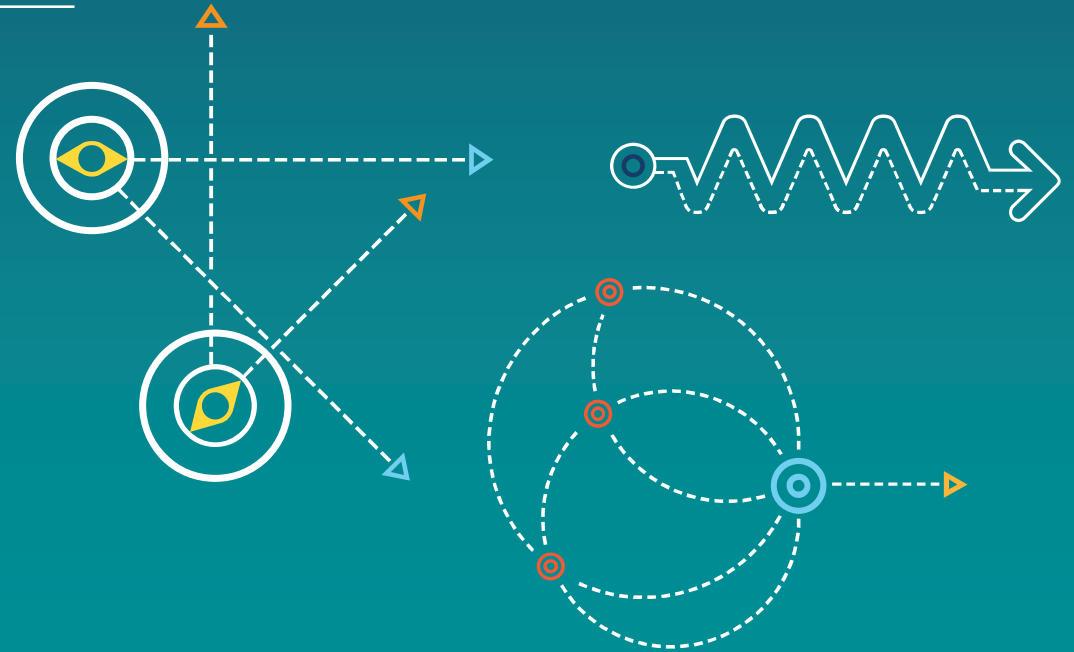


November 5, 2014

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# Fourth Quarter and Fiscal 2014 Earnings

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# Safe harbor

This presentation and the conference call it accompanies contain forward-looking statements that are inherently subject to risks and uncertainties, including but not limited to statements regarding our forecast for continued growth of global 3G/4G device shipments in calendar year 2015, particularly in emerging regions; our outlook reflecting continued LTE leadership in our semiconductor business, tempered by the issues we are facing in China related to our licensing business; our focus on building our technology leadership in smartphones while pursuing opportunities to extend our solutions into adjacent areas; challenges in China, including the NDRC investigation, a dispute with a licensee, suspected underreporting of device sales by certain licensees and sales of unlicensed devices, and our efforts and expectations regarding the resolution of these challenges and the timing thereof, as well as the potential impact on our business, financial results and guidance; our strategic priorities for 2015; our R&D investments; increased compliance and enforcement efforts by QTL; return of capital to stockholders; our business and financial outlook; and our estimates and guidance related to revenues, earnings per share, operating income, MSM chip shipments, revenue per MSM, total reported device sales, ASPs, operating margins, R&D and SG&A expenses, tax rates, and 3G/4G device demand, both globally and which we expect to be reported to us, and the factors influencing our 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 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 ability to drive our customers’ demand for our products and services; competition; our dependence on a small number of customers and licensees; the continued and future success of our licensing programs; 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; the enforcement and protection of our intellectual property rights; government regulations and policies, or adverse rulings in enforcement or other proceedings; the commercial success of our new technologies, products and services; claims by third parties that we infringe their intellectual property; acquisitions, strategic transactions and investments; our dependence on a limited number of third-party suppliers; our stock price and earnings volatility; our ability to attract and retain qualified employees; global economic conditions that impact the mobile communications industry; 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 Annual Report on Form 10-K for the fiscal year ended September 28, 2014 filed with the SEC. Our reports filed with the SEC are available on our website at [www.qualcomm.com](http://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 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 are included at the end of this presentation.

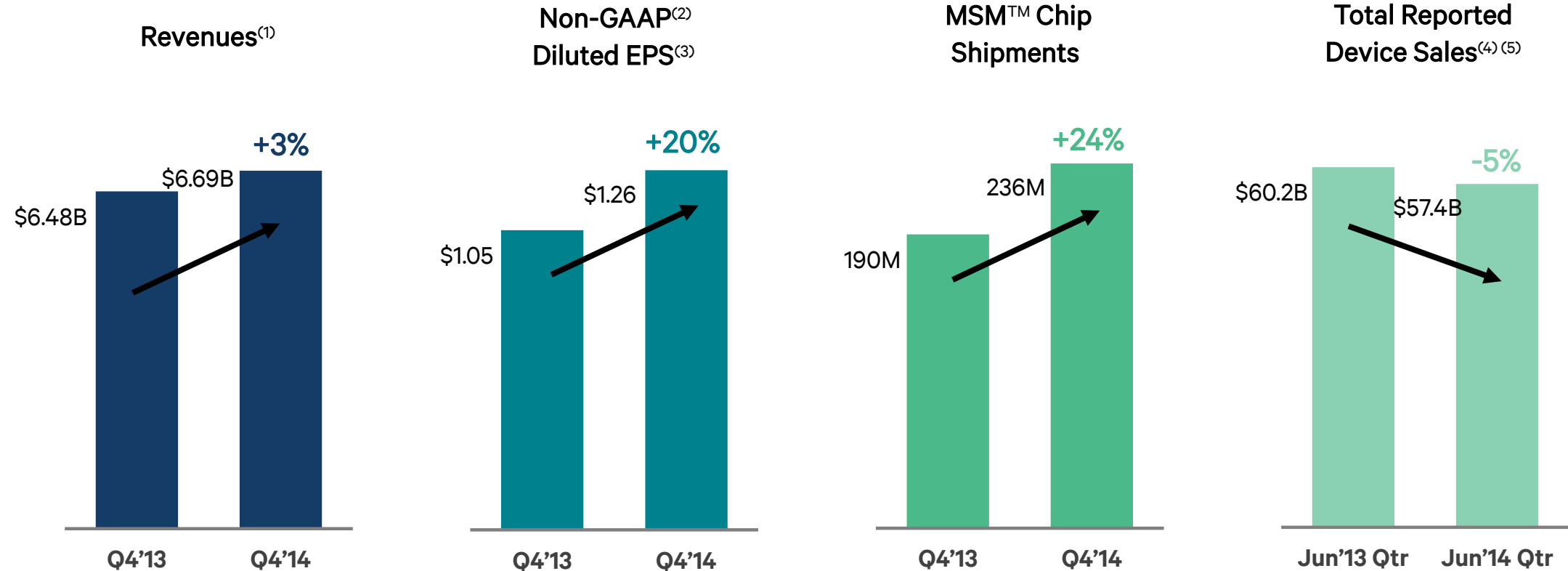
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# Qualcomm reports fourth quarter and fiscal 2014 earnings

