



# Third Quarter Fiscal 2011 Earnings

July 20, 2011



# Safe Harbor

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Before we proceed with our presentation, we would like to point out that the following discussion will contain forward-looking statements from industry consultants, Qualcomm and others regarding industry trends, anticipated future results and product availability, potential market size, market shares and other factors that inherently involve risks and uncertainties, including the rate of development, deployment and commercial acceptance of CDMA- and OFDMA-based networks and technology and fluctuations in the demand for CDMA- and OFDMA-based products, services or applications.

- These and other risks and uncertainties relating to Qualcomm's business are outlined in detail in our most recent 10-Q and 10-K forms filed with the Securities and Exchange Commission.
- Please consult those documents for a more complete understanding of these risks and uncertainties.

This presentation includes a discussion of "Non-GAAP financial measures" as that term is 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 have been included at the end of this presentation.

# Qualcomm Reports Q3 FY'11 Earnings

FISCAL QUARTER ENDING JUNE 26, 2011

- Delivered strong year-over-year results;
- Performed well across all key guidance metrics;
- Successfully completed the acquisition of Atheros;
- Continuing to see healthy growth in CDMA-based device shipments of approximately 18% in calendar year 2011;
- Raising revenue and Non-GAAP earnings guidance for the fiscal year driven by strong global smartphone adoption and the addition of Atheros.



## Non-GAAP Reporting Methodology

- Changed our methodology *starting with* acquisitions completed in Q3 FY11.
- Now excludes amortization of certain acquired intangible assets and recognition of step-up of inventories to fair value, in addition to our historical practice of excluding acquired in-process R&D expense;
- The impact of historical acquisitions, except for acquired in-process R&D expense, will continue to be included in Non-GAAP\*;
- Q3 FY11 Non-GAAP results excluded the following items related to the acquisition of Atheros:
  - \$45 million related to the step-up of inventories to fair value
  - \$32 million in amortization of intangible assets, including \$16 million related to backlog.

\*Refer to Slide 15 for the impact of the change in methodology as compared to historical practice.



# Third Fiscal Quarter Results vs. Guidance

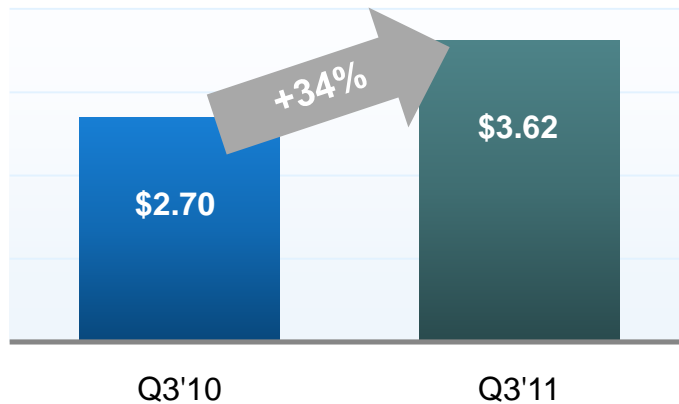
Qualcomm Non-GAAP <sup>(1)</sup>	Q3'11 Prior Guidance*	Q3'11 Results
Revenues <sup>(2)</sup>	~\$3.35 - \$3.65B	\$3.62B
Diluted EPS <sup>(3)</sup>	~\$0.68 - \$0.72	\$0.73
MSM Shipments	~115 - 119M	120M
Total Reported Device Sales <sup>(4)</sup> (Mar. Qtr <sup>(5)</sup> )	~\$35.5 - \$38.5B	\$36.4B
Est. CDMA-Based Devices Shipped <sup>(4)</sup> (Mar. Qtr <sup>(5)</sup> )	not provided	~170 - 174M
Est. CDMA-Based Device ASP <sup>(4)</sup> (Mar. Qtr <sup>(5)</sup> )	not provided	~\$209 - \$215

(1), (2), (3), (4) & (5) See notes on slide 14.

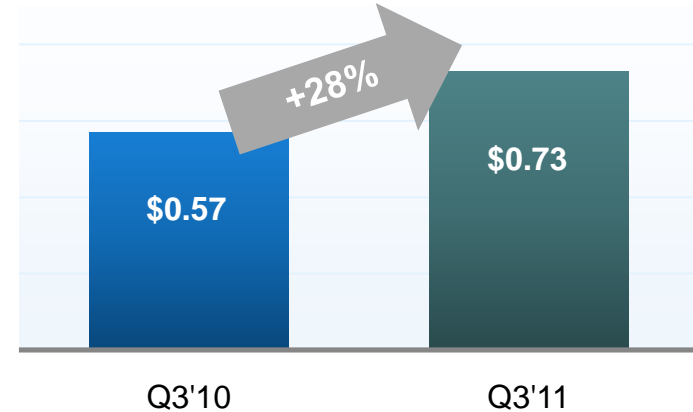
\* Guidance as of Apr. 20, 2011, which did not include the estimated impact of the acquisition of Atheros.

# Third Fiscal Quarter Results vs. Last Year

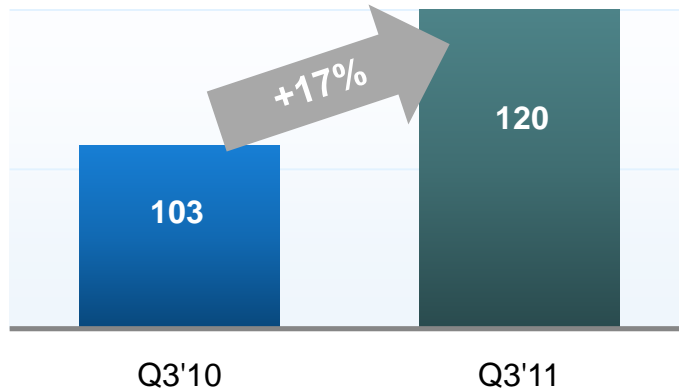
**NON-GAAP<sup>(1)</sup> REVENUES<sup>(2)</sup>**  
(Billions)



**NON-GAAP<sup>(1)</sup> EPS<sup>(3)</sup>**



**MSM SHIPMENTS**  
(Millions)



**TOTAL REPORTED DEVICE SALES<sup>(4)(5)</sup>**  
(Billions)



(1), (2), (3), (4) & (5) See notes on slide 14.

