective tax rate: 1 18 percent.
- Operating cash flow: \$2.52 billion, up 79 percent y-o-y; 39 percent of revenues.
- Return of capital to stockholders: \$3.91 billion, including \$3.32 billion through repurchases of 50.7 million shares of common stock and \$592 million, or \$0.35 per share, of cash dividends paid.

Throughout this news release, fiscal 2012 results for FLO TV are presented as discontinued operations. Revenues, operating expenses, operating income, earnings before tax (EBT) and effective tax rates are from continuing operations (i.e., before adjustments for noncontrolling interests and, for fiscal 2012, discontinued operations), unless otherwise stated.

² Throughout this news release, net income and diluted earnings per share are attributable to Qualcomm (i.e., after adjustments for noncontrolling interests and discontinued operations), unless otherwise stated.

Fiscal 2013*

- Revenues: \$24.87 billion, up 30 percent y-o-y.
- Operating income: \$7.23 billion, up 27 percent y-o-y.
- Net income: \$6.85 billion, up 12 percent y-o-y.
- Diluted earnings per share: \$3.91, up 11 percent y-o-y.
- Effective tax rate: 16 percent.
- Operating cash flow: \$8.78 billion, up 46 percent y-o-y; 35 percent of revenues.
- Return of capital to stockholders: \$6.66 billion, including \$4.61 billion through repurchases of 71.7 million shares of common stock and \$2.05 billion, or \$1.20 per share, of cash dividends paid.

Non-GAAP Results

Non-GAAP results exclude the QSI (Qualcomm Strategic Initiatives) segment and certain share-based compensation, acquisition-related items and tax items.

Fourth Quarter Fiscal 2013*

- Revenues: \$6.48 billion, up 33 percent y-o-y and 4 percent sequentially.
- Operating income: \$1.94 billion, up 20 percent y-o-y and down 5 percent sequentially.
- Net income: \$1.82 billion, up 18 percent y-o-y and even sequentially.
- Diluted earnings per share: \$1.05, up 18 percent y-o-y and 2 percent sequentially.
- Effective tax rate: 16 percent.
- Free cash flow (defined as net cash from operating activities less capital expenditures): \$2.38 billion, up 92 percent y-o-y; 37 percent of revenues.

Fiscal 2013*

- Revenues: \$24.87 billion, up 30 percent y-o-y.
- Operating income: \$8.66 billion, up 22 percent y-o-y.
- Net income: \$7.91 billion, up 22 percent y-o-y.
- Diluted earnings per share: \$4.51, up 22 percent y-o-y.
- Effective tax rate: 17 percent.
- Free cash flow: \$8.08 billion, up 55 percent y-o-y; 32 percent of revenues.

Detailed reconciliations between results reported in accordance with GAAP and Non-GAAP results are included within this news release.

* The following should be considered in regards to the year-over-year and sequential comparisons: Fiscal fourth quarter and fiscal 2013 GAAP and Non-GAAP results included a \$173 million charge, or \$0.10 per

share, related to the recent verdict in our litigation with ParkerVision. Fiscal 2012 GAAP results included \$776 million in earnings, net of income taxes, for discontinued operations, primarily a result of a \$1.2 billion gain associated with the sale of substantially all of our 700 MHz spectrum.

Key Business Metrics

Fourth Quarter Fiscal 2013

- MSMTM chip shipments: 190 million units, up 35 percent y-o-y and 10 percent sequentially.
- June quarter total reported device sales: approximately \$60.2 billion, up 29 percent y-o-y and 7 percent sequentially.
 - June quarter estimated 3G/4G device shipments: approximately 260 to 264 million units,
 at an estimated average selling price of approximately \$227 to \$233 per unit.

Fiscal 2013

- MSM chip shipments: 716 million units, up 21 percent y-o-y.
- Total reported device sales: approximately \$231.2 billion, up 23 percent y-o-y.
 - Estimated 3G/4G device shipments: approximately 1,017 to 1,033 million units, at an estimated average selling price of approximately \$223 to \$229 per unit.

Cash and Marketable Securities

Our cash, cash equivalents and marketable securities totaled \$29.4 billion at the end of fiscal 2013, compared to \$26.8 billion a year ago and \$30.4 billion at the end of the third quarter of fiscal 2013. On October 24, 2013, we announced a cash dividend of \$0.35 per share payable on December 19, 2013 to stockholders of record as of December 2, 2013. During the fourth quarter of fiscal 2013, we repurchased and retired 50.7 million shares of common stock for \$3.32 billion.

Research and Development

(\$ in millions)	No	n-GAAP	QSI	are-Based npensation	equisition- lated Items	GAAP
Fourth quarter fiscal 2013	\$	1,182	\$ 1	\$ 164	\$ 1	\$ 1,348
As % of revenues		18%				21%
Fourth quarter fiscal 2012	\$	961	\$ 1	\$ 152	\$ _	\$ 1,114
As % of revenues		20%				23%
Year-over-year change (\$)		23%	N/M	8%	N/M	21%

N/M - Not Meaningful

Non-GAAP research and development (R&D) expenses increased 23 percent y-o-y primarily due to an increase in costs to develop CDMA-based 3G, OFDMA-based 4G LTE and other technologies for integrated circuit and related software products and to expand our intellectual property portfolio.

Selling, General and Administrative

(\$ in millions)	Non	-GAAP		QSI	re-Based pensation	quisition- ated Items	(GAAP
Fourth quarter fiscal 2013	\$	547	\$	10	\$ 94	\$ 6	\$	657
As % of revenues		8%	ó					10%
Fourth quarter fiscal 2012	\$	491	\$	3	\$ 112	\$ 21	\$	627
As % of revenues		10%	ó					13%
Year-over-year change (\$)		11%)	N/M	(16%)	N/M		5%

Certain prior period amounts have been reclassified to conform to the current period presentation. N/M - Not Meaningful

Non-GAAP selling, general and administrative (SG&A) expenses increased 11 percent y-o-y primarily due to increases in selling and marketing, patent-related and employee-related expenses.

Effective Income Tax Rates

Our fiscal 2013 annual effective income tax rates were 16 percent for GAAP and 17 percent for Non-GAAP. The fiscal 2013 GAAP effective tax rate included a tax benefit of \$64 million related to the retroactive extension of the United States federal research and development tax credit related to fiscal 2012. This benefit was excluded from our Non-GAAP results.

Business Outlook

The following statements are forward looking, and actual results may differ materially. The "Note Regarding Forward-Looking Statements" in this news release provides a description of certain risks that we face, and our annual and quarterly reports on file with the Securities and Exchange Commission (SEC) provide a more complete description of risks.

Our outlook does not include provisions for future asset impairments or for pending legal matters, other than future legal amounts that are probable and estimable. Further, due to their nature, certain income and expense items, such as realized investment and certain derivative gains or losses, cannot be accurately forecast. Accordingly, we only include such items in our business outlook to the extent they are reasonably certain; however, actual results may vary materially from the business outlook.

Our outlook for fiscal 2014 diluted earnings per share includes an estimate of the benefit related to approximately \$4 billion in stock repurchases that we plan to complete over the course of fiscal 2014 under our current stock repurchase program.

On August 21, 2013, we entered into a definitive agreement under which we agreed to sell the North and Latin American operations of our Omnitracs division for \$800 million, subject to closing conditions, including receipt of regulatory approvals. We expect the transaction to close in the first quarter of fiscal 2014. Upon close, we expect to record a gain on sale of approximately \$0.22 to \$0.25 earnings per share, which has been excluded from our fiscal first quarter and fiscal 2014 outlook.

The following table summarizes GAAP and Non-GAAP guidance based on the current business outlook. The Non-GAAP business outlook presented below is consistent with the presentation of Non-GAAP results included elsewhere herein.