Fiscal fourth quarter and year ended September 28, 2014

- We are pleased to report another year of record financial performance as our 3G/4G LTE multimode and other advanced technologies continue to enable the growth of wireless data around the world, driven by our broad chipset roadmap.
- We are forecasting continued growth of global 3G/4G device shipments in calendar year 2015, particularly in emerging regions.
- Our fiscal 2015 outlook reflects continued LTE leadership in our semiconductor business and is tempered by the issues we are facing in China related to our licensing business.
- Through this time, we remain focused on building our technology leadership in smartphones, while pursuing opportunities to extend our solutions into adjacent areas.

# Fourth quarter fiscal 2014 results vs. last year <sup>(7)</sup>



(1), (2), (3), (4) (5) & (7) See Footnotes page at the end of the presentation.  
MSM chips are products of Qualcomm Technologies, Inc.

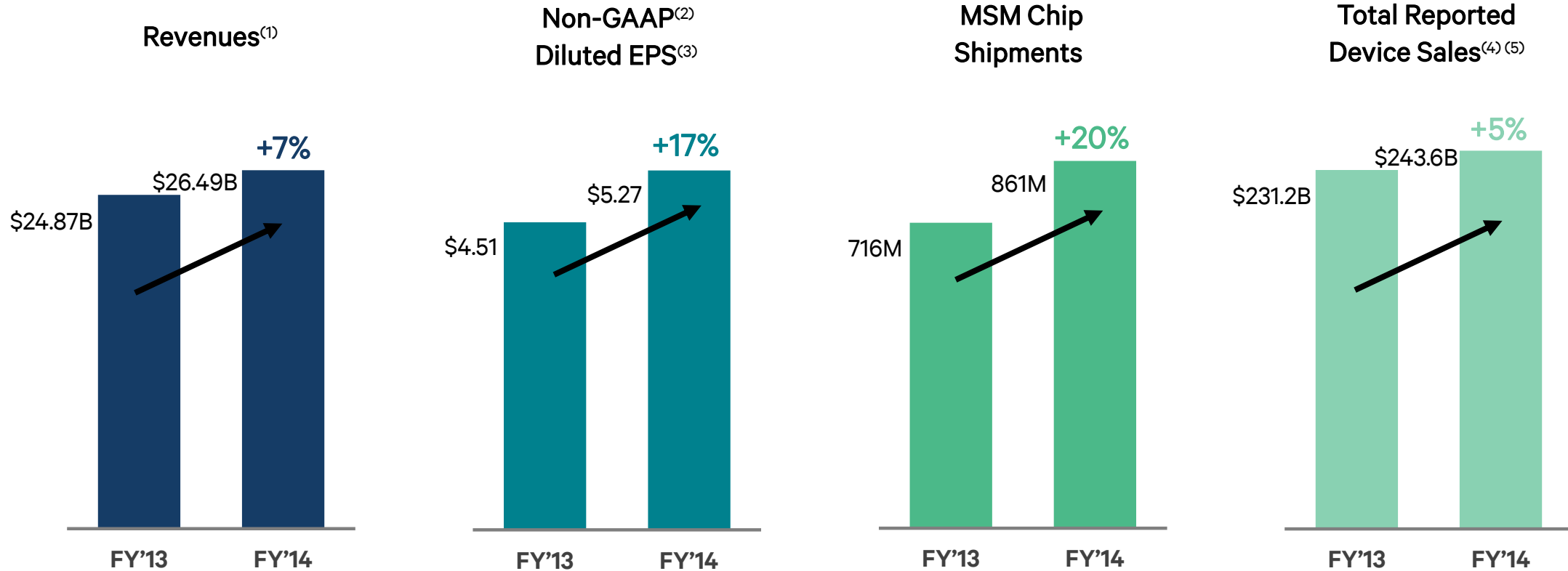
# Fourth quarter fiscal 2014 results vs. guidance

	Q4'14 guidance*	Q4'14 results
Revenues <sup>(1)</sup>	\$6.5B - \$7.4B	\$6.69B
Non-GAAP <sup>(2)</sup> diluted EPS <sup>(3)</sup>	\$1.20 - \$1.35	\$1.26
MSM chip shipments	230M - 245M	236M
Total reported device sales <sup>(4)</sup> (Jun. Qtr. <sup>(5)</sup> )	\$53.0B - \$59.0B	\$57.4B
Est. 3G/4G device shipments <sup>(4)</sup> (Jun. Qtr. <sup>(5)</sup> )	not provided	256M - 260M
Est. 3G/4G device ASP <sup>(4)</sup> (Jun. Qtr. <sup>(5)</sup> )	not provided	\$220 - \$226

\* Prior guidance as of Jul. 23, 2014.

(1), (2), (3), (4) & (5) See Footnotes page at the end of the presentation.

# Fiscal 2014 results vs. last year<sup>(7)</sup>



(1), (2), (3), (4) (5) & (7) See Footnotes page at the end of the presentation.

