Third Quarter Fiscal 2017 Earnings

July 19, 2017

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 products and technologies continuing to enable the global smartphone industry; our expansion into new product categories; defending our business model and protecting the value of our technologies and inventions; investing to further our technology and product leadership; our business, product and technology strategies; our legal and regulatory matters, and our confidence in our ability to work through these matters; the long term outlook for our licensing business; 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 joint venture with TDK and our proposed acquisition of NXP, and our expectations regarding the timing and funding, and strategic and financial implications, thereof; our new debt and the uses of the proceeds; business and growth opportunities and priorities, including in 5G, RF front end and adjacent opportunities such as automotive, IoT, security, networking, as well as the datacenter, and our investments therein and positioning to take advantage of opportunities in these areas, including vs. our competitors; our technologies and technology leadership, products and product leadership, and product roadmap; industry trends, their potential impact on our business, and our positioning to take advantage thereof; our expectation that the supply of ten nanometer chipsets will largely meet demand; our commitment to our dividend program and dividend growth, and our intent to repurchase shares to offset dilution; our business and financial drivers, outlook and expectations; 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, combined investment and other income and interest expense, effective tax rates, 3G/4G device average selling prices (ASPs), sales and shipments, product mix, OEM product launches, continued traction with OEMs in China, growth in adjacent opportunities, and the factors and assumptions underlying such expectations, estimates and guidance. Forward-looking statements are generally identified by words such as "estimates," "guidance," "expects," "anticipates," "intends," "plans," "believes," "seeks" and similar expressions. Actual results may differ materially from those referred to in the forward-looking statements due to a number of important factors, including but not limited to risks associated with our proposed acquisition of NXP; commercial network deployments, expansions and upgrades of CDMA, OFDMA and other communications technologies, our customers' and licensees' sales of products and services based on these technologies and our customers' demand for our products and services; competition in an environment of rapid technological change; our dependence on a small number of customers and licensees; our dependence on the premium-tier device segment; attacks on our licensing business model, including current and future legal proceedings or actions of governmental or quasi-governmental bodies or standards or industry organizations; potential requirements to change our patent licensing practices due to governmental investigations and/or private legal proceedings challenging those practices; government regulations and policies, or adverse rulings in enforcement or other proceedings; the enforcement and protection of our intellectual property rights; the commercial success of our new technologies, products and services, including our ability to extend our products 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; the continued and future success of our licensing programs and the need to extend license agreements that are expiring; our dependence on a limited number of third-party suppliers; claims by third parties that we infringe their intellectual property; strategic acquisitions, transactions and investments; our use of open source software; our stock price and earnings volatility; our indebtedness; foreign currency fluctuations; global regional or local economic conditions that impact the industries in which we operate; our ability to attract and retain qualified employees; 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; security breaches of our information technology systems; and potential tax liabilities. These and other risks are set forth in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 25, 2017 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 fiscal 2013 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, substantially all of our products and services businesses, including QCT, and substantially all of our research and development functions.

Qualcomm reports third quarter fiscal 2017 earnings

Quarter ended June 25, 2017

- We delivered better than expected results in our semiconductor business this quarter, which drove EPS above the midpoint of our expectations versus our April updated guidance.
- Our products and technologies continue to enable the global smartphone industry, and we are expanding into many exciting new product categories, including automotive, mobile computing, networking and IoT.
- We believe that we hold the high ground with regard to the dispute with Apple, and we have initiated new actions to protect the well-established value of our technologies.

Third quarter fiscal 2017 results vs. guidance

	Q3’17 Guidance	Q3’17 Results**
Revenues	$4.8B - $5.6B^	**$5.4B**
Non-GAAP[(1)] diluted EPS[(2)]	$0.75 - $0.85^	**$0.83**
MSM™ chip shipments	180M - 200M*	**187M**

^ Updated guidance as of Apr. 28, 2017, as adjusted to exclude QTL revenues related to the sale of Apple products by Apple’s contract manufacturers.
* Prior guidance as of Apr. 19, 2017.
** The third quarter of fiscal 2017 results were negatively impacted as a result of actions taken by Apple’s contract manufacturers, who did not fully report and did not pay royalties due on sales of Apple products, as well as the previously disclosed dispute with another licensee, who did not report or pay royalties due in the third quarter of fiscal 2017. As a result, we currently do not believe total reported device sales and related estimated ranges of device shipments and average selling prices are meaningful in measuring our QTL business, and therefore, we are not providing such metrics for the third quarter of fiscal 2017.
(1) & (2) See Footnotes page at the end of the presentation.