# Fourth Quarter & Fiscal Year 2011 Guidance

AS OF JULY 20, 2011

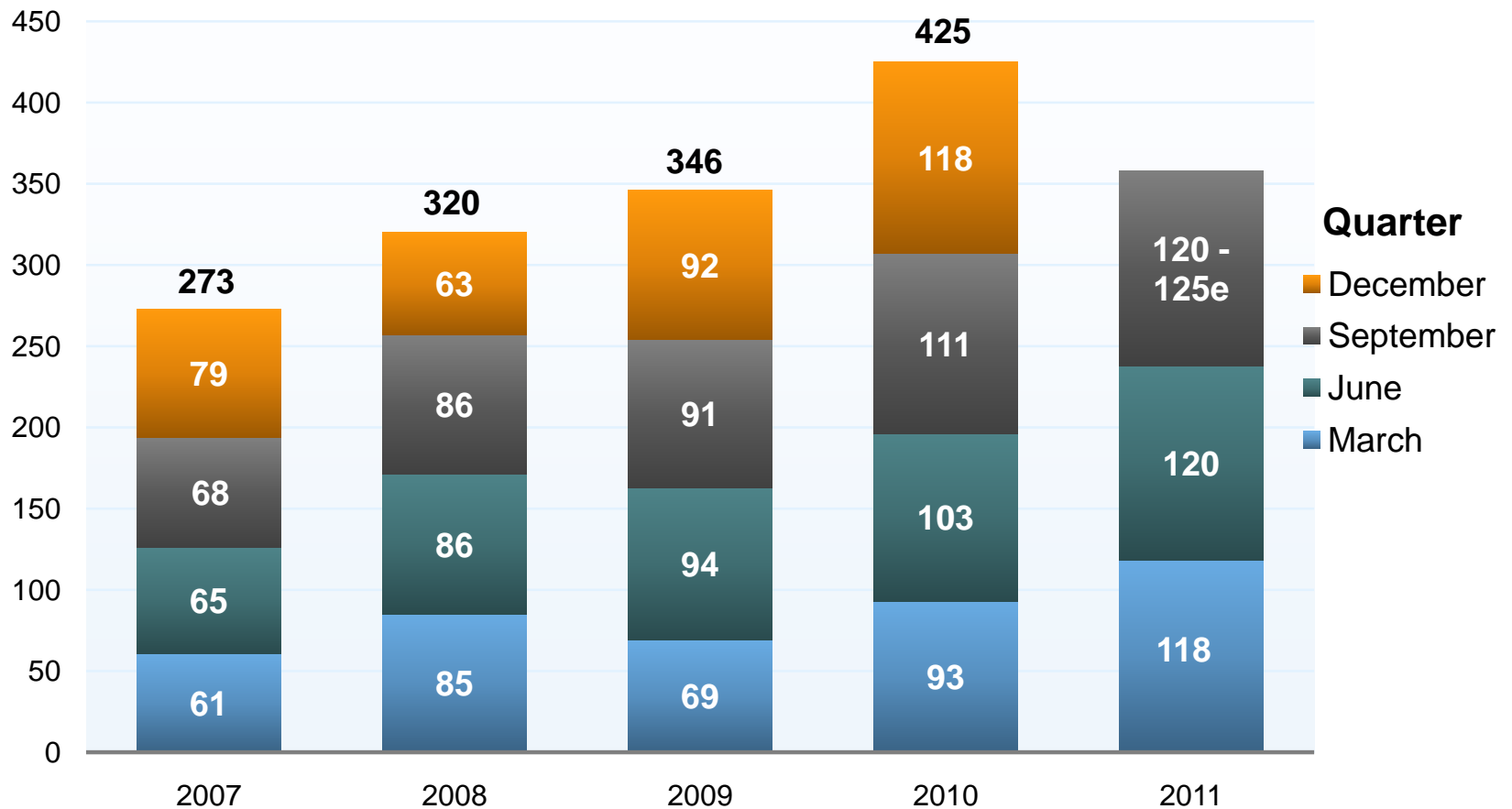
Qualcomm Non-GAAP <sup>(1)</sup>	Q4'10 Results	Q4'11 Guidance	FY'10 Results	FY'11 Prior Guidance*	FY'11 Guidance
Revenues <sup>(2)</sup>	\$2.95B	~\$3.86 - \$4.16B	\$10.98B	~\$14.1 - \$14.7B	~\$14.7 - \$15.0B
Diluted EPS <sup>(3)</sup>	\$0.68	~\$0.75 - \$0.80	\$2.46	~\$3.05 - \$3.13 <sup>(6)</sup>	~\$3.15 - \$3.20 <sup>(6)</sup>
MSM Shipments	111M	~120 - 125M	399M	not provided	not provided
Total Reported Device Sales <sup>(4)(5)</sup>	\$28.3B	~\$38.0 - \$41.0B	\$105.7B	not provided	not provided

(1), (2), (3), (4), (5) & (6) See notes on slide 14.

\* Guidance as of Apr. 20, 2011, which did not include the estimated impact of the acquisition of Atheros.

