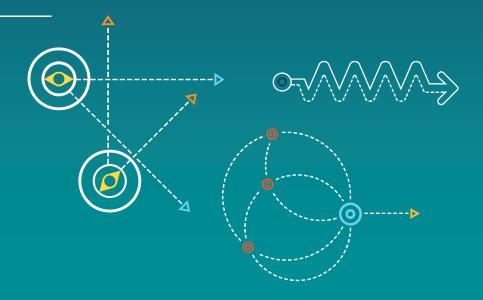
# Third Quarter Fiscal 2013 Earnings

**Q**UALCOMM°



#### Safe harbor

This presentation contains forward-looking statements that are inherently subject to risks and uncertainties, including but not limited to statements regarding Qualcomm Snapdragon processors powering the world's first LTE-Advanced smartphone; expanding opportunities for growth in 3G/4G devices around the globe; and our estimates and guidance related to revenues, non-GAAP diluted earnings per share, MSM chip shipments, total reported device sales, and 3G/4G device shipments and ASPs. Forward-looking statements are generally identified by words such as "estimates," "guidance," "forecast," "expects" 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 the commercial deployment of our technologies and our customers' and licensees' sales of equipment, products and services based on these technologies; competition; our dependence on a small number of customers and licensees; attacks on our licensing business model, including current and future legal proceedings and actions of governmental or quasi-governmental bodies; our dependence on third-party suppliers, including the potential impact of supply constraints; the enforcement and protection of our intellectual property rights; claims by third parties that we infringe their intellectual property; global economic conditions that impact the communications industry and the potential impact on demand for our products and our customers' and licensees' products; our stock price and earnings volatility; strategic transactions and investments; the commercial success of our QMT division's display technology; foreign currency fluctuations; and failures, defects or errors in our products and services or in the products of our customers and licensees. These and other risks are set forth in our most recent Form 10-Q and Form 10-K filed with the SEC, copies of which are available on our website at www.qualcomm.com. We undertake no obligation to update any forward-looking statements.

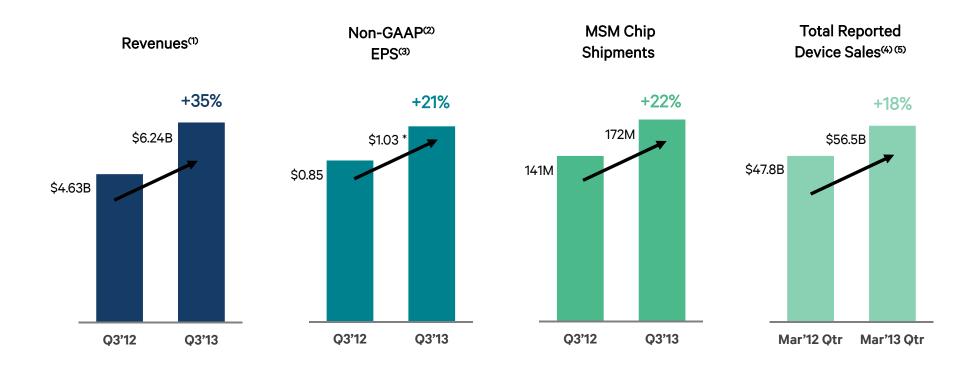
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### Qualcomm reports third quarter fiscal 2013 earnings

#### Third quarter ended June 30, 2013

- We delivered another strong quarter as our Qualcomm Snapdragon solutions were prominent in a broad set of flagship smartphones, and 3G/4G device average selling prices were stronger than expected.
- We also focused on return of capital to stockholders and increased our stock repurchases and dividends paid during the quarter.
- This quarter, we continued our technology leadership, with our Snapdragon 800 processor powering the world's first LTE-Advanced smartphone.
- We see expanding opportunities for growth of 3G/4G devices around the globe, driven by the strong pace of innovation in the industry.