Qualcomm's Business Outlook Summary

	Q1 FY13 Results	Current Guidance Q1 FY14 Estimates (2)
Revenues	\$6.02B	\$6.3B - \$6.9B
Year-over-year change		increase 5% - 15%
Non-GAAP diluted earnings per share (EPS)	\$1.26	\$1.10 - \$1.20
Year-over-year change		decrease 5% - 13%
Diluted EPS attributable to QSI	(\$0.01)	(\$0.01)
Diluted EPS attributable to share-based compensation	(\$0.12)	(\$0.13)
Diluted EPS attributable to acquisition-related items	(\$0.04)	(\$0.04)
GAAP diluted EPS	\$1.09	\$0.92 - \$1.02
Year-over-year change		decrease 6% - 16%
Metrics		
MSM chip shipments	182M	195M - 210M
Year-over-year change		increase 7% - 15%
Total reported device sales (1)	approx. \$53.3B*	approx. \$57.5B - \$63.5B*
Year-over-year change		increase 8% - 19%
*Est. sales in September quarter, reported in December quarter		

FISCAL YEAR		
	FY 2013 Results	Current Guidance FY 2014 Estimates (2) (3)
Revenues	\$24.87B	\$26.0B - \$27.5B
Year-over-year change		increase 5% - 11%
Non-GAAP diluted EPS	\$4.51	\$4.95 - \$5.15
Year-over-year change		increase 10% - 14%
Diluted EPS attributable to QSI	\$0.02	(\$0.03)
Diluted EPS attributable to share-based compensation	(\$0.51)	(\$0.51)
Diluted EPS attributable to acquisition-related items	(\$0.16)	(\$0.16)
Diluted EPS attributable to tax items	\$0.04	N/A
GAAP diluted EPS	\$3.91	\$4.25 - \$4.45
Year-over-year change		increase 9% - 14%
Metrics		
Est. fiscal year* 3G/4G device average selling price range (1)	approx. \$223 - \$229	approx. \$216 - \$230
*Shipments in Sept. to June quarters, reported in Dec. to Sept. quarters		

CALENDAR YEAR Device Estimates (1)			
	Prior Guidance Calendar 2013 Estimates	Current Guidance Calendar 2013 Estimates	Current Guidance Calendar 2014 Estimates
Est. 3G/4G device shipments			
March quarter	approx. 244M - 248M	approx. 244M - 248M	not provided
June quarter	not provided	approx. 260M - 264M	not provided
September quarter	not provided	not provided	not provided
December quarter	not provided	not provided	not provided
Est. calendar year range (approx.)	1,015M - 1,085M	1,075M - 1,125M	1,220M - 1,300M
Est. calendar year midpoint (approx.) (4)	1,050M	1,100M	1,260M

- (1) Total reported device sales is the sum of all reported sales in U.S. dollars (as reported to us by our licensees) of all licensed CDMA-based, OFDMA-based and CDMA/OFDMA multimode subscriber devices (including handsets, modules, modem cards and other subscriber devices) by our licensees during a particular period (collectively, 3G/4G devices). The reported quarterly estimated ranges of average selling prices (ASPs) and unit shipments are determined based on the information as reported to us by our licensees during the relevant period and our own estimates of the selling prices and unit shipments for licensees that do not provide such information. Not all licensees report sales, selling prices and/or unit shipments the same way (e.g., some licensees report selling prices net of permitted deductions, such as transportation, insurance and packing costs, while other licensees report selling prices and then identify the amount of permitted deductions in their reports), and the way in which licensees report such information may change from time to time. Total reported device sales, estimated unit shipments and estimated ASPs for a particular period may include prior period activity that was not reported by the licensee until such particular period.
- (2) Q1 and FY 2014 guidance excludes the expected gain on sale of the North and Latin American operations of our Omnitracs division. We expect the transaction to close in the first quarter of fiscal 2014. Upon close, we expect to record a gain on sale of approx. \$0.22 to \$0.25 EPS.
- (3) FY 2014 guidance includes an estimate of the benefit related to approx. \$4 billion in stock repurchases that we plan to complete over the course of fiscal 2014 under our current stock repurchase program. FY 2014 guidance also reflects an annual effective tax rate that includes an estimate of the United States federal R&D tax credit expected to be generated through December 31, 2013, the date on which the credit will expire.
- (4) The midpoints of the estimated calendar year ranges are identified for comparison purposes only and do not indicate a higher degree of confidence in the midpoints.

N/A - Not Applicable

Sums may not equal totals due to rounding.

Results of Business Segments

The following table reconciles our Non-GAAP results to our GAAP results (in millions, except per share data):

				Non-GAAP	Non-		Share-Based	Acquisition-		
SEGMENTS	QCT	QTL	QWI	Reconciling Items (1)	GAAP (2)	QSI (2)	Compensation (2)	Related Items (2)	Tax Items	GAAP
Q4 - FISCAL 2013										
Revenues	\$4,457	\$1,874	\$154	(\$5)	\$6,480	\$ —	\$ —	\$ —	\$ —	\$6,480
Change from prior year	42%	19%	(4%)	N/M	33%					33%
Change from prior quarter	6%	-%	(3%)	N/M	4%					4%
Operating income (loss)					\$1,940	(\$11)	(\$274)	(\$67)	\$ —	\$1,588
Change from prior year					20%	N/M	4%	25%		29%
Change from prior quarter					(5%)	(57%)	2%	6%		(5%)
EBT	\$702	\$1,622	\$12	(\$163)	\$2,173	(\$11)	(\$274)	(\$67)	\$ —	\$1,821
Change from prior year	44%	18%	N/M	N/M	13%	48%	4%	25%		19%
Change from prior quarter	(5%)	(1%)	N/M	N/M	(2%)	N/M	2%	6%		(5%)
EBT as % of revenues	16%	87%	8%	N/M	34%				_	28%
Net income (loss)					\$1,818	(\$24)	(\$226)	(\$67)	\$ —	\$1,501
Change from prior year					18%	N/M	(2%)		N/M	18%
Change from prior quarter					_%	N/M	(2%)	' '	N/A	(5%)
Diluted EPS					\$1.05 18%	(\$0.01)	(\$0.13) —%	(\$0.04)	\$— N/M	\$0.86
Change from prior year Change from prior quarter					18% 2%	N/M N/M	_% _%	_% _%	N/M N/A	18% (4%)
Diluted shares used					1,738	1,738	1,738	1,738	1,738	1,738
O3 - FISCAL 2013					1,750	1,730	1,750	1,730	1,750	1,750
Revenues	\$4,222	\$1,867	\$158	(\$4)	\$6,243	s —	s —	s —	S —	\$6,243
Operating income (loss)	Ψ1,222	Φ1,007	Ψ100	(4.)	2,035	(7)	(280)	-	s —	1,677
EBT	\$738	\$1,633	(\$16)	(\$145)	2,210	51	(280)		\$ — \$ —	1,910
Net income (loss)	\$150	\$1,055	(\$10)	(\$143)	1,823	43	(222)	(64)	—	1,580
Diluted EPS					\$1.03	\$0.02	(\$0.13)	(\$0.04)	s —	\$0.90
Diluted shares used					1,765	1,765	1,765	1,765	1,765	1,765
O4 - FISCAL 2012					1,703	1,703	1,703	1,703	1,703	1,703
Revenues	\$3,129	\$1,572	\$161	\$9	\$4,871	s —	\$ —	s —	S —	\$4,871
Operating income (loss)	\$3,129	\$1,372	\$101	39	1,612	(4)	(284)	(89)	-	1,235
EBT	\$486	\$1,370	(\$1)	\$65	1,920	(21)	(284)	(89)		1,526
		\$1,370	(\$1)	303	1,920	` ′	(284)	(89)	s —	
Discontinued operations, net	oi tax				1,547	23 14	(222)	(79)	10	23 1,271
Net income (loss)					,		` /	(78)		
Diluted EPS					\$0.89	\$0.01	(\$0.13)	(\$0.04)	\$0.01	\$0.73
Diluted shares used					1,745	1,745	1,745	1,745	1,745	1,745
<u>Q1 - FISCAL 2013</u>										
Revenues	\$4,120	\$1,757	\$146	(\$5)	\$6,018	\$ —	\$ —	\$ —	\$ —	\$6,018
Operating income (loss)					2,447	(8)	(281)	(70)		2,088
EBT	\$1,068	\$1,532	(\$3)	\$98	2,695	(17)	(281)	(70)	\$ —	2,327
Net income (loss)					2,204	(12)	(219)	(67)	_	1,906
Diluted EPS					\$1.26	(\$0.01)	(\$0.12)	(\$0.04)	\$ —	\$1.09
Diluted shares used					1,751	1,751	1,751	1,751	1,751	1,751