# Fiscal 2014 results vs. guidance

	FY'14 guidance*	FY'14 results
Revenues <sup>(1)</sup>	\$26.3B - \$27.2B	\$26.49B
Non-GAAP <sup>(2)</sup> diluted EPS <sup>(3)</sup>	\$5.21 - \$5.36	\$5.27
MSM chip shipments	856M - 871M	861M
Total reported device sales <sup>(4)</sup> (Sep. - Jun. Qtr. <sup>(5)</sup> )	\$239.2B - \$245.2B	\$243.6B
Est. 3G/4G device shipments <sup>(4)</sup> (Sep. - Jun. Qtr. <sup>(5)</sup> )	not provided	1,077M - 1,093M
Est. 3G/4G device ASP <sup>(4)</sup> (Sep. - Jun. Qtr. <sup>(5)</sup> )	\$222 - \$228	\$222 - \$228

\* Prior guidance as of Jul. 23, 2014.

(1), (2), (3), (4) & (5) See Footnotes page at the end of the presentation.

# Fiscal first quarter & year 2015 guidance

As of November 5, 2014

	Q1'14 results	Q1'15 guidance	FY'14 results	FY'15 guidance
Revenues <sup>(1)</sup>	\$6.62B	\$6.6B - \$7.2B	\$26.49B	\$26.8B - \$28.8B
Non-GAAP <sup>(2)</sup> operating income <sup>(1)</sup>	\$1.85B	not provided	\$8.93B	\$9.2B - \$10.0B
Non-GAAP <sup>(2)</sup> diluted EPS <sup>(3)</sup>	\$1.26	\$1.18 - \$1.30	\$5.27	\$5.05 - \$5.35*
MSM chip shipments	213M	250M - 270M	861M	not provided
Total reported device sales <sup>(4) (5)</sup>	\$61.6B	\$53.0B - \$59.0B <sup>^</sup>	\$243.6B	\$240.0B - \$270.0B <sup>^</sup>

(1), (2), (3), (4) & (5) See Footnotes page at the end of the presentation.

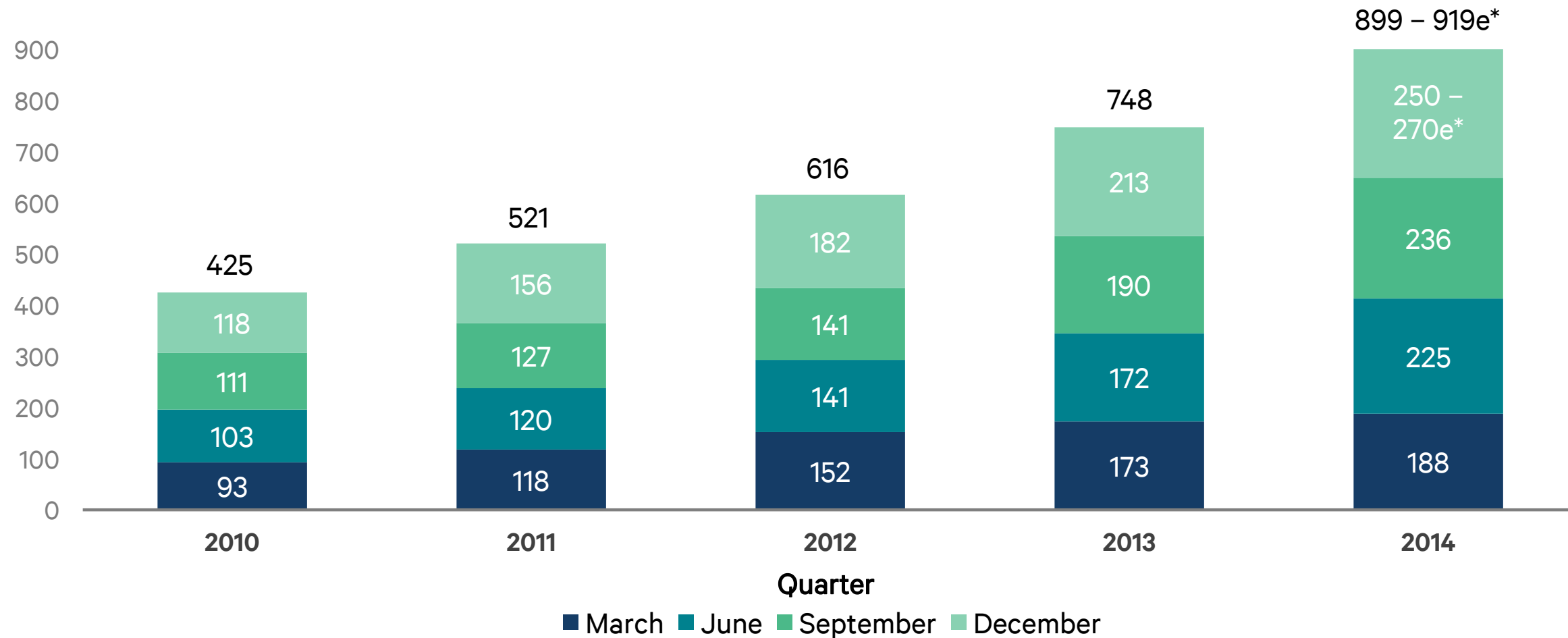
\* Fiscal 2015 guidance includes an estimate of the benefit related to stock repurchases that we plan to complete over the course of fiscal 2015 under our current stock repurchase program.

<sup>^</sup> Our guidance range for the first quarter of fiscal 2015 and fiscal 2015 total reported device sales reflects estimated 3G/4G total reported device sales that we currently expect to be reported to us, which does not include sales that we believe may not be reported to us or may be in dispute and, for fiscal 2015, includes an estimate for some prior period activity that may be reported to us during fiscal 2015.



