

Supplemental Results of Business Segments

The following tables provide supplemental information including our results of business segments and reconciles our Non-GAAP results to our GAAP results (\$ in millions, except per share data and percentages):

SEGMENTS	QCT	QTL	Non-GAAP Reconciling Items (a)	Non-GAAP Results	QSI	Share-Based Compensation	Other Items (b) (c)	GAAP Results
Q4 FISCAL 2018								
Revenues	\$4,647	\$1,138	\$48	\$5,833	\$20	\$—	(\$50)	\$5,803
<i>Change from prior year</i>	<i>—%</i>	<i>(6%)</i>	<i>(49%)</i>	<i>(2%)</i>	<i>(53%)</i>		<i>47%</i>	<i>(2%)</i>
<i>Change from prior quarter</i>	<i>14%</i>	<i>(22%)</i>	<i>(38%)</i>	<i>4%</i>	<i>—%</i>		<i>—%</i>	<i>4%</i>
Operating income (loss)				\$1,280	\$2	(\$224)	(\$1,712)	(\$654)
<i>Change from prior year</i>				<i>(19%)</i>	<i>(91%)</i>	<i>(10%)</i>	<i>(61%)</i>	<i>N/M</i>
<i>Change from prior quarter</i>				<i>(10%)</i>	<i>—%</i>	<i>(19%)</i>	<i>N/M</i>	<i>(171%)</i>
EBT	\$796	\$739	(\$266)	\$1,269	(\$20)	(\$224)	(\$1,800)	(\$775)
<i>Change from prior year</i>	<i>(18%)</i>	<i>(11%)</i>	<i>(109%)</i>	<i>(24%)</i>	<i>(171%)</i>	<i>(10%)</i>	<i>(69%)</i>	<i>N/M</i>
<i>Change from prior quarter</i>	<i>31%</i>	<i>(30%)</i>	<i>(11%)</i>	<i>(10%)</i>	<i>(186%)</i>	<i>(19%)</i>	<i>N/M</i>	<i>(181%)</i>
EBT as % of revenues	17%	65%	<i>N/M</i>	22%				N/M
Net income (loss)				\$1,280	(\$11)	(\$195)	(\$1,567)	(\$493)
<i>Change from prior year</i>				<i>(7%)</i>	<i>(144%)</i>	<i>(27%)</i>	<i>(45%)</i>	<i>N/M</i>
<i>Change from prior quarter</i>				<i>(15%)</i>	<i>(120%)</i>	<i>(26%)</i>	<i>N/M</i>	<i>(140%)</i>
Diluted EPS (d)				\$0.90	(\$0.01)	(\$0.14)	(\$1.10)	(\$0.35)
<i>Change from prior year</i>				<i>(2%)</i>	<i>(150%)</i>	<i>(40%)</i>	<i>(51%)</i>	<i>N/M</i>
<i>Change from prior quarter</i>				<i>(11%)</i>	<i>N/M</i>	<i>(40%)</i>	<i>N/M</i>	<i>(143%)</i>
Diluted shares (d)				1,429	1,429	1,429	1,429	1,417
Q3 FISCAL 2018								
Revenues	\$4,087	\$1,465	\$77	\$5,629	\$20	\$—	(\$50)	\$5,599
Operating income (loss)				1,424	2	(189)	(312)	925
EBT	607	1,049	(240)	1,416	(7)	(189)	(264)	956
EBT as % of revenues	15%	72%	<i>N/M</i>	25%				17%
Net income (loss)				1,508	(5)	(155)	(129)	1,219
Diluted EPS				\$1.01	\$0.00	(\$0.10)	(\$0.09)	\$0.82
Diluted shares				1,487	1,487	1,487	1,487	1,487
Q4 FISCAL 2017								
Revenues	\$4,650	\$1,213	\$94	\$5,957	\$43	\$—	(\$95)	\$5,905
Operating income (loss)				1,578	22	(204)	(1,063)	333
EBT	973	829	(127)	1,675	28	(204)	(1,065)	434
EBT as % of revenues	21%	68%	<i>N/M</i>	28%				7%
Net income (loss)				1,375	25	(153)	(1,079)	168
Diluted EPS				\$0.92	\$0.02	(\$0.10)	(\$0.73)	\$0.11
Diluted shares				1,488	1,488	1,488	1,488	1,488