				Non-GAAP Reconciling	Non-		Share-Based Compensation	Acquisition -Related	Tax	
SEGMENTS	QCT	QTL	QWI	Items (1)	GAAP (2)	QSI (2)	(2)	Items (2)	Items	GAAP
12 MONTHS - FISCA	L 2013									
Revenues	\$16,715	\$7,554	\$613	(\$16)	\$24,866	\$ —	\$ —	s —	\$ —	\$24,866
Change from prior year	38%	19%	(3%)	N/M	30%					30%
Operating income (loss)					\$8,657	(\$31)	(\$1,103)	(\$293)	\$ —	\$7,230
Change from prior year					22%	73%	(7%)	(10%)		27%
EBT	\$3,189	\$6,590	(\$8)	(\$237)	\$9,534	\$56	(\$1,103)	(\$293)	\$ —	\$8,194
Change from prior year	39%	18%	47%	N/M	19%	N/M	(7%)	(10%)		25%
EBT as % of revenues	19%	87%	(1%)	N/M	38%					33%
Net income (loss)					\$7,911	\$43	(\$886)	(\$279)	\$64	\$6,853
Change from prior year					22%	(94%)	(9%)	(15%)	N/M	12%
Diluted EPS					\$4.51	\$0.02	(\$0.51)	(\$0.16)	\$0.04	\$3.91
Change from prior year					22%	(95%)	(9%)	(14%)	N/M	11%
Diluted shares used					1,754	1,754	1,754	1,754	1,754	1,754
12 MONTHS - FISCA	L 2012									
Revenues	\$12,141	\$6,327	\$633	\$20	\$19,121	\$ —	\$ —	s —	S —	\$19,121
Operating income (loss)					7,100	(116)	(1,035)	(267)	_	5,682
EBT	\$2,296	\$5,585	(\$15)	\$168	8,034	(170)	(1,035)	(267)		6,562
Discontinued operations, ne	et of tax				_	777	(1)		_	776
Net income (loss)					6,463	690	(811)	(243)	10	6,109
Diluted EPS					\$3.71	\$0.40	(\$0.47)	(\$0.14)	\$0.01	\$3.51
Diluted shares used					1,741	1,741	1,741	1,741	1,741	1,741

- (1) Non-GAAP reconciling items related to revenues consisted primarily of nonreportable segment revenues less intersegment eliminations. Non-GAAP reconciling items related to earnings before taxes consist primarily of certain costs of equipment and services revenues, research and development expenses, sales and marketing expenses, other operating expenses and certain investment income or losses and interest expense that are not allocated to the segments for management reporting purposes; nonreportable segment results; and the elimination of intersegment profit.
- (2) At fiscal year end, the sum of the quarterly tax provision (benefit) for each column equals the annual tax provision (benefit) for each column computed in accordance with GAAP. In interim quarters, the sum of these provisions (benefits) may not equal the total GAAP tax provision, and this difference is allocated to tax provisions (benefits) among the columns.

N/M - Not Meaningful N/A - Not Applicable

Sums may not equal totals due to rounding.

Conference Call

Qualcomm's fiscal fourth quarter and fiscal 2013 earnings conference call will be broadcast live on November 6, 2013, beginning at 1:45 p.m. Pacific Time (PT) at http://investor.qualcomm.com/events.cfm. This conference call will include a discussion of "Non-GAAP financial measures" as defined in Regulation G. The most directly comparable GAAP financial measures and information reconciling these Non-GAAP financial measures to the Company's financial results prepared in accordance with GAAP, as well as other financial and statistical information to be discussed on the conference call, will be posted at www.qualcomm.com/investor immediately prior to commencement of the call. An audio replay will be available at http://investor.qualcomm.com/events.cfm and via telephone following the live call for 30 days thereafter. To listen to the replay via telephone, U.S. callers may dial (855) 859-2056 and international callers may dial (404) 537-3406. Callers should use reservation number 87075999.

Note Regarding Use of Non-GAAP Financial Measures

The Non-GAAP financial information presented herein should be considered in addition to, not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. In addition, "Non-GAAP" is not a term defined by GAAP, and as a result, the Company's measure of Non-GAAP results might be different than similarly titled measures used by other companies. Reconciliations between GAAP and Non-GAAP results are presented herein.

The Company uses Non-GAAP financial information (i) to evaluate, assess and benchmark the Company's operating results on a consistent and comparable basis; (ii) to measure the performance and efficiency of the Company's ongoing core operating businesses, including the QCT (Qualcomm CDMA Technologies), QTL (Qualcomm Technology Licensing) and QWI (Qualcomm Wireless & Internet) segments; and (iii) to compare the performance and efficiency of these segments against each other and against competitors. Non-GAAP measurements of the following financial data are used by the Company: revenues, cost of equipment and services revenues, R&D expenses, SG&A expenses, operating income, net investment income, income or earnings before income taxes, effective tax rate, net income, diluted earnings per share, operating cash flow and free cash flow. The Company is able to assess what it believes is a more meaningful and comparable set of financial performance measures for the Company and its business segments by using Non-GAAP information. As a result, management compensation decisions and the review of executive compensation by the Compensation Committee of the Board of Directors focus primarily on Non-GAAP financial measures applicable to the Company and its business segments. The Company presents Non-GAAP financial information to provide greater transparency to investors with respect to its use of such information in financial and operational decision-making.

Non-GAAP information used by management excludes QSI and certain share-based compensation, acquisition-related items and tax items.

- QSI is excluded because the Company expects to exit its strategic investments at various times, and
 the effects of fluctuations in the value of such investments and realized gains or losses are viewed by
 management as unrelated to the Company's operational performance.
- Share-based compensation expense primarily relates to restricted stock units and stock options.

 Certain share-based compensation is excluded because management views such expenses as unrelated to the operating activities of the Company's ongoing core businesses. Further, the fair values of share-based awards are affected by factors that are variable on each grant date, which may include the Company's stock price, stock market volatility, expected award life, risk-free interest rates and expected dividend payouts in future years.
- Acquisition-related items relate to amortization and impairment of certain intangible assets, recognition of the step-up of inventories to fair value and the related tax effects of these items starting with acquisitions completed in the third quarter of fiscal 2011, as well as any tax effects from restructuring the ownership of such acquired assets. Additionally, starting with acquisitions completed in the fourth quarter of fiscal 2012, the Company began excluding expenses related to the termination of contracts that limit the use of the acquired intellectual property. These acquisition-related items are excluded and are not allocated to the Company's segments because management views such expenses as unrelated to the operating activities of the Company's ongoing core businesses. In addition, these charges are impacted by the size and timing of acquisitions, potentially obscuring period to period comparisons of the Company's operating businesses.
- Certain tax items that are unrelated to the fiscal year in which they were recorded are excluded in
 order to provide a clearer understanding of the Company's ongoing Non-GAAP tax rate and after tax
 earnings.

The Company presents free cash flow, defined as net cash provided by operating activities less capital expenditures, to facilitate an understanding of the amount of cash flow generated that is available to grow its business and to create long-term stockholder value. In addition, management uses this measure to evaluate the Company's performance and to compare its operating performance with other companies in the industry.

About Qualcomm

Qualcomm Incorporated (Nasdaq: QCOM) is a world leader in 3G, 4G and next-generation wireless technologies. Qualcomm Incorporated includes Qualcomm's licensing business, QTL, and the vast majority of its patent portfolio. Qualcomm Technologies, Inc., a wholly-owned subsidiary of Qualcomm Incorporated, operates, along with its subsidiaries, substantially all of Qualcomm's engineering, research and development functions, and substantially all of its products and services businesses, including its semiconductor business, QCT. For more than 25 years, Qualcomm ideas and inventions have driven the evolution of digital communications, linking people everywhere more closely to information, entertainment and each other. For more information, visit www.qualcomm.com.