# MSM chip shipments

Calendar year, millions

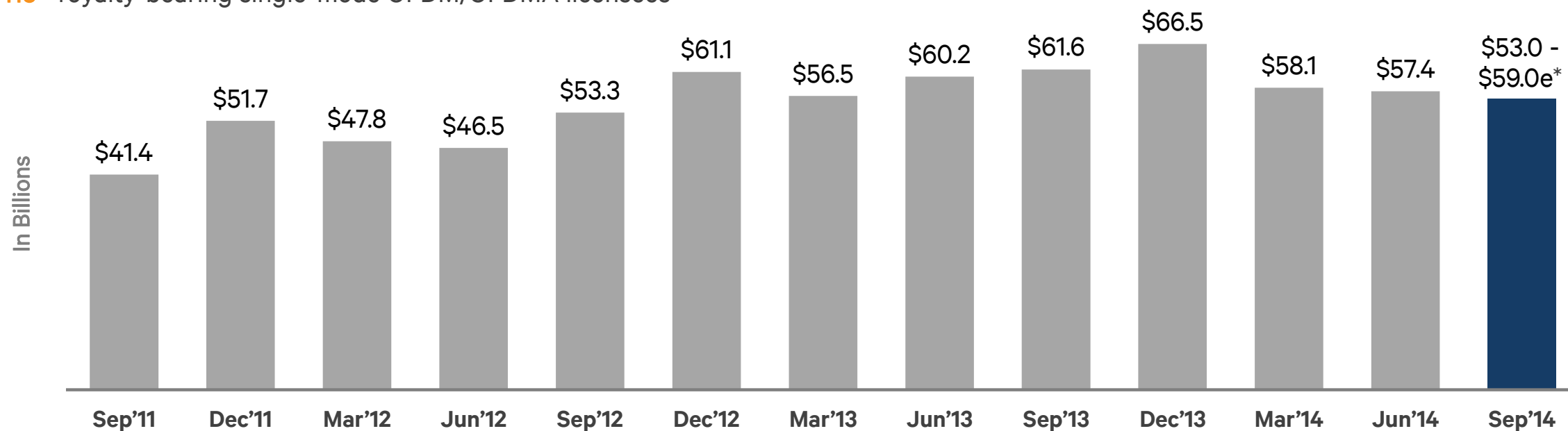


\* Guidance as of Nov. 5, 2014.

# Quarterly total reported device sales<sup>(4) (5)</sup>

## Reported by Qualcomm licensees

- 260+ CDMA-based licensees; 185+ licensed for WCDMA/TD-SCDMA
- 115+ royalty-bearing single-mode OFDM/OFDMA licensees



Est. ASP	\$212-\$218	\$211-\$217	\$226-\$232	\$216-\$222	\$224-\$230	\$214-\$220	\$227-\$233	\$227-\$233	\$219-\$225	\$221-\$227	\$228-\$234	\$220-\$226	not provided
Est. Shipments	191-195M	239-243M	206-211M	210-214M	233-237M	279-283M	244-248M	260-264M	276-280M	295-299M	250-254M	256-260M	not provided

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

\* Guidance as of Nov. 5, 2014. Our guidance range for the first quarter of fiscal 2015 total reported device sales reflects estimated 3G/4G total reported device sales that we currently expect to be reported to us, which does not include sales that we believe may not be reported to us or may be in dispute.

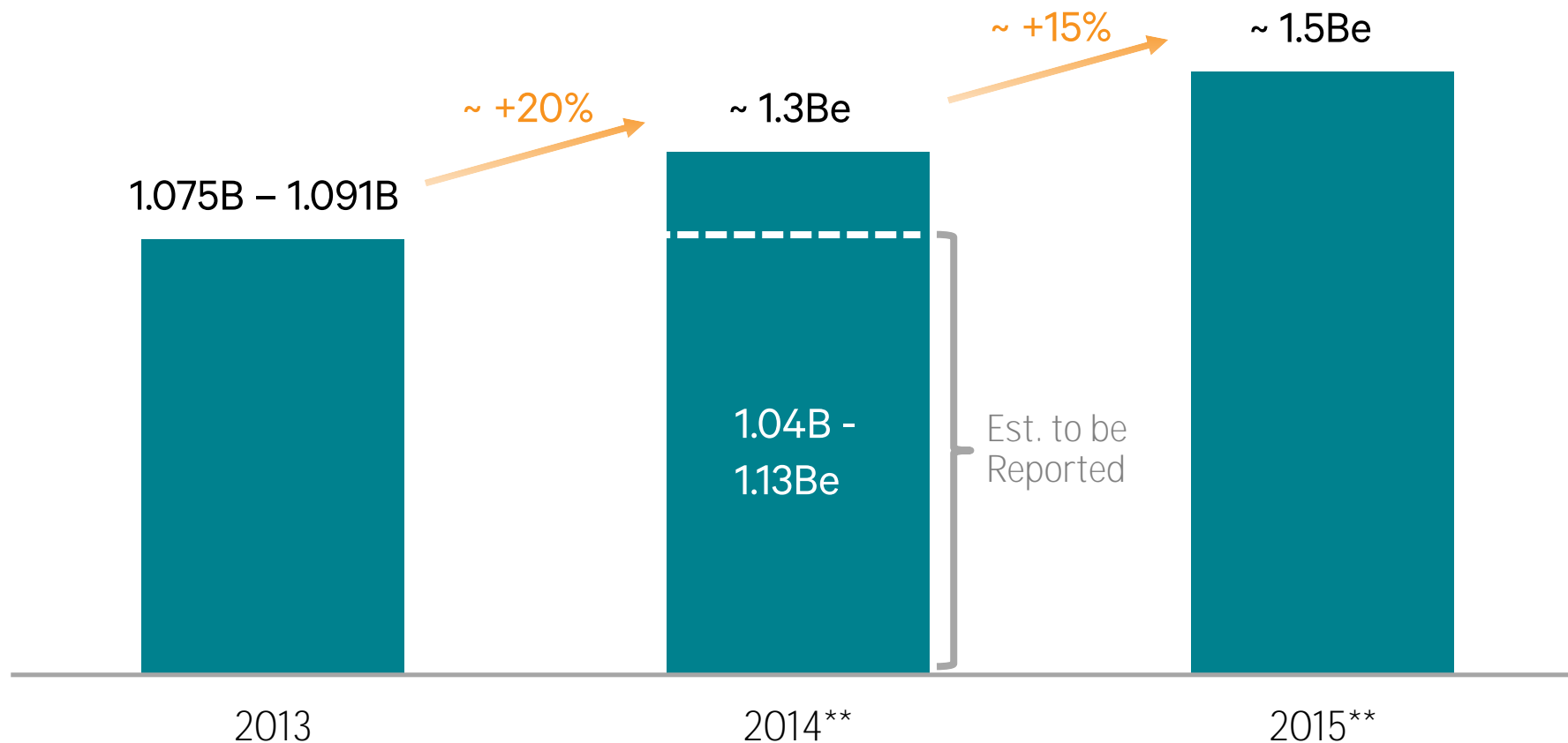
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# Estimated 3G/4G device shipments - update

