
Estimated 3G/4G device shipments - update

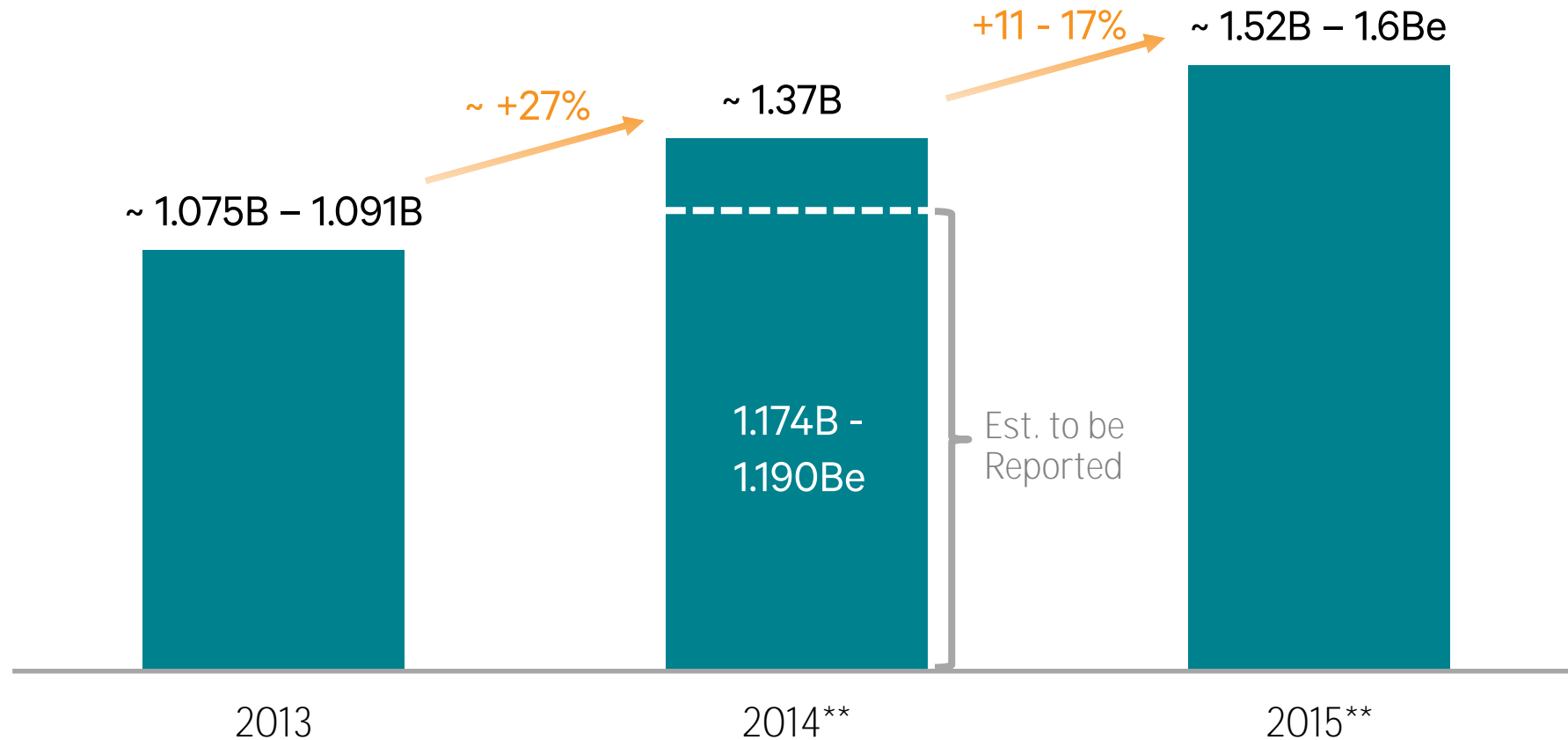
In the second quarter of fiscal 2015, we reached a resolution with the NDRC regarding its investigation and agreed to implement a rectification plan that modifies certain of our business practices in China. However, we continue to believe that certain licensees in China are not fully complying with their contractual obligations to report their sales of licensed products to us (which includes 3G/4G units that we believe are not being reported by certain licensees). Additionally, we expect it will take some time for licensees to decide whether to accept the new China terms or retain the terms of their existing agreements and for unlicensed companies that had delayed execution of new licenses pending resolution of the investigation to execute new licenses. We believe that the conclusion of the NDRC investigation will accelerate the resolution of these issues, although the outcome and timing of any resolutions are uncertain. Please refer to our Quarterly Report on Form 10-Q for the second quarter ended March 29, 2015 filed with the SEC for our most recent disclosures regarding the NDRC resolution.

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

- We estimate global 3G/4G device shipments were approximately 1.37 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 were reported to us within the time periods required by our license agreements. Accordingly, we currently estimate approximately 1.174 billion to 1.190 billion calendar year 2014 3G/4G device shipments were actually reported to us through the first calendar quarter of 2015.
- We expect global 3G/4G device shipments to be approximately 1.52 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 third fiscal quarter and fiscal 2015 3G/4G total reported device sales. This 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 April 22, 2015



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

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(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.