# Qualcomm MSM Shipments

CALENDAR YEAR, MILLIONS, AS OF JULY 20, 2011

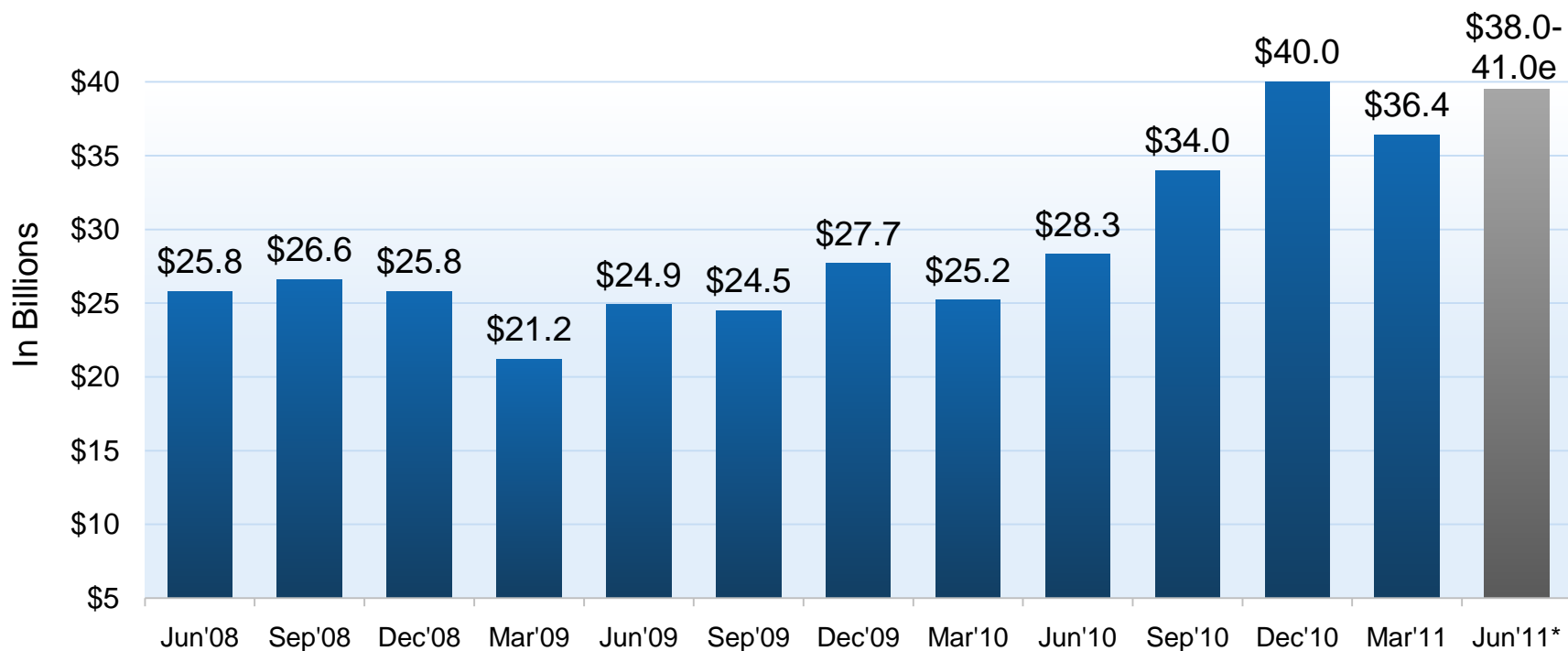




# Quarterly Total Reported Device Sales<sup>(4)(5)</sup>

## REPORTED BY QUALCOMM LICENSEES

- 195+ CDMA-based licensees; 120+ licensed for WCDMA/TD-SCDMA.
- 12 royalty-bearing single-mode OFDM/OFDMA licensees.



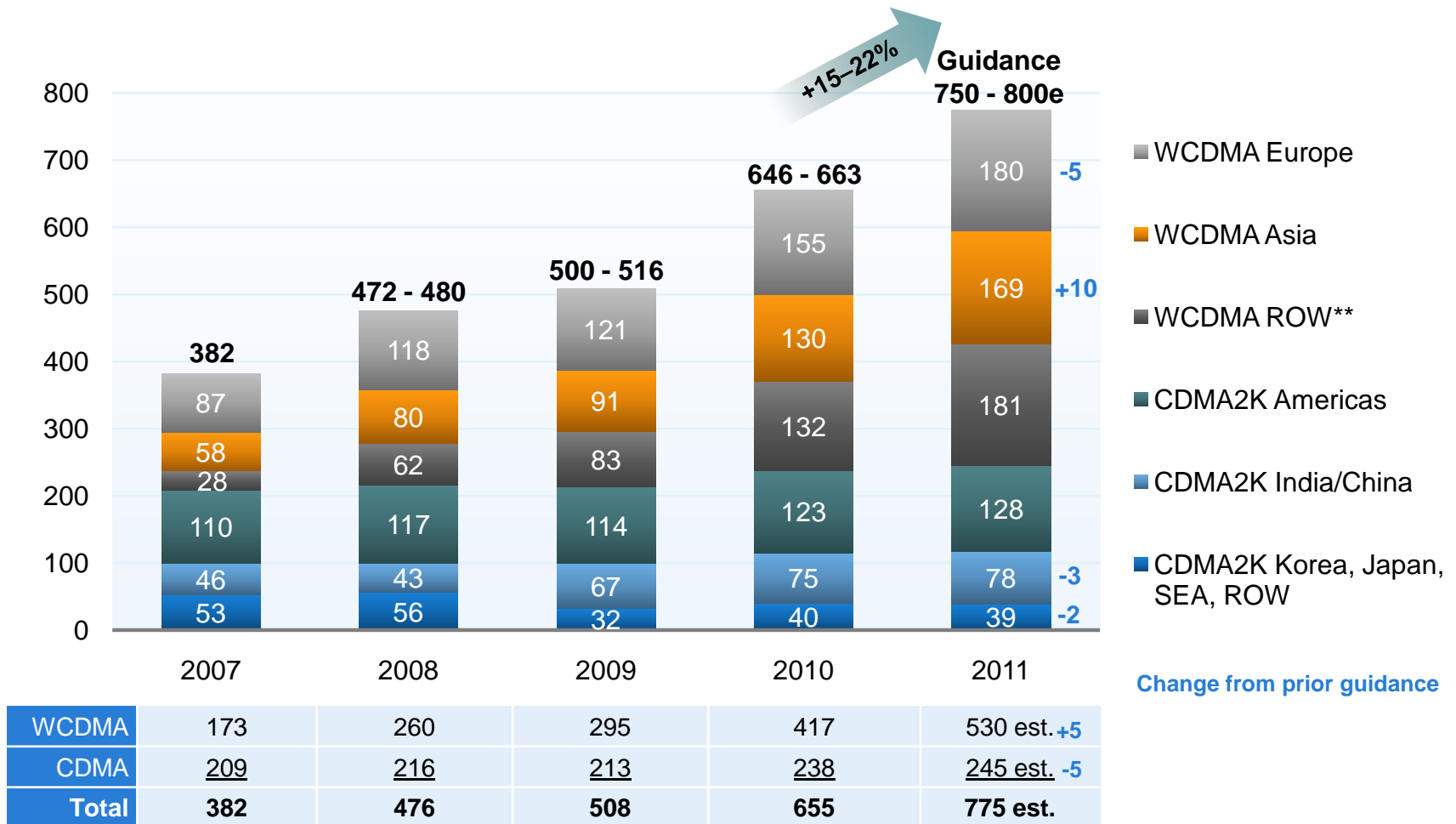
Est. ASP <sup>(4)(5)</sup>	\$216	\$211-217	\$203-209	\$193-199	\$200-206	\$189-195	\$182-188	\$183-189	\$179-185	\$201-207	\$200-206	\$209-215	not
Est. Shipment <sup>(4)(5)</sup>	119M	122-126M	123-127M	106-110M	120-124M	126-130M	148-152M	134-138M	153-157M	165-169M	195-200M	170-174M	provided