- China continues to present significant opportunities for us, particularly with the rollout of 3G/4G LTE multimode, but also presents significant challenges, as our business practices continue to be the subject of an investigation by the China National Development and Reform Commission (NDRC). Please refer to our Annual Report on Form 10-K for the year ended September 28, 2014 filed with the SEC for our most recent disclosures regarding the NDRC investigation.
- We also believe that certain licensees in China currently are not fully complying with their contractual obligations to report their sales of licensed products to us (which includes certain licensees underreporting a portion of their 3G/4G device sales and a dispute with a licensee) and that unlicensed companies may seek to delay execution of new licenses while the NDRC investigation is ongoing.
  - We expect calendar year 2014 and 2015 global 3G/4G device shipments to be approximately 1.3 billion and 1.5 billion, respectively. However, our estimate of calendar year 2014 3G/4G device shipments that we currently expect to be reported to us is approximately 1.04 billion to 1.13 billion, which is adjusted for units that we believe may not be reported to us, are in dispute or are currently unlicensed. We have not provided a forecast for calendar year 2015 reported 3G/4G device shipments at this time. We are providing a guidance range for estimated 3G/4G total reported device sales that we currently expect to be reported to us in our fiscal 2015 (for sales by licensees in the September quarter of calendar 2014 through the June quarter of calendar 2015), which does not include sales that we believe may not be reported to us or may be in dispute but does include an estimate for some prior period activity that may be reported to us during fiscal 2015.
  - We are taking steps to address these issues, although the outcome and timing of any resolutions are uncertain.

# Global 3G/4G device shipment\* estimates<sup>(4)</sup>

Calendar year, as of November 5, 2014



\* Device shipments are Qualcomm estimates and include handsets, data devices, telematics, security devices and some quantity of channel inventory.

\*\* We expect calendar year 2014 and 2015 global 3G/4G device shipments to be approximately 1.3 billion and 1.5 billion, respectively. However, our estimate of calendar year 2014 3G/4G device shipments that we currently expect to be reported to us is approximately 1.04 billion to 1.13 billion, which is adjusted for units that we believe may not be reported to us, are in dispute or are currently unlicensed. We have not provided a forecast for calendar year 2015 reported 3G/4G device shipments at this time.

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

# Supplemental information – 3G/4G device estimates

		FY'14*	FY'15**	CY'14**	CY'15**
<b>3G/4G Units</b>	Global			~ 1.3B	~ 1.5B
	Reported (4)	~ 1,077M – 1,093M		~ 1,040M – 1,130M	
<b>3G/4G ASP</b>	Global	~ \$208 - \$216	~ down 9 -10 % YoY		
	Reported (4)	~ \$222 - \$228			
<b>3G/4G Device Sales</b>	Global	~ \$250B - \$257B	~ up 7 - 8% YoY		
	Reported (4)	~ \$243.6B	~ \$240.0B - \$270.0B		

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

\* We expect calendar year 2014 and 2015 global 3G/4G device shipments to be approximately 1.3 billion and 1.5 billion, respectively. However, our estimate of calendar year 2014 3G/4G device shipments that we currently expect to be reported to us is approximately 1.04 billion to 1.13 billion, which is adjusted for units that we believe may not be reported to us, are in dispute or are currently unlicensed. We have not provided a forecast for calendar year 2015 reported 3G/4G device shipments at this time. We are providing a guidance range for estimated 3G/4G total reported device sales that we currently expect to be reported to us in our fiscal 2015 (for sales by licensees in the September quarter of calendar 2014 through the June quarter of calendar 2015), which does not include sales that we believe may not be reported to us or may be in dispute but does include an estimate for some prior period activity that may be reported to us during fiscal 2015.

^ Guidance as of Nov. 5, 2014.

# Quarterly estimated 3G/4G device shipments & ASP trend<sup>(4) (5)</sup>

	FY'13				FY'14				FY'15
	Sep '12	Dec '12	Mar '13	Jun '13	Sep '13	Dec '13	Mar '14	Jun '14	Sep '14**
Qtr. total reported device sales (\$B)	\$53.3	\$61.1	\$56.5	\$60.2	\$61.6	\$66.5	\$58.1	\$57.4	\$53.0 - \$59.0e^
FY total reported device sales (\$B)				\$231.2				\$243.6	\$240.0 - \$270.0e^
Qtr. device shipments* (M)	235	281	246	262	278	297	252	258	
CY device shipments* (M)		937				1,083			CY'14: ~ 1,300e^^ CY'15: ~ 1,500e^^
FY device shipments* (M)				1,025				1,085	
Qtr. device ASP*	\$227	\$217	\$230	\$230	\$222	\$224	\$231	\$223	
FY device ASP*				\$226				\$225	

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

\* Midpoints, see note (6) on the Footnotes page at the end of the presentation. \*\* Guidance as of Nov. 5, 2014.

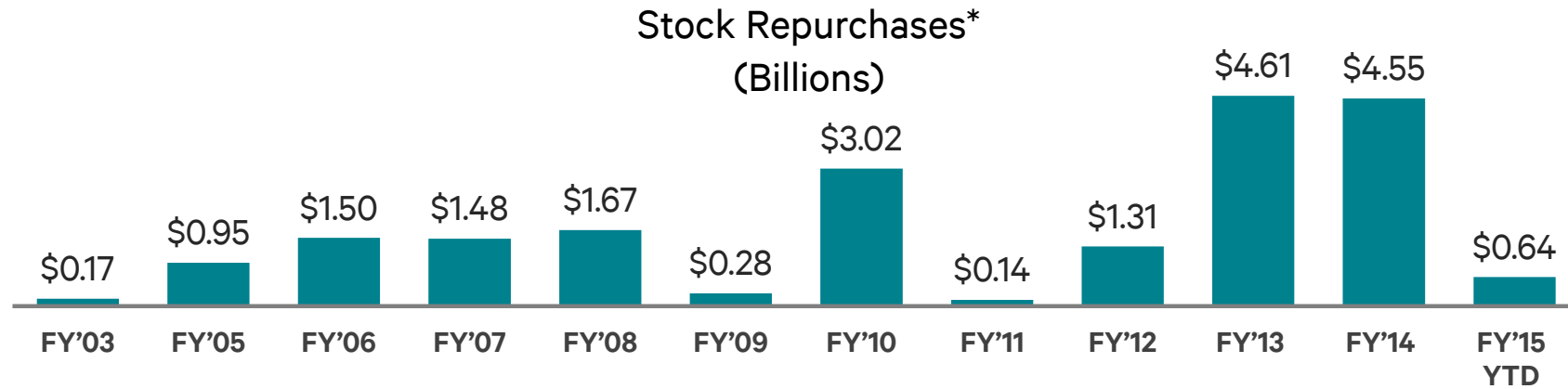
^ Our guidance range for the first quarter of fiscal 2015 and fiscal 2015 total reported device sales reflects estimated 3G/4G total reported device sales that we currently expect to be reported to us, which does not include sales that we believe may not be reported to us or may be in dispute and, for fiscal 2015, includes an estimate for some prior period activity that may be reported to us during fiscal 2015.

