July 25, 2018

Qualcomm

Third 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 intent to terminate the NXP purchase agreement (in the absence of approval from SAMR or other material developments) and to pursue a stock repurchase program up to $30 billion in our common stock following such termination, and that such actions will deliver significant value to our stockholders; our progress signing OEMs under our new 5G licensing framework; favorable business trends; demand for our products; tests results of our products vs. our competitors' products; new product releases and/or announcements; business and growth opportunities and strategic priorities, including in 5G, RF front-end and adjacent opportunities such as automotive, IoT, security, networking and mobile compute, and our growth, revenues and investments therein and our 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; our focus on executing against our key strategic objectives; our cost plan; 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 being well positioned to drive the global commercialization of 5G; 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 expectations regarding litigation expenses; new revenue recognition guidance and the impact on our reporting of financial results; our belief that Apple intends to solely use our competitors' modems rather than our modems in its next iPhone release; 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 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, and our intended termination of that acquisition; 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 or our inability 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 proposed stock repurchase program; 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 June 24, 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 third quarter fiscal 2018 earnings

Quarter ended June 24, 2018

- We reported results significantly above our prior expectations for our fiscal third quarter, driven by solid execution across the company, including very strong results in our licensing business.
- We intend to terminate our purchase agreement to acquire NXP when the agreement expires at the end of the day today, pending any new material developments.
- In addition, as previously indicated, upon termination of the agreement, we intend to pursue a stock repurchase program of up to $30 billion to deliver significant value to our stockholders.

Third quarter fiscal 2018 results vs. guidance

	Q3 ‘18 Guidance*	Q3 ‘18 Results[4]
Revenues	$4.8B - $5.6B	**$5.6B**
Non-GAAP[1] combined R&D and SG&A expenses	Flat to increase 2% sequentially	**Increased 1% sequentially**
Non-GAAP[1] diluted EPS[2]	$0.65 - $0.75	**$1.01**
MSM chip shipments	185M - 205M	**199M**
QCT EBT margin %	13% - 15%	**15%**
QTL revenues[3]	$0.85B - $1.05B	**$1.47B**
QTL EBT margin %	50% - 54%	**72%**

* Prior guidance as of April 25, 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.

