January 30, 2019

Qualcomm

First quarter fiscal 2019 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 executing on our strategic objectives, including driving the global transition to 5G , protecting the established value of our technology and inventions and expanding into new industries and product categories; our expectation that Apple's contract manufacturers and Huawei will continue to not pay certain royalties owed to us until their disputes with us are resolved, and the corresponding impact of such nonpayment, and of potential resolutions of those disputes, on our financial results and guidance; our expectations regarding continued softness in the handset market; the FTC's lawsuit against us; our litigation with Apple and its contract manufacturers, our litigation strategies and our expectations regarding such litigation, including with respect to timing and resolution; our lead in 5G, the transition to 5G and upcoming commercial launches of 5G networks and devices, and the pace and timing of such transition and launches; our expectation that we will be the 5G modem supplier of choice for the majority of the first wave of 5G devices; our growth opportunities, including opportunities in RF front-end and adjacencies such as automotive, IoT, security, networking and mobile compute, and our growth, revenues, design wins, share and investments therein and our positioning to take advantage of opportunities in these areas; our expectations regarding improving conditions for our chipset business in the second half of the year as a result of new product launches and growth in our adjacent industries; our expectations regarding higher revenue per MSM in the fiscal second quarter; our cost plan, including our being on track to deliver $1 billion in cost savings; our business, product and technology strategies; our technologies and technology leadership; our products, product performance, product leadership and product roadmap; new product releases and announcements; 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, margins, combined R&D and SG&A expenses, interest expense net of investment and other income, tax rates, tax benefits, diluted share count, device sales, shipments and average selling prices (ASPs), seasonal trends, 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: 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, which increasingly include a small number of Chinese OEMs; 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, including potential adverse outcomes relating to the Federal Trade Commission lawsuit against us, and actions of quasi-governmental bodies and standards and industry organizations; potential changes in our patent licensing practices, whether due to governmental investigations, private legal proceedings challenging those practices, or otherwise; the difficulties in enforcing and protecting our intellectual property rights; our ability to extend our technologies, products and services into new and expanded product areas and adjacent industry segments and applications outside of traditional cellular industries; risks associated with operation and control of manufacturing facilities 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, 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 and our ability to consummate planned strategic acquisitions; 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 and our significant stock repurchase program; security breaches of our information technology systems or other misappropriation of our intellectual property or proprietary or confidential information; potential tax liabilities; global, regional or local economic conditions or political actions 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 December 30, 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 first quarter fiscal 2019 earnings

Quarter ended December 30, 2018

- Our fiscal first quarter results reflected continued strength in our semiconductor business, driven by strong product leadership and operating expense management.
- We continue to execute on our strategic objectives, including driving the global transition to 5G, protecting the established value of our technology and inventions and expanding into new industries and product categories.

First quarter fiscal 2019 results vs. guidance

	Q1 '19 Guidance*	Q1 '19 Results[3]
Revenues	$4.5B - $5.3B	**$4.8B**
Non-GAAP[1] combined R&D and SG&A expenses	Decrease 5% - 7% sequentially	**Decreased 15% sequentially**
Non-GAAP[1] diluted EPS	$1.05 - $1.15	**$1.20**
MSM chip shipments	175M - 195M	**186M**
QCT EBT margin %	13% - 15%	**16%**
QTL revenues	$1.0B - $1.1B	**$1.02B**
QTL EBT margin %	53% - 57%	**58%**

* Prior guidance as of November 7, 2018. Our financial guidance for the first quarter of fiscal 2019 excluded QTL revenues for royalties due on sales of Apple products by Apple's contract manufacturers as well as sales of products by Huawei, as we expected the actions taken by these companies would continue until the respective disputes are resolved. Our financial guidance for the first quarter of fiscal 2019 did not include the final $100 million payment received under the interim agreement with Huawei that was collected in the first quarter of fiscal 2019 as such amount was recognized as an adjustment to our opening retained earnings balance upon adoption of the new revenue recognition accounting guidance. As a result of the Tax Legislation, we made certain tax elections in the first quarter of fiscal 2019, which we estimated would result in an income tax benefit of $525 million to $575 million, which was included in our first quarter of fiscal 2019 guidance for GAAP and Non-GAAP diluted EPS.