(4) & (5) See note on slide 14.

\* Guidance as of Jul. 20, 2011.

# Regional\* CDMA-Based Device Shipment Estimates <sup>(4)</sup>

CALENDAR YEAR, MILLIONS, MIDPOINTS<sup>(7)</sup>, AS OF JULY 20, 2011



(4) & (7) See notes on slide 14.

\* Regional device shipments are Qualcomm estimates and include handsets, data devices, telematics, security devices and some quantity of channel inventory. WCDMA includes TD-SCDMA. Both CDMA and WCDMA include multimode LTE. \*\* WCDMA ROW includes North America.

# Quarterly Estimated CDMA-Based Device Shipments & ASP Trend<sup>(4)(5)</sup>

	FY'09				FY'10				FY'11			
	Sep '08	Dec '08	Mar '09	Jun '09	Sep '09	Dec '09	Mar '10	Jun '10	Sep '10	Dec '10	Mar '11	Jun '11**
Qtr. Total Reported Device Sales (\$B)	\$26.6	\$25.8	\$21.2	\$24.9	\$24.5	\$27.7	\$25.2	\$28.3	\$34.0	\$40.0	\$36.4	\$38.0-\$41.0e
FY Total Reported Device Sales (\$B)				\$98.5				\$105.7				\$148.4-\$151.4e
Qtr. Device Shipments* (M)	124	125	108	122	128	150	136	155	167	198	172	
CY Device Shipments* (M)		476				508				655		750-800e
FY Device Shipments* (M)				480				569				
Qtr. Device ASP*	\$214	\$206	\$196	\$203	\$192	\$185	\$186	\$182	\$204	\$203	\$212	
FY Device ASP*				\$205				\$186				\$204-\$210e

(4) & (5) See note on slide 14.

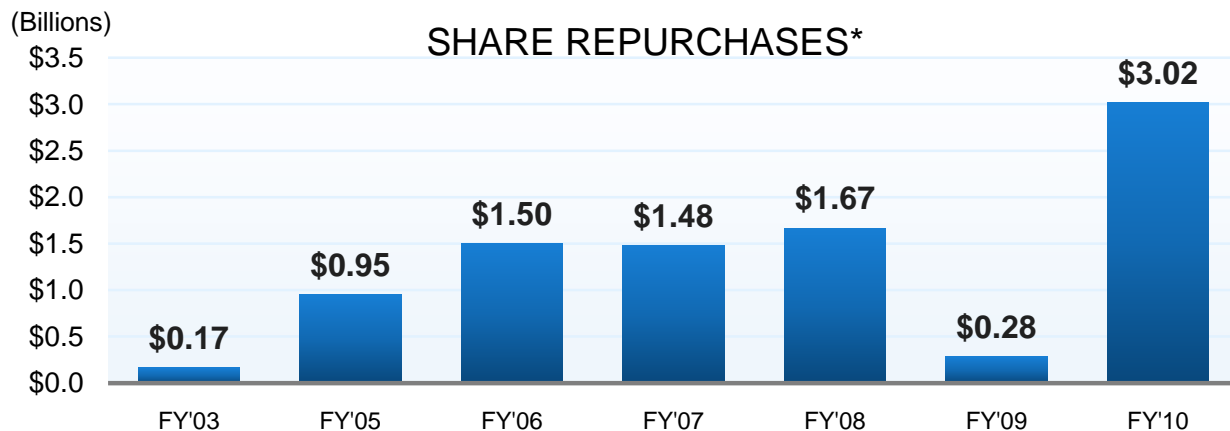
\* Midpoints, see note (7) on slide 14.

\*\* Guidance as of Jul. 20, 2011.