Third quarter fiscal 2017 – segment results

QCT: $4.1B revenues, 14% EBT margin, 187M MSM shipments

- Strong performance in QCT was driven by favorable mobile product mix.
- QCT revenues from adjacent opportunities* in total was up 30% year-over-year.
- QCT earnings before tax (EBT) was up 58% year-over-year and was the 5th consecutive quarter with year-over-year EBT growth.

QTL: $1.2B revenues, 73% EBT margin

- QTL results were negatively impacted as a result of non-payment of royalties by Apple's contract manufacturers and the previously disclosed dispute with another licensee.
- We expect these licensees will continue to take such actions in the future until the respective disputes are resolved.
- As a result, we currently do not believe total reported device sales and related estimated ranges of device shipments and average selling prices are meaningful in measuring our QTL business. Therefore, we are not providing such metrics for fiscal Q3 or fiscal Q4 guidance. Alternatively, we are providing guidance for QTL revenues for fiscal Q4.

*QCT adjacent opportunities outside of traditional cellular industries include automotive, IoT, networking and mobile computing.

Third quarter fiscal 2017 – other items

Operating cash flow[4]

- GAAP operating cash flow was $0.1 billion in fiscal Q3, which was negatively impacted by payments made related to the Blackberry arbitration and KFTC fine.
- Non-GAAP[1] operating cash flow was $2.0 billion, or 39% of Non-GAAP revenues, which excludes the impact of the above payments.

Effective tax rate

- Our fiscal Q3 Non-GAAP tax rate of 5% is aligned with our updated guidance and includes the cumulative year-to-date effect of the reduction in our estimated annual effective rates.
- Our estimated annual tax rates for fiscal 2017 are lower than our estimate in the second quarter of fiscal 2017, primarily as a result of a decrease in our estimate of income from U.S. operations, principally related to lower expected QTL revenues.

R&D and SG&A expenses combined

- Fiscal Q3 Non-GAAP R&D and SG&A expenses combined were up 6% sequentially.
- Fiscal Q3 included a full quarter of RF360 JV expenses.
- Overall spend in fiscal Q3 was above expectations driven by increased litigation expenses and 5G investment.