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

Second quarter fiscal 2019 guidance

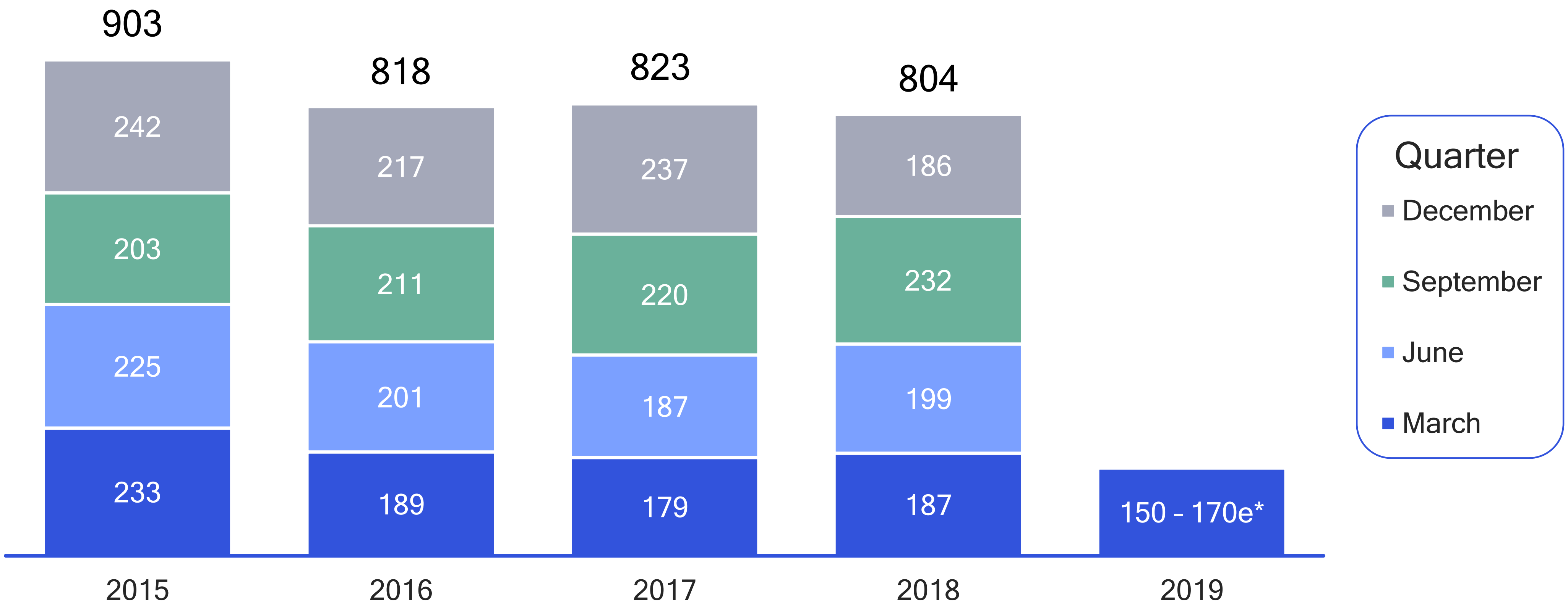
As of January 30, 2019

	Q2 '19 Guidance*
Revenues	$4.4B - $5.2B
Non-GAAP(1) combined R&D and SG&A expenses	Increase 6% - 8% sequentially
Non-GAAP(1) diluted EPS	$0.65 - $0.75
MSM chip shipments	150M - 170M
QCT EBT margin %	13% - 15%
QTL revenues	$1.0B - $1.1B
QTL EBT margin %	54% - 58%
Non-GAAP(1) tax rate	~ 12%
Non-GAAP(1) interest expense, net of investment and other income	~ $100M
	FY '19 Guidance*
Non-GAAP(1) tax rate	~ 0%