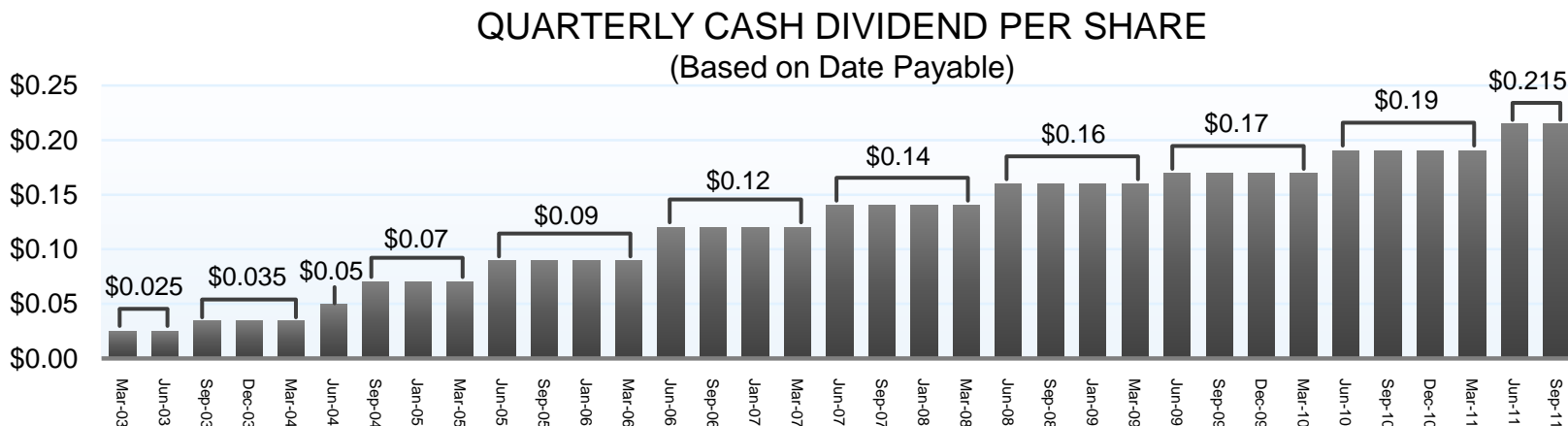
Note: Sums of quarterly amounts may not equal totals due to rounding.

# Cumulative \$15.8 Billion Returned to Stockholders

AS OF JUNE 26, 2011



- Cumulative \$9.1 billion share repurchases;
- Cumulative \$6.8 billion dividends paid;
- \$1.7 billion available for repurchase under current BOD authorization



Note: The Company effected a two-for-one stock split in August 2004. All references to per share data have been adjusted to reflect the stock split.

\*Gross repurchases

# Financial Strength

(In billions)	Jun. 2010	Jun. 2011	
Domestic	\$5.9	\$5.6	Cash Resources and Operating/Stock Repurchases Flexibility
Offshore	\$11.7	\$14.6	
<b>Total Cash &amp; Marketable Securities</b>	<b>\$17.6</b>	<b>\$20.2</b>	
Total Assets	\$29.4	\$35.1	Solid Balance Sheet
Stockholders' Equity	\$19.9	\$26.3	
Debt*	\$1.3	\$1.3	
EBITDA **	\$1.1	\$1.4	Cash Flow to Support Future Growth and Dividends
Non-GAAP <sup>(1)</sup> Free Cash Flows ***	\$1.0	\$1.2	

\* Includes capital leases and loans payable related to the India BWA spectrum purchase.

\*\* EBITDA is defined as earnings (loss) from continuing operations before interest, taxes, depreciation and amortization.

\*\*\* Free Cash flows is defined as net cash provided by operating activities less capital expenditures.

(1) See note on slide 14.

# Footnotes

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- (1) Non-GAAP results exclude the Qualcomm Strategic Initiatives (QSI) segment, certain share-based compensation, certain tax items that are not related to the current year and certain acquisition-related items. Starting with acquisitions completed in the third quarter of fiscal 2011, we changed our methodology for reporting Non-GAAP results to exclude the recognition of the step-up of inventories to fair value and amortization of certain intangible assets, in addition to our historical practice of excluding acquired in-process research and development expense.
- (2) Revenues, operating expenses, operating income, earnings before tax (EBT) and effective tax rate throughout this presentation are from continuing operations (i.e., before discontinued operations and the adjustment for noncontrolling interests), unless otherwise stated.
- (3) Net income and diluted earnings per share throughout this presentation are attributable to Qualcomm (i.e., after discontinued operations and adjustment for noncontrolling interests), unless otherwise stated.
- (4) 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 subscriber devices (including handsets, modules, modem cards and other subscriber devices) by our licensees during a particular period. The reported quarterly estimated ranges of 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 is reported with the activity for the particular period.
- (5) Royalties are recognized when reported, generally one quarter following shipment.
- (6) In the comparisons for fiscal 2011 vs. fiscal 2010, the following should be noted: results for the second quarter of fiscal 2011 included \$401 million in revenues, related to prior quarters as a result of agreements entered into with two licensees to settle disputes and \$120 million in impairment charges related to our Firethorn division, including \$114 million in goodwill impairment.
- (7) The midpoints of the estimated ASP and device shipment ranges for the relevant periods are identified for comparison purposes only and do not indicate a higher degree of confidence in the midpoints.

# Supplemental Information

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## RELATED TO CHANGE IN NON-GAAP REPORTING METHODOLOGY

- *Starting with* acquisitions completed in Q3 FY11, we now exclude the recognition of the step-up of inventories to fair value and amortization of certain intangible assets, in addition to our historical practice of excluding acquired in-process R&D expense.
- Given the size of these items as a result of the Atheros acquisition completed in Q3 FY11, and consistent with prevailing tech industry practice, this change was made in order to provide additional visibility into the underlying operational results of the core businesses. In addition, these charges are significantly impacted by the size and timing of acquisitions, potentially obscuring period to period comparisons of our operating businesses.
- This change was made *starting with* acquisitions completed in Q3 FY11. Amortization of acquisition-related intangible assets related to historical acquisitions will not be excluded from Non-GAAP results; In the prior two fiscal years these charges were in the range of \$50 to \$60 million each year.