Fourth quarter fiscal 2018 guidance

As of July 25, 2018

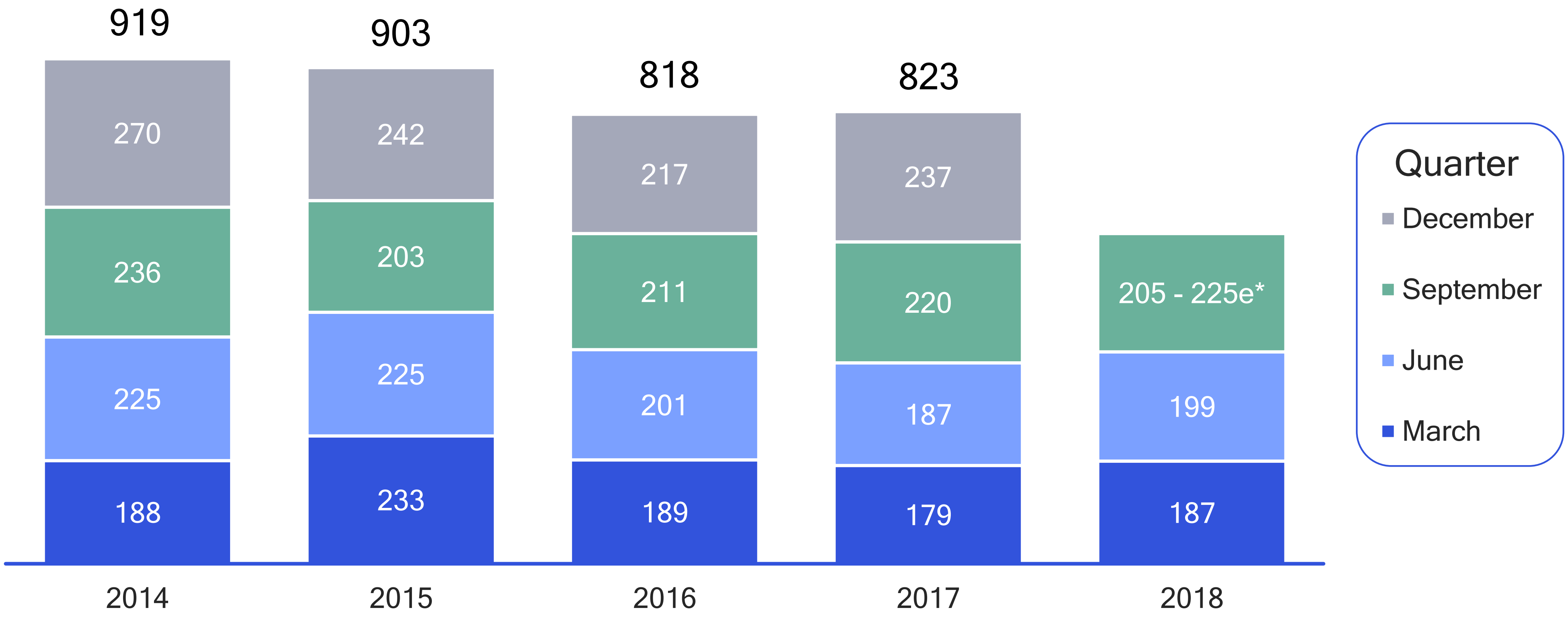
	Q4 ‘18 Guidance*
Revenues	$5.1B - $5.9B
Non-GAAP(1) combined R&D and SG&A expenses	Flat sequentially
Non-GAAP(1) diluted EPS(2)	$0.75 - $0.85
MSM chip shipments	205M – 225M
QCT EBT margin %	16% - 18%
QTL revenues(3)	$1.0B - $1.2B
QTL EBT margin %	58% - 62%
Non-GAAP(1) tax rate	~ 2%
Non-GAAP(1) interest expense, net of investment and other income	Flat sequentially
	FY ‘18 Guidance*
Non-GAAP(1) tax rate	~ 2%

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

*Our financial guidance for the fourth quarter of fiscal 2018 excludes QTL revenues for royalties due on sales of Apple’s 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 fourth quarter of fiscal 2018 includes $100 million of QTL revenues from the other licensee under the interim agreement while negotiations continue. Further, our guidance for the fourth quarter of fiscal 2018 does not include estimates related to the operating results of our proposed acquisition of NXP or the payment of the $2.0 billion termination fee that is due if we have not received approval from SAMR by the End Date, which is estimated to be ($1.35) per share and will be excluded from our Non-GAAP results. It also does not include the impact of the significant stock repurchase program that we intend to implement if the agreement is terminated.

