April 25, 2018

Qualcomm

Second quarter fiscal 2018 earnings

Safe harbor

In addition to the historical information contained herein, this presentation and the conference call that accompanies it contain forward-looking statements that are inherently subject to risks and uncertainties, including but not limited to statements regarding our commitment to driving improved performance in fiscal 2019 and our focus on executing our strategy to deliver our fiscal 2019 EPS targets; our outlook being consistent with our fiscal 2019 EPS targets; our progress executing on our $1 billion cost plan, areas of our spending reductions, and our belief that these initiatives will not impact our investment in 5G or our commitment to grow in mobile, RF front-end, IoT, automotive, networking and mobile compute; our being well positioned to drive the global commercialization of 5G; our efforts to resolve our licensing disputes; the timing and potential impact of various legal milestones related to our litigation with Apple and its contract manufacturers; our expectation that Apple's contract manufacturers and another licensee will continue to not pay royalties owed to us until their disputes with us are resolved, and the corresponding impact on our financial results and guidance; our spend on litigation matters; amendments to our long-term agreements with Samsung, and the implementation of changes in our licensing program, and the business and financial implications thereof; weak industry conditions; our anticipating that we will implement certain restructuring options that will reduce our tax rate; our lead in 5G and the transition to 5G providing us with the opportunity to benefit from our significant technology investments; upcoming commercial launches of 5G networks and devices; our proposed acquisition of NXP, and our expectations regarding regulatory approval in China, the timing of the close and funding of the transaction, and the strategic, business and financial implications thereof; business and growth opportunities and priorities, including in 5G, RF front-end and adjacent businesses such as automotive, IoT, security, networking and mobile compute, and our investments therein and positioning to take advantage of opportunities in these areas; our business, product and technology strategies; our technologies and technology leadership, products and product leadership, and product roadmap; our business and share trends, as well as market and industry trends, and their potential impact on our business, and our positioning to take advantage thereof; and our expectations, estimates and guidance related to revenues, earnings per share (EPS), MSM chip shipments, revenue per MSM, margins, combined R&D and SG&A expenses, interest expense net of investment income, tax rates, tax benefits, 3G/4G device sales, shipments and average selling prices (ASPs), seasonal trends, demand, and the factors and assumptions underlying such expectations, estimates and guidance. 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 our proposed acquisition of NXP; commercial network deployments, expansions and upgrades of CDMA, OFDMA and other communications technologies, our customers' and licensees' sales of products and services based on these technologies, and our customers' demand for our products and services; competition in an environment of rapid technological change; our dependence on a small number of customers and licensees; our dependence on the premium-tier device segment; attacks on our licensing business model, including current and future legal proceedings and governmental investigations and proceedings, or actions of quasi-governmental bodies or standards or industry organizations; potential changes in our patent licensing practices, whether due to governmental investigations, private legal proceedings challenging those practices, or otherwise; the enforcement and protection of our intellectual property rights; our ability to extend our technologies, products and services into new and expanded product areas and adjacent industry segments; risks associated with operation and control of manufacturing facilities acquired through the formation of our joint venture, RF360 Holdings; the continued and future success of our licensing programs, which requires us to continue to evolve our patent portfolio, and which may be impacted by the proliferation of devices in new industry segments such as automotive and IoT, and the need to extend license agreements that are expiring; our dependence on a limited number of third-party suppliers; claims by third parties that we infringe their intellectual property; strategic acquisitions, transactions and investments; our cost plan; our compliance with laws, regulations, policies and standards; our use of open source software; our stock price and earnings volatility; our indebtedness; security breaches or other misappropriation of our intellectual property or proprietary or confidential information; potential tax liabilities; global, regional or local economic conditions that impact the industries in which we operate; our ability to attract and retain qualified employees; foreign currency fluctuations; and failures in our products or services or in the products or services of our customers or licensees, including those resulting from security vulnerabilities, defects or errors. These and other risks are set forth in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 25, 2018 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.

This presentation includes "non-GAAP financial measures" as that term is defined in Regulation G. Further discussion regarding our use of non-GAAP financial measures, as well as the most directly comparable GAAP financial measures and information reconciling these non-GAAP financial measures to our financial results prepared in accordance with GAAP, are included at the end of this presentation.

We refer to "Qualcomm" for ease of reference. However, in connection with our October 2012 reorganization, Qualcomm Incorporated continues to operate QTL and own the vast majority of our patent portfolio, while Qualcomm Technologies, Inc., its wholly-owned subsidiary, now operates, along with its subsidiaries, all of our products and services businesses, including QCT, and all of our research and development functions.

Qualcomm reports second quarter fiscal 2018 earnings

Quarter ended March 25, 2018

- Our fiscal second quarter results reflect better than expected performance in our semiconductor business and lower operating expenses.
- Looking forward, we remain committed to driving improved performance in fiscal 2019, consistent with our prior guidance.
- We are making good progress on executing our $1 billion cost plan, are focused on closing our pending acquisition of NXP and are well positioned to drive the global commercialization of 5G.