- (a) Non-GAAP reconciling items related to revenues consisted primarily of nonreportable segment revenues less intersegment eliminations. Non-GAAP reconciling items related to earnings before taxes consisted primarily of certain research and development expenses, selling, general and administrative expenses, other expenses or income, interest expense and certain investment income that are not allocated to the segments for management reporting purposes; nonreportable segment results; and the elimination of intersegment profit.
- (b) 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. See the "Reconciliations of GAAP Tax Rates to Non-GAAP Tax Rates" included in the news release for the current period for further details.
- (c) Details of amounts included in the "Other Items" column for the current period are included in the news release for the current period. Details of amounts included in the "Other Items" column for prior periods are included in the news releases for those periods.
- (d) As a result of the net loss in our GAAP results in the fourth quarter of fiscal 2018, all of the common share equivalents issuable under share-based compensation plans had an anti-dilutive effect and were therefore excluded from the computation of GAAP diluted loss per share. Amounts in all other columns included the common share equivalents issuable under share-based compensation plans in the calculation of diluted earnings per share because the Company reported Non-GAAP net income.

N/M - Not Meaningful

Sums may not equal totals due to rounding.

SEGMENTS	QCT	QTL	Non-GAAP Reconciling Items (a)	Non-GAAP Results	QSI	Share-Based Compensation	Other Items (b)	GAAP Results
FISCAL 2018								
Revenues	\$17,282	\$5,163	\$287	\$22,732	\$100	\$—	(\$100)	\$22,732
<i>Change from prior year</i>	5%	(20%)	(8%)	(2%)	(12%)		91%	2%
Operating income (loss)				\$5,620	\$23	(\$883)	(\$4,018)	\$742
<i>Change from prior year</i>				(21%)	(39%)	3%	(11%)	(72%)
EBT	\$2,966	\$3,525	(\$987)	\$5,504	\$24	(\$883)	(\$4,132)	\$513
<i>Change from prior year</i>	8%	(32%)	(140%)	(27%)	(63%)	3%	(13%)	(83%)
EBT as % of revenues	17%	68%	N/M	24%				2%
Net income (loss)				\$5,443	\$22	(\$743)	(\$9,586)	(\$4,864)
<i>Change from prior year</i>				(15%)	(52%)	1%	(198%)	N/M
Diluted EPS (c)				\$3.69	\$0.01	(\$0.50)	(\$6.53)	(\$3.32)
<i>Change from prior year</i>				(14%)	(67%)	2%	N/M	N/M
Diluted shares (c)				1,475	1,475	1,475	1,475	1,463
FISCAL 2017								
Revenues	\$16,479	\$6,445	\$311	\$23,235	\$113	\$—	(\$1,057)	\$22,291
Operating income (loss)				7,094	38	(914)	(3,604)	2,614
EBT	2,747	5,175	(412)	7,510	65	(914)	(3,641)	3,020
EBT as % of revenues	17%	80%	N/M	32%				14%
Net income (loss)				6,386	46	(753)	(3,213)	\$2,466
Diluted EPS				\$4.28	\$0.03	(\$0.51)	(\$2.16)	\$1.65
Diluted shares				1,490	1,490	1,490	1,490	1,490

- (a) Non-GAAP reconciling items related to revenues consisted primarily of nonreportable segment revenues less intersegment eliminations. Non-GAAP reconciling items related to earnings before taxes consisted primarily of certain research and development expenses, selling, general and administrative expenses, other expenses or income, interest expense and certain investment income that are not allocated to the segments for management reporting purposes; nonreportable segment results; and the elimination of intersegment profit.
- (b) Details of amounts included in the “Other Items” column for the current period are included in the news release for the current period. Details of amounts included in the “Other Items” column for prior periods are included in the news releases for those periods.
- (c) As a result of the net loss in our GAAP results in fiscal 2018, all of the common share equivalents issuable under share-based compensation plans had an anti-dilutive effect and were therefore excluded from the computation of GAAP diluted loss per share. The diluted EPS impacts of a \$5.7 billion charge resulting from the Tax Legislation recorded in fiscal 2018 was calculated using the GAAP diluted shares. Amounts in all other columns included the common share equivalents issuable under share-based compensation plans in the calculation of diluted earnings per share because the Company reported Non-GAAP net income.

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