Thanks, Warren, and good afternoon, everyone. We're very pleased to report record revenues, earnings per share and MSM shipments this quarter driven by increased demand for smartphones and data-centric devices across an expanding number of regions and price points. It was a very successful quarter, and we're pleased to be raising our financial outlook for fiscal 2012. QCT continues to execute and is well positioned to take advantage of the many opportunities ahead.

We announced the expansion of our Snapdragon S4 processor road map, demonstrated Windows 8 running on an MSM8960-based device over LTE and had several partners launch noteworthy devices based on our solutions. Our Licensing business had another strong quarter as well, driven by the global adoption of smartphones and other connected devices.

QTL continues to grow and expand its base of licensees. We now have over 205 CDMA licensees in more than 15 single-mode OFDMA licensees. The global migration from 2G to 3G, and the increase in the variety and number of smartphones and other device types at multiple price tiers positions QTL for strong growth in fiscal 2012.

We continue to make advancements with our mirasol Display technology and announced the launch of eReader products with 4 different partners in the last 90 days. Now these products are being supported from our development fab. We're on track to bring our commercial fab online later this year.

On the mobile health front, we announced the launch of Qualcomm Life in our 2net platform. We expect that this platform will help accelerate adoption of a variety of new mobile health-related devices and services. Further, the Qualcomm Foundation, partnering with the X PRIZE Foundation, also announced the launch of the $10 million Qualcomm Tricorder X Prize, which is a global competition with the goal of helping drive development of diagnostic devices that will give consumers access to their state of health in the palm of their hand.

And just after the close of our first fiscal quarter, we completed the sale of our 700 MHz Spectrum in the United States to AT&T for $1.9 billion, and we're now working with them to provide supplemental downlink technology that they intend to deploy in that spectrum to deliver faster downloads in greater capacity on their LTE network.

Looking forward, we continue to see favorable trends across the key growth drivers for our business. First, with respect to handsets, there continues to be strong consumer demand for smartphones across all key regions. According to Gartner, worldwide smartphone sales reached 477 million units in calendar year 2011, up approximately 60% year-over-year. Second, the

2G to 3G migration remains strong in emerging regions. According to Wireless Intelligence, in the December quarter, 3G connections in emerging regions grew greater than 45% year-over-year.

They also forecast that China will surpass 1 billion mobile connections before the end of the March quarter, and that 3G will soon account for 25% of the country's connections, driven by increased operator subsidies, as well as increased availability and consumer demand for smartphones. According to Gartner, China is currently the world's #2 region in terms of quarterly smartphone sales and is poised to become the leading consumer of smartphones in the world. Now recently I attended China Telecom's annual supply chain conference where they announced that they expect demand for 80 million 3G handsets on their CDMA network in calendar year 2012, of which 45 million are expected to be EV-DO smartphones.

A third growth driver is the opportunity beyond handsets, including the adoption of 3G, 4G connectivity and devices such as tablets, eReaders, machine-to-machine and gaming devices. According to certain industry analysts, non-handset mobile broadband device shipments are estimated to grow at a 40% compound annual growth rate from 2010 through 2015.

We also see an exciting opportunity for the adoption of our Snapdragon processors in the mobile computing and the consumer electronics space. Lenovo's recent K91 smart TV announcement, powered by a Snapdragon processor, demonstrates the breadth of capability that our products have, and we continue to make significant investments in these areas.

The fourth key driver is to continue deployment of advanced network technologies to handle the accelerating consumer demand for wireless data. I have regular discussions with leading operators as they consider alternative ways to address the expected growth in data traffic on their networks. Across the world, we see operators continuing to invest in enhancements to their 3G networks, seek new spectrum, as well as deploy LTE. According to the GSA, LTE is now commercial in 49 networks across 29 countries.

And finally, we see the expansion of connectivity as an important incremental growth driver for our business, consistent with our vision of a world where almost everything around us is connected. At CES, we demonstrated examples of our vision of a connected home. We announced expansions of our Qualcomm Atheros product portfolio to address these future opportunities.

On the legal front, as we noted in our 10-Q, which was filed today, on January 27, 2012, we learned that the U.S. Attorney's office in San Diego and the DOJ have begun a preliminary investigation regarding the company's compliance with the Foreign Corrupt Practices Act. We believe we are in compliance with the requirements of the FCPA, and we will continue to cooperate with this investigation and look forward to resolving this matter.

To conclude, we have completed another outstanding quarter at Qualcomm, driven by a continued 2G to 3G migration, smartphone adoption and continued strong execution across our businesses. And looking forward, I'm pleased with our outlook for continued strong revenue and earnings growth in fiscal 2012.

That concludes my comments, and I will now turn the call over to Steve Mollenkopf.

Steven M. Mollenkopf

Thank you, Paul, and good afternoon, everyone. Our QCT business delivered another strong quarter with record MSM shipments, revenue and operating profit. Growth in global demand for 3G and 4G smartphones, along with share growth across our chipset portfolio, helped to drive these strong results.