Second quarter fiscal 2018 results vs. guidance

	Q2 ‘18 Guidance*	Q2 ‘18 Results[4]
Revenues	$4.8B - $5.6B	**$5.3B**
Non-GAAP[1] combined R&D and SG&A expenses	Flat to decrease 2% sequentially	**Decrease 2% sequentially**
Non-GAAP[1] diluted EPS[2]	$0.65 - $0.75	**$0.80**
MSM chip shipments	170M - 190M	**187M**
QCT EBT margin %	13% - 15%	**16%**
QTL revenues[3]	$1.15B - $1.35B	**$1.3B**
QTL EBT margin %	64% - 68%	**67%**

* Prior guidance as of January 31, 2018, which excluded QTL revenues for royalties due on the sale of Apple’s products by Apple’s contract manufacturers, as well as the sale of products by the other licensee in dispute, as we expected the actions taken by these licensees would continue until the respective disputes were resolved.
(1) (2) (3) & (4) See Footnotes page at the end of the presentation.

Third quarter fiscal 2018 guidance

As of April 25, 2018

	Q3 '18 Guidance*
Revenues	$4.8B - $5.6B
Non-GAAP(1) combined R&D and SG&A expenses	Flat to up 2% sequentially
Non-GAAP(1) diluted EPS(2)	$0.65 - $0.75
MSM chip shipments	185M – 205M
QCT EBT margin %	13% - 15%
QTL revenues(3)	$0.85B - $1.05B
QTL EBT margin %	50% - 54%
Non-GAAP(1) tax rate	20% - 25% benefit
Non-GAAP(1) interest expense, net of investment income	Flat sequentially

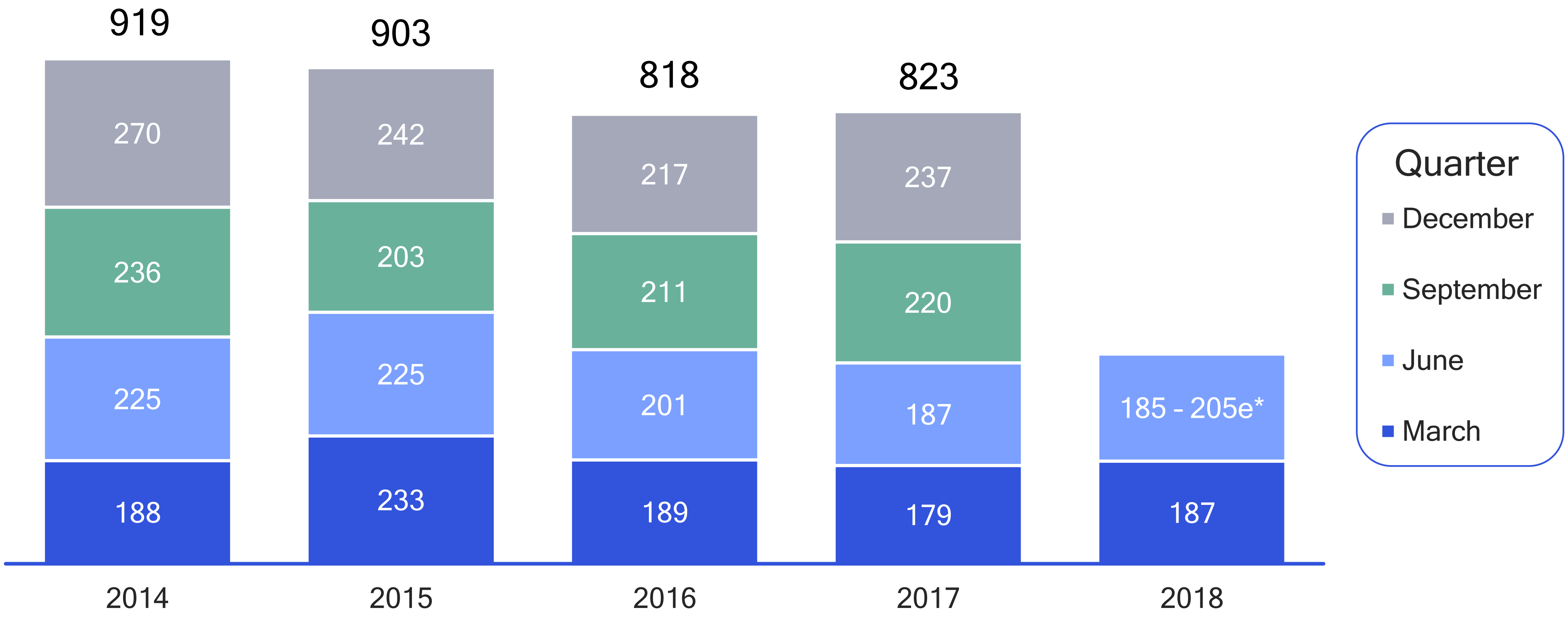
	FY '18 Guidance*
Non-GAAP(1) tax rate	1% benefit – 1% provision

(1) (2) & (3) See Footnotes page at the end of the presentation.

