
Estimated 3G/4G device shipments - update

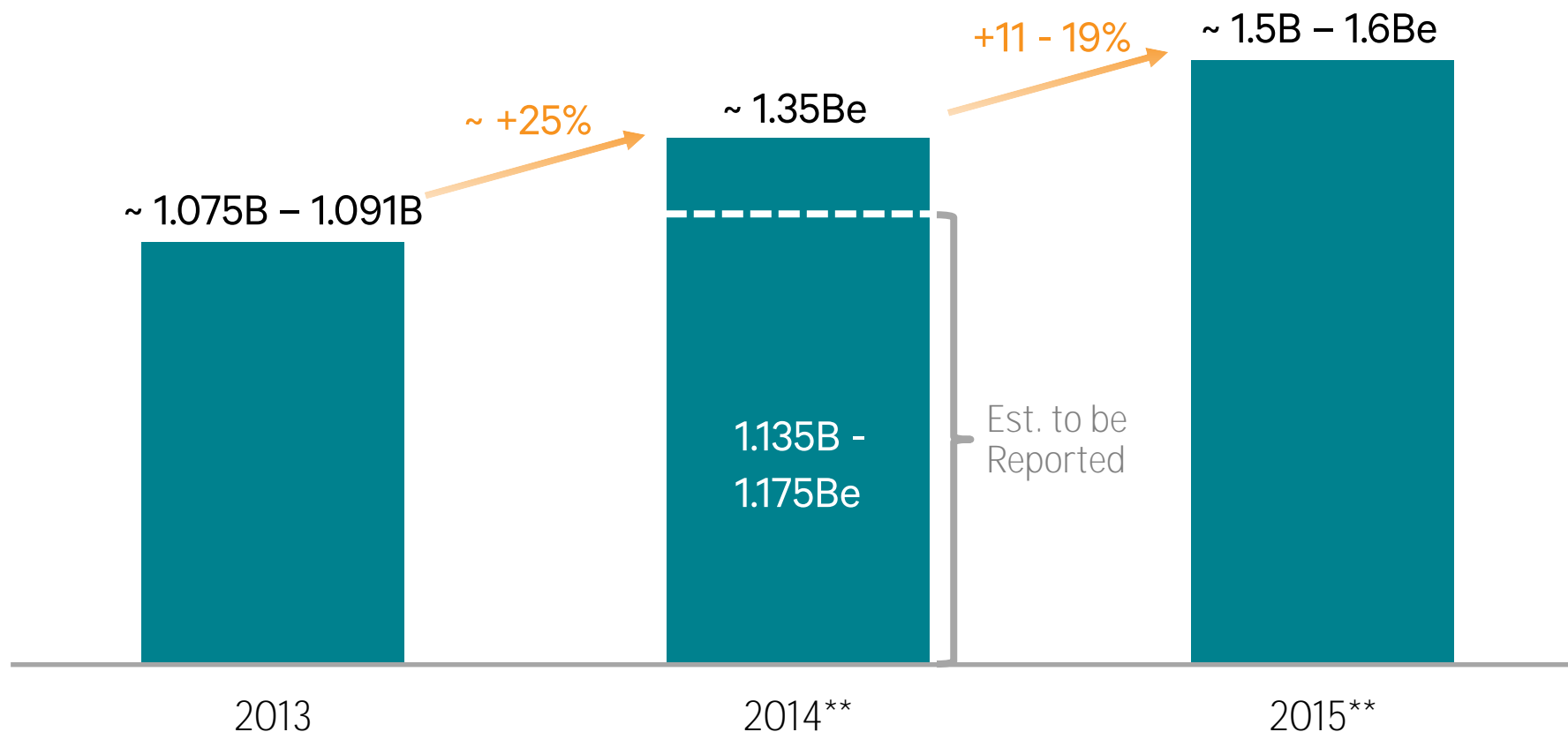
China continues to present significant opportunities for us, particularly with the rollout of 3G/4G LTE multimode, but also presents significant challenges, as our business practices continue to be the subject of an investigation by the China National Development and Reform Commission (NDRC). Please refer to our Quarterly Report on Form 10-Q for the first quarter ended December 28, 2014 filed with the SEC for our most recent disclosures regarding the NDRC investigation.

Our current outlook for our licensing business, QTL, reflects the following:

- We resolved the previously disclosed dispute with a licensee in China in the first quarter of fiscal 2015. However, we continue to believe that certain licensees in China 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 that unlicensed companies may seek to delay execution of new licenses while the NDRC investigation is ongoing. We are taking steps to address these issues, although the outcome and timing of any resolutions are uncertain.
- We expect global 3G/4G device shipments to be approximately 1.35 billion for calendar year 2014. However, due to the issues described above, we do not believe that all of the global 3G/4G device shipments for calendar year 2014 will be reported to us within the time periods required by our license agreements. Accordingly, we currently estimate approximately 1.135 billion to 1.175 billion calendar year 2014 3G/4G device shipments will actually be reported to us through the first calendar quarter of 2015.
- We expect global 3G/4G device shipments to be approximately 1.5 billion to 1.6 billion for calendar year 2015. At this time, we are not providing a forecast for calendar year 2015 reported 3G/4G device shipments.
- We are providing guidance for estimated second fiscal quarter and fiscal 2015 3G/4G total reported device sales. That guidance includes an estimate of some prior period activity (i.e., devices shipped in prior periods) that may be reported to us.

Global 3G/4G device shipment* estimates⁽¹⁾

Calendar year, as of January 28, 2015



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

** We expect global 3G/4G device shipments to be approximately 1.35 billion for calendar year 2014. However, we do not believe that all of the global 3G/4G device shipments for calendar year 2014 will be reported to us within the time periods required by our license agreements. Accordingly, we currently estimate approximately 1.135 billion to 1.175 billion calendar year 2014 3G/4G device shipments will actually be reported to us through the first calendar quarter of 2015. We expect global 3G/4G device shipments to be approximately 1.5 billion to 1.6 billion for calendar year 2015. At this time, we are not providing a forecast for calendar year 2015 reported 3G/4G device shipments.

(1) 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.