We shipped a record 156 million MSMs, up 32% year-over-year, and we are pleased to be shipping our chipset solutions to all major handset manufacturers. Our volumes continue to grow at a rate in excess of 4G, 3G device growth, and our strategy to drive smartphones further into all tiers through the expansion of our Snapdragon chipset road map continues to gain traction with our customer base.

Snapdragon shipments grew by more than 120% year-over-year in the December quarter, and there are now more than 340 announced Snapdragon-based devices with over 400 more in design, and we continue to grow our design pipeline with increasing momentum at key Tier 1 multinational and developing OEM accounts. Our S1 Snapdragon products targeted for lower-priced smartphones showed strong growth during the quarter, particularly in China.

Our shipments to developing Chinese accounts grew more than 10x year-over-year and in total, compare favorably to shipments to China-based multinational accounts, reflecting the overall growth and diversification of our customer base in the region. Our MSM 8960, the flagship of our Snapdragon S4 family, is now shipping commercially to customers as scheduled. Volume production is ramping, and we are seeing strong OEM demand for that chipset even above our prior expectations. We are starting to see the first 8960 device announcements by our partners, including the Lenovo IdeaTab and the ASUS Padfone, both announced at the Consumer

Electronics Show last month, and there are now over 120 S4-based devices in design, and many more partner announcements are expected in the coming months.

The majority of these OEMs are designing in our integrated connectivity, including Wi-Fi, GPS, Bluetooth and FM into these devices. At CES last month, we demonstrated a prerelease version of Microsoft Windows 8 running on the S4 MSM 8960, showcasing the integrated multimode 3G LTE modem connected via AT&T's live network. Our technology breadth combined with our ability to integrate these technologies into a broad and deep road map is a clear competitive differentiator for us. We continue to make investments upstream of new opportunities, positioning us for leadership at the front end as they develop. We see that taking place now with our strength in LTE and believe we are investing to be positioned well for the Windows 8 opportunity.

We are on track to sample the next two 28-nanometer chipsets in our Snapdragon S4 family of products. The dual-core MSM 8930, which will enable 3G LTE smartphones at high-volume price points, and the quad-core APQ 8064, which will support high-end smartphones, tablets and Windows 8 devices. These chipsets exemplify our strategy of rapidly extending new technologies and chipset features across multiple price tiers.

Fiscal year 2012 is off to a strong start, and we are pleased with the demand profile and design pipeline that we have in place, as well as the opportunity that lies ahead in mobile computing.

That concludes my remarks, and I would now like to turn the call over to Bill Keitel.

William E. Keitel

Thank you, Steve. Good afternoon, everyone. We had another quarter of record results, and we are pleased to be raising our estimates for fiscal 2012 revenue and earnings per share. Our first quarter revenues of $4.7 billion were a record high, up 40% year-over-year and at the high end of our prior guidance. Non-GAAP operating income was a record $1.87 billion, up 32% year-over-year, and non-GAAP earnings per share was a record $0.97, up 18% year-over-year, both exceeding the high end of our prior guidance.

We shipped a record 156 million MSM chipsets during the quarter, also exceeding the high end of our prior guidance, and QCT's operating margin was 24%, driven by strong demand for our portfolio of smartphone chipsets. Total reported device sales from our licensees for the September quarter were a record $41.4 billion, at the high end of our prior guidance. We estimate that our licensees' total reported device sales was comprised of

$191 million to $195 million 3G, 4G device shipments at an average selling price of $212 to $218 per unit. Based on the midpoint, the average selling price of such devices increased 4% sequentially, driven by higher average selling prices of handsets in emerging regions and data dongles comprising a lower percentage of total units, partially offset by approximately $4 per unit of unfavorable foreign exchange.

QTL's operating margin was 88%, driven by record total reported device sales. Non-GAAP investment income was $191 million, including $45 million in gains from put options in our stock sold in fiscal 2011 as part of our stock repurchase program. Operating cash flow was approximately $1.8 billion during the first quarter, and cash and marketable securities totaled $22 billion.

During the first quarter, we returned $461 million to stockholders, including cash dividends of $362 million and $99 million to repurchase 2 million shares. On January 10, we announced another cash dividend of $0.215 per share payable on March 23 to stockholders of record as of March 2.

First quarter non-GAAP earnings per share was $0.08, above the midpoint of our prior guidance. QCT contributed $0.05. QTL contributed $0.02, and the remaining $0.01 was primarily from better-than-expected investment income. We estimate that 770 million to 795 million 3G, 4G devices were shipped in calendar 2011. Based on the 783 million midpoint of that range, we estimate that calendar 2011 3G, 4G device shipments grew approximately 20% year-over-year.

Now turning to our guidance. We are raising our estimate for 3G, 4G device shipments to between 875 million and 945 million in calendar 2012, an increase of approximately 10 million units over our prior guidance and up 16% year-over-year at the midpoint. We are raising our fiscal 2012 revenue guidance by approximately $700 million on the strength of our QTL and QCT business segments. We now expect fiscal 2012 revenues to be $18.7 billion to $19.7 billion, up approximately 27 -- 28% year-over-year at the midpoint.