Note Regarding Forward-Looking Statements

In addition to the historical information contained herein, this news release contains forward-looking statements that are inherently subject to risks and uncertainties, including but not limited to statements regarding the expected continued strong growth of 3G and 3G/4G multimode devices around the world, particularly in China; our being well positioned from a growth standpoint; expectations for double-digit compound annual growth rates for both revenues and earnings per share over the next five years; our business outlook; and our estimates and guidance related to revenues, GAAP and Non-GAAP diluted earnings per share, MSM chip shipments, total reported device sales, 3G/4G device average selling price ranges and 3G/4G device shipments, ranges and midpoints. Forward-looking statements are generally identified by words such as "estimates," "guidance," "expects," "anticipates," "intends," "plans," "believes," "seeks" and similar expressions. Actual results may differ materially from those referred to in the forward-looking statements due to a number of important factors, including but not limited to risks associated with the commercial deployment of CDMA, OFDMA and other technologies, continuing growth in our customers' and licensees' sales of products and services based on these technologies and our ability to continue to drive customer demand for our products and services based on these technologies; competition; our dependence on a small number of customers and licensees: the continued and future success of our licensing programs; attacks on our licensing business model, including current and future legal proceedings or actions of governmental or quasi-governmental bodies or standards or industry organizations; the enforcement and protection of our intellectual property rights; the commercial success of our new technologies, products and services; claims by third parties that we infringe their intellectual property; our dependence on a limited number of third-party suppliers; our stock price and earnings volatility; government regulations and policies; strategic transactions and investments; global economic conditions that impact the mobile communications industry; foreign currency fluctuations; and failures in our products or services or in the products of our customers,

including those resulting from security vulnerabilities, defects or errors. These and other risks are set forth in the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2013 filed with the SEC. Our reports filed with the SEC are available on our website at www.qualcomm.com. We undertake no obligation to update, or continue to provide information with respect to, any forward-looking statement or risk factor, whether as a result of new information, future events or otherwise.

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Supplemental Information (Unaudited)

Three Months Ended September 29, 2013											
	N	Non-GAAP Results		QSI		Share-Based Compensation		Acquisition- Related Items (a)			GAAP desults
(\$ in millions, except per share data)											
Cost of equipment and services revenues	\$	2,638		\$	_	\$	16	\$	60	\$	2,714
R&D		1,182			1		164		1		1,348
SG&A		547			10		94		6		657
Other expenses		173	(b)		_		_		_		173
Operating income (loss)		1,940			(11)		(274)		(67)		1,588
Investment income, net	\$	233	(c)	\$	— (d)	\$	_	\$	_	\$	233
Tax rate		16%	6		N/M		18%		—%		18%
Net income (loss)	\$	1,818		\$	(24)	\$	(226)	\$	(67)	\$	1,501
Diluted EPS	\$	1.05		\$	(0.01)	\$	(0.13)	\$	(0.04)	\$	0.86

- (a) Included amortization and impairment of certain intangible assets and the recognition of the step-up of inventories to fair value.
- (b) Included a \$173 million charge, or \$0.10 per share, related to the recent verdict in our litigation with ParkerVision.
- (c) Included \$168 million in interest and dividend income, \$112 million in net realized gains on investments and \$7 million in gains on deconsolidation of subsidiaries, partially offset by \$35 million in other-than-temporary losses on investments, \$18 million in net losses on derivatives and \$1 million in interest expense.
- (d) Included \$17 million in net realized gains on investments and \$1 million in interest and dividend income, offset by \$16 million in losses on deconsolidation of subsidiaries, \$1 million in other-than-temporary losses on investments and \$1 million in equity in net losses of investees.

Twelve Months Ended September 29, 2013											
	Non-GAAP Results	QSI	Share-Based Compensation	Acquisition- Related Items (e)	Tax Items (f)	GAAP Results					
(\$ in millions, except per share data)											
Cost of equipment and services revenues	\$ 9,485	\$ —	\$ 71	\$ 264	\$ —	\$ 9,820					
R&D	4,318	4	642	3	_	4,967					
SG&A	2,075	27	390	26	_	2,518					
Other expenses	331 (g)	_	_	_	_	331					
Operating income (loss)	8,657	(31)	(1,103)	(293)	_	7,230					
Investment income, net	\$ 877 (h)	\$ 87 (i)	\$ —	s —	\$ —	\$ 964					
Tax rate	17%	38%	20%	5%	N/A	16%					
Net income (loss)	\$ 7,911	\$ 43	\$ (886)	\$ (279)	\$ 64	\$ 6,853					
Diluted EPS	\$ 4.51	\$ 0.02	\$ (0.51)	\$ (0.16)	\$ 0.04	\$ 3.91					

- (e) Included amortization and impairment of certain intangible assets, expense associated with the termination of a contract and the recognition of the step-up of inventories to fair value.
- (f) Included a \$64 million tax benefit as a result of the retroactive reinstatement of the federal R&D tax credit related to fiscal 2012.
- (g) Included a \$173 million charge, or \$0.10 per share, related to the recent verdict in our litigation with ParkerVision and a \$158 million loss, or \$0.06 per share, that resulted from an impairment charge on certain long-lived assets related to our QMT division.
- (h) Included \$689 million in interest and dividend income, \$259 million in net realized gains on investments and \$6 million in gains on deconsolidation of subsidiaries, partially offset by \$71 million in other-than-temporary losses on investments, \$5 million in interest expense and \$1 million in net losses on derivatives.
- (i) Included \$110 million in net realized gains on investments, \$8 million in interest and dividend income, \$6 million in gains on deconsolidation of subsidiaries and \$1 million in net gains on derivatives, partially offset by \$18 million in interest expense, \$14 million in other-than-temporary losses on investments and \$6 million in equity in net losses of investees.

N/M - Not Meaningful

N/A - Not Applicable

Sums may not equal totals due to rounding.

Reconciliation of Non-GAAP Free Cash Flows to Net Cash Provided by Operating Activities (GAAP) and Other Supplemental Disclosures (In millions) (Unaudited)

Three Months Ended September 29, 2013

				,	
	Non	n-GAAP	QSI	e-Based ensation	GAAP
Net cash provided (used) by operating activities	\$	2,583	\$ (7)	\$ (53) (a)	\$ 2,523
Less: capital expenditures		(200)	_	_	(200)
Free cash flow	\$	2,383	\$ (7)	\$ (53)	\$ 2,323
Revenues	\$	6,480	\$ _	\$ _	\$ 6,480
Operating cash flow as % of revenues		40%	N/A	N/A	39%
Free cash flow as % of revenues		37%	N/A	N/A	36%

Twelve Months Ended September 29, 2013

	No	on-GAAP	GAAP QSI		Share-Based Compensation			GAAP
Net cash provided (used) by operating activities	\$	9,052	\$	(43)	\$	(231) (a)	\$	8,778
Less: capital expenditures		(973)		(75)		_		(1,048)
Free cash flow	\$	8,079	\$	(118)	\$	(231)	\$	7,730
Revenues	\$	24,866	\$	_	\$	_	\$	24,866
Operating cash flow as % of revenues		36%		N/A		N/A		35%
Free cash flow as % of revenues		32%		N/A		N/A		31%

Three Months Ended September 30, 2012

					-			
	No	Non-GAAP		QSI		Share-Based Compensation		GAAP
Net cash provided (used) by operating activities	\$	1,476	\$	(26)	\$	(41) (a)	\$	1,409
Less: capital expenditures		(234)		(16)		_		(250)
Free cash flow	\$	1,242	\$	(42)	\$	(41)	\$	1,159
Revenues	\$	4,871	\$	_	\$	_	\$	4,871
Operating cash flow as % of revenues		30%		N/A		N/A		29%
Free cash flow as % of revenues		25%		N/A		N/A		24%

Twelve Months Ended September 30, 2012

				-			
	No	on-GAAP	QSI	Share-Based Compensation		GAAP	
Net cash provided (used) by operating activities	\$	6,382	\$ (216)	\$	(168) (a)	\$	5,998
Less: capital expenditures		(1,183)	(101)		_		(1,284)
Free cash flow	\$	5,199	\$ (317)	\$	(168)	\$	4,714
Revenues	\$	19,121	\$ _	\$	_	\$	19,121
Operating cash flow as % of revenues		33%	N/A		N/A		31%
Free cash flow as % of revenues		27%	N/A		N/A		25%

⁽a) Incremental tax benefits from share-based compensation during the period.