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

Fourth quarter fiscal 2017 guidance

As of July 19, 2017

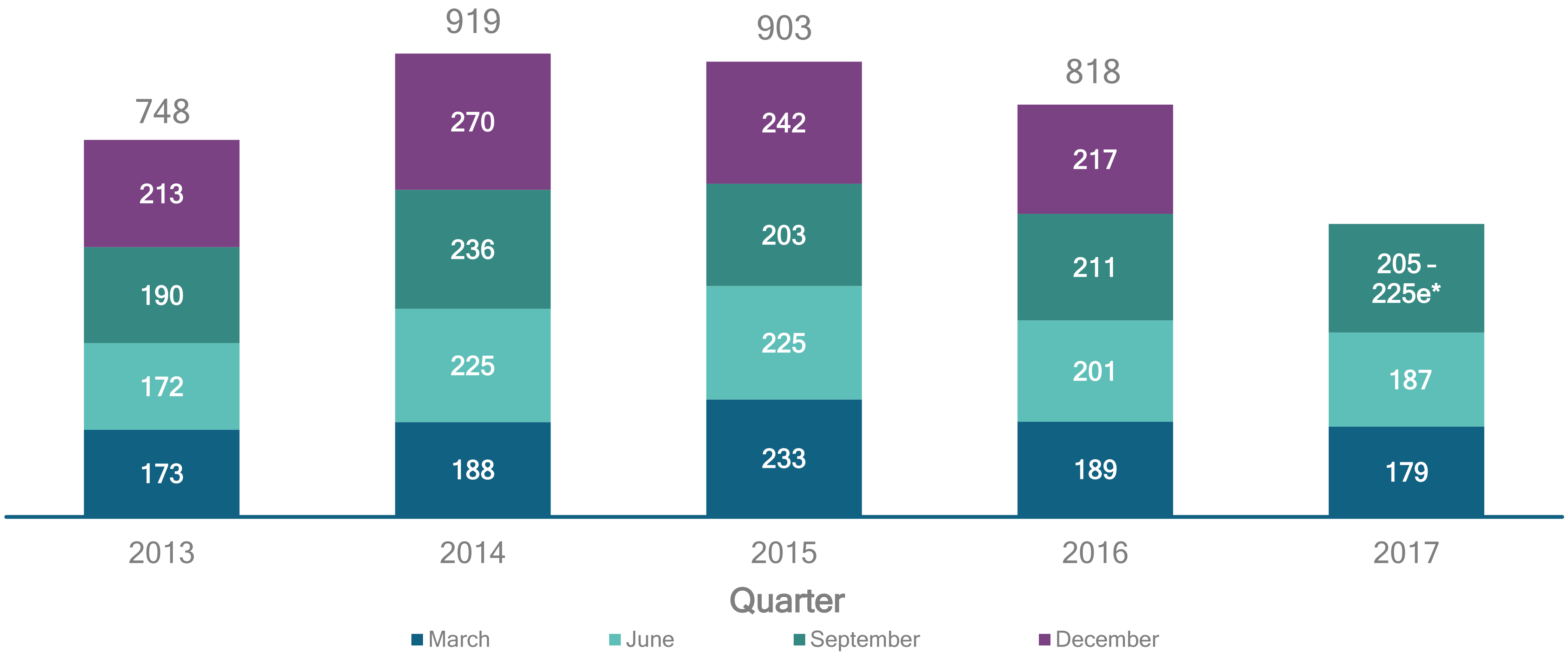
	Q4'17 Guidance*
Revenues	\$5.4B - \$6.2B
Non-GAAP(1) combined R&D and SG&A expenses	Increase 1% - 3% sequentially
Non-GAAP(1) diluted EPS(2)	\$0.75 - \$0.85
MSM chip shipments	205M - 225M
QCT EBT margin %	17% - 19%
QTL revenues(3)	\$1.0B - \$1.3B
QTL EBT margin %	64% - 68%

	FY'17 Guidance
Combined investment and other income and interest expense	FY'17 roughly flat versus FY'16

(1), (2) & (3) See Footnotes page at the end of the presentation.
* Our financial guidance for the fourth quarter of fiscal 2017 excludes QTL revenues related to the sale of Apple products by Apple's contract manufacturers as well as the other licensee in dispute as we expect the recent actions taken by these licensees will continue until the respective disputes are resolved. As a result, we currently do not believe total reported device sales is meaningful in measuring our QTL business. Alternatively, we are providing guidance for QTL revenues for the fourth quarter of fiscal 2017.