(1) See Footnotes page at the end of the presentation.
* Our financial guidance for the second quarter of fiscal 2019 excludes QTL revenues for royalties due on sales of Apple and other products by Apple's contract manufacturers, as we expect the actions taken by these companies will continue until the respective disputes are resolved. Our financial guidance for the second quarter of fiscal 2019 includes $150 million of QTL revenues from Huawei under an interim agreement while negotiations continue.

MSM™ chip shipments

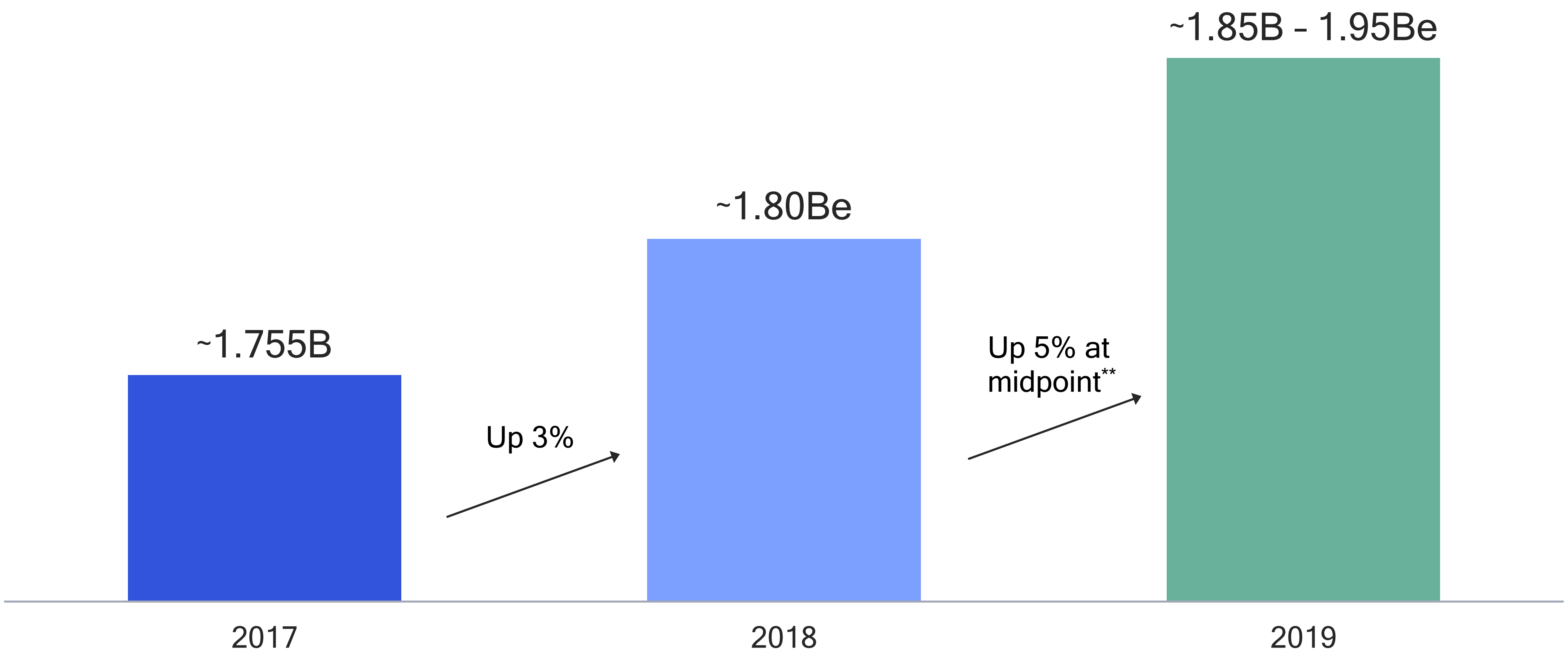
Calendar year, millions



MSMs are products of Qualcomm Technologies, Inc. and/or its subsidiaries.
* Guidance as of January 30, 2019.