N/A - Not Applicable

Reconciliation of Non-GAAP Tax Rates to GAAP Tax Rates (a) (In millions) (Unaudited)

Three Months Ended September 29, 2013

20%

5%

N/A

16%

	n-GAAP Results	QSI		are-Based npensation		uisition- ted Items	Tax	Items	GAAP Results
Income (loss) from continuing operations before income taxes	\$ 2,173	\$ (11)	\$	(274)	\$	(67)	\$	_	\$ 1,821
Income tax (expense) benefit	(354)	(14)		48		_		_	(320)
Income (loss) from continuing operations	\$ 1,819	\$ (25)	\$	(226)	\$	(67)	\$		\$ 1,501
Tax rate	16%	N/M Tv	velve	18% Months End	ed Sep	—% tember 29,	2013	N/A	18%
	n-GAAP Results	QSI		are-Based npensation		uisition- ted Items		Items (b)	GAAP Results
Income (loss) from continuing operations before income taxes	\$ 9,534	\$ 56	\$	(1,103)	\$	(293)	\$	_	\$ 8,194
Income tax (expense) benefit	(1,623)	(21)		217		14		64	(1,349)
Income (loss) from continuing operations	\$ 7,911	\$ 35	\$	(886)	\$	(279)	\$	64	\$ 6,845

38%

17%

N/M - Not Meaningful N/A - Not Applicable

Tax rate

⁽a) At fiscal year end, the sum of the quarterly tax provision (benefit) for each column equals the annual tax provision (benefit) for each column computed in accordance with GAAP. In interim quarters, the sum of these provisions (benefits) may not equal the total GAAP tax provision, and this difference is allocated to tax provisions (benefits) among the columns.

⁽b) During fiscal 2013, we recorded a tax benefit of \$64 million related to fiscal 2012 due to the retroactive reinstatement of the United States federal R&D tax credit.

Qualcomm Incorporated CONSOLIDATED BALANCE SHEETS (In millions, except per share data) (Unaudited)