We are raising our non-GAAP earnings per share guidance by $0.13. We now anticipate non-GAAP earnings per share of $3.55 to $3.75, up approximately 14% year-over-year at the midpoint. We are also raising our guidance for GAAP earnings per share by $0.56, reflecting strength in our core operations, as well as the $1.2 billion gain on the sale of our spectrum to AT&T at the outset of the second fiscal quarter.

We now expect GAAP earnings per share of $3.36 to $3.56, up approximately 37% year-over-year at the midpoint. We estimate the average selling price of 3G, 4G devices would be approximately $204 to

$216 in fiscal 2012, above our prior estimate of $197 to $209, reflecting higher-than-expected average selling prices in multiple regions, partially offset by approximately $1 per unit of unfavorable foreign exchange.

We expect the combination of non-GAAP R&D and SG&A expense to increase approximately 18% year-over-year, driven primarily by increased R&D investments in our QCT business. For fiscal 2012, our guidance for QTL and QCT operating margins is unchanged. We expect QTL's operating margin for the fiscal year to be 86% to 88%, and we expect QCT's operating margin for this fiscal year to be 20% to 22%. We estimate our non-GAAP annual tax rate to be approximately 18% and 19% for fiscal 2012.

Now turning to the second fiscal quarter. We estimate revenues of $4.6 billion to $5 billion, up approximately 24% year-over-year at the midpoint, and non-GAAP earnings per share of $0.91 to $0.97, up approximately 9% year-over-year at the midpoint. We expect GAAP earnings per share of $1.20 to $1.26, up approximately $0.42 sequentially at the midpoint, including approximately $0.44 from the gain of our spectrum sale to AT&T.

We expect total reported device sales by our licensees to be $47.5 billion to $51.5 billion, up 24% year-over-year and up 20% sequentially at the midpoint. We anticipate QCT shipments of 146 million to 154 million MSM chips during the March quarter, down a bit sequentially at the midpoint coming off the busy holiday quarter, but up 27% year-over-year. Our estimate for CDMA channel inventory is consistent with our prior expectations remaining at the lower end of the 13 to 18-week range through fiscal 2012.

We anticipate second quarter non-GAAP R&D and SG&A expenses combined will increase approximately 9% sequentially, reflecting increased seasonal expenses, notably employer payroll taxes. As we said last quarter, while we estimate that the implied royalty rate you calculate based on the information we provide will be in the range of 3.4% to 3.5% for fiscal year 2012, you will continue to see quarterly variations in the rate based on a variety of factors that we have discussed in the past. At this time, we do expect that the implied rate will decline sequentially in Q2 based primarily on the fact that fixed Licensing fees and infrastructure royalties are growing at a much slower pace than the strong growth in total reported device sales by our licensees.

We also estimate that QCT's operating margin for Q2 will be at the low end of the 20% to 22% range we have provided for fiscal 2012. The midpoint of our fiscal second quarter non-GAAP earnings per share guidance is $0.03 lower sequentially. Based on this midpoint, we estimate that QTL will be $0.08 better, reflecting strong device smartphone shipments for the holiday quarter, and we estimate that QCT will be lower by $0.05, reflecting typical seasonality. The remaining $0.06 decrease is driven by operating expense growth and lower forecasted investment income.

That concludes my comments. I will now turn the call back to Warren Kneeshaw.

Warren Kneeshaw

Thank you, Bill. Operator, we are ready for questions.

Question-and-Answer Session

Operator

[Operator Instructions] Tim Long with Bank of Montreal.

Tim Long - BMO Capital Markets U.S.

On the Chipset business, if I could. First on the gross margins, Bill, it looks like, back of the envelope here, it looks like they declined again sequentially. Are we going to see continued gross margin pressure on the Chipset business? And then on the ASPs, if you could just touch on what drove them down in the December quarter, and should we expect the typical March -- I think you do some repricing where there's a price down in the March quarter?

William E. Keitel

Sure, Tim. On the gross margins, we're seeing both first quarter and second quarter unfold largely as we expected at the outset of the year and consistent with the strategy we've had in place now for a good year plus. There is some more pressure on the gross margin, but volume side is offsetting pretty well on the operating margin level. ASPs on average per chip, I don't expect a lot of change going into Q2 relative to what we reported here in Q1. There will be, I think, a modest change. But overall, I don't expect a lot of change, in fact, based on our outlook here for the rest of the year. We do expect QCT to report a sequential decrease in operating margin percent going into Q2 as we've seen in prior quarters. And as typical, I think everybody understands that this is a time of year when we typically have our pricing resets.

Operator

Simona Jankowski with Goldman Sachs.

Simona Jankowski - Goldman Sachs Group Inc., Research Division

Just a couple of follow-ups. First, Steve, I think you said that demand for the MSM 8960 is exceeding expectations, and I just wanted to clarify if that's because the customers that you've won are ordering higher volumes than you expected or if it's because you're getting more customer wins than you expected? And then, Bill, I just wanted to clarify in terms of your full year 3G, 4G unit, raised by about 10 million, if you can just expand a bit on the sources of that upside.