MSM chip shipments

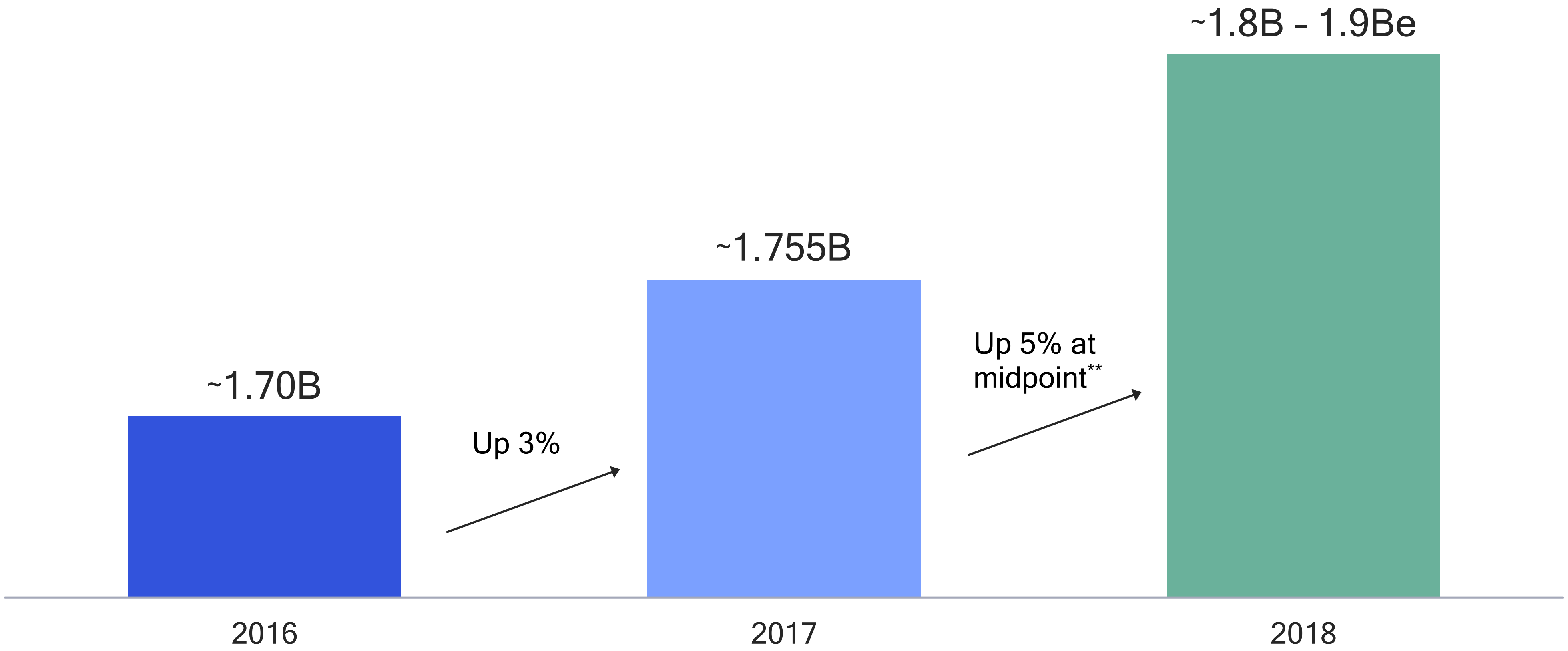
Calendar year, millions



* Guidance as of July 25, 2018.

Global 3G/4G device shipment* estimates

Calendar year, as of July 25, 2018



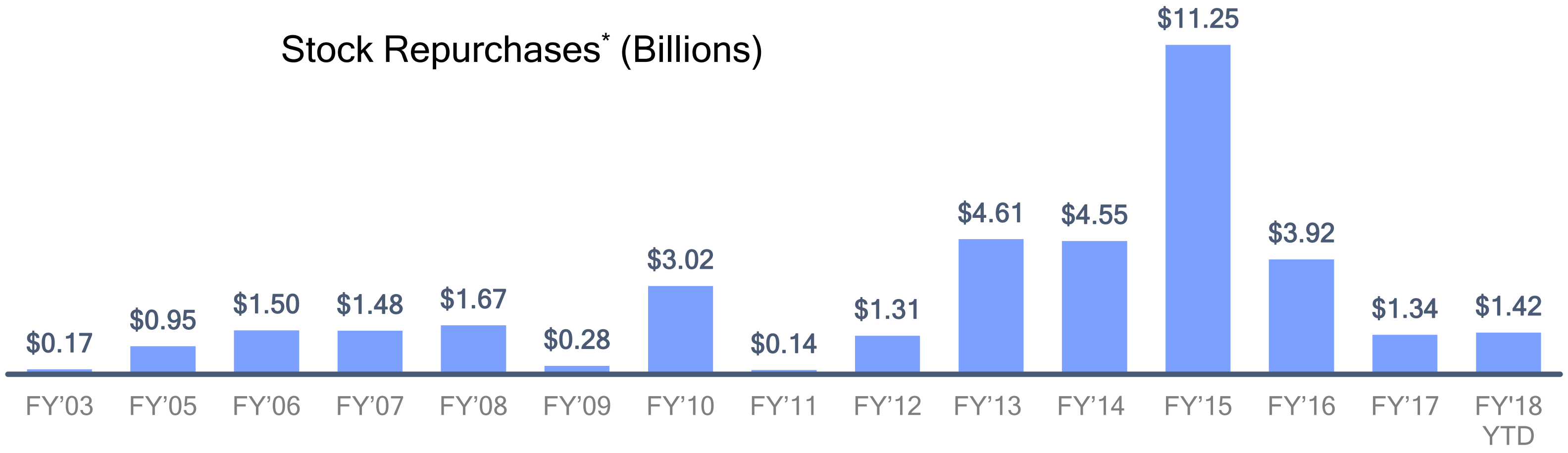
* Global 3G/4G device shipments represent our estimate of CDMA-based, OFDMA-based and CDMA/OFDMA multimode subscriber devices shipped globally, excluding TD-SCDMA devices that do not implement LTE. We continue to believe that certain licensees, particularly in China, are not fully complying with their 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 $62.7 billion returned to stockholders