* Our financial guidance for the third quarter of fiscal 2018 excludes QTL revenues for royalties due on sales of Apple's products by Apple's contract manufacturers, as well as sales of products by the other licensee in dispute, as we expect the actions taken by these licensees will continue until the respective disputes are resolved. Our guidance for Non-GAAP diluted EPS excludes a reduction to revenues related to a portion of a business arrangement that resolves a legal dispute.

MSM chip shipments

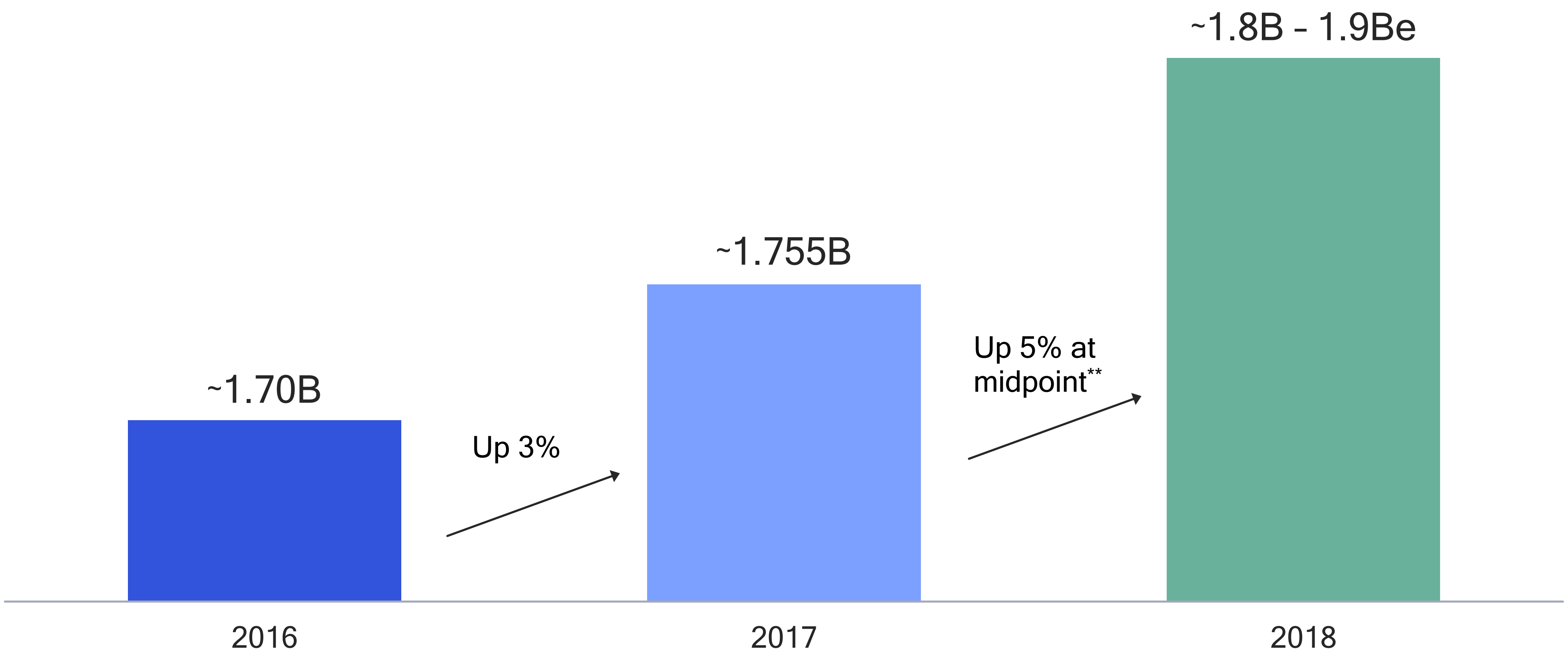
Calendar year, millions



* Guidance as of April 25, 2018.