Steven M. Mollenkopf

It's really a combination of both. What we're seeing is, I think, consistent with my comments about increased demand for LTE across the portfolio. So we're seeing that being pulled through on the 8960, as well as the -- I think there's also demand for the new CPU core that we have in there as well. So it's become a very successful chip for us in terms of design pipeline.

William E. Keitel

Simona, on the full year 3G, 4G units. Yes, our range has increased approximately 10 million at the low and the high end. And that 10 million changes, the primary driver is China. As you noted in Paul's remarks, that market is particularly strong for smartphones here of late. But we're seeing strength elsewhere beyond that. Latin America -- I would say, first of all, more on the emerging regions. But Latin America, and parts of Middle East, Asia and Africa, we're seeing strength.

Operator

Mike Walkley with Canaccord Genuity.

T. Michael Walkley - Canaccord Genuity, Research Division

Steve, just building on that last question. With strong share gains for QCT during the December quarter, can you just update us on some areas for content share gains as you go through the year? For example, our checks are showing like Qualcomm's integrated solutions doing very well in kind of the mid-tier mass-market smartphones. How do you see kind of your apps profits pull through with the 8960? And then also if you could talk on your connectivity business for 8960, that would be great.

Steven M. Mollenkopf

Sure, Mike. It's really been across the board. We've been really telling a story in our strategy that we thought that the combination of the high-end modem feature set, which would be LTE and the high-end AP was something that we really felt would move together in the market, and we've seen evidence of that happening. We had the Fusion chipsets really strong at the high end of the product line. You've seen some of the big OEMs take that and really transition their product line toward us in that respect. We've also seen, particularly into emerging markets and some of the new accounts that we've been able to acquire, particularly in China, a demand for really mass-market smartphones, particularly in China across several different operators. And then in addition, we've been shipping really into some new larger accounts that have been important for the business as well. So it's really a case where things have been happening across the board. We think this broad technology play, as well as integration, will be something that will help us in the future as well. A good example of that was the comments that I made about the connectivity business in reference to your question. If you look at the number of 8960 design wins that we have, really the majority of them are going to be using our integrated connectivity as well. So we think that, that strategy continues to play in addition to what we've seen in the past. We think it's a good strategy moving forward as well.

Operator

Brian Modoff with Deutsche Bank.

Brian T. Modoff - Deutsche Bank AG, Research Division

A question for Steve. So the China business, can you talk a little bit about what you're seeing from a design win standpoint. Our checks are indicating you're capturing over half the designs in China with regard to -- as those vendors shift over to 3G, can you kind of talk around that number? And Bill, how do you see, as you've seen more of these kind of mid and low-end smartphones hitting the market, how that might affect your gross and operating margins in that business overall. And then if I can get an update on the timing of your TD-SCDMA product for China as well, I'd appreciate that.

Steven M. Mollenkopf

Sure, Brian. In answer to your first question about the emerging accounts for us in China, we were first mover to integrated smartphone chipsets in the emerging markets, and I think that's been an area that's been able to -- what we've been able to sustain that in terms of design wins, which I mentioned in my remarks how those accounts have really been growing in terms of shipments. And now the size of them they really are pretty close to where we are with some of the larger multinationals in China. So we're quite pleased with how that's working. We think that continues to be a technology battle there. We have a pretty deep road map. Our strategy there will be to, as you know, to just continue to push our integration strategy. Integrated connectivity is also important in that market as well. So we're going to continue moving that forward and are pleased with the initial results though.

Donald J. Rosenberg

Brian, it's Don. On the mid to low-end smartphone space, obviously, that's been very much a target of ours for more than the last year now. Last year, we priced the chipset products pretty aggressively to help build up that space and seemed to work pretty well. And the year from a margin standpoint QCT pretty much unfolded as we had expected. So now we're starting to ramp more into that business, continue to be aggressive on the price, bringing the 28-nanometer mark to market, which hopefully, in future years, that's going to lead to a little bit better margin potential for us. On the Licensing side, this mid to low-end market in smartphones is thus far proving pretty positive for QTL, and it's not a small part of our optimism really with the strength of ASPs going forward for the rest of this year. So we're pretty pleased with this mid to low-end smartphone market.

Steven M. Mollenkopf

And, Brian, in answer to your question about TD-SCDMA, this is Steve again. It's really the same timing that we mentioned in New York in November. Our TD-SCDMA products, we think will be delivered at the end of this year in terms of products in the market. There's a couple different chipsets that have that including our S4 family of chipsets, as well as our 28-nanometer modem designs called 9x15. So those are on track and continue to move forward.

Operator

Tal Liani with Bank of America.

Eric A. Ghernati - BofA Merrill Lynch, Research Division

This is Eric Ghernati for Tal. A few questions here. First for Paul, we haven't talked to you since then, and since the Analyst Meeting that TS, Intel obviously, talked about some LTE [ph] and a couple of design wins and there were a few benchmarks. If you can just walk us through your thought process now that you've seen a few benchmarks from Intel. And then a couple of questions for Bill, if you don't mind. First if you can disclose what the ASPs did for QCT, sorry, for MSMs. And secondarily, off of the Q2 trough in QCT operating margins, how much do you think is coming from -- how much should we expect as far as gross margin improvements over next 2 or 3 quarters shall we say? Midpoint of your EBIT margin of 20%, 22%.