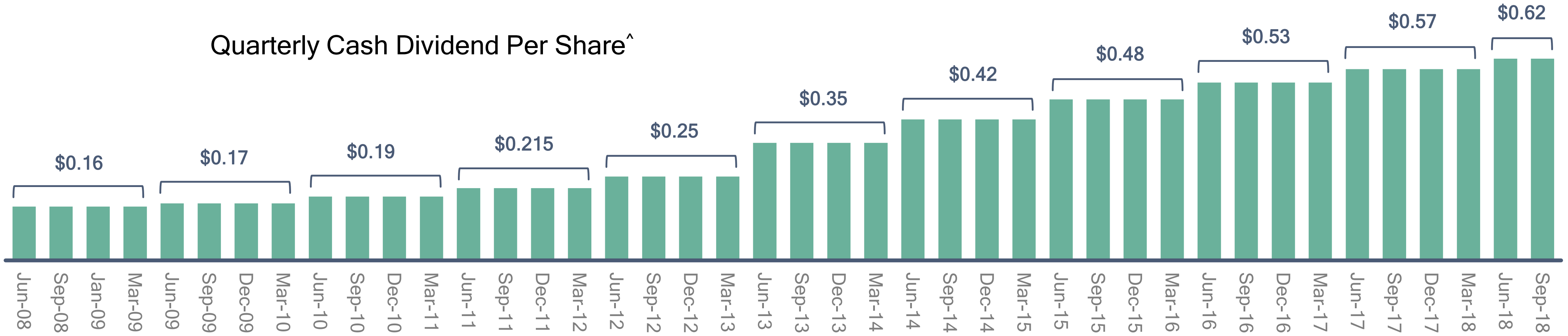
As of July 25, 2018

Stock Repurchases* (Billions)



At June 24, 2018, $9.0 billion remained authorized for repurchase under the May 2018 stock repurchase program.**

Quarterly Cash Dividend Per Share^



* Gross repurchases before commissions.

** In the event of the termination of our proposed acquisition of NXP, we intend to implement a stock repurchase program to repurchase up to $30 billion of our outstanding common stock. This new stock repurchase program, if implemented, will have no expiration date and will replace the May 2018 stock repurchase program.

^ 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	Jun '17	Jun '18
Domestic	$10.0	$5.7
Offshore	$27.8	$30.2
Total cash, cash equivalents & marketable securities	$37.8	$35.9
Total assets	$64.4	$62.1
Stockholders' equity	$31.3	$23.1
Debt*	$21.9	$22.5
EBITDA**(4)	$1.2	$1.4
Free cash flow***(4)	$–	$1.8

* 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. 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 Q3 FY17 have been adjusted to conform to the current year presentation as follows: net cash provided by operating activities increased by $89 million with a corresponding offset to net cash used in financing activities.
(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. 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 Qualcomm licensees). We did not record any QTL revenues in the first nine months of fiscal 2018 or the third or fourth quarter of fiscal 2017 for royalties due on sales of Apple's products. We expect the actions taken by these companies will continue until these disputes are resolved. QTL revenues in the third quarter of fiscal 2018 included $500 million paid under an interim agreement with the other licensee in dispute. This represents a partial payment for royalties due after the second quarter of fiscal 2017 by that other licensee while negotiations continue. This payment does not reflect the full amount of royalties due under the underlying license agreement. We did not record any revenues from the third quarter of fiscal 2017 through the second quarter of fiscal 2018 for royalties due on the sales of the other licensee's products. If we do not reach a final agreement with the other licensee, it may not make any other payments or may not make full payments under the underlying license agreement, which may result in increased legal costs and will negatively impact our GAAP and Non-GAAP results.