Global 3G/4G device shipment* estimates

Calendar year, as of April 25, 2018

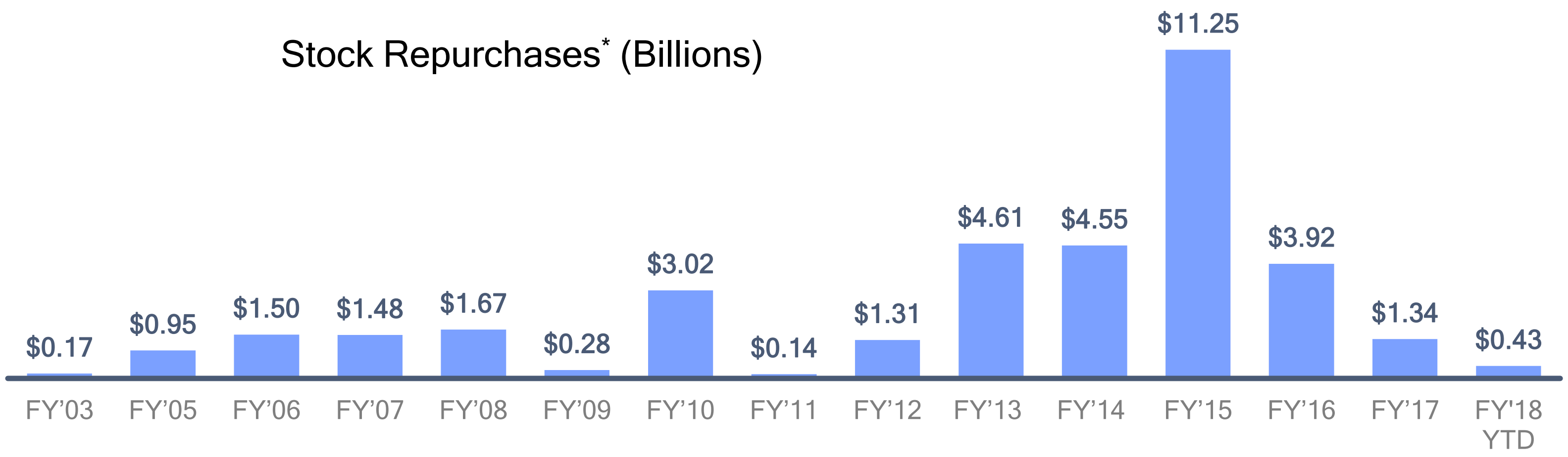


* Global 3G/4G device shipments represent our estimate of CDMA-based, OFDMA-based and CDMA/OFDMA multimode subscriber devices shipped globally, excluding TD-SCDMA devices that do not implement LTE. We continue to believe that certain licensees, particularly in China, are not fully complying with their contractual obligations to report their sales of licensed products to us, and certain companies, including unlicensed companies, particularly in emerging regions, including China, are delaying execution of new license agreements. As a result, we do not believe that all global 3G/4G device shipments are currently being reported to us.

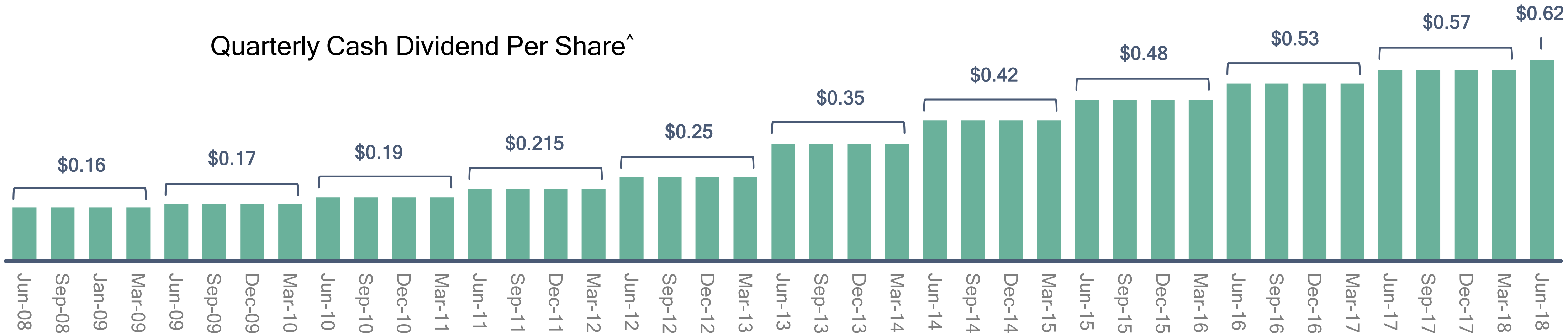
** The midpoints of the estimated ranges are used for comparison purposes only and do not indicate a higher degree of confidence in the midpoints.

Cumulative $60.8 billion returned to stockholders

As of March 25, 2018



$1.2 billion remained authorized for repurchase under our stock repurchase program



* Gross repurchases before commissions. ^ Based on date payable. Note: Please visit our website: http://investor.qualcomm.com/dividends.cfm for the complete dividend and stock split history list.

Financial strength

In Billions	Mar '17	Mar '18 ^
Domestic	$2.1	$8.0
Offshore	$26.8	$31.6
Total cash, cash equivalents & marketable securities	$28.9	$39.6
Total assets	$56.1	$64.1
Stockholders' equity	$31.3	$23.8
Debt*	$11.9	$23.1
EBITDA**(4)	$1.2	$0.8
Free cash flow***(4)	$0.7	$0.3

^ In May 2017, we issued an aggregate principal amount of $11.0 billion of unsecured floating and fixed-rate notes, which are intended to be used to finance, in part, our proposed acquisition of NXP Semiconductors N.V. and other related transactions and for general corporate purposes.