Global 3G/4G/5G device shipment* estimates

Calendar year, as of January 30, 2019



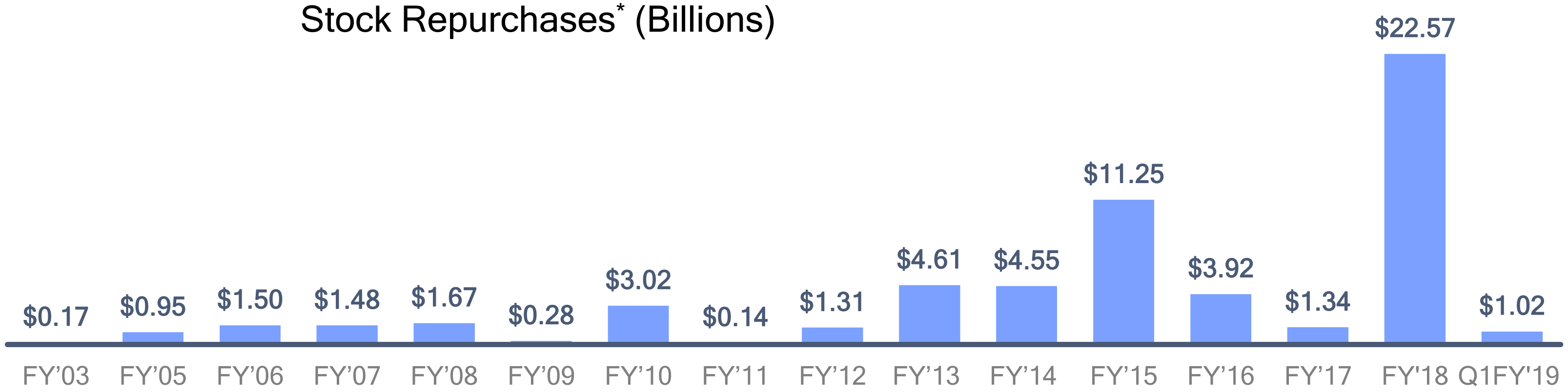
* Global 3G/4G/5G device shipments represent our estimate of CDMA-based, OFDMA-based and CDMA/OFDMA multimode subscriber devices shipped globally, excluding TD-SCDMA devices that do not implement LTE. We continue to believe that certain licensees, particularly in China, are not fully complying with their 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/5G 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 $86.5 billion returned to stockholders

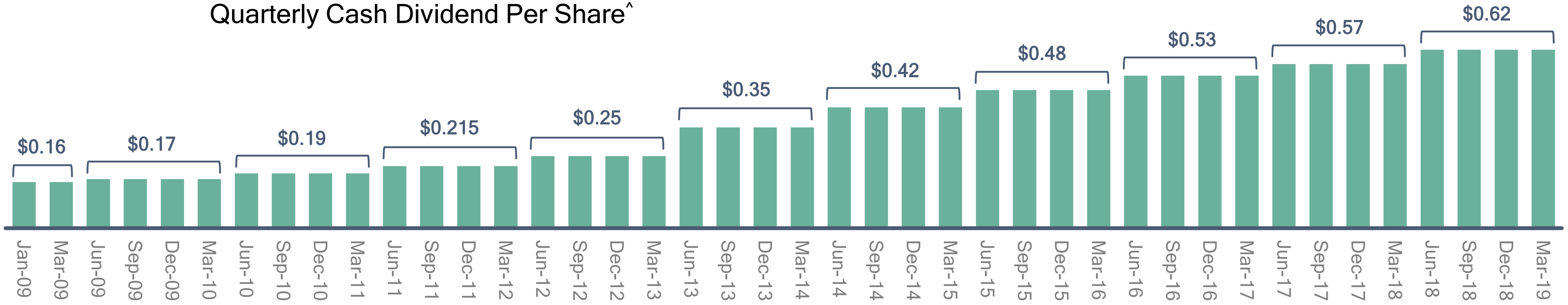
As of January 30, 2019

Stock Repurchases* (Billions)



At December 30, 2018, $7.8 billion remained authorized for repurchase under our stock repurchase program.