MSM chip shipments

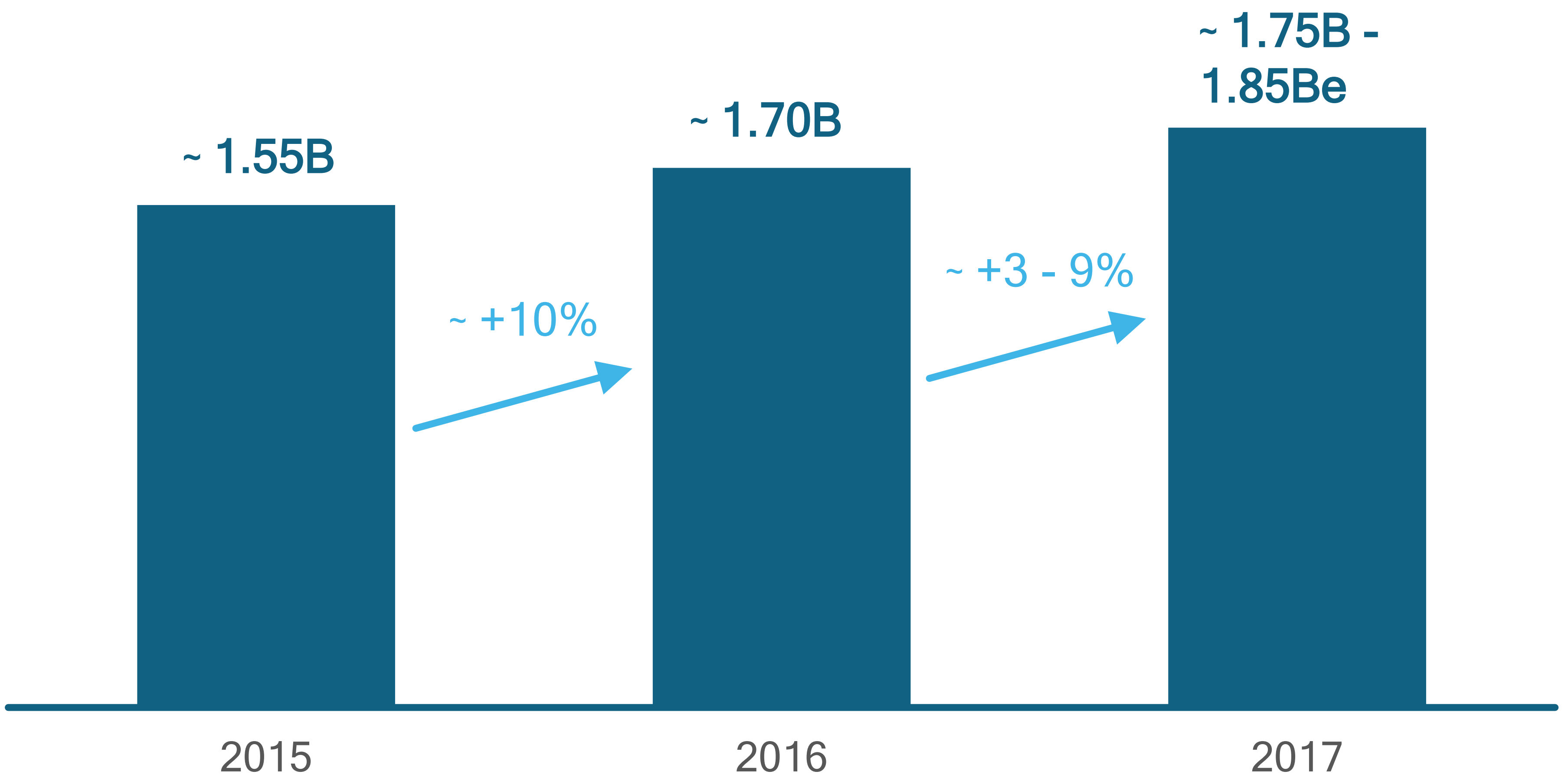
Calendar year, millions



* Guidance as of Jul 19, 2017.