* Including short-term and long-term debt.

** EBITDA is defined as net income (before adjustments for noncontrolling interests) before income tax expense, depreciation and amortization expense, interest expense and interest and dividend income.

*** Free cash flow is defined as net cash provided (used) by operating activities less capital expenditures.

(4) See Footnotes page at the end of the presentation.

Footnotes

1. Non-GAAP results exclude the QSI (Qualcomm Strategic Initiatives) segment and certain share-based compensation, acquisition-related items, tax items and other items. Further discussion regarding the Company's use of Non-GAAP financial measures and detailed reconciliations between GAAP and Non-GAAP results are included in this presentation.

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

3. Royalties are recognized when reported, generally one quarter following shipment and when all other revenue recognition criteria are met.

4. The first and second quarters of fiscal 2018 GAAP and Non-GAAP results were negatively impacted by our dispute with Apple and its contract manufacturers (who are Qualcomm licensees), as well as the previously disclosed dispute with another licensee. We did not record any QTL revenues in the first or second quarters of fiscal 2018 for royalties due on sales of Apple's or the other licensee's products. The second quarter of fiscal 2017 results included approximately $970 million in QTL revenues for royalties on sales of Apple's or the other licensee's products. We expect the actions taken by these licensees will continue until the respective disputes are resolved.

   The following also should be considered in regard to the year-over-year and sequential comparisons:

- The second quarter of fiscal 2018 GAAP results included:
  - $310 million of charges, or ($0.18) per share, that resulted from restructuring and restructuring-related costs related to our Cost Plan that was announced in January 2018.
- The second quarter of fiscal 2017 GAAP results included:
  - $974 million reduction to revenues, or ($0.48) per share, which was accrued, related to the BlackBerry arbitration decision.
- The first quarter of fiscal 2018 GAAP results included:
  - $6.0 billion charge, or ($4.03) per share, relating to the enactment of the Tax Cuts and Jobs Act (the Tax Legislation) in the United States (U.S.), which was comprised of $5.3 billion related to the estimated one-time repatriation tax on deemed repatriated earnings and profits of U.S.-owned foreign subsidiaries (the Toll Charge), $562 million resulting from the estimated impact of remeasurement of U.S. deferred tax assets and liabilities that existed at the end of fiscal 2017 at a lower enacted corporate income tax rate and $86 million resulting from our decision to no longer indefinitely reinvest certain foreign earnings. We currently estimate that we will pay $3.2 billion for the Toll Charge, after application of certain tax credits, which is payable in installments over eight years beginning in January 2019.
  - $1.2 billion charge, or ($0.76) per share, for the fine imposed by the European Commission (EC), for which we intend to provide financial guarantees by April 30, 2018 to satisfy the obligation in lieu of cash payment while we appeal the EC's decision to the General Court of the European Union.

Reconciliations

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 follow.

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) and QTL (Qualcomm Technology Licensing) segments; and (iii) to compare the performance and efficiency of these segments against competitors. Non-GAAP measurements used by the Company include revenues, cost of revenues, R&D expenses, SG&A expenses, other income or expenses, operating income, interest expense, net investment and other income, income or earnings before income taxes, effective tax rate, net income (loss) and diluted earnings (loss) per share. 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. In addition, the Compensation Committee of the Board of Directors uses certain Non-GAAP financial measures in establishing portions of the performance-based incentive compensation programs for our executive officers. 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. This Non-GAAP financial information is also used by institutional investors and analysts in evaluating the Company’s business and assessing trends and future expectations.

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

- QSI is excluded because the Company expects to exit its strategic investments in the foreseeable future, 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. Management believes that excluding non-cash share-based compensation from the Non-GAAP financial information allows management and investors to make additional comparisons of the operating activities of the Company’s ongoing core businesses over time and with respect to other companies.

- Certain other items are excluded because management views such items as unrelated to the operating activities of the Company’s ongoing core businesses, as follows:
  - Acquisition-related items include amortization of certain intangible assets, recognition of the step-up of inventories to fair value and the related tax effects of these items, as well as any effects from restructuring the ownership of such acquired assets. Additionally, the Company excludes expenses related to the termination of contracts that limit the use of the acquired intellectual property, third-party acquisition and integration services costs and costs related to temporary debt facilities and letters of credit executed prior to the close of an acquisition. Starting with acquisitions in the second quarter of fiscal 2017, the Company excludes recognition of the step-up of property, plant and equipment from the net book value based on the original cost basis to fair value. Such charges related to acquisitions that were completed prior to the second quarter of fiscal 2017 continue to be allocated to the segments, and such amounts are not material.
  - The Company excludes certain other items that management views as unrelated to the Company’s ongoing business, such as major restructuring and restructuring-related costs, goodwill and indefinite- and long-lived asset impairments and awards, settlements and/or damages arising from legal or regulatory matters.
  - Certain tax items that are unrelated to the fiscal year in which they are recorded are excluded in order to provide a clearer understanding of the Company’s ongoing Non-GAAP tax rate and after tax earnings. In the first six months of fiscal 2018, the Company excluded the full impact of the Toll Charge, including the portion that relates to earnings and profits of U.S.-owned foreign subsidiaries generated in the first quarter of fiscal 2018.