**Note:** 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 results and Non-GAAP results are presented herein. Refer to our Earnings Release section “*Note Regarding Use of Non-GAAP measures*” for a full explanation of our Non-GAAP methodology and measures.



# Reconciliations





# Non-GAAP Results

IN MILLIONS EXCEPT PER SHARE DATA

SEGMENTS	Non-GAAP	Share-Based Compensation*	Tax Items (1)	Acquisition-Related items (2)	QSI (3)*	GAAP
<b>Q3 - FISCAL 2011</b>						
Revenues	\$3,623	\$ -	\$ -	\$ -	\$ -	\$3,623
<i>Change from prior year</i>	<i>34%</i>					<i>34%</i>
Operating income (loss)	\$1,393	(\$193)	-	\$(77)	(\$10)	\$1,113
<i>Change from prior year</i>	<i>41%</i>	<i>(33%)</i>		<i>N/A</i>	<i>N/M</i>	<i>25%</i>
EBT	\$1,574	(\$193)	-	\$(77)	(\$30)	\$1,274
<i>Change from prior year</i>	<i>36%</i>	<i>(33%)</i>		<i>N/A</i>	<i>N/M</i>	<i>18%</i>
EBT as a % of revenues	43%	N/M	-	N/M		35%
Discontinued operations, net of tax (4)	\$ -	\$ -	\$ -	\$ -	\$44	\$44
Net income (loss)	1,240	(147)	(4)	(73)	19	1,035
<i>Change from prior year</i>	<i>32%</i>	<i>(32%)</i>	<i>N/M</i>	<i>N/A</i>	<i>N/M</i>	<i>35%</i>
Diluted EPS	\$0.73	(\$0.09)	\$ -	(\$0.04)	\$0.01	\$0.61
<i>Change from prior year</i>	<i>28%</i>	<i>(29%)</i>	<i>N/M</i>	<i>N/A</i>	<i>N/M</i>	<i>30%</i>
Diluted shares used	1,709	1,709	1,709	1,709	1,709	1,709
<b>Q4 - FISCAL 2010</b>						
Revenues	\$2,952	\$ -	\$ -	\$ -	\$ -	\$2,952
Operating income (loss)	1,130	(157)	-	-	(15)	958
EBT	1,361	(157)	-	-	(32)	1,172
Discontinued operations, net of tax (4)	-	(3)	-	-	(70)	(73)
Net income (loss)	1,105	(120)	(40)	-	(80)	865
Diluted EPS	\$0.68	(\$0.07)	(\$0.02)	\$ -	(\$0.05)	\$0.53
Diluted shares used	1,621	1,621	1,621	1,621	1,621	1,621
<b>Q3 - FISCAL 2010</b>						
Revenues	\$2,700	\$ -	\$ -	\$ -	\$ -	\$2,700
Operating income (loss)	991	(145)	-	-	47	893
EBT	1,161	(145)	-	-	60	1,076
Discontinued operations, net of tax (4)	-	(3)	-	-	(62)	(65)
Net income (loss)	936	(111)	(54)	-	(4)	767
Diluted EPS	\$0.57	(\$0.07)	(\$0.03)	\$ -	\$ -	\$0.47
Diluted shares used	1,642	1,642	1,642	1,642	1,642	1,642

# Non-GAAP Results, (cont.)

IN MILLIONS EXCEPT PER SHARE DATA

SEGMENTS	Non-GAAP	Share-Based Compensation*	Tax Items (1)	Acquisition-Related items (2)	QSI (3)*	GAAP
<b>12 MONTHS - FISCAL 2010</b>						
Revenues	\$ 10,982	\$ -	\$ -	\$ -	\$ -	\$ 10,982
Operating income (loss)	4,316	(597)	-	(3)	11	3,727
EBT	5,086	(597)	-	(3)	7	4,493
Discontinued operations, net of tax (4)	-	(11)	-	-	(262)	(273)
Net income (loss)	4,071	(442)	(159)	(3)	(220)	3,247
Diluted EPS	\$2.46	(\$0.27)	(\$0.10)	\$ -	(\$0.13)	\$1.96
Diluted shares used	1,658	1,658	1,658	1,658	1,658	1,658

(1) During the first quarter of fiscal 2011, we recorded a tax benefit of \$32 million related to fiscal 2010 due to the retroactive reenactment of the federal R&D tax credit. Also, during the first, second and third quarter of fiscal 2011, we recorded \$3 million, \$3 million and \$4 million, respectively, in state tax expense because deferred revenue related to the license agreement signed in the first quarter of fiscal 2010 with Samsung is taxable in fiscal 2011 but the resulting deferred tax asset will reverse in future years when our state tax rate will be lower. Our first, second and third quarter fiscal 2011 Non-GAAP results exclude these items.

(2) Beginning in the third quarter of fiscal 2011, Non-GAAP results exclude certain items related to acquisitions. During the third quarter of fiscal 2011, Non-GAAP results excluded \$45 million related to the step-up of inventories to fair value and \$32 million in amortization of intangible assets that resulted from the acquisition of Atheros.

(3) At fiscal year-end, the sum of the quarterly tax provisions for each column, including QSI, equals the annual tax provisions for each column computed in accordance with GAAP. In interim quarters, the tax provision for the QSI operating segment is computed by subtracting the Non-GAAP tax provision, the tax items column and the tax provision related to share-based compensation from the GAAP tax provision.

(4) During fiscal 2011, we shut down the FLO TV business and network. The results of FLO TV are presented as discontinued operations, and prior period amounts have been adjusted accordingly.