Global 3G/4G device shipment* estimates

Calendar year, as of July 19, 2017

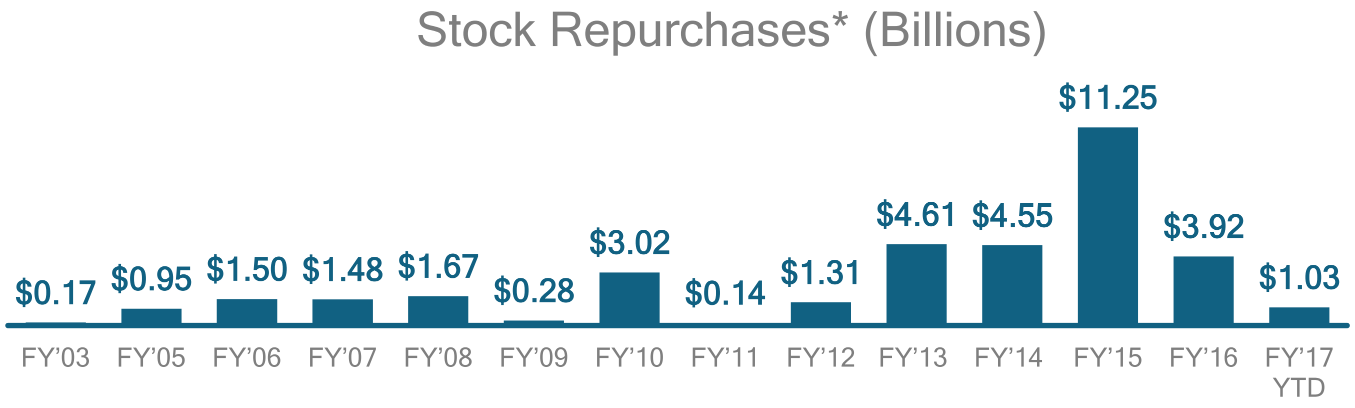


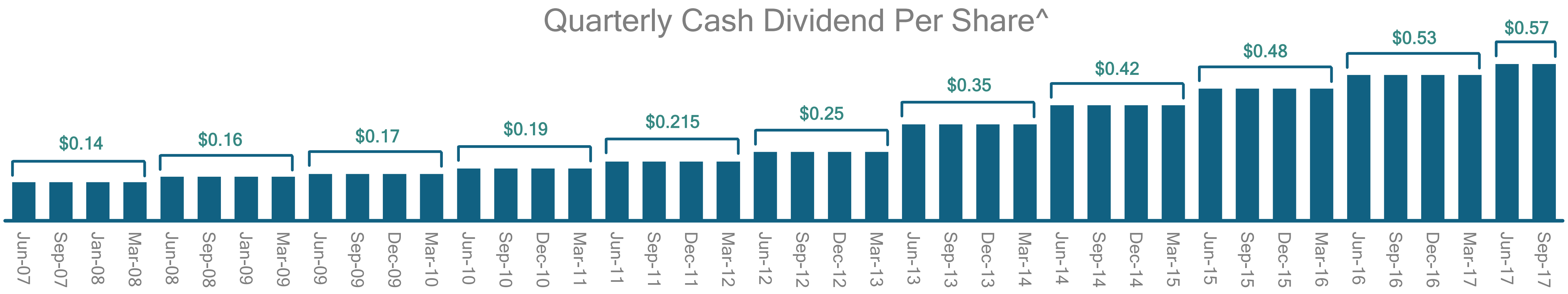
* Global 3G/4G device shipments represent our estimate of CDMA-based, OFDMA-based and CDMA/OFDMA multimode subscriber devices shipped globally, excluding TD-SCDMA devices that do not implement LTE. We continue to believe that certain licensees, particularly in emerging regions, including China, are not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

Cumulative $57.5 billion returned to stockholders

As of June 25, 2017

$2.0 billion remained authorized for repurchase under our stock repurchase program.





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

Financial Strength

In Billions	Jun'16	Jun'17^
Domestic	$2.4	$10.0
Offshore	$28.6	$27.8
Total cash, cash equivalents & marketable securities	$31.0	**$37.8**
Total assets	$50.8	**$64.4**
Stockholders' equity	$30.6	**$31.3**
Debt*	$11.8	**$21.9**
EBITDA**(4)	$2.0	**$1.2**
Free cash flow***(4)	$1.7	**($0.1)**

^ In May 2017, we issued an aggregate principal amount of $11.0 billion of unsecured floating and fixed-rate notes, which are intended to be used to finance, in part, our proposed acquisition of NXP and other related transactions and for general corporate purposes.
* Including short-term and long-term debt.
** EBITDA is defined as net income (before adjustments for noncontrolling interests) before income tax expense, depreciation and amortization expense, interest expense and interest and dividend income.
*** Free cash flow is defined as net cash provided (used) by operating activities less capital expenditures.
(4) See Footnotes page at the end of the presentation.

Footnotes

1. Non-GAAP results exclude the QSI (Qualcomm Strategic Initiatives) segment and certain share-based compensation, acquisition-related items, tax items and other items. Further discussion regarding the Company's use of Non-GAAP financial measures and detailed reconciliations between GAAP and Non-GAAP results are included in this presentation.
2. Throughout this presentation, net income and diluted earnings per share (EPS) are attributable to Qualcomm (i.e., after adjustments for noncontrolling interests), unless otherwise stated.
3. Royalties are recognized when reported, generally one quarter following shipment and when all other revenue recognition criteria are met.
4. The third quarter of fiscal 2017 GAAP and Non-GAAP results were negatively impacted as a result of actions taken by Apple's contract manufacturers, who did not fully report and did not pay royalties due on sales of Apple products, as well as the previously disclosed dispute with another licensee, who did not report or pay royalties due in the third quarter of fiscal 2017. We expect these licensees will continue to take such actions in the future until the respective disputes are resolved.