Quarterly Cash Dividend Per Share^



* 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	Dec '17(2)	Dec '18
Total cash, cash equivalents & marketable securities	$39.9	$10.4^
Total assets	$64.4	$34.2
Stockholders' equity	$23.9	$3.6
Debt*	$22.8	$16.4
EBITDA**(3)	$0.4	$1.1
Adjusted EBITDA**(3)	$1.9	$1.4

^ Stock repurchases and repayment of long-term debt significantly reduced our cash, cash equivalents and marketable securities balance at the end of the first quarter of fiscal 2019, compared to a year ago.
* Including short-term and long-term debt.
** Starting in the fourth quarter of fiscal 2018, EBITDA is defined as net income (before adjustments for noncontrolling interests) before income tax expense, depreciation and amortization expense, interest expense and investment and other income, net. Adjusted EBITDA also excludes the following items: QSI segment; certain acquisition-related items; certain share-based compensation; and certain other items that management views as unrelated to our ongoing business.
(2) & (3) 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. In connection with the preparation of our condensed consolidated financial statements for the three months ended December 30, 2018, we identified an immaterial error related to the recognition of certain royalty revenues of our QTL (Qualcomm Technology Licensing) segment in the quarterly and annual periods in fiscal 2018 and third and fourth quarters and annual period in fiscal 2017. We have corrected this error in our GAAP and Non-GAAP results for all prior periods presented herein. See "Notes to Condensed Consolidated Financial Statements, Note 1. Basis of Presentation and Significant Accounting Policies Update" and "Note 11. Revision of Prior Period Financial Statements" included in our Quarterly Report on Form 10-Q for the fiscal quarter ended December 30, 2018 filed with the SEC.

3. Beginning in the third quarter of fiscal 2017, GAAP and Non-GAAP results have been negatively impacted by our dispute with Apple and its contract manufacturers (who are our licensees). QTL revenues in the first quarter of fiscal 2019 and in fiscal 2018 do not include royalties due on sales of Apple or other products by Apple's contract manufacturers. We expect the actions taken by these companies will continue until this dispute is resolved. QTL revenues in the first quarter of fiscal 2019 included $150 million of royalties due under an interim agreement with Huawei (who was previously disclosed as the other licensee in dispute). QTL revenues in the fourth quarter of fiscal 2018 included $100 million received under a prior interim agreement with Huawei. These amounts represented partial payments for royalties due by Huawei while negotiations continue, and they do not reflect the full amount of royalties due under the underlying license agreement. We did not record any revenues in the first quarter of fiscal 2018 for royalties due on the sales of Huawei's products. If we do not reach a final agreement with Huawei prior to the conclusion of the interim agreement, Huawei may not make any other payments or may not make full payments under the existing license agreement.

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

- The first quarter of fiscal 2019 GAAP results included:
  - $180 million of restructuring and restructuring-related charges, or ($0.13) per share, related to our Cost Plan that was announced in the second quarter of fiscal 2018.

- The first quarter of fiscal 2019 GAAP and Non-GAAP results included:
  - $570 million tax benefit, or $0.47 per share, for GAAP and $552 million tax benefit, or $0.45 per share, for Non-GAAP relating to certain tax elections made in the first quarter of fiscal 2019.
  - $150 million of revenues, or $0.11 per share, resulting from an interim agreement with Huawei while negotiations continue.