\* As adjusted for discontinued operations

N/M – Not Meaningful

N/A – Not Applicable

Sums may not equal totals due to rounding.

# Non-GAAP Cash Flow

(In millions)

	<b>Three Months Ended June 26, 2011</b>			
	<b>Non-GAAP</b>	<b>Share-Based Compensation</b>	<b>QSI</b>	<b>GAAP</b>
Net cash provided (used) by operating activities	\$ 1,379	\$ (35) (a)	\$ (80)	\$ 1,264
Less: capital expenditures	(219)	-	-	(219)
Free cash flow	<u>\$ 1,160</u>	<u>\$ (35)</u>	<u>\$ (80)</u>	<u>\$ 1,045</u>
	<b>Three Months Ended June 27, 2010</b>			
	<b>Non-GAAP</b>	<b>Share-Based Compensation</b>	<b>QSI</b>	<b>GAAP</b>
Net cash provided (used) by operating activities	\$ 1,051	\$ (3) (a)	\$ (97)	\$ 951
Less: capital expenditures	(97)	-	(20)	(117)
Free cash flow	<u>\$ 954</u>	<u>\$ (3)</u>	<u>\$ (117)</u>	<u>\$ 834</u>

(a) Incremental tax benefits from stock options exercised during the period.

# EBITDA

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## Reconciliation of EBITDA to Net Income (In millions)

	Three Months Ended	
	June 27, 2010*	June 26, 2011
<b>Income from continuing operations</b>	\$ 832	\$ 985
Plus: Income tax expense	244	289
Plus: Depreciation and amortization	166	185
Less: Interest and dividend income, net	(121)	(98)
<b>EBITDA</b>	<u>\$ 1,121</u>	<u>\$ 1,361</u>

*EBITDA is defined as Earnings (Loss) From Continuing Operations Before Interest, Taxes, Depreciation and Amortization*

\* As adjusted for discontinued operations.

# Qualcomm Atheros Impact to Fiscal Q3

## Reconciliation of Non-GAAP Results Excluding Impact of Atheros Acquisition to GAAP (in millions, except per share data)

Three Months Ended June 26, 2011 (1)

	Non-GAAP (2)	Share-Based Compensation	Acquisition- Related Items (3)	GAAP
Net income impact of Atheros acquisition	\$10	(\$20)	(\$73)	(\$83)
EPS impact of Atheros acquisition	\$0.005	(\$0.01)	(\$0.04)	(\$0.05)
Diluted shares used	1,709	1,709	1,709	1,709

(1) Amounts reflect the impact of Atheros from the date of close to the end of the quarter (May 24, 2011 to June 26, 2011)

(2) Non-GAAP results exclude the QSI segment, certain share-based compensation, certain tax items that are not related to the current year and certain acquisition-related items.

(3) Includes recognition of the step-up of inventories to fair value and amortization of intangible assets that resulted from the acquisition of Atheros.

Note: Sums may not equal due to rounding

# Reconciliation of EPS

## Reconciliation of Diluted Earnings Per Share (EPS) Q3FY11 Guidance to Q3FY11 Results

	<u>Non-GAAP (1)</u>	<u>GAAP</u>
Q3FY11 EPS Guidance (midpoint) (2)	\$0.70	\$0.62
Q3FY11 EPS Results	0.73	0.61
Difference	<u>\$0.03</u>	<u>(\$0.01)</u>

### Certain EPS Factors

Higher QTL earnings	\$0.01	\$0.01
Higher QCT earnings	0.01	0.01
Other factors (3)	0.01	0.01
QSI	N/A	0.01
Share-based compensation	N/A	(0.01)
Acquisition-related items (4)	<u>N/A</u>	<u>(0.04)</u>
	<u>\$0.03</u>	<u>(\$0.01)</u>

(1) Non-GAAP results exclude the QSI segment, certain share-based compensation, certain tax items that are not related to the current year and certain acquisition-related items.

(2) Provided on April 20th, 2011.

(3) Other factors are primarily related to investment income and Atheros earnings that do not include certain acquisition-related charges that are excluded from Non-GAAP results (see note 4).

(4) Includes recognition of the step-up of inventories to fair value and amortization of intangible assets that resulted from the acquisition of Atheros.

N/A - Not Applicable

# Reconciliation of EPS, (cont.)

## Reconciliation of Diluted Earnings Per Share (EPS) FY11 Guidance (April) to FY11 Guidance (July)

	<u>Non-GAAP (1)</u>	<u>GAAP</u>
FY11 EPS Guidance (April) (midpoint) (2)	\$3.09	\$2.55
FY11 EPS Guidance (July) (midpoint) (3)	3.18	2.53
Difference	<u>\$0.09</u>	<u>(\$0.02)</u>

### Certain EPS Factors

Higher QTL earnings	\$0.06	\$0.06
Atheros earnings (Non-GAAP) (4)	0.02	0.02
Other factors (5)	0.01	0.01
Share-based compensation	N/A	(0.02)
Acquisition-related items (6)	N/A	(0.12)
Certain tax items related to prior years (7)	N/A	0.03
	<u>\$0.09</u>	<u>(\$0.02)</u>

(1) Non-GAAP results exclude the QSI segment, certain share-based compensation, certain tax items that are not related to the current year and certain acquisition-related items.

(2) Provided on April 20th, 2011.

(3) Provided on July 20th, 2011.

(4) Does not include certain acquisition-related charges that are excluded from Non-GAAP results (see note 6).

(5) Other factors are primarily related to investment income and higher operating expenses.

(6) Primarily attributable to the recognition of the step-up of inventories to fair value and amortization of intangible assets that resulted from the acquisition of Atheros.

(7) Primarily driven by a \$44M tax benefit as a result of an agreement with the California Franchise Tax Board on a component of our fiscal 2006 through 2010 tax returns.