# Third fiscal quarter results vs. last year



<sup>\*</sup> Q3'13 results included a \$158 million loss, or \$0.06 per share, that resulted from an impairment charge on certain long-lived assets related to our QMT division. (1), (2), (3), (4) & (5) See Footnotes page at the end of the presentation.

# Third fiscal quarter results vs. guidance

	Q3'13 guidance*	Q3'13 results
Revenues <sup>(1)</sup>	\$5.8B - \$6.3B	\$6.24B
Non-GAAP <sup>(2)</sup> diluted EPS <sup>(3)</sup>	\$0.97 - \$1.05	\$1.03 **
MSM chip shipments	163M - 173M	172M
Total reported device sales <sup>(4)</sup> (Mar. Qtr. <sup>(5)</sup> )	\$51.0B - \$56.0B	\$56.5B
Est. 3G/4G device shipments <sup>(4)</sup> (Mar. Qtr. <sup>(5)</sup> )	not provided	244M - 248M
Est. 3G/4G device ASP <sup>(4)</sup> (Mar. Qtr. <sup>(5)</sup> )	not provided	\$227 - \$233

<sup>\*</sup> Guidance as of Apr. 24, 2013.

<sup>\*\*</sup> Q3'13 results included a \$158 million loss, or \$0.06 per share, that resulted from an impairment charge on certain long-lived assets related to our QMT division. (1), (2), (3), (4) & (5) See Footnotes page at the end of the presentation.

# Fourth quarter & fiscal year 2013 guidance

As of July 24, 2013

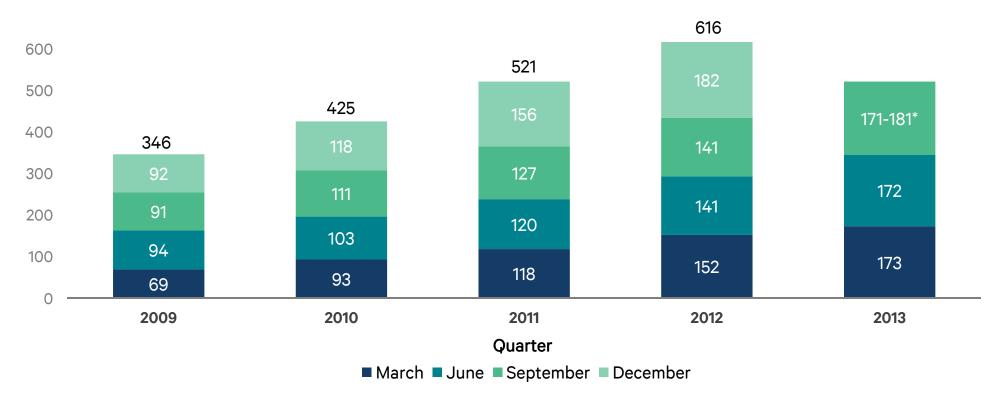
	Q4'12 results	Q4'13 guidance	FY'12 results	FY'13 prior guidance*	FY'13 current guidance
Revenues <sup>(1)</sup>	\$4.87B	\$5.9B - \$6.6B	\$19.12B	\$24.0B - \$25.0B	\$24.3B - \$25.0B
Non-GAAP <sup>(2)</sup> diluted EPS <sup>(3)</sup>	\$0.89	\$1.02 - \$1.10	\$3.71	\$4.40 - \$4.55	\$4.48 - \$4.56
MSM chip shipments	141M	171M - 181M	590M	not provided	not provided
Total reported device sales (4) (5)	\$46.5B	\$55.0B - \$60.0B	\$187.3B	not provided	not provided

<sup>\*</sup> Guidance as of Apr. 24, 2013.

<sup>(1), (2), (3), (4) &</sup>amp; (5) See Footnotes page at the end of the presentation.