   The following should also be considered in regards to the year-over-year comparisons:

   - 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, in addition to the impact from the actions taken by Apple's contract manufacturers and the other licensee in dispute.
   - The second quarter of fiscal 2017 GAAP results included:
     - $974 million reduction to revenues, or $0.48 per share, related to the BlackBerry arbitration.
   - The third quarter of fiscal 2016 GAAP and Non-GAAP results included:
     - $235 million of revenues, or $0.11 per share, due to the recognition of previously deferred royalty revenues related to the dismissal of the arbitration with LG Electronics, Inc.

Reconciliations

Note regarding use of Non-GAAP financial measures

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

The Company uses the 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 or earnings before income taxes, effective tax rate, net income and diluted earnings 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 QSI 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 expenses 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.

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)(3)	GAAP Results
Q3: Fiscal 2017	Revenues	$5,303	$56	$0	$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 2017, other items excluded from Non-GAAP results included $12 million benefit related to an adjustment of the BlackBerry arbitration, $235 million of acquisition-related charges, $42 million of asset impairment charges, $4 million of restructuring and restructuring-related charges related to our Strategic Realignment Plan and $2 million in net foreign currency transaction losses related to the fine imposed by the KFTC. The tax benefit in the “Other Items” column included a $61 million tax benefit for the tax effect of acquisition-related items in EBT and a $6 million benefit 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

	Q3'16	Q3'17
Net income	$1,443	$865
Plus: Income tax expense (benefit)	250	(7)
Plus: Depreciation and amortization expense	356	393
Plus: Interest expense	75	133
Less: Interest and dividend income	(156)	(147)
EBITDA	**$1,968**	**$1,237**

(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.

Q3’17 combined R&D and SG&A expenses, sequential comparison

In millions

	Q2’17 Results	Q3’17 Results	% Increased
Non-GAAP combined R&D and SG&A expenses	$1,691	$1,799	6%
QSI	4	4	
Other Items(1)	70	81	
Share-based compensation allocated to R&D and SG&A	236	217	
Total GAAP combined R&D and SG&A expenses	**$2,001**	**$2,101**	5%

(1) Other items in Q2’17 and Q3’17 consisted primarily of acquisition-related items.

Tax rates

In millions

		Non-GAAP Results	QSI	Share-Based Compensation	Other Items[3][4]	GAAP Results
Q3: Fiscal 2017	Income (loss) before income taxes	$1,301	$55	($227)	($271)	**$858**
	Income tax (expense) benefit	(64)	(24)	28	67	**7**
	Net income (loss) [1]	$1,237	$31	($199)	($204)	**$865**
	Tax rate	5%	2%[2]	(2%)[2]	(6%)[2]	**(1%)**
Fiscal 2017	Estimated annual tax rate	14%	0%[2]	(1%)[2]	(2%)[2]	**11%**

(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 2017, the tax benefit in the “Other Items” column included a $61 million tax benefit for the tax effect of acquisition-related items in EBT and a $6 million benefit for the combined effect of other items in EBT.
(4) In fiscal 2017, the estimated annual effective tax rate for the “Other Items” column includes a $360 million tax benefit for the combined tax effect of other items in EBT and a $150 million tax benefit for the tax effect of acquisition-related items in EBT, partially offset by a $13 million tax expense related to an increase in unrecognized tax benefits.