Current assetts		Sept	tember 29, 2013	September 30, 2012	
Cash and cash equivalents \$ 6,142 \$ 3,807 Marketable securities 8,824 8,507 Accounts receivable, net 1,302 1,409 Inventories 1,302 1,000 Deferred tax asets 573 309 Other current assets 19,555 15,645 Marketable securities 1,440 1,463 Deferred tax assets 1,059 1,412 Assets held for sale 72 1,109 Property, plant and equipment, net 2,955 2,851 Goodwill 3,976 3,917 Other assets 8,66 677 Total assets 8,66 677 Total assets 8,50 3,917 Other assets 8,66 677 Total assets 8,51 5,43 Payroll and other benefits related liabilities 8,51 5,43 Trade accounts payable 8,51 5,43 6,44 Unearmed revenue 5,213 5,50 4,54 Other current liabilities 5,213	ASSETS				
Marketable securities 8,824 8,567 Accounts receivable, net 1,302 1,439 Inventories 1,302 1,030 Deferred tax assets 573 309 Other current assets 19,555 15,645 Marketable securities 14,403 14,463 Deferred tax assets 1,059 1,412 Assets held for sale 72 1,109 Property, plant and equipment, net 2,995 2,851 Goodwill 3,976 3,917 Other intangible assets, net 2,553 2,938 Other assets 866 677 Total assets 866 677 Trade accounts payable \$ 1,554 \$ 1,298 Payroll and other benefits related liabilities \$ 1,55 \$ 1,298 Payroll and other benefits related liabilities \$ 1,55 \$ 1,298 Payroll and current liabilities \$ 1,55 \$ 1,298 Itabilities held for sale \$ 1,55 \$ 1,298 Total current liabilities \$ 2,276 \$ 1,298	Current assets:				
Accounts receivable, net 2,142 1,459 Inventories 1,302 1,030 Deferred tax assets 573 309 Other current assets 572 473 Total current assets 15,55 15,645 Marketable securities 1,440 14,460 Marketable securities 1,059 1,412 Assets held for sale 72 1,109 Property, plant and equipment, net 2,995 2,851 Goodwill 3,976 3,917 Other assets 866 677 Total assets 866 677 Total assets \$45,516 \$43,012 LIABILITIES AND STOCKHOLDER'S EQUITY Current liabilities \$1,528 \$43,012 Total assets \$1,298 664 Payroll and other benefits related liabilities \$1,298 674 Total accounts payable \$1,525 \$1,298 674 Total current liabilities \$2,35 1,293 644 Unearned revenues<	Cash and cash equivalents	\$,	\$	3,807
Inventories 1,302 1,030 Deferred tax assets 573 309 Other current assets 19,555 15,645 Marketable securities 11,955 15,645 Marketable securities 11,959 11,440 Deferred tax assets 1,059 1,416 Peferred tax assets 1,059 1,109 Property, plant and equipment, net 2,955 2,851 Goodwill 3,976 3,917 Other intangible assets, net 2,553 2,938 Other assets 366 677 Total assets 1,554 4,301 LIABILITIES AND STOCKHOLDER'S EQUITY Current liabilities 3,606 6,77 Total ascounts payable \$ 1,554 \$ 1,258 Payroll and other benefits related liabilities \$ 1,554 \$ 1,258 Payroll and other benefits related liabilities 2,276 1,723 Total current liabilities 2,276 1,723 Total current liabilities 5,213 5,302	Marketable securities		8,824		8,567
Deferred tax assets 573 309 Other current assets 572 473 Total current assets 19,555 15,648 Marketable securities 11,440 14,463 Deferred tax assets 10,059 1,412 Assets held for sale 72 1,109 Property, plant and equipment, net 2,955 2,815 Goodwill 3,976 3,917 Other intangible assets, net 2,553 2,938 Other assets 866 677 Total assets 1,609 43,012 ***********************************	Accounts receivable, net		2,142		1,459
Other current assets 572 473 Total current assets 19,555 15,645 Marketable securities 14,440 14,643 Deferred tax assets 1,059 1,121 Assets held for sale 72 1,109 Property, plant and equipment, net 2,995 2,851 Goodwill 3,976 3,917 Other intangible assets, net 2,553 2,938 Other assets 366 677 Total assets 366 677 Current liabilities 3,155 4,302 Current liabilities 31,554 8,1298 Payol and other benefits related liabilities 31,554 9,1298 Payol and other benefits related liabilities 31,554 9,1298 Current liabilities 31,554 9,129 Total current liabilities 3,213 5,302 Other current liabilities 3,223 5,302 Total current liabilities 3,503 9,402 Total liabilities 3,503 9,402 9,407	Inventories		1,302		1,030
Total current assets 19,555 15,645 Marketable securities 14,440 14,440 14,440 Deferred tax assets 1,059 1,151 Asset sheld for sale 72 1,109 Property, plant and equipment, net 2,995 2,851 Goodwill 3,976 3,917 Other intangible assets, net 2,553 2,938 Other assets 866 6,77 Total assets 866 6,77 Total assets 866 6,77 Total assets 866 6,77 Total assets 8,1554 \$ 1,298 Payroll and other benefits related liabilities 839 664 Unearned revenues 501 545 1,298 Payroll and other benefits related liabilities 839 664 Unearned revenues 501 545 1,298 Other current liabilities 2,276 1,232 Total current liabilities 3,66 3,739 Other liabilities 5,513	Deferred tax assets		573		309
Marketable securities 14,446 14,646 Deferred tax assets 1,059 1,412 Assets held for sale 72 1,109 Property, plant and equipment, net 2,995 2,851 Goodwill 3,976 3,917 Other intangible assets, net 866 677 Total assets 866 677 Total assets 866 677 Total assets 8153 43,012 Current liabilities 89 64 Total accounts payable \$ 1,554 \$ 1,298 Payroll and other benefits related liabilities 83 664 Unearned revenues 501 545 Liabilities held for sale 43 1,072 Other current liabilities 5,213 5,302 Unearned revenues 5,213 5,302 Unearned revenues 5,20 1,23 Other liabilities 5,30 2,46 Total liabilities 5,50 2,46 Total liabilities 5,50 <td>Other current assets</td> <td></td> <td>572</td> <td></td> <td>473</td>	Other current assets		572		473
Deferred tax assets 1,059 1,412 Assets held for sale 72 1,109 Property, plant and equipment, net 2,995 2,851 Goodwill 3,976 3,917 Other intangible assets, net 2,553 2,938 Other assets 866 677 Total assets 866 677 Total assets 1,554 \$ 43,012 Total cascounts payable \$ 1,554 \$ 1,298 Payroll and other benefits related liabilities 839 664 Unearned revenues 501 \$45 Liabilities held for sale 43 1,072 Other current liabilities 2,276 1,723 Total current liabilities 2,276 1,723 Other liabilities 5,513 5,002 Other liabilities 9,429 9,456 Total liabilities 9,429 9,457 Other liabilities 9,429 9,457 Other liabilities 9,429 9,457 Other liabilities 9,429	Total current assets		19,555		15,645
Assets held for sale 72 1,109 Property, plant and equipment, net 2,995 2,851 Goodwill 3,976 3,917 Other intangible assets, net 2,553 2,938 Other assets 866 677 Total assets 866 677 CHABILITIES AND STOCKHOLDERS' EQUITY Current liabilities 81,554 1,298 Payroll and other benefits related liabilities 839 664 Unearned revenues 501 545 Liabilities held for sale 43 1,072 Other current liabilities 2,276 1,733 Total current liabilities 5,213 5,302 Other current liabilities 5,213 5,302 Other current liabilities 5,213 5,302 Total current liabilities 5,213 5,302 Other current liabilities 9,429 9,457 Other current liabilities 5,213 5,302 Other current liabilities 5,213 5,302 Other current liabilities	Marketable securities		14,440		14,463
Property, plant and equipment, net 2,955 2,851 Goodwill 3,976 3,917 Other intangible assets, net 2,553 2,938 Other assets 866 677 Total assets \$45,516 \$ 43,012 LIABILITIES AND STOCKHOLDERS' EQUITY Current liabilities \$ 1,554 \$ 1,298 Payroll and other benefits related liabilities 839 664 Uncarned revenues 501 545 Liabilities held for sale 43 1,072 Other current liabilities 5,213 5,302 Uncarned revenues 5,213 5,302 Uncarned revenues 5,213 5,302 Other current liabilities 5,50 426 Total liabilities 5,50 426 Total liabilities 5,50 426 Total liabilities 5,50 426 Total liabilities 6,94 9,467 Common stockholders' equity: Common stock, 9,00001 par value; issuable in series; 8 shares authorized; none outstanding,	Deferred tax assets		1,059		1,412
Goodwill 3,976 3,917 Other intangible assets, net 2,553 2,938 Other assets 866 677 Total assets LIABILITIES AND STOCKHOLDERS' EQUITY Urrent liabilities: Trade accounts payable \$ 1,554 \$ 1,298 Payroll and other benefits related liabilities 839 664 Unearned revenues 501 545 Liabilities hald for sale 43 1,072 Other current liabilities 2,276 1,723 Total current liabilities 5,213 5,302 Unearned revenues 5,213 5,302 Other liabilities 5,521 5,302 Other liabilities 5,50 426 Total liabilities 5,50 426 Total liabilities 5,942 9,467 Consonium stockholders' equity: Qualcomm stock, 9,0001 par value; issuable in series; 8 shares authorized; none outstanding — — Preferred stock, \$0,0001 par value; issuable in series; 8 shares authorized; none outstanding, respectively	Assets held for sale		72		1,109
Other intangible assets, net 2,538 2,938 Other assets 866 677 Total assets 8,65 43,012 LIABILITIES AND STOCKHOLDERS' EQUITY Current liabilities Take accounts payable \$1,554 \$1,298 Payroll and other benefits related liabilities 839 664 Uncarned revenues 501 545 Liabilities held for sale 43 1,072 Other current liabilities 5,213 5,302 Total current liabilities 3,666 3,233 Other current liabilities 3,666 3,233 Other liabilities 5,50 426 Total liabilities 5,50 426 Cockholders' equity: 5 426 Cockholders' equi	Property, plant and equipment, net		2,995		2,851
Other assets 866 677 Total assets \$ 45,516 \$ 43,012 LIABILITIES AND STOCKHOLDERS' EQUITY Current liabilities: Trade accounts payable \$ 1,554 \$ 1,298 Payroll and other benefits related liabilities 839 664 Unearned revenues 501 455 Liabilities held for sale 43 1,072 Other current liabilities 2,276 1,723 Total current liabilities 3,666 3,739 Unearned revenues 3,666 3,739 Other liabilities 5,51 5,502 Total liabilities 5,50 426 Total liabilities 9,429 9,467 Stockholders' equity: Perferred stock, \$0,0001 par value; issuable in series; 8 shares authorized; none outstanding - - - Common stock, \$0,0001 par value; 6,000 shares authorized; 1,685 and 1,706 shares issuad and outstanding, respectively - - - Paid-in capital 9,874 11,956 - - - - -	Goodwill		3,976		3,917
Current liabilities Sample Sample	Other intangible assets, net		2,553		2,938
LIABILITIES AND STOCKHOLDERS' EQUITY Current liabilities: 1,298 Trade accounts payable \$ 1,554 \$ 1,298 Payroll and other benefits related liabilities 839 664 Unearned revenues 501 545 Liabilities held for sale 43 1,072 Other current liabilities 5,213 5,302 Total current liabilities 3,666 3,739 Other liabilities 550 426 Total liabilities 550 426 Total liabilities 9,429 9,467 Stockholders' equity: Qualcomm stockholders' equity: - - Qualcomm stock, \$0,0001 par value; issuable in series; 8 shares authorized; none outstanding - - Preferred stock, \$0,0001 par value; issuable in series; 8 shares authorized; none outstanding - - Preferred stock, \$0,0001 par value; issuable in series; 8 shares authorized; none outstanding - - Preferred stock, \$0,0001 par value; issuable in series; 8 shares authorized; none outstanding - - Pead-in capital 9,874 11,956	Other assets		866		677