## Qualcomm MSM chip shipments

#### Calendar year, millions



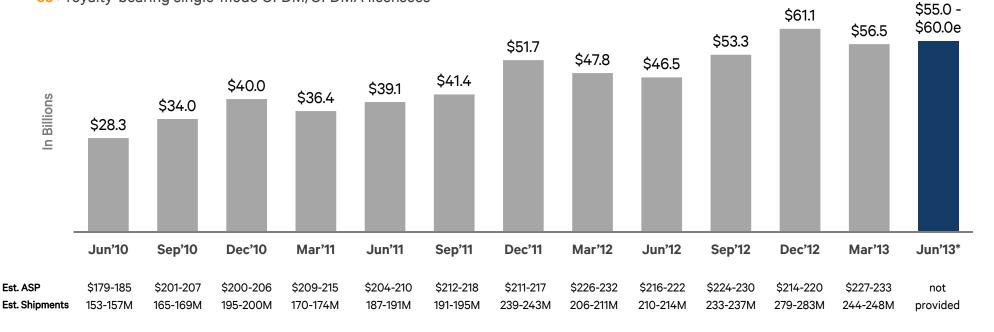
<sup>\*</sup> Guidance as of Jul. 24, 2013.

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## Quarterly total reported device sales(4) (5)

#### Reported by Qualcomm licensees

- 240+ CDMA-based licensees; 165+ licensed for WCDMA/TD-SCDMA
- 65+ royalty-bearing single-mode OFDM/OFDMA licensees

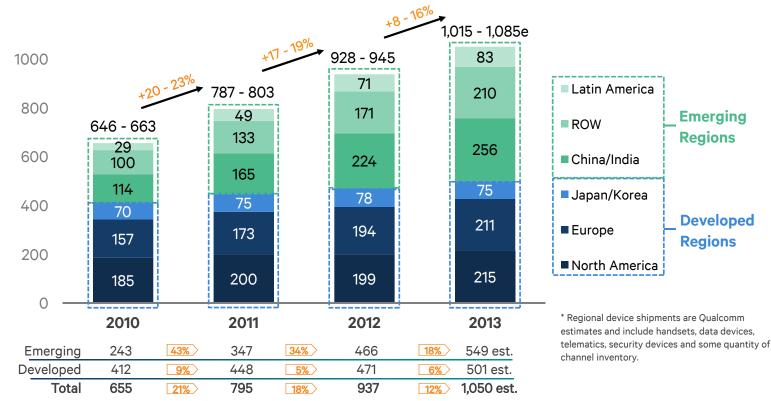


(4) & (5) See Footnotes page at the end of the presentation.

<sup>\*</sup> Guidance as of Jul. 24, 2013.

# Regional\* 3G/4G device shipment estimates<sup>40</sup>

Calendar year, millions, midpoints<sup>(6)</sup>, as of July 24, 2013



<sup>(4) &</sup>amp; (6) See Footnotes page at the end of the presentation.

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

		FY	"11			FY	"12				FY'	13
	Sep '10	Dec '10	Mar '11	Jun '11	Sep '11	Dec '11	Mar '12	Jun '12	Sep '12	Dec '12	Mar '13	Jun '13**
Qtr. total reported device sales (\$B)	\$34.0	\$40.0	\$36.4	\$39.1	\$41.4	\$51.7	\$47.8	\$46.5	\$53.3	\$61.1	\$56.5	\$55.0 - \$60.0e
FY total reported device sales (\$B)				\$149.5				\$187.3				
Qtr. device shipments* (M)	167	198	172	189	193	241	209	212	235	281	246	
CY device shipments* (M)		655				795				937		CY'13: 1,015 - 1,085e
FY device shipments* (M)				726				855				
Qtr. device ASP*	\$204	\$203	\$212	\$207	\$215	\$214	\$229	\$219	\$227	\$217	\$230	
FY device ASP*				\$206				\$219				\$223 - \$229e

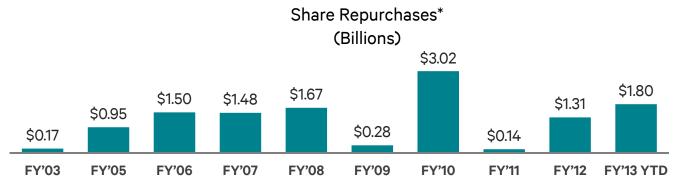
<sup>(4) &</sup>amp; (5) See Footnotes page at the end of the presentation.