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

- The third quarter of fiscal 2018 GAAP results included:
  - $112 million of restructuring and restructuring-related charges, or ($0.06) per share, related to our Cost Plan that was announced in the second quarter of fiscal 2018.
- The third quarter of fiscal 2018 GAAP and Non-GAAP results included:
  - $500 million of revenues, or $0.30 per share for GAAP and $0.26 per share for Non-GAAP, resulting from an interim agreement with the other licensee in dispute for royalties due after the second quarter of fiscal 2017, while negotiations continue.
- The third quarter of fiscal 2017 GAAP results included:
  - A reduction in operating cash flow due to a $940 million payment to BlackBerry and a $927 million payment related to the Korea Fair Trade Commission (KFTC) fine.
- The second quarter of fiscal 2018 GAAP results included:
  - $310 million of restructuring and restructuring-related charges, or ($0.18) per share, related to our Cost Plan.

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) 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 nine 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
Q3 '18	Revenues	$5,629	$20	$–	($50)	$5,599
	Net income (loss)	$1,508	($5)	($155)	($129)	$1,219
	Diluted EPS	$1.01	$–	($0.10)	($0.09)	$0.82
	Diluted shares	1,487	1,487	1,487	1,487	1,487
Q3 '17	Revenues	$5,303	$56	$–	$12	$5,371
	Net income (loss)	$1,237	$32	($199)	($204)	$866
	Diluted EPS	$0.83	$0.02	($0.13)	($0.14)	$0.58
	Diluted shares	1,491	1,491	1,491	1,491	1,491

(1) In the third quarter of fiscal 2018, other items excluded from Non-GAAP revenues consisted of a reduction to licensing revenues related to a portion of a business arrangement that resolves a legal dispute. In the third quarter of fiscal 2018, other items excluded from Non-GAAP net income included $167 million of acquisition-related charges, $112 million of restructuring and restructuring-related charges related to our Cost Plan, $5 million of interest expense related to the European Commission fine and $70 million of foreign currency transaction gains related to the European Commission and Taiwan Fair Trade Commission fines, net of associated losses on derivative instruments. Other items also included a $123 million net benefit related to the refinement of estimates related to the combined effect of the Toll Charge and the remeasurement of deferred tax assets and liabilities, all of which relate to the Tax Legislation, a $27 million tax benefit for the tax effect of acquisition-related items in EBT and a $17 million tax benefit related to the fiscal 2017 tax benefits from a new tax incentive agreement in Singapore, partially offset by tax expenses of $20 million to reconcile the tax provision for each column to the total GAAP tax provision for the quarter, $11 million due to an increase in unrecognized tax benefits and $1 million for the combined effect of other items in EBT.

(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

	Q3 '17	Q3 '18
Net income	$865	$1,219
Less: Income tax benefit	7	263
Plus: Depreciation and amortization expense	393	414
Plus: Interest expense	133	212
Less: Interest and dividend income	147	182
EBITDA	$1,237	$1,400

(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.

Free cash flow[a]

In millions

Three months ended June 24, 2018	Non-GAAP Results	QSI	Share-based Compensation[b]	Other Items[c]	GAAP Results
Net cash provided (used) by operating activities[b]	$2,278	$1	$–	($226)	$2,053
Less: Capital expenditures	214	–	–	–	214
Free cash flow	$2,064	$1	$–	($226)	$1,839
Revenues	$5,629	$20	$–	($50)	$5,599
Net cash provided by operating activities as % revenues	40%	N/M	N/A	N/M	37%
Free cash flow as % revenues	37%	N/M	N/A	N/M	33%

Three months ended June 25, 2017	Non-GAAP Results	QSI	Share-based Compensation[b]	Other Items	GAAP Results
Net cash provided (used) by operating activities[b]	$2,130	$36	$–	($1,995)	$171
Less: Capital expenditures	177	–	–	–	177
Free cash flow	$1,953	$36	$–	($1,995)	($6)
Revenues	$5,303	$56	$–	$12	$5,371
Net cash provided by operating activities as % revenues	40%	*N/M*	N/A	*N/M*	3%
Free cash flow as % revenues	37%	*N/M*	N/A	*N/M*	–%