Paul E. Jacobs

So yes, we saw the announcements that were made by Intel at CES. And some of the guys got around to see some -- how the products were operating and talking to some of the -- some of the partners. So I think we still feel extremely strongly that we're in a good position relative to power and performance, relative to them. If you look at the difference in the number of design wins, I think that really does tell the story pretty directly. And the other thing that I think you may have seen at CES was us demonstrating 8960-based Windows 8 tablets. And when I said to the audience that it didn't have a fan, I think we got a lot of knowing chuckles. So we feel good about that opportunity. It's going to certainly be a lot of competition coming, but we're excited about what's ahead of us.

Operator

Ehud Gelblum with Morgan Stanley.

Ehud Gelblum - Morgan Stanley, Research Division

Steve, if I can try and dissect the -- your chips a little bit. X -- you have your largest customer, the fruit one, and we look at your baseband business. So x Snapdragon and x this new customer. Is that baseband business kind of growing -- still growing with the market? Or is that beginning to decline? And then when I do the math, it looks like your Snapdragon chips were still very strong but may have fallen sequentially, I calculate falling around 15% to 20% sequentially, yet your operating margin went up 2 points from 22 to 24. So does that mean that the profitability of your basebands, which seems to be a mix towards basebands this quarter, may have actually been stronger than people think and that with just basebands, you can keep your margins up higher? And then finally, the S4 platform, as that comes out, how should we be looking at this? Is this just the next version of your chips? Or is it really kind of a game changer in the sense that it puts you up ahead of -- from everyone and it will allow you to gain share? And how should we be thinking about the impact of all the S4 devices on the P&L?

Paul E. Jacobs

We're -- so forgive me if I don't touch all of it. The -- let me answer the first -- last part first, which is I think on the S4, you should really look at it as 2 things. One is, it's the next chip in our family. But as we've been saying over the years, each chipset becomes more integrated, more complex, probably more difficult to do, actually, unless you have a very broad set of technologies. In this case, we've combined really a full-scale modem upgrade, connectivity upgrade and computing upgrade, and we're really very pleased with how the market has received that. So we really look at it as a pretty big step up in terms of integration and functionality. And then on its heels, as I mentioned in my remarks, we're rapidly tiering that product family so that, well, now -- in addition to delivering at the high end, we're also delivering across multiple tiers, really above and below. That's the strategy we've had for many years across the modem, and now we're bringing that into mobile computing as well. I apologize. I actually can't recall the first half of your question.

Ehud Gelblum - Morgan Stanley, Research Division

It was on, are your basebands, x, so I'll just say Apple, and x your Snapdragon chips. So just basebands. Is that growing with the market? Or is that declining? And your Snapdragon chips seem to have fallen sequentially, yet your total operating margin went up 2 points. Normally, we think of Snapdragon up sequentially, operating margin up and vice versa, yet now it seems as though your basebands were up versus Snapdragon's, and yet your operating margins still went up. So how should we be thinking about that relationship?

Paul E. Jacobs

Well, I think the baseband continues to grow -- or the Snapdragon platform really continues to grow quarter-to-quarter, and we still -- we saw the same thing in the units that we delivered this quarter. In addition, you should think of our results really as a combination of bringing on some new customers on, some of them being, or one of them being quite large, as well as continuing to grow outside, really. So your -- the traditional accounts, we've continued to either maintain share or grow share, as well as we're bringing on new customers as people transition to smartphones in emerging markets. So it's really a case for us as we've been able to grow the business while the landscape of the OEM market has really changed quite a bit. So we're pleased with how that's happened. And this quarter's a really good example of that.

Operator

Ittai Kidron with Oppenheimer.

Ittai Kidron - Oppenheimer & Co. Inc., Research Division

Bill, I wanted to dig into the QCT margins. Clearly, your volumes, chipset volumes, are delivering higher than planned. Your device ASPs are higher than planned, which means a much better mix of devices as well. So -- and I understand that sequential decline in QCT margins into the second quarter doesn't make sense. But I guess the question is why still you can't raise your QCT margin target for the year. It seems like you're running ahead of plan, as was the case this past quarter and, it sounds like, the next quarter versus your original plan. So why can't we see the QCT margins rising?

William E. Keitel

Sure, Ittai. And by the way, after I answer your point, I didn't like my microphone, and I'm going to come back and finish Eric's questions from -- Eric from Merrill Lynch BofA. But on the QCT margins, Ittai, the -- if you back up a little bit, do recall, of course, the pricing strategy we've had in place. And then, of course, the acquisition of Atheros put some pressure, downward pressure, on our margins. But for -- relative to the guidance we gave at the outset of this year and where we are right now, we did -- in addition to the revenue increase, we did increase our operating expenses, and that's primarily R&D and primarily QCT. So there's -- the demand for more program from our customers is giving us reason to up that R&D spend. Back to the question that I didn't answer. ASPs for QCT, we did see a bit of a -- a slight dip here in the quarter we just reported relative to the fourth fiscal quarter of 2011. We do expect a modest uptick in Q2 and then kind of flattish from there given -- and this really reflects the wide array of chipset products that we've got. Having said that, one of the more challenging things for us to forecast in our business is the right mix of what we will actually ship. So just be prepared for likely some volatility in that average revenue per MSM. Okay?