<sup>\*</sup> Midpoints, see note (6) on the Footnotes page at the end of the presentation.

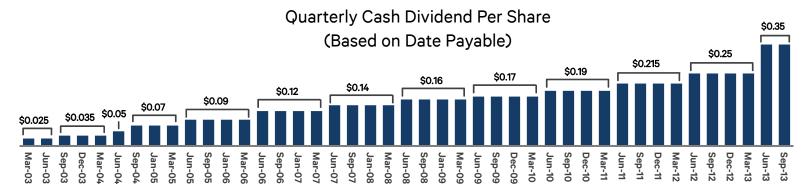
<sup>\*\*</sup> Guidance as of Jul. 24, 2013. Note: Sums of quarterly amounts may not equal totals due to rounding.

#### Cumulative \$22.5 billion returned to stockholders

As of July 24, 2013



\$3.5 billion remained available for repurchase under current BOD authorization.



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

<sup>\*</sup> Gross repurchases.

# Financial strength

In billions	Jun'12	Jun'13	
Domestic	<i>\$9.6</i>	\$10.4	
Offshore	\$16.9	\$20.0	Cash resources and operating/ stock repurchases flexibility
Total cash & marketable securities	\$26.5	\$30.4	
Total assets	\$42.4	\$46.8	
Stockholders' equity	\$32.6	\$37.6	Solid balance sheet
Debt*	\$1.1	\$0.0	
EBITDA**	\$1.7	\$2.0	Cash flow to support future
Non-GAAP <sup>(2)</sup> free cash flows***	\$0.7	\$1.9	growth and dividends

<sup>\*</sup> Included capital leases and, at Jun'12, the BWA subsidiaries' loans and debentures.

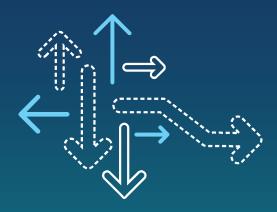
<sup>\*\*</sup> EBITDA is defined as income from continuing operations before income tax expense, depreciation and amortization, and interest and dividend income, net.

<sup>\*\*\*</sup> Free cash flows is defined as net cash provided by operating activities less capital expenditures.

<sup>(2)</sup> See Footnotes page at the end of the presentation.

#### Footnotes

- 1. Throughout this presentation, fiscal 2012 results for FLO TV are presented as discontinued operations. 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, for fiscal 2012, 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 ASPs and unit shipments are determined based on the information as reported to us by our licensees during the relevant period and our own estimates of the selling prices and unit shipments for licensees that do not provide such information. Not all licensees report sales, selling prices and/or unit shipments the same way (e.g., some licensees report selling prices net of permitted deductions, such as transportation, insurance and packing costs, while other licensees report selling prices and then identify the amount of permitted deductions in their reports), and the way in which licensees report such information may change from time to time. Total reported device sales, estimated unit shipments and estimated ASPs for a particular period may include prior period activity that 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.