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 Q3 FY17 have been adjusted to conform to the current year presentation as follows: net cash provided by operating activities increased by $89 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 third 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

N/M - Not Meaningful

Tax rates

In millions

		Non-GAAP Results	QSI(2)	Share-based Compensation(2)	Other Items (2)(3)(4)(5)	GAAP Results
Q3 '18	Income (loss) before income taxes	$1,416	($7)	($189)	($264)	$956
	Income tax benefit	92	2	34	135	263
	Net income (loss)(1)	$1,508	($5)	($155)	($129)	$1,219
	Tax rate (benefit)	(6%)	–%	(6%)	(16%)	(28%)
FY '18	Estimated annual tax rate (benefit)	2%	1%	(4%)	265%	264%
Q4 '18	Estimated rate (benefit)	2%	2%	(4%)	(10%)	(10%)

(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 third quarter of fiscal 2018, the tax benefit in the "Other Items" column included a $123 million net benefit related to the refinement of estimates related to the combined effect of the Toll Charge and the remeasurement of deferred tax assets and liabilities, all of which relate to the Tax Legislation, a $27 million tax benefit for the tax effect of acquisition-related items in EBT and a $17 million tax benefit related to the fiscal 2017 tax benefits from a new tax incentive agreement in Singapore, partially offset by tax expenses of $20 million to reconcile the tax provision for each column to the total GAAP tax provision for the quarter, $11 million due to an increase in unrecognized tax benefits and $1 million for the combined effect of other items in EBT.

(4) In fiscal 2018, the estimated annual effective tax rate for the "Other Items" column included a $5.8 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 relate to the Tax Legislation, and an $11 million increase in unrecognized tax benefits, partially offset by tax benefits of $134 million for the tax effect of acquisition-related items in EBT, $88 million for the combined effect of other items in EBT and $17 million related to the fiscal 2017 tax benefits from a new tax incentive agreement in Singapore.

(5) Our guidance for the fourth quarter of fiscal 2018 for the estimated tax rate included in the "Other Items" column is primarily attributed to tax benefit to reconcile the tax provision for each column to the total GAAP tax provision for the quarter and a tax benefit for the tax effect of acquisition-related items in EBT.

QTL EBT margin

	Q3 '18 Results
QTL EBT margin	72%
Excluding the partial payment from the other licensee*	15%
QTL EBT margin excluding the partial payment from the other licensee*	57%

* $500 million payment pursuant to an interim agreement with the other licensee in dispute. This represents partial payment for royalties due after the second quarter of fiscal 2017 while negotiations continue and does not reflect the full amount of royalties due from the underlying license agreement.

Combined R&D and SG&A expenses
In millions

	Q2 '18 Results	Q3 '18 Results	% Increase (Decrease)
Non-GAAP combined R&D and SG&A expenses	$1,840	$1,865	1%
QSI	3	3	
Other items (1)	216	23	
Total combined R&D and SG&A expenses excluding certain shared-based compensation	2,059	1,891	(8%)
Share-based compensation allocated to R&D and SG&A	212	180	
Total GAAP combined R&D and SG&A expenses	$2,271	$2,071	(9%)

(1) Other items in Q2'18 and Q3'18 consisted primarily of acquisition-related items.

Business outlook

As of July 25, 2018

	Q4 '17 Results(1)	Q4 '18 Estimates(2)
Revenues	$5.9B	$5.1B - $5.9B
Year-over-year change		decrease 14% - flat
GAAP diluted EPS	$0.11	$0.58 - $0.68
Less diluted EPS attributable to QSI	0.02	0.03
Less diluted EPS attributable to share-based compensation	(0.10)	(0.12)
Less diluted EPS attributable to other items	(0.73)	(0.08)
Non-GAAP diluted EPS	$0.92	$0.75 - $0.85
Year-over-year change		decrease 8% - 18%

(1) The fourth quarter of fiscal 2017 results 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. Diluted EPS attributable to other items for the fourth quarter of fiscal 2017 was primarily attributable to the $778 million charge related to the fine imposed by the Taiwan Fair Trade Commission.