- The first quarter of fiscal 2018 GAAP results included:
  - $6.0 billion charge, or ($4.03) per share, related to the enactment of the Tax Cuts and Jobs Act (the Tax Legislation) in the United States.
  - $1.2 billion charge, or ($0.76) per share, for the fine imposed by the European Commission (EC).

- The fourth quarter of fiscal 2018 GAAP results included:
  - $2.0 billion charge, or ($1.41) per share, related to a termination fee paid to NXP Semiconductors N.V. resulting from the termination of the purchase agreement.
  - $676 million gain, or $0.48 per share, related to the settlement of the Taiwan Fair Trade Commission investigation.
  - $265 million, or ($0.14) per share, of restructuring and restructuring-related charges, related to our Cost Plan.

- The fourth quarter of fiscal 2018 GAAP and Non-GAAP results included:
  - $100 million of revenues, or $0.05 per share, resulting from an interim agreement with Huawei while negotiations continue.

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 used herein 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) 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), diluted earnings (loss) per share, EBITDA and Adjusted EBITDA. 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 and property, plant and equipment 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 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.

    - The Company excludes certain other items that management views as unrelated to the Company's ongoing businesses, 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 fiscal 2018, the Company excluded the full impact of the estimated one-time repatriation tax on deemed repatriated earnings and profits of U.S.-owned foreign subsidiaries, including the portion that relates to earnings and profits of U.S.-owned foreign subsidiaries generated in the first quarter of fiscal 2018.

Non-GAAP results

In millions, except per share data

		Non-GAAP Results	QSI	Share-based Compensation	Other Items (1)(2)(3)	GAAP Results
Q1 '19	Revenues	$4,815	$27	$–	$–	$4,842
	Net income (loss)	$1,464	$7	($182)	($221)	$1,068
	Diluted EPS	$1.20	$0.01	($0.15)	($0.18)	$0.87
	Diluted shares	1,223	1,223	1,223	1,223	1,223
Q1 '18	Revenues	$6,005	$30	$–	$–	$6,035
	Net income (loss)	$1,438	$8	($199)	($7,230)	($5,983)
	Diluted EPS	$0.96	$0.01	($0.13)	($4.89)	($4.05)
	Diluted shares	1,491	1,491	1,491	1,491	1,477

(1) In the first quarter of fiscal 2019, other items excluded from Non-GAAP net income included $180 million of restructuring and restructuring-related charges related to our Cost Plan, $111 million of acquisition-related charges and $6 million of interest expense related to the EC fine, partially offset by a $31 million benefit related to a favorable legal settlement and $3 million of foreign currency transaction gains related to the EC fine, net of associated losses on derivative instruments. Other items excluded from Non-GAAP net income also include a $19 million benefit for the tax effect of acquisition-related items in EBT, a $12 million tax benefit for the combined effect of other items in EBT and a $11 million benefit 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

	Q1 '18	Q1 '19
Net income	($5,983)	$1,068
Plus income tax expense (benefit)	5,923	(509)
Plus depreciation and amortization expense	363	353
Plus interest expense	170	156
Less investment and other income, net	114	5
EBITDA	$359	$1,063
Adjustments		
Less QSI (2)	$9	$13
Less share-based compensation	(248)	(230)
Less other items*	(1,253)	(152)
Adjusted EBITDA	$1,851	$1,432
*Other items includes:		
European Commission fine	$1,183	$–
Restructuring and restructuring-related charges (3)	–	179
Acquisition related (3)	70	4
Benefit related to a favorable legal settlement	–	(31)
Total Other items	$1,253	$152

(1) Starting in the fourth quarter of fiscal 2018, EBITDA is defined as net income before income tax expense, depreciation and amortization expense, interest expense and investment and other income, net. Adjusted EBITDA also excludes the following items: QSI segment; certain acquisition-related items; certain share-based compensation; and certain other items that management views as unrelated to Qualcomm's ongoing business.