Operator

Mark McKechnie with ThinkEquity.

Mark McKechnie - ThinkEquity LLC, Research Division

I've got a couple questions for Bill and a quick one for Steve. So Bill, on the royalty base, I want to get a sense for how much of it is based on tablets. Is that becoming a meaningful percentage based on attach rates of 3G? Along with that, what kind of impact would you see, for instance, if a $400 smartphone went to $300? Would that -- is there a cap or something that would keep that overall ASP from coming in? Also, Bill, onshore cash, if you can give me that number. And then finally, for Steve, on the 8960 ramp, congrats, it sounds like you're seeing some good design work there. Any guess or guidance on what kind of mix you'd expect in fiscal '12? And also, what kind of battery life's relative to the bolt-on LTE? I mean, is LTE going to be ready for the mass market tier in the back half of the year?

Derek K. Aberle

Mark, this is Derek. Let me go ahead and address the first couple of questions. I think as the market continues to grow, we're seeing growth in the number of tablets quarter-over-quarter. But I think as a percentage of total units, it's been relatively stable. So we're not seeing them, at this point, increase as a percentage of total units, just more grow in line with the market. On your question on ASP, we do have caps that we've talked about generally. They tend to be -- on the higher side wouldn't necessarily impact the price points that you described on the smartphone side. But our feeling is that as the prices of these phones come down into the mid and lower tiers, as Bill said, it's going to be very -- continue to be very positive trends for the business, and we don't see those phones cannibalizing the devices at the high end where the pricing continues to remain fairly stable.

William E. Keitel

On the onshore cash, we finished the quarter with $6.1 billion in onshore cash.

Steven M. Mollenkopf

Mark, this is Steve. With respect to 8960, in terms of mix, what we think is happening is you're seeing a strong pull of multimode LTE in the portfolio. And if you look really -- we'll probably exit the year somewhere close to 1/3 of our shipments on a run rate basis. We'll be including those -- including that technology. Obviously, not all of that would be on 8960. It takes a while for the OEMs to transition off of what they're using today. And in many cases, it's a 2-chip solution on to those products. But that's what you're seeing in the mix.

Operator

Kulbinder Garcha with Credit Suisse.

Kulbinder Garcha - Crédit Suisse AG, Research Division

Just one clarification. On that last question, Steve, do you say 1/3 of your QCT volume exiting this year could be LTE? Is that what you were saying? I just want to be clear on that. And then my other question is for Bill. It's actually on the Licensing business and the ASP. You had -- so you've seen stronger volume growth in emerging markets, but you're also taking up ASPs as well. So I would have thought there's some geographic negative mix shift in there that's also being offset. So were you seeing people upgrade to higher price points? Is that what you're seeing in the industry right now? How sustainable is that? And then I guess a broader question on ASPs is it looks like you're going to see 2 years now, if your guidance comes through, in terms of ASPs in your Licensing business rising. I'm just wondering how should we think about that in the context of a $100 smartphone coming down in the market and this very aggressive move down market we're having amidst a very competitive smartphone market that still exists out there. So are we close to ASPs, would you say, an absolute level, whether it's $205, $210, peaking, goes up, how see it?

Derek K. Aberle

This is Derek. Let me go ahead and take this. I think if you look at the first quarter that we just reported, we actually saw higher ASPs pretty much across all the emerging regions. And so as we've kind of predicted and talked about previously, we do continue to see these positive trends that will drive ASPs up in emerging regions. We're also seeing relative stability in the developed markets as well, and that helped drive the ASP this quarter. As we look at Q2, I think we're expecting to see the ASP relatively flat quarter-over-quarter. And that's despite some trends that would normally push it down, including more volume coming from emerging markets and a higher percentage of the units expected to come from dongles and maybe even some FX unfavorability. And despite that, we think there's -- we expect that there are some positive trends that are going to push the -- against that and create stability. In the back half of the year, I think we're expecting that we're going to see even more volume from emerging regions, and so there will be some downward pressure on the overall ASP. But the long-term trend, as we've said, we believe are very positive, and our -- or really, as these prices come down into the $100 mark, are really going to help accelerate even further 2G to 3G migration in the emerging regions.

Steven M. Mollenkopf

And Kulbinder, this is Steve. Just -- that was a correct interpretation. We will -- it's really the exit -- how we exit the year. Again, not all of that will be 8960. It will be across a family of chipsets.

Operator

Stacy Rasgon with Sanford Bernstein.

Stacy A. Rasgon - Sanford C. Bernstein & Co., LLC., Research Division

So you gave us a little bit of data on the -- what was driving the EPS increase for the Q2 guidance. But regarding the raise in the annual guidance, in the past you've given us some color on how much of the change in the outlook to revenues in particular is coming from QCT versus QTL. I was wondering if you can give us any sort of feelings for the relative contributors of both of those businesses to the $700 million increase in your guidance range that you've given us. And then just very briefly, what are you guys going to be doing with the $22 billion in cash and $6.1 billion onshore, which I think is at least $1 billion above your target of $5 billion?