# Reconciliations

#### Non-GAAP results

#### In millions, except per share data

				Acquisition-		
	Non-GAAP		Share-Based	Related Items		
SEGMENTS	(1)	QSI (1)	Compensation (1)	(1) (2)	Tax Items	GAAP
Q3 - FISCAL 2013						
Operating income (loss)	\$2,035	(\$7)	(\$280)	(\$71)	\$ -	\$1,677
Change from prior year	18%	36%	(6%)	(16%)		21%
Net income (loss)	\$1,823	\$43	(\$222)	(\$64)	\$ -	\$1,580
Change from prior year	23%	N/M	(6%)	(10%)	N/A	31%
Diluted EPS	\$1.03	\$0.02	(\$0.13)	(\$0.04)	\$ -	\$0.90
Change from prior year	21%	N/M	(8%)	(33%)	N/A	30%
Change from prior quarter	(12%)	0%	(8%)	20%	N/M	(15%)
Diluted shares used	1,765	1,765	1,765	1,765	1,765	1,765
Q2 - FISCAL 2013						
Net income (loss)	\$2,066	\$36	(\$220)	(\$80)	\$ 64	\$1,866
Diluted EPS	\$1.17	\$0.02	(\$0.12)	(\$0.05)	\$0.04	\$1.06
Diluted shares used	1,763	1,763	1,763	1,763	1,763	1,763
Q3 - FISCAL 2012						
Operating income (loss)	\$1,718	(\$11)	(\$264)	(\$61)	\$ -	\$1,382
Net income (loss)	1,486	(11)	(210)	(58)	-	1,207
Diluted EPS	\$0.85	(\$0.01)	(\$0.12)	(\$0.03)	\$ -	\$0.69
Diluted shares used	1,758	1,758	1,758	1,758	1,758	1,758
Q4 - FISCAL 2012						
Net income (loss)	\$1,547	\$14	(\$222)	(\$78)	\$10	\$1,271
Diluted EPS	\$0.89	\$0.01	(\$0.13)	(\$0.04)	\$0.01	\$0.73
Diluted shares used	1,745	1,745	1,745	1,745	1,745	1,745
12 MONTHS - FISCAL 2012						
Net income (loss)	\$6,463	\$690	(\$811)	(\$243)	\$10	\$6,109
Diluted EPS	\$3.71	\$0.40	(\$0.47)	(\$0.14)	\$0.01	\$3.51
Diluted shares used	1,741	1,741	1,741	1,741	1,741	1,741

<sup>(1)</sup> 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/M - Not Meaningful; N/A - Not Applicable; Sums may not equal totals due to rounding.

<sup>(2)</sup> During the third quarter of fiscal 2013, acquisition-related items included amortization and impairment of certain intangible assets and the recognition of the step-up of inventories to fair value.

# Q3 FY'13 combined R&D and SG&A expenses

#### In millions

	Q2 FY13 Q3 FY13 Results Results			% Increase / (Decrease)	
Non-GAAP combined R&D and SG&A expenses (1)	\$	1,612	\$	1,635	1%
QSI		5		7	N/M
Share-based compensation		251		262	4%
Acquisition-related items		7		7	N/M
Total GAAP combined R&D and SG&A expenses	\$	1,875	\$	1,911	2%

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

N/M - Not meaningful

## **EBITDA**

#### In millions

#### Reconciliation of EBITDA to Income from Continuing Operations (1)

	Q3 FY12		Q3 FY13	
Income from continuing operations	\$	1,206	\$	1,578
Plus: Income tax expense		375		332
Plus: Depreciation and amortization		221		255
Less: Interest and dividend income, net		(138)		(175)
EBITDA	\$	1,664	\$	1,990

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

# Q3 FY'13 diluted EPS excluding QMT impairment charge

	Diluted EPS
Non-GAAP (1) - Excluding QMT Impairment	\$1.09
QMT impairment charge	(\$0.06)
Non-GAAP - As Reported (1)	\$1.03
QSI	\$0.02
Share-based compensation	(\$0.13)
Acquisition-related items	(\$0.04)
GAAP	\$0.90

<sup>(1)</sup> Non-GAAP excludes the QSI segment and certain acquisition-related items and share-based compensation. Sum may not equal totals due to rounding.

## Non-GAAP free cash flow

#### In millions

	Three Months Ended June 30, 2013						
	Share-Based						
	Non-GAAP QSI Compensation						
Net cash provided (used) by operating activities	\$ 2,157	\$ (5)	\$ (75) (a)	\$ 2,077			
Less: capital expenditures	(307)	(7)		(314)			
Free cash flow	\$ 1,850	\$ (12)	\$ (75)	\$ 1,763			

	Three Months Ended June 24, 2012							
	Share-Based							
	Non	-GAAP	<u>QSI</u>		Compensation		GAAP	
Net cash provided (used) by operating activities	\$	972	\$	(21)	\$	(29) (a)	\$	922
Less: capital expenditures		(314)		(85)		_		(399)
Free cash flow	\$	658	\$	(106)	\$	(29)	\$	523

<sup>(</sup>a) Incremental tax benefits from share-based compensation during the period.