^^ We expect calendar year 2014 and 2015 global 3G/4G device shipments to be approximately 1.3 billion and 1.5 billion, respectively. However, our estimate of calendar year 2014 3G/4G device shipments that we currently expect to be reported to us is approximately 1.04 billion to 1.13 billion, which is adjusted for units that we believe may not be reported to us, are in dispute or are currently unlicensed. We have not provided a forecast for calendar year 2015 reported 3G/4G device shipments at this time. We are providing a guidance range for estimated 3G/4G total reported device sales that we currently expect to be reported to us in our fiscal 2015 (for sales by licensees in the September quarter of calendar 2014 through the June quarter of calendar 2015), which does not include sales that we believe may not be reported to us or may be in dispute but does include an estimate for some prior period activity that may be reported to us during fiscal 2015.

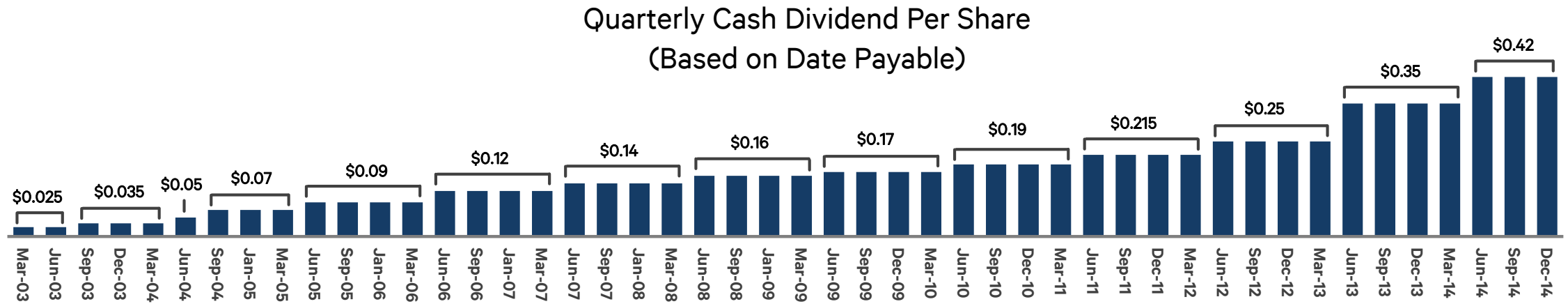
Note: Sums of quarterly amounts may not equal totals due to rounding.

# Cumulative \$33.7 billion returned to stockholders

As of November 5, 2014



**\$4.6 billion** remained available for repurchase under our stock repurchase program.



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 before commissions.

# Financial strength

In billions	Sep'13	Sep'14	
<i>Domestic</i>	\$8.1	\$5.8	Cash resources and operating/ stock repurchase flexibility
<i>Offshore</i>	\$21.3	\$26.2	
Total cash & marketable securities	\$29.4	\$32.0	
Total assets	\$45.5	\$48.6	Solid balance sheet
Stockholders' equity	\$36.1	\$39.2	
Debt*	\$0.0	\$0.0	
EBITDA**	\$8.5	\$9.3	Cash flow to support future growth and dividends
Free cash flow***	\$7.7	\$7.7	

\* Included capital leases.

\*\* EBITDA is defined as income from continuing operations before income tax expense, depreciation and amortization expense and interest and dividend income, net.

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



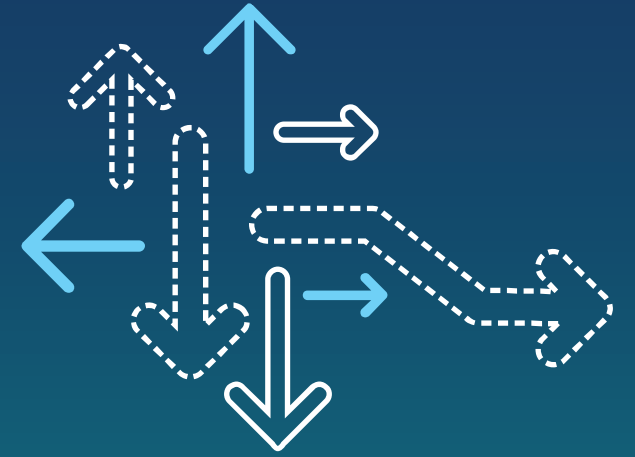
# Footnotes

1. Throughout this presentation, revenues, operating expenses, operating income, earnings before tax (EBT) and effective tax rates are from continuing operations (i.e., before adjustments for noncontrolling interests and discontinued operations), unless otherwise stated.
2. Non-GAAP results exclude the QSI (Qualcomm Strategic Initiatives) segment and certain share-based compensation, acquisition-related items and tax items.
3. Throughout this presentation, net income and diluted earnings per share (EPS) are attributable to Qualcomm (i.e., after adjustments for noncontrolling interests and discontinued operations), 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, OFDMA-based and CDMA/OFDMA multimode subscriber devices (including handsets, modules, modem cards and other subscriber devices) by our licensees during a particular period (collectively, 3G/4G devices). The reported quarterly estimated ranges of average selling prices (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 sales net of permitted deductions, including transportation, insurance, packing costs and other items, while other licensees report sales 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. In addition, certain licensees may not report (in the quarter in which they are contractually obligated to report) their sales of certain types of subscriber units, which (as a result of audits, legal actions or for other reasons) may be reported in a subsequent quarter. Accordingly, total reported device sales, estimated unit shipments and estimated ASPs for a particular period may include prior period activity that was not reported by the licensee until such particular period.
5. Royalties are recognized when reported, generally one quarter following shipment.
6. The midpoints of the estimated ranges are identified for comparison purposes only and do not indicate a higher degree of confidence in the midpoints.
7. The following should be considered in regards to the year-over-year comparisons:
  - The fiscal 2014 results included:
    - \$665 million gain, or \$0.25 per share, in discontinued operations associated with the sale of substantially all of the operations of our Omnitrac division in the first quarter of fiscal 2014;
    - \$444 million charge, or \$0.20 per share, that resulted from an impairment on long-lived assets related to our QMT (Qualcomm MEMS Technologies) division in the first quarter of fiscal 2014;
    - \$208 million of income, or \$0.12 per share, due to the reversal of expense accruals related to our litigation with ParkerVision in the third quarter of fiscal 2014; and
    - \$164 million of charges, or \$0.08 per share, that resulted from an impairment on goodwill and long-lived assets related to our QMT division in the third quarter of fiscal 2014.
  - The fiscal 2013 results included:
    - \$158 million charge, or \$0.06 per share, that resulted from an impairment on long-lived assets related to our QMT division in the third quarter of fiscal 2013; and
    - \$173 million charge, or \$0.10 per share, related to the verdict in our litigation with ParkerVision in the fourth quarter of fiscal 2013.