The Company uses free cash flow to facilitate an understanding of the amount of cash flow generated that is available to grow our business, service debt and create long-term stockholder value. Accordingly, free cash flow does not represent the remaining cash flow available for discretionary expenditures.

Non-GAAP results

In millions, except per share data

		Non-GAAP Results	QSI	Share-based Compensation	Other Items (1)(2)	GAAP Results
Q2 '18	Revenues	$5,231	$30	$0	$0	$5,261
	Net income (loss)	$1,187	$30	($193)	($661)	$363
	Diluted EPS	$0.80	$0.02	($0.13)	($0.44)	$0.24
	Diluted shares	1,494	1,494	1,494	1,494	1,494

(1) In the second quarter of fiscal 2018, other items excluded from Non-GAAP net income included $321 million of acquisition-related charges, $310 million of restructuring and restructuring-related charges related to our Cost Plan and $65 million of foreign currency transaction losses related to the EC and Taiwan Fair Trade Commission fines, net of associated gains on derivative instruments. Other items also included a $65 million tax benefit for the combined effect of other items in EBT, a $54 million tax benefit for the tax effect of acquisition-related items in EBT and an $8 million net benefit related to the refinement of estimates related to the combined effect of the Toll Charge, the remeasurement of deferred tax assets and liabilities and our decision to no longer indefinitely reinvest certain foreign earnings, all of which resulted from the Tax Legislation, partially offset by an $92 million tax expense to reconcile the tax provision for each column to the total GAAP tax provision for the quarter

(2) At fiscal year end, 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 included in the tax provision (benefit) in the "Other Items" column.

Sums may not equal totals due to rounding.

EBITDA[1]

In millions

	Q2 ‘17	Q2 ‘18
Net income	$749	$363
Plus: Income tax expense (benefit)	108	($5)
Plus: Depreciation and amortization expense	342	388
Plus: Interest expense	107	179
Less: Interest and dividend income	153	154
EBITDA	$1,153	$771

(1) EBITDA is defined as net income (before adjustments for noncontrolling interests) before income tax expense, depreciation and amortization expense, interest expense and interest and dividend income.

Combined R&D and SG&A expenses

In millions

	Q1 '18 Results	Q2 '18 Results	% Increase (Decrease)	Q2 '18 Guidance* (est.)
Non-GAAP combined R&D and SG&A expenses excluding elevated litigation costs(1)	$1,787	$1,715	(4%)	Not provided
Elevated litigation costs	87	125		Not provided
Non-GAAP combined R&D and SG&A expenses	$1,874	$1,840	(2%)	decrease 0% - 2%
QSI	3	3		Not provided
Other items(2)	78	216		Not provided
Total combined R&D and SG&A expenses excluding certain shared-based compensation	1,955	2,059	5%	Flat
Share-based compensation allocated to R&D and SG&A	238	212		Not provided
Total GAAP combined R&D and SG&A expenses	$2,193	$2,271	4%	decrease 0% - 2%

(1) Reflects elevated litigation costs related to certain litigation matters with the Federal Trade Commission and Apple.

(2) Other items in Q1'18 and Q2'18 consisted primarily of acquisition-related items.

* Guidance as of January 31, 2018

Tax rates

In millions

	Non-GAAP Results	QSI	Share-based Compensation	Other Items (3)(4)(5)	GAAP Results
Q2 Fiscal 2018					
Income (loss) before income taxes	$1,236	$40	($222)	($696)	$358
Income tax (expense) benefit	(49)	(10)	29	35	5
Net income (loss)(1)	1,187	30(2)	(193)(2)	(661)(2)	$363
Tax rate (benefit)	4%	1%(2)	(3%)(2)	(3%)(2)	(1%)
Fiscal 2018 Guidance(6)					
Estimated annual tax rate (benefit)	(1%) - 1%	1%(2)	(5%)(2)	415% - 420%(2)	410% - 417%
Estimated Q3 tax rate (benefit)	(20%) - (25%)	4%(2)	(16%)(2)	(6%) - (10%)(2)	(38%) - (47%)
Estimated Q3 Diluted EPS impact of potential tax restructuring	$0.10 - $0.15	$0.00	$0.01	($0.04)	$0.07 - $0.12

(1) Before adjustments for noncontrolling interests.

(2) The incremental effect of our adjustments to the Non-GAAP tax rate is calculated by allocating the difference between (i) the tax expense (benefit) calculated based on the GAAP tax rate and (ii) the actual or estimated tax expense (benefit) for each column.

