

Supplemental Results of Business Segments

The following table provides supplemental information including our results of business segments and also reconcile our Non-GAAP results to our GAAP results (\$ in millions, except per share data):

SEGMENTS	QCT	QTL	Non-GAAP Reconciling Items (a)	Non-GAAP Results	QSI	Share-Based Compensation	Other Items (b) (c)	GAAP Results
Q4 FISCAL 2017								
Revenues	\$4,650	\$1,213	\$94	\$5,957	\$43	\$—	(\$95)	\$5,905
<i>Change from prior year</i>	<i>13%</i>	<i>(36%)</i>	<i>(42%)</i>	<i>(3%)</i>	<i>N/M</i>		<i>N/M</i>	<i>(5%)</i>
<i>Change from prior quarter</i>	<i>15%</i>	<i>3%</i>	<i>19%</i>	<i>12%</i>	<i>(23%)</i>		<i>N/M</i>	<i>10%</i>
Operating income (loss)				\$1,578	\$22	(\$204)	(\$1,063)	\$333
<i>Change from prior year</i>				<i>(27%)</i>	<i>N/M</i>	<i>4%</i>	<i>N/M</i>	<i>(82%)</i>
<i>Change from prior quarter</i>				<i>29%</i>	<i>(35%)</i>	<i>10%</i>	<i>N/M</i>	<i>(57%)</i>
EBT	\$973	\$829	(\$127)	\$1,675	\$28	(\$204)	(\$1,065)	\$434
<i>Change from prior year</i>	<i>42%</i>	<i>(48%)</i>	<i>N/M</i>	<i>(29%)</i>	<i>N/M</i>	<i>4%</i>	<i>N/M</i>	<i>(78%)</i>
<i>Change from prior quarter</i>	<i>69%</i>	<i>(3%)</i>	<i>1%</i>	<i>29%</i>	<i>(49%)</i>	<i>10%</i>	<i>N/M</i>	<i>(49%)</i>
EBT as % of revenues	21%	68%	N/M	28%				7%
Net income (loss)				\$1,375	\$25	(\$153)	(\$1,079)	\$168
<i>Change from prior year</i>				<i>(28%)</i>	<i>N/M</i>	<i>(2%)</i>	<i>N/M</i>	<i>(89%)</i>
<i>Change from prior quarter</i>				<i>11%</i>	<i>(22%)</i>	<i>23%</i>	<i>N/M</i>	<i>(81%)</i>
Diluted EPS				\$0.92	\$0.02	(\$0.10)	(\$0.73)	\$0.11
<i>Change from prior year</i>				<i>(28%)</i>	<i>N/M</i>	<i>—%</i>	<i>N/M</i>	<i>(90%)</i>
<i>Change from prior quarter</i>				<i>11%</i>	<i>—%</i>	<i>23%</i>	<i>N/M</i>	<i>(81%)</i>
Diluted shares				1,488	1,488	1,488	1,488	1,488
Q3 FISCAL 2017								
Revenues	\$4,052	\$1,172	\$79	\$5,303	\$56	\$—	\$12	\$5,371
Operating income (loss)				1,225	34	(227)	(259)	773
EBT	\$575	\$854	(\$128)	1,301	55	(227)	(271)	858
EBT as % of revenues	14%	73%	N/M	25%				16%
Net income (loss)				\$1,237	32	(199)	(204)	\$866
Diluted EPS				\$0.83	\$0.02	(\$0.13)	(\$0.14)	\$0.58
Diluted shares				1,491	1,491	1,491	1,491	1,491
Q4 FISCAL 2016								
Revenues	\$4,124	\$1,885	\$161	\$6,170	\$14	\$—	\$—	\$6,184
Operating income (loss)				2,176	(1)	(213)	(158)	1,804
EBT	\$687	\$1,584	\$74	2,345	(14)	(213)	(158)	1,960
EBT as % of revenues	17%	84%	46%	38%				32%
Net income (loss)				1,905	(9)	(150)	(147)	\$1,599
Diluted EPS				\$1.28	(\$0.01)	(\$0.10)	(\$0.10)	\$1.07
Diluted shares				1,491	1,491	1,491	1,491	1,491

- (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.

N/M - Not Meaningful

Sums may not equal totals due to rounding.

SEGMENTS	QCT	QTL	Non-GAAP Reconciling Items (a)	Non-GAAP	QSI	Share-Based Compensation	Other Items (b)	GAAP
FISCAL 2017								
Revenues	\$16,479	\$6,445	\$311	\$23,235	\$113	\$—	(\$1,057)	\$22,291
<i>Change from prior year</i>	7%	(16%)	(28%)	(1%)	140%		N/M	(5%)
Operating income (loss)				\$7,094	\$38	(\$914)	(\$3,604)	\$2,614
<i>Change from prior year</i>				(9%)	(90%)	3%	N/M	(60%)
EBT	\$2,747	\$5,175	(\$412)	\$7,510	\$65	(\$914)	(\$3,641)	\$3,020
<i>Change from prior year</i>	52%	(21%)	(126%)	(8%)	(83%)	3%	N/M	(56%)
EBT as % of revenues	17%	80%	N/M	32%				14%
Net income (loss)				\$6,386	\$46	(\$753)	(\$3,213)	\$2,466
<i>Change from prior year</i>				(4%)	(82%)	—%	N/M	(57%)
Diluted EPS				\$4.28	\$0.03	(\$0.51)	(\$2.16)	\$1.65
<i>Change from prior year</i>				(4%)	(82%)	(2%)	N/M	(57%)
Diluted shares				1,490	1,490	1,490	1,490	1,490
FISCAL 2016								
Revenues	\$15,409	\$7,664	\$434	\$23,507	\$47	\$—	\$—	\$23,554
Operating income (loss)				7,834	372	(943)	(768)	6,495
EBT	1,812	6,528	(182)	8,158	386	(943)	(768)	6,833
EBT as % of revenues	12%	85%	N/M	35%				29%
Net income (loss)				6,653	252	(753)	(447)	\$5,705
Diluted EPS				\$4.44	\$0.17	(\$0.50)	(\$0.30)	\$3.81
Diluted shares				1,498	1,498	1,498	1,498	1,498

- (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.

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