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# Reconciliations

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# Non-GAAP results

In millions, except per share data

SEGMENTS	Non-GAAP (1)	QSI (1)	Share-Based Compensation (1)	Acquisition- Related Items (1)	Tax Items	GAAP
<b>Q4 - FISCAL 2014</b>						
Operating income (loss)	\$2,323	(\$3)	(\$252)	(\$76)	\$ -	\$1,992
<i>Change from prior year</i>	20%	73%	8%	(13%)		25%
Net income (loss)	\$2,143	\$28	(\$199)	(\$78)	\$ -	\$1,894
Diluted EPS	\$1.26	\$0.02	(\$0.12)	(\$0.05)	\$ -	\$1.11
<i>Change from prior year</i>	20%	N/M	8%	(25%)	N/A	29%
Diluted shares used	1,701	1,701	1,701	1,701	1,701	1,701
<b>Q4 - FISCAL 2013</b>						
Operating income (loss)	\$1,940	(\$11)	(\$274)	(\$67)	\$ -	\$1,588
Net income (loss)	1,818	(24)	(226)	(67)	-	1,501
Diluted EPS	\$1.05	(\$0.01)	(\$0.13)	(\$0.04)	\$ -	\$0.86
Diluted shares used	1,738	1,738	1,738	1,738	1,738	1,738
<b>Q1 - FISCAL 2014</b>						
Operating income (loss)	\$1,848	(\$5)	(\$281)	(\$69)	\$ -	\$1,493
Net income (loss)	2,163	4	(226)	(66)	-	1,875
Diluted EPS	\$1.26	\$0.00	(\$0.13)	(\$0.04)	\$ -	\$1.09
Diluted shares used	1,722	1,722	1,722	1,722	1,722	1,722
<b>12 MONTHS - FISCAL 2014</b>						
Operating income (loss)	\$8,933	(\$18)	(\$1,059)	(\$306)	\$ -	\$7,550
<i>Change from prior year</i>	3%	42%	4%	(4%)		4%
Net income (loss)	\$9,032	\$15	(\$856)	(\$290)	\$ 66	\$7,967
Diluted EPS	\$5.27	\$0.01	(\$0.50)	(\$0.17)	\$0.04	\$4.65
<i>Change from prior year</i>	17%	(50%)	2%	(6%)	-%	19%
Diluted shares used	1,714	1,714	1,714	1,714	1,714	1,714
<b>12 MONTHS - FISCAL 2013</b>						
Operating income (loss)	\$8,657	(\$31)	(\$1,103)	(\$293)	\$ -	\$7,230
Net income (loss)	7,911	43	(886)	(279)	64	6,853
Diluted EPS	\$4.51	\$0.02	(\$0.51)	(\$0.16)	\$0.04	\$3.91
Diluted shares used	1,754	1,754	1,754	1,754	1,754	1,754

(1) At fiscal year end, the sum of 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 allocated to tax provisions (benefits) among the columns.

N/A - Not Applicable

N/M - Not Meaningful

Sums may not equal totals due to rounding.

# Q4 FY'14 combined R&D and SG&A expenses, sequential comparison

In millions

	<u>Q3 FY'14 Results</u>	<u>Q4 FY'14 Results</u>	<u>% Increase / (Decrease)</u>
<b>Non-GAAP combined R&amp;D and SG&amp;A expenses (1)</b>	\$ 1,735	\$ 1,655	(5%)
<b>QSI</b>	5	3	(40%)
<b>Share-based compensation</b>	262	241	(8%)
<b>Acquisition-related items</b>	9	10	11%
<b>Total GAAP combined R&amp;D and SG&amp;A expenses</b>	<u>\$ 2,011</u>	<u>\$ 1,909</u>	(5%)

(1) Non-GAAP combined R&D and SG&A expenses exclude expenses related to the QSI segment and certain share-based compensation and acquisition-related items.

# EBITDA<sup>(1)</sup>

In millions

## Reconciliation of EBITDA to Income from Continuing Operations

	<u>Fiscal 2013</u>	<u>Fiscal 2014</u>
<b>Income from continuing operations</b>	\$ 6,845	\$ 7,534
Plus: Income tax expense	1,349	1,244
Plus: Depreciation and amortization expense	1,017	1,150
Less: Interest and dividend income, net	<u>(674)</u>	<u>(581)</u>
<b>EBITDA</b>	<u><u>\$ 8,537</u></u>	<u><u>\$ 9,347</u></u>

(1) EBITDA is defined as income from continuing operations before income tax expense, depreciation and amortization expense and interest and dividend income, net.