(3) In the second quarter of fiscal 2018, the tax expense in the “Other Items” column included a $65 million tax benefit for the combined effect of other items in EBT, a $54 million tax benefit for the tax effect of acquisition-related items in EBT and an $8 million net benefit related to the refinement of estimates related to the combined effect of the Toll Charge, the remeasurement of deferred tax assets and liabilities and our decision to no longer indefinitely reinvest certain foreign earnings, all of which resulted from the Tax Legislation, partially offset by an $92 million tax expense to reconcile the tax provision for each column to the total GAAP tax provision for the quarter.

(4) In fiscal 2018, the estimated annual effective tax rate for the “Other Items” column included a $5.9 billion charge related to the combined effect of the Toll Charge, the remeasurement of deferred tax assets and liabilities and our decision to no longer indefinitely reinvest certain foreign earnings, all of which resulted from the Tax Legislation, partially offset by a $131 million tax benefit for the tax effect of acquisition-related items in EBT and an $87 million tax benefit for the combined effect of other items in EBT.

(5) Our guidance for the third quarter of fiscal 2018 for the estimated tax rate included in the “Other Items” column is primarily attributed to tax expense to reconcile the tax provision for each column to the total GAAP tax provision for the quarter, partially offset by a tax benefit for the tax effect of acquisition-related items in EBT.

(6) As a result of Tax Legislation, we are currently evaluating potential restructuring options that will further reduce our fiscal 2018 GAAP and Non-GAAP estimated annual tax rates, which we have reflected in our third quarter fiscal 2018 outlook.

Free cash flow[a]

In millions

Three months ended March 25, 2018	Non-GAAP Results	QSI	Share-based Compensation[b]	Other Items[c]	GAAP Results
Net cash provided (used) by operating activities[b]	$687	$11	-	($182)	$516
Less: Capital expenditures	(185)	-	-	-	(185)
Free cash flow	$502	$11	-	($182)	$331
Revenues	$5,231	$30	-	-	$5,261
Net cash provided by operating activities as % revenues	13%	N/A	N/A	N/A	10%
Free cash flow as % revenues	10%	N/A	N/A	N/A	6%

Three months ended March 26, 2017	Non-GAAP Results	QSI	Share-based Compensation[b]	Other Items[c]	GAAP Results
Net cash provided (used) by operating activities[b]	$848	($9)	-	($19)	$820
Less: Capital expenditures	(122)	-	-	-	(122)
Free cash flow	$726	($9)	-	($19)	$698
Revenues	$5,990	$-	$-	($974)	$5,016
Net cash provided by operating activities as % revenues	14%	N/A	N/A	N/A	16%
Free cash flow as % revenues	12%	N/A	N/A	N/A	14%

(a) Free cash flow is defined as net cash provided (used) by operating activities less capital expenditures.

(b) In the first quarter of fiscal 2018, we adopted new accounting guidance that changed the presentation of certain cash flows related to share-based awards in the statement of cash flows. As a result of these changes, GAAP amounts for Q2 FY17 have been adjusted to conform to the current year presentation as follows: net cash provided by operating activities increased by $5 million with a corresponding offset to net cash used in financing activities. In addition, previously the reconciliation from non-GAAP to GAAP operating cash flows had included an adjustment for incremental tax benefits from share-based compensation as this amount was classified as a reduction to net cash provided by operating activities but was not included in net income. In accordance with the new accounting guidance adopted, cash flows related to incremental tax benefits are now classified within net cash provided by operating activities and are included in net income and, therefore, we have recorded no adjustment to GAAP operating cash flows in the first quarter of fiscal 2017 and 2018 related to our share-based compensation.

(c) Other Items excluded from Non-GAAP results primarily consisted of acquisition-related and restructuring activities.

N/A - Not Applicable

Non-GAAP interest expense, net of investment income guidance

In millions

	Q2 '18 Results(1)	Q3 '18 Guidance* (est.)*
Non-GAAP interest expense, net of investment income	($45)	~Flat
Plus: Amounts attributable to QSI	30	Not provided
Plus: Amounts attributable to share-based compensation	-	Not provided
Plus: Amounts attributable to other items	($68)	Not provided
GAAP interest expense, net of investment income	($83)	~$0

(1) Includes $65 million of foreign currency transaction losses related to the EC and TFTC fines, net of associates gains on derivative instruments, and $3 million of interest expense.

* Guidance as of April 25, 2018

Previous business outlook

As of January 31, 2018

	Q2 '18 Previous Guidance Estimate[2]
Revenues	$4.8B - $5.6B
GAAP diluted EPS	$0.41 - $0.51
Less diluted EPS attributable to QSI	$0.03
Less diluted EPS attributable to share-based compensation	($0.14)
Less diluted EPS attributable to other items[1]	($0.13)
Non-GAAP diluted EPS	$0.65 - $0.75

(1) Our guidance for diluted EPS attributable to other items for the second quarter of fiscal 2018 was primarily attributable to acquisition-related items.

(2) Our financial guidance for the second quarter of fiscal 2018 excluded QTL revenues related to the sale of Apple products by Apple's contract manufacturers, as well as the other licensee in dispute as we expected the actions taken by these licensees would continue until the respective disputes were resolved.