#### **Business outlook**

#### As of July 24, 2013

FOURTH FISCAL QUARTER	Q4 FY12 Results	Current Guidance Q4 FY13 Estimates
Non-GAAP Diluted earnings per share (EPS)	\$0.89	\$1.02 - \$1.10
Year-over-year change		increase 15% - 24%
Diluted EPS attributable to QSI	\$0.01	\$0.00
Diluted EPS attributable to share-based compensation	(\$0.13)	(\$0.13)
Diluted EPS attributable to acquisition-related items	(\$0.04)	(\$0.03)
Diluted EPS attributable to tax item	\$0.01	N/A
GAAP Diluted EPS	\$0.73	\$0.86 - \$0.94
Year-over-year change		increase 18% - 29%

FISCAL YEAR	FY 2012 Results (1)	Prior Guidance FY 2013 Estimates (2)	Current Guidance FY 2013 Estimates (2)
Non-GAAP Diluted EPS	\$3.71	\$4.40 - \$4.55	\$4.48 - \$4.56
Year-over-year change		increase 19% - 23%	increase 21% - 23%
Diluted EPS attributable to QSI	\$0.40	\$0.01	\$0.04
Diluted EPS attributable to share-based compensation	(\$0.47)	(\$0.51)	(\$0.50)
Diluted EPS attributable to acquisition-related items	(\$0.14)	(\$0.16)	(\$0.16)
Diluted EPS attributable to tax items	\$0.01	\$0.04	\$0.04
GAAP Diluted EPS	\$3.51	\$3.78 - \$3.93	\$3.90 - \$3.98
Year-over-year change		increase 8% - 12%	increase 11% - 13%

<sup>(1)</sup> FY 2012 results for QSI and GAAP included \$0.44 EPS related to a \$1.2 billion gain associated with the sale of substantially all of our 700 MHz spectrum, which was recognized in discontinued operations and was excluded from Non-GAAP results.

Sums may not equal totals due to rounding.

<sup>(2)</sup> FY 2013 guidance for tax items includes \$0.04 EPS related to a tax benefit that resulted from the retroactive reinstatement of the federal R&D tax credit related to fiscal 2012, which was excluded from Non-GAAP results.

N/A - Not Applicable

# Q4 FY'13 combined R&D and SG&A expenses guidance

#### In millions

	Q3 FY13 Results		Q4 FY13 Guidance*
Non-GAAP combined R&D and SG&A expenses (1)	\$	1,635	Increase approx. 4% - 6% sequentially
QSI		7	not provided
Acquisition-related items		7	not provided
Total combined R&D and SG&A expenses excluding certain share-based compensation		1,649	Increase approx. 4% - 6% sequentially
Share-based compensation allocated to R&D and SG&A		262	
Total GAAP combined R&D and SG&A expenses (2)	\$	1,911	Increase approx. 4% - 6% sequentially

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

<sup>(2)</sup> Q4 FY13 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.

<sup>\*</sup> Guidance as of Jul. 24, 2013.

## FY'13 combined R&D and SG&A expenses guidance

#### In millions

	Fiscal 2012 Results		Fiscal 2013 Guidance* (est.)
Non-GAAP combined R&D and SG&A expenses (1)	\$	5,202	Increase approx. 22% - 23%
QSI		35	not provided
Acquisition-related items		42	not provided
Total combined R&D and SG&A expenses excluding certain share-based compensation		5,279	Increase approx. 21% - 23%
Share-based compensation allocated to R&D and SG&A		960	
Total GAAP combined R&D and SG&A expenses (2)	\$	6,239	Increase approx. 19% - 21%

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

<sup>(2)</sup> Fiscal 2013 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.

<sup>\*</sup> Guidance as of Jul. 24, 2013.

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