Current liabilities: Trade accounts payable \$ 1,554 \$ 1,298 Payroll and other benefits related liabilities 839 664 Unearned revenues 501 545 Liabilities held for sale 43 1,072 Other current liabilities 2,276 1,723 Total current liabilities 5,213 5,302 Unearned revenues 3,666 3,739 Other liabilities 550 426 Total liabilities 550 426 Total liabilities 9,429 9,467 Stockholders' equity: Qualcomm stockholders' equity:	Total assets	\$	45,516	\$	43,012
Current liabilities: Trade accounts payable \$ 1,554 \$ 1,298 Payroll and other benefits related liabilities 839 664 Unearned revenues 501 545 Liabilities held for sale 43 1,072 Other current liabilities 2,276 1,723 Total current liabilities 5,213 5,302 Unearned revenues 3,666 3,739 Other liabilities 550 426 Total liabilities 550 426 Total liabilities 9,429 9,467 Stockholders' equity: Qualcomm stockholders' equity:					
Trade accounts payable \$ 1,554 \$ 1,298 Payroll and other benefits related liabilities 839 664 Unearned revenues 501 545 Liabilities held for sale 43 1,072 Other current liabilities 2,276 1,723 Total current liabilities 5,213 5,302 Unearned revenues 3,666 3,739 Other liabilities 550 426 Total liabilities 550 426 Total liabilities 9,429 9,467 Stockholders' equity: Qualcomm stockholders' equity:	LIABILITIES AND STOCKHOLDERS' EQUITY				
Payroll and other benefits related liabilities 839 664 Unearned revenues 501 545 Liabilities held for sale 43 1,072 Other current liabilities 2,276 1,723 Total current liabilities 5,213 5,302 Unearned revenues 3,666 3,739 Other liabilities 550 426 Total liabilities 550 426 Stockholders' equity: Verified to the company stockholders' equity: Verified to the company stockholders' equity: Verified to the company stock, \$0,0001 par value; issuable in series; 8 shares authorized; none outstanding respectively — — Paid-in capital 9,874 11,956 — — Retained earnings 25,461 20,701 Accumulated other comprehensive income 753 866 Total Qualcomm stockholders' equity 36,088 33,523 Noncontrolling interests (1) 22 Total stockholders' equity 36,087 33,545	Current liabilities:				
Unearned revenues 501 545 Liabilities held for sale 43 1,072 Other current liabilities 2,276 1,723 Total current liabilities 5,213 5,302 Unearned revenues 3,666 3,739 Other liabilities 550 426 Total liabilities 550 426 Common stockholders' equity: Preferred stock, \$0.0001 par value; issuable in series; 8 shares authorized; none outstanding — — Common stock, \$0.0001 par value; 6,000 shares authorized; 1,685 and 1,706 shares issued and outstanding, respectively — — Paid-in capital 9,874 11,956 Retained earnings 25,461 20,701 Accumulated other comprehensive income 753 866 Total Qualcomm stockholders' equity 36,088 33,523 Noncontrolling interests (1) 22 Total stockholders' equity 36,087 33,545	Trade accounts payable	\$	1,554	\$	1,298
Liabilities held for sale 43 1,072 Other current liabilities 2,276 1,723 Total current liabilities 5,213 5,302 Unearned revenues 3,666 3,739 Other liabilities 550 426 Total liabilities 9,429 9,467 Stockholders' equity: Qualcomm stockholders' equity: — — Preferred stock, \$0.0001 par value; issuable in series; 8 shares authorized; none outstanding — — Common stock, \$0.0001 par value; 6,000 shares authorized; 1,685 and 1,706 shares issued and outstanding, respectively — — Paid-in capital 9,874 11,956 Retained earnings 25,461 20,701 Accumulated other comprehensive income 753 866 Total Qualcomm stockholders' equity 36,088 33,523 Noncontrolling interests (1) 22 Total stockholders' equity 36,087 33,545	Payroll and other benefits related liabilities		839		664
Other current liabilities 2,276 1,723 Total current liabilities 5,213 5,302 Unearned revenues 3,666 3,739 Other liabilities 550 426 Total liabilities 9,429 9,467 Stockholders' equity: Qualcomm stockholders' equity: - - Preferred stock, \$0.0001 par value; issuable in series; 8 shares authorized; none outstanding - - Common stock, \$0.0001 par value; 6,000 shares authorized; 1,685 and 1,706 shares issued and outstanding, respectively - - Paid-in capital 9,874 11,956 Retained earnings 25,461 20,701 Accumulated other comprehensive income 753 866 Total Qualcomm stockholders' equity 36,088 33,523 Noncontrolling interests (1) 22 Total stockholders' equity 36,087 33,545	Unearned revenues		501		545
Total current liabilities 5,213 5,302 Unearned revenues 3,666 3,739 Other liabilities 550 426 Total liabilities 9,429 9,467 Stockholders' equity: Qualcomm stockholders' equity: Preferred stock, \$0.0001 par value; issuable in series; 8 shares authorized; none outstanding — — Common stock, \$0.0001 par value; 6,000 shares authorized; 1,685 and 1,706 shares issued and outstanding, respectively — — Paid-in capital 9,874 11,956 Retained earnings 25,461 20,701 Accumulated other comprehensive income 753 866 Total Qualcomm stockholders' equity 36,088 33,523 Noncontrolling interests (1) 22 Total stockholders' equity 36,087 33,545	Liabilities held for sale		43		1,072
Unearned revenues 3,666 3,739 Other liabilities 550 426 Total liabilities 9,429 9,467 Stockholders' equity: Qualcomm stockholders' equity: Preferred stock, \$0.0001 par value; issuable in series; 8 shares authorized; none outstanding — — Common stock, \$0.0001 par value; 6,000 shares authorized; 1,685 and 1,706 shares issued and outstanding, respectively — — Paid-in capital 9,874 11,956 Retained earnings 25,461 20,701 Accumulated other comprehensive income 753 866 Total Qualcomm stockholders' equity 36,088 33,523 Noncontrolling interests (1) 22 Total stockholders' equity 36,087 33,545	Other current liabilities		2,276		1,723
Unearned revenues 3,666 3,739 Other liabilities 550 426 Total liabilities 9,429 9,467 Stockholders' equity: Qualcomm stockholders' equity: Preferred stock, \$0.0001 par value; issuable in series; 8 shares authorized; none outstanding — — Common stock, \$0.0001 par value; 6,000 shares authorized; 1,685 and 1,706 shares issued and outstanding, respectively — — Paid-in capital 9,874 11,956 Retained earnings 25,461 20,701 Accumulated other comprehensive income 753 866 Total Qualcomm stockholders' equity 36,088 33,523 Noncontrolling interests (1) 22 Total stockholders' equity 36,087 33,545	Total current liabilities		5,213		5,302
Other liabilities 550 426 Total liabilities 9,429 9,467 Stockholders' equity: Qualcomm stockholders' equity: Preferred stock, \$0.0001 par value; issuable in series; 8 shares authorized; none outstanding — — Common stock, \$0.0001 par value; 6,000 shares authorized; 1,685 and 1,706 shares issued and outstanding, respectively — — Paid-in capital 9,874 11,956 Retained earnings 25,461 20,701 Accumulated other comprehensive income 753 866 Total Qualcomm stockholders' equity 36,088 33,523 Noncontrolling interests (1) 22 Total stockholders' equity 36,087 33,545	Unearned revenues				
Stockholders' equity: Qualcomm stockholders' equity: Preferred stock, \$0.0001 par value; issuable in series; 8 shares authorized; none outstanding Common stock, \$0.0001 par value; 6,000 shares authorized; 1,685 and 1,706 shares issued and outstanding, respectively Paid-in capital Retained earnings 9,874 11,956 Retained earnings 25,461 20,701 Accumulated other comprehensive income 753 866 Total Qualcomm stockholders' equity 36,088 33,523 Noncontrolling interests (1) 22 Total stockholders' equity 36,087 33,545	Other liabilities				-
Stockholders' equity: Qualcomm stockholders' equity: Preferred stock, \$0.0001 par value; issuable in series; 8 shares authorized; none outstanding Common stock, \$0.0001 par value; 6,000 shares authorized; 1,685 and 1,706 shares issued and outstanding, respectively Paid-in capital Retained earnings 9,874 11,956 Retained earnings 25,461 20,701 Accumulated other comprehensive income 753 866 Total Qualcomm stockholders' equity 36,088 33,523 Noncontrolling interests (1) 22 Total stockholders' equity 36,087 33,545	Total liabilities		9,429		9,467
Qualcomm stockholders' equity:Preferred stock, \$0.0001 par value; issuable in series; 8 shares authorized; none outstanding——Common stock, \$0.0001 par value; 6,000 shares authorized; 1,685 and 1,706 shares issued and outstanding, respectively——Paid-in capital9,87411,956Retained earnings25,46120,701Accumulated other comprehensive income753866Total Qualcomm stockholders' equity36,08833,523Noncontrolling interests(1)22Total stockholders' equity36,08733,545			,		,
Preferred stock, \$0.0001 par value; issuable in series; 8 shares authorized; none outstanding Common stock, \$0.0001 par value; 6,000 shares authorized; 1,685 and 1,706 shares issued and outstanding, respectively Paid-in capital Retained earnings Accumulated other comprehensive income Total Qualcomm stockholders' equity Noncontrolling interests Total stockholders' equity Total stockholders' equity Paid-in capital 9,874 11,956 20,701 Accumulated other comprehensive income 753 866 Total Qualcomm stockholders' equity 36,088 33,523 Noncontrolling interests Total stockholders' equity 36,087 33,545	Stockholders' equity:				
Preferred stock, \$0.0001 par value; issuable in series; 8 shares authorized; none outstanding Common stock, \$0.0001 par value; 6,000 shares authorized; 1,685 and 1,706 shares issued and outstanding, respectively Paid-in capital Retained earnings Accumulated other comprehensive income Total Qualcomm stockholders' equity Noncontrolling interests Total stockholders' equity Total stockholders' equity Paid-in capital 9,874 11,956 20,701 Accumulated other comprehensive income 753 866 Total Qualcomm stockholders' equity 36,088 33,523 Noncontrolling interests Total stockholders' equity 36,087 33,545	Qualcomm stockholders' equity:				
Common stock, \$0.0001 par value; 6,000 shares authorized; 1,685 and 1,706 shares issued and outstanding, respectively——Paid-in capital9,87411,956Retained earnings25,46120,701Accumulated other comprehensive income753866Total Qualcomm stockholders' equity36,08833,523Noncontrolling interests(1)22Total stockholders' equity36,08733,545			_		_
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Retained earnings 25,461 20,701 Accumulated other comprehensive income 753 866 Total Qualcomm stockholders' equity 36,088 33,523 Noncontrolling interests (1) 22 Total stockholders' equity 36,087 33,545			_		_
Accumulated other comprehensive income 753 866 Total Qualcomm stockholders' equity 36,088 33,523 Noncontrolling interests (1) 22 Total stockholders' equity 36,087 33,545	Paid-in capital		9,874		11,956
Accumulated other comprehensive income 753 866 Total Qualcomm stockholders' equity 36,088 33,523 Noncontrolling interests (1) 22 Total stockholders' equity 36,087 33,545	•		25,461		
Total Qualcomm stockholders' equity36,08833,523Noncontrolling interests(1)22Total stockholders' equity36,08733,545					
Noncontrolling interests(1)22Total stockholders' equity36,08733,545	•				
Total stockholders' equity 36,087 33,545					
		\$		\$	