Free cash flow[a]

In millions

	Three Months Ended June 25, 2017				
	Non-GAAP Results	QSI	Share-Based Compensation	Other Items [b]	GAAP Results
Net cash provided (used) by operating activities	$2,042	$36	($1) [c]	($1,995)	$82
Less: Capital expenditures	(177)	-	-	-	(177)
Free cash flow	**$1,865**	**$36**	**($1)**	**($1,995)**	**($95)**
Revenues	$5,303	$56	$-	$12	$5,371
Net cash provided by operating activities as % revenues	39%	N/A	N/A	N/A	2%
Free cash flow as % revenues	35%	N/A	N/A	N/A	-2%

	Three Months Ended June 26, 2016				
	Non-GAAP Results	QSI	Share-Based Compensation	Other Items [d]	GAAP Results
Net cash provided (used) by operating activities	$1,890	($4)	($1) [c]	($45)	$1,840
Less: Capital expenditures	(136)	-	-	-	(136)
Free cash flow	**$1,754**	**($4)**	**($1)**	**($45)**	**$1,704**
Revenues	$6,032	$12	$-	$-	$6,044
Net cash provided by operating activities as % revenues	31%	N/M	N/A	N/A	30%
Free cash flow as % revenues	29%	N/M	N/A	N/A	28%

(a) Free cash flow is defined as net cash provided (used) by operating activities less capital expenditures.
(b) Other Items excluded from Non-GAAP results primarily consisted of the $940 million payment related to the BlackBerry arbitration and the $927 million payment related to the fine imposed by the Korea Fair Trade Commission, as well as for consulting services related to acquisition-related activities.
(c) Incremental tax benefits from share-based compensation during the period.
(d) Other Items excluded from Non-GAAP results primarily consisted of payments for consulting services and severance costs related to restructuring and acquisition-related activities.
N/A - Not Applicable
N/M - Not Meaningful

Previous business outlook

As of April 28, 2017

Third Fiscal Quarter	Previous Guidance Q3’17 Estimates
Revenues	**$4.8B - $5.6B**
GAAP diluted EPS	**$0.52 - $0.62**
Less diluted EPS attributable to QSI	$0.02
Less diluted EPS attributable to share-based compensation	($0.13)
Less diluted EPS attributable to other items[1]	($0.12)
Non-GAAP diluted EPS	**$0.75 - $0.85**

(1) Our guidance for diluted EPS attributable to other items for the third quarter of fiscal 2017 is primarily attributable to acquisition-related items.

Business outlook

As of July 19, 2017

Fourth Fiscal Quarter	Q4'16 Results	Current Guidance Q4'17 Estimates (2)
Revenues	**$6.2B**	**$5.4B - $6.2B**
Year-over-year change		decrease 13% - flat
GAAP diluted EPS	**$1.07**	**$0.55 - $0.65**
Year-over-year change		decrease 39% - 49%
Less diluted EPS attributable to QSI	($0.01)	$0.01
Less diluted EPS attributable to share-based compensation	($0.10)	($0.11)
Less diluted EPS attributable to other items(1)	($0.10)	($0.10)
Non-GAAP diluted EPS	**$1.28**	**$0.75 - $0.85**
Year-over-year change		decrease 34% - 41%

(1) Our guidance for diluted EPS attributable to other items for the third quarter of fiscal 2017 is primarily attributable to acquisition-related items.
(2) Our financial guidance for the fourth quarter of fiscal 2017 excludes QTL revenues related to the sale of Apple products by Apple's contract manufacturers as well as the other licensee in dispute as we assume the recent actions taken by these licensees will continue until the respective disputes are resolved.

Sums may not equal totals due to rounding.

Q4’17 combined R&D and SG&A expenses guidance*

In millions

	Q3’17 Results	Q4’17 Guidance* (est.)
Non-GAAP combined R&D and SG&A expenses	**$1,799**	**Approx. increase 1% - 3%**
QSI	4	Not provided
Other Items[(1)]	81	Not provided
Total combined R&D and SG&A expenses excluding certain share-based compensation	**1,884**	**Approx. increase 1% - 3%**
Share-based compensation allocated to R&D and SG&A	217	Not provided
Total GAAP combined R&D and SG&A expenses[(2)]	**$2,101**	**Approx. increase 0% - 2%**

(1) Other items in Q3’17 consisted primarily of acquisition-related items.
(2) Q4’17 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 19, 2017.

Thank you

Follow us on:

For more information, visit us at:
www.qualcomm.com & www.qualcomm.com/blog