(2) Depreciation and amortization was $0 for the first quarter of fiscal 2019 and 2018.

(3) Excludes depreciation and amortization.

Combined R&D and SG&A expenses
In millions

	Q4 '18 Results	Q1 '19 Results	% Increase (Decrease)
Non-GAAP combined R&D and SG&A expenses	1,840	1,562	(15%)
Plus amounts attributable to QSI	3	3	
Plus amounts attributable to other items [(1)]	18	8	
Total combined R&D and SG&A expenses excluding certain shared-based compensation	1,861	1,573	(15%)
Plus share-based compensation allocated to R&D and SG&A	216	222	
Total GAAP combined R&D and SG&A expenses	$2,077	$1,795	(14%)

(1) Other items in Q1'19 and Q4'18 consisted primarily of acquisition-related items.

Tax rates

In millions

		Non-GAAP Results	QSI (1)	Share-based Compensation(1)	Other Items (1)(2)(3)	GAAP Results
Q1 ‘19	Income (loss) before income taxes	$1,044	$8	($230)	($263)	$559
	Income tax (expense) benefit	420	(1)	48	42	509
	Net income (loss)	$1,464	$7	($182)	($221)	$1,068
	Tax rate (benefit)	(40%)	1%	(25%)	(27%)	(91%)
FY ’19	Estimated annual tax rate	–%	–%	(4%)	(3%)	(7%)

(1) 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.

(2) In the first quarter of fiscal 2019, the tax benefit in the “Other Items” column included a $19 million benefit for the tax effect of acquisition-related items in EBT, a $12 million benefit for the combined effect of other items in EBT and a $11 million benefit to reconcile the tax provision for each column to the total GAAP tax provision for the quarter.

(3) In fiscal 2019, the estimated annual effective tax rate for the “Other Items” column included a $69 million benefit for the tax effect of acquisition-related items in EBT and a $12 million benefit for the combined effect of other items in EBT. In fiscal 2019, the estimated annual effective tax rate for the “Other Items” column is primarily attributable to acquisition-related items.

Tax rates

		Estimated annual tax rate excluding the impact of the deferred tax asset item	Impact of the deferred tax asset item	Non-GAAP Results	QSI (1)	Share-based Compensation (1)	Other Items (1)(2)	GAAP Results
FY ‘19	Q2 estimated* tax rate	N/A	N/A	12%	—%	—%	—%	12%
	Estimated* annual tax rate	12%	(12%)	—%	—%	(4%)	(3%)	(7%)

* Guidance as of January 30, 2019

N/A - Not applicable

(1) 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.

(2) In fiscal 2019, the estimated annual effective tax rate for the “Other Items” column is primarily attributable to acquisition-related items.

Business outlook

As of January 30, 2019

	Q2 ‘18 Results (1)	Q2 ‘19 Estimates (2)(3)
Revenues	$5,220	$4.4B - $5.2B
Year-over-year change		decrease 0% - 16%
GAAP diluted EPS	$0.22	$0.40 - $0.50
Less diluted EPS attributable to QSI	0.02	(0.01)
Less diluted EPS attributable to share-based compensation	(0.13)	(0.16)
Less diluted EPS attributable to other items	(0.44)	(0.08)
Non-GAAP diluted EPS	$0.78	$0.65 - $0.75
Year-over-year change		decrease 4% - 17%

(1) The second quarter of fiscal 2018 results excluded QTL revenues for royalties due on sales of Apple and other products by Apple’s contract manufacturers, as well as sales of products Huawei.

(2)Our financial guidance for the second quarter of fiscal 2019 excludes QTL revenues for royalties due on sales of Apple and other products by Apple’s contract manufacturers, as we expect the actions taken by these companies will continue until the respective disputes are resolved. Our financial guidance for the second quarter of fiscal 2019 includes $150 million of QTL revenues from Huawei under an interim agreement while negotiations continue.