William E. Keitel

So Stacy, on the raise for the year, we raised revenue approximately $700 million. The majority of that was QCT in a range of about $0.5 billion and then you've got a couple hundred million that is driven by QTL. On the cash, the $22 billion of cash, I mean, first of all, on the domestic side, $6 billion of domestic, I think you've heard us say in the past much less than $5 billion of liquidity, and we'll probably get a little nervous here. So we think it's an appropriate level of liquidity for our business. But we -- having said that -- we're a bit maybe in a little excess position now. So we'll see. We have a 10b5-1 on file, and we'll just see if that executes at all. On the offshore, the state of our tax, corporate taxes today, obviously there's a strong incentive not to bring that back into the U.S. Hopefully, we'll get a little more sensible on that in the next year or so to help the overall U.S. economy. But I think our mission, as long as the tax code stays as it is, is to keep that cash offshore and be patient looking for opportunities to get back into the business.

Operator

Rod Hall with JP Morgan.

Rod B. Hall - JP Morgan Chase & Co, Research Division

Bill, I just wanted to come back around to your economic assumptions in the new guidance. I know last time you gave it to us or since last time you gave it to us, the economic forecasts have been coming down a little bit. So I wonder if you can just give us some color around what your own assumptions have done with respect to the global economy. And then, Steve, I just wonder on the 8930 that you guys mentioned, you might be -- you're going to be sampling. Can you some idea of what sort of device ASP that kind of a chip would correspond to? And then I hope it's understandable what kind of capabilities it has as well. I mean, how close is it to the 8960? And then finally, in CES, Huawei came out and announced that they're going to make their own chips. I know you guys are a supplier there. Can you give us any color on your discussions with them? I mean, how does the fact that they're planning to make their own APs impact your relationship with them? Does it really materially change? How many chips are you shipping in there?

William E. Keitel

Rod, it's Bill. On the macroeconomic front, in November when we introduced our guidance for fiscal '12, we thought the macro, the world GDP growth would be in a range of about 3.5%, 3.6%. Today, as I'm sure everybody has kind of a similar view, Europe has deteriorated a bit. The U.S., I think, in our view, has partially offset that. And -- but our view today, this plan that we have is based on approximately 3.3% GDP growth in 2012. The -- obviously, the unit projection we gave you is maybe call it bucking that trend. As I said, the main driver to the increase in total units was China, which we really think is -- seems to be have entered into quite an inflection point on 3G, 4G smartphones. We did bring down the Europe component of that. But overall, the China strength, and a bit in Latin America as well, was such that we felt it was appropriate to raise that estimate a bit for the year.

Steven M. Mollenkopf

And Rod, this is Steve. The 8930 is really a replacement of the 8x55 and the 7x27A tier of device, which is really kind of mid-tier to lower mid-tier smartphone product. If you look at how it's configured in the marketplace, it has a fairly wide band in terms of ASPs in terms of device. But it really is the LTE-enabled feature phone replacement kind of at the mid-tier and below. With respect to customers announcing plans to do their own chips, we've dealt with that, I think, over the last probably 12, 15 years. Typically, what our experience has been is that it's difficult, really, to keep up in terms of investing across as many technologies as are required to be successful kind of long term or to be a real big concern for us as a business, but it's obviously an area that we watch. But we really think that it's very much a systems game across a number of technologies, and it's quite difficult, I think, to get that scale if you're only supplying yourself. But that's been our view for a long time, and it seems to have been the case and we don't think it's going to change.

Operator

Mark Sue with RBC Capital Markets.

Mark Sue - RBC Capital Markets, LLC, Research Division

Steve, maybe perhaps along those lines, are there any indications that it's getting a little bit more difficult, expensive for the 2 largest smartphone makers to kind of continue their own developments to only sell to themselves? How might that change this year? Any inclination that might be helpful? And then separately, as we look at the tablet market and how that evolves, perhaps your thoughts on how you might have recalibrated the unit assumptions for this year and how we might see the split between mobile and Wi-Fi-only devices.

Steven M. Mollenkopf

Sure. So I don't know if -- I think our comments or my previous comments apply to just about any account really. Today, if you look at the speed at which technology is changing, it's actually accelerating, both in the modem as well as the AP side. So I think it's becoming quite difficult to invest as much as you would need to and at the rate you would need to in order to do that. I think our 8960 and S4 traction is probably a good proof point for what we believe there. In terms of the tablet market, I think in general, the tablet market obviously has been really dominated by one player by and large. We continue to be bullish long term on that market. In fact, we look at it as a good means for us to transition into what has traditionally been the computing space. As we do that, we think the importance of having multiple technology connectivity as well as wide area connectivity in 3G and 4G modems becomes more important because by and large, those ecosystems that are going to be enabled over the next several years are going to demand more cloud connectivity and more -- the OS itself and the services that are being supplied by these tablets tend to assume that you're connected all the time. We think that's a good environment for us to be delivering chipsets into.