Qualcomm Incorporated CONSOLIDATED STATEMENTS OF OPERATIONS (In millions, except per share data) (Unaudited)

	Three Months Ended			nded	Twelve Months Ended				
	September 29, 2013				September 29, 2013		Sep	tember 30, 2012	
Revenues:									
Equipment and services	\$	4,513	\$	3,213	\$	16,988	\$	12,465	
Licensing		1,967		1,658		7,878		6,656	
Total revenues		6,480		4,871		24,866		19,121	
Costs and expenses:									
Cost of equipment and services revenues		2,714		1,841		9,820		7,096	
Research and development		1,348		1,114		4,967		3,915	
Selling, general and administrative		657		627		2,518		2,270	
Other		173		54		331		158	
Total costs and expenses		4,892		3,636		17,636		13,439	
Operating income		1,588		1,235		7,230		5,682	
Investment income, net		233		291		964		880	
Income from continuing operations before income taxes		1,821		1,526		8,194		6,562	
Income tax expense		(320)		(286)		(1,349)		(1,279)	
Income from continuing operations		1,501		1,240		6,845		5,283	
Discontinued operations, net of income taxes		_		23		_		776	
Net income		1,501		1,263		6,845		6,059	
Net loss attributable to noncontrolling interests		_		8		8		50	
Net income attributable to Qualcomm	\$	1,501	\$	1,271	\$	6,853	\$	6,109	
Basic earnings per share attributable to Qualcomm:									
Continuing operations	\$	0.88	\$	0.73	\$	3.99	\$	3.14	
Discontinued operations		_		0.02		_		0.45	
Net income	\$	0.88	\$	0.75	\$	3.99	\$	3.59	
Diluted earnings per share attributable to Qualcomm:									
Continuing operations	\$	0.86	\$	0.72	\$	3.91	\$	3.06	
Discontinued operations		_		0.01		_		0.45	
Net income	\$	0.86	\$	0.73	\$	3.91	\$	3.51	
Shares used in per share calculations:									
Basic		1,703		1,704		1,715		1,700	
Diluted		1,738		1,745		1,754		1,741	
Dividends per share announced	\$	0.35	\$	0.25	\$	1.20	\$	0.93	

Certain prior period amounts have been reclassified to conform to the current period presentation.

Qualcomm Incorporated CONSOLIDATED STATEMENTS OF CASH FLOWS (In millions) (Unaudited)

	Three Months Ended			Twelve Mo	nths Ended	
	September 29, 2013		September 30, 2012	September 29, 2013	September 30, 2012	
Operating Activities:						
Net income	\$	1,501	\$ 1,263	\$ 6,845	\$ 6,059	
Adjustments to reconcile net income to net cash provided by operating activities:						
Depreciation and amortization expense		273	257	1,017	897	
Gain on sale of wireless spectrum		_		_	(1,179)	
Goodwill and long-lived asset impairment charges		1	59	192	84	
Revenues related to non-monetary exchanges		(30)	(30)	. ,	(122)	
Income tax provision in excess of income tax payments		48	156	268	395	
Non-cash portion of share-based compensation expense		274	283	1,105	1,035	
Incremental tax benefit from share-based compensation		(53)	(41)		(168)	
Net realized gains on marketable securities and other investments		(129)	(155)		(369)	
Net impairment losses on marketable securities and other investments		36	19	85	83	
Other items, net		82	10	104	(52)	
Changes in assets and liabilities, net of effects of acquisitions:						
Accounts receivable, net		(235)	(207)		(456)	
Inventories		399	(199)		(252)	
Other assets		(98)	(209)		(240)	
Trade accounts payable		(291)	174	307	371	
Payroll, benefits and other liabilities		700	71	752	(341)	
Unearned revenues		45	(42)	15	253	
Net cash provided by operating activities		2,523	1,409	8,778	5,998	
Investing Activities:						
Capital expenditures		(200)	(250)	(1,048)	(1,284)	
Purchases of available-for-sale securities		(1,839)	(3,707)	(13,951)	(15,511)	
Proceeds from sales and maturities of available-for-sale securities		6,157	4,084	13,494	9,858	
Purchases of trading securities		(654)	(1,729)	(3,312)	(4,009)	
Proceeds from sales and maturities of trading securities		1,002	1,763	3,367	3,060	
Proceeds from sale of wireless spectrum		_	_	_	1,925	
Acquisitions and other investments, net of cash acquired		(13)	(156)	(192)	(833)	
Other items, net		(4)	(7)	64	(83)	
Net cash provided (used) by investing activities		4,449	(2)	(1,578)	(6,877)	
Financing Activities:						
Borrowing under loans and debentures		_	_	534	710	
Repayment of loans and debentures		_	_	(439)	(591)	
Proceeds from issuance of common stock		561	355	1,525	1,714	
Incremental tax benefit from share-based compensation		53	41	231	168	
Repurchases and retirements of common stock		(3,321)	(841)	(4,610)	(1,313)	
Dividends paid		(592)	(426)	(2,055)	(1,583)	
Other items, net		(66)	(146)		138	
Net cash used by financing activities		(3,365)	(1,017)	(4,845)	(757)	
Changes in cash and cash equivalents held for sale				(15)		
Effect of exchange rate changes on cash		2	5	(5)	(19)	
Net increase (decrease) in cash and cash equivalents		3,609	395	2,335	(1,655)	
Cash and cash equivalents at beginning of year		2,533	3,412	3,807	5,462	
Cash and cash equivalents at end of year	\$	6,142	\$ 3,807	\$ 6,142	\$ 3,807	

Certain prior period amounts have been reclassified to conform to the current period presentation.