(2) Our financial guidance for the fourth quarter of fiscal 2018 excludes QTL revenues for royalties due on sales of Apple's 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 fourth quarter of fiscal 2018 includes $100 million of QTL revenues from the other licensee under the interim agreement while negotiations continue. 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 costs. 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. Further, our guidance for the fourth quarter of fiscal 2018 does not include estimates related to the operating results of our proposed acquisition of NXP or the payment of the $2.0 billion termination fee that is due if we have not received approval from SAMR by the End Date, which is estimated to be ($1.35) per share and will be excluded from our Non-GAAP results. It also does not include the impact of the significant stock repurchase program that we intend to implement if the agreement is terminated.

Sums may not equal totals due to rounding.

Combined R&D and SG&A expenses guidance*

In millions

	Q3 '18 Results	Q4 '18 Guidance* (est.)
Non-GAAP combined R&D and SG&A expenses excluding the impact of an extra week in the fiscal fourth quarter calendar	$1,865	Mid-single digit % decrease
Impact of an extra week in the fiscal fourth quarter calendar	N/A	Not provided
Non-GAAP combined R&D and SG&A expenses	1,865	Flat
QSI	3	Not provided
Other items(1)	23	Not provided
Total combined R&D and SG&A expenses excluding certain shared-based compensation	1,891	Flat
Share-based compensation allocated to R&D and SG&A	180	Not provided
Total GAAP combined R&D and SG&A expenses(2)	$2,071	0% - 2% increase

(1) Other items in Q3'18 consisted primarily of acquisition-related items.

(2) Q4'18 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 July 25, 2018.

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

In millions

	Q3 '18 Results	Q4 '18 Guidance*
Non-GAAP interest expense, net of investment and other income	($8)	~Flat Sequentially
Plus: Amounts attributable to QSI	(9)	Not provided
Plus: Amounts attributable to share-based compensation	–	Not provided
Plus: Amounts attributable to other items[(a)]	48	Not provided
GAAP investment and other income, net of interest expense	$31	~$40

* Guidance as of July 25, 2018

(a) Includes $70M of foreign currency transaction gains related to the EC and TFTC fines, net of associated losses on derivative instruments.

Previous business outlook

As of April 25, 2018

	Q3 '18 Previous Guidance Estimate(2)
Revenues	$4.8B - $5.6B
GAAP diluted EPS	$0.35 - $0.50
Less diluted EPS attributable to QSI	$0.03
Less diluted EPS attributable to share-based compensation	($0.13)
Less diluted EPS attributable to other items[1]	($0.15) - ($0.20)
Non-GAAP diluted EPS	$0.65 - $0.75

(1) Our guidance for diluted EPS attributable to other items for the third quarter of fiscal 2018 was primarily attributable to acquisition-related items and restructuring and restructuring-related items. Our guidance for Non-GAAP diluted EPS excluded a reduction to revenues related to a portion of a business arrangement that resolves a legal dispute. As a result of Tax Legislation, we were evaluating potential restructuring options that would have reduced our fiscal 2018 GAAP and Non-GAAP estimated annual effective tax rates, which resulted in estimated third quarter fiscal 2018 GAAP and Non-GAAP 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 included 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.

(2) Our financial guidance for the third 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.

Sums may not equal totals due to rounding.

Diluted EPS impact of the interim agreement with the other licensee in dispute while negotiations continue*

	Q3 '18 Results
GAAP diluted EPS impact	$0.30
Less diluted EPS impact attributable to QSI	$0.00
Less diluted EPS impact attributable to share-based compensation	$0.00
Less diluted EPS impact attributable to other items**	$0.04
Non-GAAP diluted EPS impact	$0.26

* $500 million payment pursuant to an interim agreement with the other licensee in dispute. This represents partial payment for royalties due after the second quarter of fiscal 2017 while negotiations continue and does not reflect the full amount of royalties due from the underlying license agreement.

** 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.

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