(3) Our guidance for diluted EPS attributable to other items for the second quarter of fiscal 2019 is primarily attributable to acquisition-related items and restructuring and restructuring-related items.

N/M - Not Meaningful

Sums may not equal total due to rounding.

Combined R&D and SG&A expenses guidance*

In millions

	Q1 ‘19 Results	Q2 ‘19 Estimates*
Non-GAAP combined R&D and SG&A expenses	1,562	6% - 8% increase
Plus amounts attributable to QSI	3	Not provided
Plus amounts attributable to other items (1)	8	Not provided
Total combined R&D and SG&A expenses excluding certain shared-based compensation	1,573	6% - 8% increase
Plus share-based compensation allocated to R&D and SG&A	222	Not provided
Total GAAP combined R&D and SG&A expenses (2)	1,795	6% - 8% increase

* Guidance as of January 30, 2019.

(1) Other items in Q1’19 consisted primarily of acquisition-related items.

(2) Q1’19 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.

Non-GAAP combined interest expense and investment and other income, net guidance

In millions

	Q1 '19 Guidance*	Q1 '19 Results	Q2 '19 Estimates**
Non-GAAP combined interest expense and investment and other income, net	~($100)	($143)	~($100)
Plus amounts attributable to QSI	Not provided	(5)	Not provided
Plus amounts attributable to share-based compensation	Not provided	–	Not provided
Plus amounts attributable to other items (1)	Not provided	(3)	Not provided
GAAP combined interest expense and investment and other income, net	~($110)	($151)	~($105)

* Guidance as of November 7, 2018

** Guidance as of January 30, 2019

(1) Other items relates to interest expense and foreign transaction gains, net of hedging activities, related to the European Commission fine.

Previous business outlook

As of November 7, 2018

	Q1 '19 Previous Guidance Estimate [2]
Revenues	$4.5B - $5.3B
GAAP diluted EPS	$0.78 - $0.88
Less diluted EPS attributable to QSI	($0.02)
Less diluted EPS attributable to share-based compensation	($0.16)
Less diluted EPS attributable to other items [1]	(0.09)
Non-GAAP diluted EPS	$1.05 - $1.15

(1) Our guidance for diluted EPS attributable to other items for the first quarter of fiscal 2019 was primarily attributable to acquisition-related items and restructuring and restructuring-related items.

(2) Our financial guidance for the first quarter of fiscal 2019 excluded QTL revenues for royalties due on sales of Apple's products by Apple's contract manufacturers, as well as sales of products by Huawei, as we expected the actions taken by these licensees would continue until the respective disputes are resolved.

Previous combined R&D and SG&A expenses guidance

In millions

	Q1 '19 Estimates*
Non-GAAP combined R&D and SG&A expenses	5% - 7% decline sequentially
Plus amounts attributable to QSI	Not Provided
Plus amounts attributable to other items	Not Provided
Total combined R&D and SG&A expenses excluding certain shared-based compensation	5% - 7% decline sequentially
Plus share-based compensation allocated to R&D and SG&A	Not Provided
Total GAAP combined R&D and SG&A expenses (1)	4% - 6% decline sequentially

*Guidance as of November 7, 2018

(1) Q1'19 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.

Operating expense cost plan

As of January 30, 2019

	FY ‘17 Baseline Spend[1]	FY ‘19 estimate
Non-GAAP operating expense	$7,440	Greater than $6,400
Plus operating expense attributable to QSI	16	Not Provided
Plus operating expense attributable to share-based compensation	780	Not Provided
Plus operating expense attributable to other items[2]	320	Not Provided
GAAP operating expense	$8,556	Greater than $7,400

(1) FY17 Baseline Spend is calculated from the fourth quarter of fiscal 2017 combined R&D and SG&A expenses multiplied by four.

(2) Other items excluded from Non-GAAP results included acquisition-related charges.

Thank you!

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