Operator

Jeffrey Kvaal with Barclays Capital.

Jeffrey T. Kvaal - Barclays Capital, Research Division

One on the Licensing side and then one, Steve, for you in QCT. On the Licensing side, 16% growth is your midpoint this year. I mean, could you give us some of the assumptions behind that? I know we're coming off a year where smartphone growth was about 60%, so it seems like there's a pretty big gap there. I know it's not apples-to-apples but still it's a large delta. And then, Steve, if you could help us a little bit on the attach rate for Snapdragon and what you think we will see over the course of 2012, that would be very helpful.

William E. Keitel

Yes, this is Bill. On your -- that 16% growth on units, 3G, 4G units, for calendar '12, I think your point is, if I understand correctly, it's a bit of a decrease from the growth that we think we saw in calendar 2011. The -- obviously, in our view, the macro economy is -- a depressant on that growth, concentrated in a few regions, notably Europe. So that's one of the reasons, I think, that, that growth is a bit lower. And then, two, just in a number of markets, the smartphone penetration has picked up markedly, whereas in another -- a number of other regions, it's really just beginning, China being one example. So I think we're a bit -- in a bit of a transition now where a number of markets smartphone penetration has gone quite high and now it's into a healthy replacement and upgrade cycle, whereas more of the emerging world is just beginning to get into a smartphone transition.

Paul E. Jacobs

And in terms of Snapdragon projections moving forward -- I'll try to stay away from a particular number, but the trend of smartphone growth as well as the ability for us to add new accounts with these integrated chipsets, we think, continues. It's had a little bit of an advantage because in the past, because our 6K products, future phone products, have been transitioning to smartphones rapidly, that will continue. However, those -- the raw number of those 6K units now are getting smaller in terms of the overall mix. But still, we expect it to grow faster than the overall device market, just consistent with Bill's comments about smartphones continuing to grow.

Operator

Matt Hoffman with Cowen and Company.

Matthew Hoffman - Cowen and Company, LLC, Research Division

Paul, a question for you on the market dynamics for LTE in the next version of HSPA at 42-2 here. Specifically, can you talk about operator road maps you're seeing for both technologies, especially in Europe and Asia where LTE is not fully licensed? Do you think we should expect HSPA will hold -- hang on longer in those geographies? And then drilling down on some of the LTE chip commentary you just gave. Do you anticipate the consumer demand side for LTE phones will match those 1/3 of chip shipment commentary you're giving? Or is it the case of OEMs trying to stay ahead of the curve, shipping phones with LTE in the markets where there's no LTE there?

Paul E. Jacobs

If you look at the rollouts of LTE around the world, I mean, it's definitely mixed, obviously U.S. driving and the competition between the operators driving here. But also, Japan is -- we're seeing some aggression there as well. India and China, obviously we're still waiting, in our case, that we used to get the spectrum for LTE in India. I mean, that will happen. There's just not enough 3G spectrum around. Operators there, I think, will continue to upgrade their 3G networks pretty aggressively anyways. But -- then we'll see the -- then we'll finally see LTE roll out. China, it's a little bit of anybody's guess how it's going to roll out. Obviously, we'll see trials, probably large-scale trials. But then the question is, is it really a commercial -- is it going to be commercial? And in terms of demand for LTE going into the phones, I do think that we'll see increasingly that leading-edge smartphones will have LTE in it, and we've made it easy for people to have LTE in it with the way that we've integrated the technology into our chipsets. So yes, I do think, in some cases, they'll get sold into places where there isn't an LTE network necessarily, although probably those phones will come through other channels besides the operator channel. I don't really see the operators necessarily driving LTE phones unless they have a LTE network deployment coming up soon.

Operator

This concludes the question-and-answer portion of today's conference. Dr. Jacobs, do you have any closing remarks before adjourning the call?

Paul E. Jacobs

Yes, thanks. I'm really pleased with the quarter, and I have to say the year looks pretty good going forward. And that's really because all of our growth drivers are really continuing to generate great results for us. Feeling good about the investments we're making for these opportunities that we see ahead of us, and I think 8960 is just a great example of our ability to execute because we're able to aggressively push the pace of technology in a lot of areas, microprocessor, graphics, connectivity, modem, location and, obviously, going to the 28-nanometer process node. And then we take that lead and we tier it, as we've done -- as our strategy in the past. So really, to kind of cement that lead. The other thing I'm very happy, although it wasn't reflected in this quarter's results, really happy to conclude the sale of the FLO spectrum to AT&T. And obviously, we wish FLO had been successful, but what we've been able to do with it is really pivot that spectrum to supplemental downlink technology and also drive broadcast video over LTE with it. So that's a pretty cool thing. And then in addition to supplemental downlink, we're working on a bunch of other really great technologies in the labs to help the operators deal with the continued growth in demand for data. So excited about our execution, excited about what's in front of us. And thanks, everybody, for being on the call, and I hope that we'll get the chance to see many of you in person at Mobile World Congress in Barcelona. Thanks a lot.