Business outlook

As of April 25, 2018

	Q3 '17 Results(1)	Q3 '18 Estimates(2)(3)
Revenues	$5.4B	$4.8B - $5.6B
Year-over-year change		*decrease 11% - increase 4%*
GAAP diluted EPS	$0.58	$0.35 - $0.50
Less diluted EPS attributable to QSI	$0.02	$0.03
Less diluted EPS attributable to share-based compensation	($0.13)	($0.13)
Less diluted EPS attributable to other items	($0.14)	($0.15) - ($0.20)
Non-GAAP diluted EPS	$0.83	$0.65 - $0.75
Year-over-year change		*decrease 10% - 22%*

(1) Our financial guidance for the third quarter of fiscal 2018 excludes QTL revenues for royalties due on sales of Apple's products by Apple's contract manufacturers, as well as sales of products by the other licensee in dispute, as we expect the actions taken by these licensees will continue until the respective disputes are resolved. The third quarter of fiscal 2017 results also excluded QTL revenues for royalties due on sales of Apple's products by Apple's contract manufacturers, as well as sales of products by the other licensee in dispute.

(2) Our guidance for diluted EPS attributable to other items for the third quarter of fiscal 2018 is primarily attributable to acquisition-related items and restructuring and restructuring-related items. Our guidance for Non-GAAP diluted EPS excludes a reduction to revenues related to a portion of a business arrangement that resolves a legal dispute.

(3) As a result of Tax Legislation, we are currently evaluating potential restructuring options that will reduce our fiscal 2018 GAAP and Non-GAAP estimated annual effective tax rates, which results in third quarter fiscal 2018 GAAP and Non-GAAP estimated effective tax rates of 38 percent to 47 percent benefit and 20 percent to 25 percent benefit, respectively. Our guidance for GAAP and Non-GAAP diluted EPS includes an estimated tax benefit resulting from such potential restructuring options of $0.07 to $0.12 per share and $0.10 to $0.15 per share, respectively.

Sums may not equal total due to rounding.

Combined R&D and SG&A expenses guidance*

In millions

	Q2 ‘18 Results	Q3 ‘18 Guidance* (est.)
Non-GAAP combined R&D and SG&A expenses excluding elevated litigation costs(1)	$1,715	1% decrease
Elevated litigation costs	125	Increase
Non-GAAP combined R&D and SG&A expenses	$1,840	0% - 2% increase
QSI	3	Not provided
Other items(2)	216	Not provided
Total combined R&D and SG&A expenses excluding certain shared-based compensation	2,059	7% - 9% decrease
Share-based compensation allocated to R&D and SG&A	212	Not provided
Total GAAP combined R&D and SG&A expenses(3)	$2,271	6% - 8% decrease

(1) Reflects elevated litigation costs related to certain litigation matters with the Federal Trade Commission and Apple.

(2) Other items in Q2’18 consisted primarily of acquisition-related items.

(3) Q3’18 total GAAP combined R&D and SG&A expenses guidance includes an estimate of share-based compensation expense allocated to R&D and SG&A.

* Guidance as of April 25, 2018.

QTL EBT margin

	Q2 ‘18 Results	Q3 ‘18 Guidance*
QTL EBT margin	67%	50% to 54%
Add back QTL elevated litigation costs(1)	11%	15%
QTL EBT margin excluding increased litigation expenses	78%	65% to 69%

(1) Reflects elevated litigation costs related to certain litigation matters with the Federal Trade Commission and Apple.

* Guidance as of April 25, 2018.

Fiscal 2019 Earnings Per Share (EPS) guidance*

	Fiscal 2019 EPS (est.)(2)	Fiscal 2019 Accretion from NXP(2)	Accretion from Share Repurchase
GAAP diluted EPS	$4.47 - $5.22	$0.08	$1.26
Less: Diluted EPS attributable to QSI	$0.02	N/A	$0.01
Less: Diluted EPS attributable to share-based compensation	($0.73)	($0.16)	($0.16)
Less: Diluted EPS attributable to other items(1)	($1.57)	($1.26)	($0.09)
Non-GAAP diluted EPS	$6.75 - $7.50	$1.50	$1.50
Less: Diluted EPS attributable to income from customers involved in licensee disputes	$1.50 - 2.25		
Non-GAAP EPS, before impact of expected licensing resolutions	$5.25		

(1) Other items excluded from Non-GAAP in fiscal 2019 consist primarily of acquisition-related items.

(2) Fiscal 2019 estimated EPS and EPS accretion assume close of the pending NXP acquisition. Estimated amortization of intangible assets included in other items was based on a preliminary purchase price and are subject to change when the formal valuation and other studies are finalized. The differences that will occur between the preliminary estimates and the final purchase accounting could be material.

Sums may not equal totals due to rounding

* Guidance as of Jan 31, 2018.

Thank you!

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