# Free cash flow <sup>(a)</sup>

In millions

	<b>Twelve Months Ended September 28, 2014</b>			
	<b>Non-GAAP</b>	<b>QSI</b>	<b>Share-Based Compensation</b>	<b>GAAP</b>
<b>Net cash provided (used) by operating activities</b>	\$ 9,195	\$ (28)	\$ (280) (b)	\$ 8,887
Less: capital expenditures	(1,185)	-	-	(1,185)
<b>Free cash flow</b>	<b>\$ 8,010</b>	<b>\$ (28)</b>	<b>\$ (280)</b>	<b>\$ 7,702</b>
Revenues	\$ 26,487	\$ -	\$ -	\$ 26,487
Operating cash flow as % of revenues	35%	N/A	N/A	34%
Free cash flow as % of revenues	30%	N/A	N/A	29%
Total return of capital to stockholders				\$ 7,134
Total return of capital to stockholders as a percentage of net cash provided by operating activities				80%
Total return of capital to stockholders as a percentage of free cash flow				93%

	<b>Twelve Months Ended September 29, 2013</b>			
	<b>Non-GAAP</b>	<b>QSI</b>	<b>Share-Based Compensation</b>	<b>GAAP</b>
<b>Net cash provided (used) by operating activities</b>	\$ 9,052	\$ (43)	\$ (231) (b)	\$ 8,778
Less: capital expenditures	(973)	(75)	-	(1,048)
<b>Free cash flow</b>	<b>\$ 8,079</b>	<b>\$ (118)</b>	<b>\$ (231)</b>	<b>\$ 7,730</b>
Revenues	\$ 24,866	\$ -	\$ -	\$ 24,866
Operating cash flow as % of revenues	36%	N/A	N/A	35%
Free cash flow as % of revenues	32%	N/A	N/A	31%

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

(b) Incremental tax benefits from share-based compensation during the period.

N/A – Not Applicable

# Business outlook

As of November 5, 2014

<b>FIRST FISCAL QUARTER</b>	<b>Q1 FY'14 Results</b>	<b>Current Guidance Q1 FY'15 Estimates</b>
<b>Revenues</b>	<b>\$6.62B</b>	<b>\$6.6B - \$7.2B</b>
<i>Year-over-year change</i>		<i>even - increase 9%</i>
<b>Non-GAAP diluted EPS</b>	<b>\$1.26</b>	<b>\$1.18 - \$1.30</b>
<i>Year-over-year change</i>		<i>decrease 6% - increase 3%</i>
Diluted EPS attributable to QSI	\$0.00	\$0.00
Diluted EPS attributable to share-based compensation	(\$0.13)	(\$0.14)
Diluted EPS attributable to acquisition-related items	(\$0.04)	(\$0.04)
<b>GAAP diluted EPS</b>	<b>\$1.09</b>	<b>\$1.00 - \$1.12</b>
<i>Year-over-year change</i>		<i>decrease 8% - increase 3%</i>

<b>FISCAL YEAR</b>	<b>FY 2014 Results</b>	<b>Current Guidance FY 2015 Estimates (1)</b>
<b>Revenues</b>	<b>\$26.49B</b>	<b>\$26.8B - \$28.8B</b>
<i>Year-over-year change</i>		<i>increase 1% - 9%</i>
<b>Non-GAAP operating income</b>	<b>\$8.93B</b>	<b>\$9.2B - \$10.0B</b>
<i>Year-over-year change</i>		<i>increase 3% - 12%</i>
Operating (loss) income attributable to QSI	(\$0.02B)	\$0.0B
Operating loss attributable to share-based compensation	(\$1.06B)	(\$1.1B)
Operating loss attributable to acquisition-related items	(\$0.31B)	(\$0.3B)
<b>GAAP operating income</b>	<b>\$7.55B</b>	<b>\$7.8B - \$8.6B</b>
<i>Year-over-year change</i>		<i>increase 3% - 14%</i>
<b>Non-GAAP diluted EPS</b>	<b>\$5.27</b>	<b>\$5.05 - \$5.35</b>
<i>Year-over-year change</i>		<i>decrease 4% - increase 2%</i>
Diluted EPS attributable to QSI	\$0.01	(\$0.01)
Diluted EPS attributable to share-based compensation	(\$0.50)	(\$0.55)
Diluted EPS attributable to acquisition-related items	(\$0.17)	(\$0.16)
Diluted EPS attributable to tax items	\$0.04	N/A
<b>GAAP diluted EPS</b>	<b>\$4.65</b>	<b>\$4.33 - \$4.63</b>
<i>Year-over-year change</i>		<i>decrease 7% - even</i>
<b>Non-GAAP effective income tax rate</b>		<b>17%</b>
<b>GAAP effective income tax rate</b>		<b>17%</b>

(1) Fiscal 2015 guidance includes an estimate of the benefit related to stock repurchases that we plan to complete over the course of fiscal 2015 under our current stock repurchase program.

N/A - Not Applicable

Sums may not equal totals due to rounding.

# Q1 FY'15 combined R&D and SG&A expenses guidance

In millions

	<u>Q4 FY'14 Results</u>	<u>Q1 FY'15 Guidance* (est.)</u>
<b>Non-GAAP combined R&amp;D and SG&amp;A expenses (1)</b>	\$ 1,655	Increase approx. 5% - 6%
<b>QSI</b>	3	not provided
<b>Acquisition-related items</b>	10	not provided
<b>Total combined R&amp;D and SG&amp;A expenses excluding certain share-based compensation</b>	<u>1,668</u>	Increase approx. 5% - 6%
<b>Share-based compensation allocated to R&amp;D and SG&amp;A</b>	241	
<b>Total GAAP combined R&amp;D and SG&amp;A expenses (2)</b>	<u><u>\$ 1,909</u></u>	Increase approx. 5% - 6%

(1) Non-GAAP combined R&D and SG&A expenses exclude expenses related to the QSI segment and certain acquisition-related items and share-based compensation

(2) Q1 FY15 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 Nov. 5, 2014



# FY'15 combined R&D and SG&A expenses guidance

In millions

	<b>Fiscal 2014 Results</b>	<b>Fiscal 2015 Guidance* (est.)</b>
<b>Non-GAAP combined R&amp;D and SG&amp;A expenses (1)</b>	\$ 6,684	Increase approx. 3% - 5%
<b>QSI</b>	18	not provided
<b>Acquisition-related items</b>	55	not provided
<b>Total combined R&amp;D and SG&amp;A expenses excluding certain share-based compensation</b>	<u>6,757</u>	Increase approx. 3% - 5%
<b>Share-based compensation allocated to R&amp;D and SG&amp;A</b>	1,010	
<b>Total GAAP combined R&amp;D and SG&amp;A expenses (2)</b>	<u><u>\$ 7,767</u></u>	Increase approx. 3% - 5%

(1) Non-GAAP combined R&D and SG&A expenses exclude expenses related to the QSI segment and certain acquisition-related items and share-based compensation.

(2) Fiscal 2015 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 Nov. 5, 2014

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# Thank you

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