N/A - Not Applicable

# Business Outlook

AS OF JULY 20, 2011

<b>FOURTH FISCAL QUARTER</b>			
		<b>Q4 FY10 Results</b>	<b>Current Guidance Q4 FY11 Estimates</b>
<b>Revenues</b>		<b>\$2.95B</b>	<b>\$3.86B - \$4.16B</b>
<i>Year-over-year change</i>			<i>increase 31% - 41%</i>
<b>Non-GAAP Diluted earnings per share (EPS)</b>		<b>\$0.68</b>	<b>\$0.75 - \$0.80</b>
<i>Year-over-year change</i>			<i>increase 10% - 18%</i>
Diluted EPS attributable to QSI		(\$0.05)	\$0.00
Diluted EPS attributable to share-based compensation		(\$0.07)	(\$0.10)
Diluted EPS attributable to acquisition-related items		\$0.00	(\$0.07)
Diluted EPS attributable to certain tax items (1)		(\$0.02)	\$0.02
<b>GAAP Diluted EPS</b>		<b>\$0.53</b>	<b>\$0.60 - \$0.65</b>
<i>Year-over-year change</i>			<i>increase 13% - 23%</i>
<b>FISCAL YEAR</b>			
		<b>FY 2010 Results (2)</b>	<b>Prior Guidance FY 2011 Estimates</b>
		<b>Current Guidance FY 2011 Estimates</b>	
<b>Revenues</b>		<b>\$10.98B</b>	<b>\$14.1B - \$14.7B</b>
<i>Year-over-year change</i>			<i>increase 28% - 34%</i>
<b>Non-GAAP Diluted EPS</b>		<b>\$2.46</b>	<b>\$3.05 - \$3.13</b>
<i>Year-over-year change</i>			<i>increase 24% - 27%</i>
Diluted EPS attributable to QSI		(\$0.13)	(\$0.22)
Diluted EPS attributable to share-based compensation		(\$0.27)	(\$0.33)
Diluted EPS attributable to acquisition-related items		\$0.00	\$0.00
Diluted EPS attributable to certain tax items (1)		(\$0.10)	\$0.01
<b>GAAP Diluted EPS</b>		<b>\$1.96</b>	<b>\$2.51 - \$2.59</b>
<i>Year-over-year change</i>			<i>increase 28% - 32%</i>
			<i>increase 28% - 30%</i>

(1) During the fourth quarter of fiscal 2011, we reached agreement with the California Franchise Tax Board on a component of our fiscal 2006 through 2010 tax returns. As a result of this agreement, we expect to record a \$44 million tax benefit that will be excluded from our fourth quarter fiscal 2011 Non-GAAP results.

(2) As adjusted to reflect the reclassification of revenues related to FLO TV to discontinued operations.

Sums may not equal totals due to rounding.



# Q4 Combined R&D and SG&A Guidance

## Reconciliation of Non-GAAP to GAAP Combination of R&D and SG&A (\$ in millions)

	Q3 FY2011 Results	Fiscal Q4 - 2011 Guidance*
<b>Non-GAAP combined R&amp;D and SG&amp;A expenses</b> <sup>(1)</sup>	\$ 1,026	Increase approx. 9% sequentially (est.)
<b>QSI</b>	\$ 9	not provided
<b>Acquisition related items</b>	\$ 18	not provided
<b>Total combined R&amp;D and SG&amp;A expenses excluding certain share-based compensation</b>	\$ 1,053	Increase approx. 11% sequentially (est.)
<b>Share-based compensation allocated to R&amp;D and SG&amp;A</b>	\$ 179	
<b>Total GAAP combined R&amp;D and SG&amp;A expenses</b> <sup>(2)</sup>	\$ 1,232	Increase approx. 12% sequentially (est.)

(1) Non-GAAP combined R&D and SG&A expenses guidance for Q4 FY11 excludes expenses related to the QSI segment, certain share-based compensation, certain tax items, and certain acquisition-related items.

(2) Q4 FY11 total GAAP combined R&D and SG&A expenses guidance includes an estimate of the share-based compensation expense allocated to R&D and SG&A.

\* Guidance as of July 20, 2011

# FY'11 Combined R&D and SG&A Guidance

## Reconciliation of Non-GAAP to GAAP Combination of R&D and SG&A (\$ in millions)

	Fiscal 2010 Results	Adjustments for Discontinued Operations	Fiscal 2010 Results As Adjusted	Fiscal 2011 Guidance *
<b>Non-GAAP combined R&amp;D and SG&amp;A expenses <sup>(1)</sup></b>	\$ 3,410	\$ -	\$ 3,410	Increase approx. 20 - 21% sequentially (est.)
<b>QSI</b>	\$ 206	\$ (221)	\$ (15)	not provided
<b>Acquisition-related items</b>	\$ 3	\$ -	\$ 3	not provided
<b>Total combined R&amp;D and SG&amp;A expenses excluding certain share-based compensation</b>	<u>\$ 3,619</u>	<u>\$ (221)</u>	<u>\$ 3,398</u>	Increase approx. 24% sequentially (est.)
<b>Share-based compensation allocated to R&amp;D and SG&amp;A</b>	\$ 572	\$ (16)	\$ 556	
<b>Total GAAP combined R&amp;D and SG&amp;A expenses <sup>(2)</sup></b>	<u>\$ 4,191</u>	<u>\$ (237)</u>	<u>\$ 3,954</u>	Increase approx. 25% sequentially (est.)

(1) Non-GAAP combined R&D and SG&A expenses guidance for fiscal 2011 excludes expenses related to the QSI segment, certain share-based compensation, certain tax items and certain acquisition-related items.

(2) FY11 total GAAP combined R&D and SG&A expenses guidance includes an estimate of the share-based compensation expense allocated to R&D and SG&A.

\* Guidance as of July 20, 2011



THANK YOU

