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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark one)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

for the quarterly period ended March 26, 2000

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

for the transition period from ________ to ________.

Commission File Number 0-19528

QUALCOMM Incorporated
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	95-3685934 (I.R.S. Employer Identification No.)
5775 Morehouse Dr., San Diego, California (Address of principal executive offices)	92121-1714 (Zip Code)

(858) 587-1121
(Registrant's telephone number, including area code)

[Open]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past ninety days. Yes [X] No [ ]

The number of shares outstanding of each of the issuer's classes of common stock, as of the close of business on April 24, 2000:

Class	Number of Shares
Common Stock; $0.0001 per share par value	741,035,738

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

QUALCOMM Incorporated

Anthony S. Thornley
Executive Vice President
& Chief Financial Officer

Dated: April 26, 2000

QUALCOMM INCORPORATED

INDEX

<TABLE>
<CAPTION>

	Page
PART I. FINANCIAL INFORMATION	
Item 1. Condensed Consolidated Financial Statements (Unaudited)	
Condensed Consolidated Balance Sheets	4
Condensed Consolidated Statements of Income	5
Condensed Consolidated Statements of Cash Flows	6
Notes to Condensed Consolidated Financial Statements..	7-17
Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition	18-25
PART II. OTHER INFORMATION..	26
Item 1. Legal Proceedings	26
Item 2. Changes in Securities	26
Item 3. Defaults Upon Senior Securities	26
Item 4. Submission of Matters to a Vote of Security Holders ..	26
Item 5. Other Information	26
Item 6. Exhibits and Reports on Form 8-K	26-27

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

QUALCOMM INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

ASSETS

	MARCH 26, 2000	SEPTEMBER 26, 1999
Current Assets:		
Cash and cash equivalents	$ 772,548	$ 660,016
Investments	935,778	954,415
Accounts receivable, net	659,297	883,640
Finance receivables	23,597	26,377
Inventories, net	77,902	257,941
Other current assets	332,297	195,849
Total current assets	2,801,419	2,978,238
Property, plant and equipment, net	440,195	555,991
Investments	318,566	70,495
Finance receivables, net	784,297	548,482
Goodwill, net	942,293	1,833
Deferred income taxes	443,194	123,788
Other assets	413,760	256,123
Total assets	$ 6,143,724	$ 4,534,950

LIABILITIES AND STOCKHOLDERS' EQUITY

	MARCH 26, 2000	SEPTEMBER 26, 1999
Current Liabilities:		
Accounts payable and accrued liabilities	$ 507,532	$ 705,208
Unearned revenue	81,617	56,070
Bank lines of credit	-	112,000
Current portion of long-term debt	200	3,099
Total current liabilities	589,349	876,377
Long-term debt	343	795
Other liabilities	49,085	74,872
Total liabilities	638,777	952,044
Commitments and contingencies (Note 11)		
Minority interest in consolidated subsidiaries	45,695	51,596
Company-obligated mandatorily redeemable Trust Convertible Preferred Securities of a subsidiary trust holding solely debt securities of the Company	-	659,555

Stockholders' Equity:		
Preferred stock, $0.0001 par value	-	-
Common stock, $0.0001 par value	74	65
Paid-in capital	4,897,967	2,587,899
Retained earnings	577,714	200,879
Accumulated other comprehensive income (loss)	(16,503)	82,912
Total stockholders' equity	5,459,252	2,871,755
Total liabilities and stockholders' equity	$ 6,143,724	$ 4,534,950

</TABLE>

See Notes to Condensed Consolidated Financial Statements.

QUALCOMM INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

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	THREE MONTHS ENDED		SIX MONTHS ENDED	
	MARCH 26, 2000	MARCH 28, 1999	MARCH 26, 2000	MARCH 28, 1999
Revenues	$ 727,741	$ 932,395	$ 1,847,814	$ 1,873,618
<S>	<C>	<C>	<C>	<C>
Operating expenses:				
Cost of revenues	350,396	623,775	999,144	1,266,165
Research and development	90,153	102,713	173,557	203,075
Selling, general and administrative	97,398	104,592	199,174	224,813
Amortization of goodwill and other acquisition-related intangible assets	20,536	302	20,608	604
Purchased in-process technology	60,030	-	60,030	-
Other	37,437	95,824	63,589	95,824
Total operating expenses	655,950	927,206	1,516,102	1,790,481
Operating income	71,791	5,189	331,712	83,137
Interest expense	(1,213)	(5,459)	(3,886)	(8,774)
Investment income (expense), net	333,749	(2,863)	369,996	3,887
Distributions on Trust Convertible Preferred Securities of subsidiary trust	(1,994)	(9,904)	(13,039)	(19,703)
Other	(3,265)	(52,531)	(3,265)	(52,531)
Income (loss) before income taxes	399,068	(65,568)	681,518	6,016
Income tax (expense) benefit	(199,352)	22,948	(304,683)	(106)
Net income (loss)	$ 199,716	$ (42,620)	$ 376,835	$ 5,910

Net earnings (loss) per common share:				
Basic	$ 0.28	$ (0.07)	$ 0.55	$ 0.01
Diluted	$ 0.25	$ (0.07)	$ 0.48	$ 0.01
Shares used in per share calculations:				
Basic	716,818	578,457	690,702	572,118
Diluted	801,388	578,457	796,107	586,103

</TABLE>

See Notes to Condensed Consolidated Financial Statements.

QUALCOMM INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

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	SIX MONTHS ENDED	
	MARCH 26, 2000	MARCH 28, 1999
<S>	<C>	<C>
OPERATING ACTIVITIES:		
Net income	$ 376,835	$ 5,910
Depreciation and amortization	81,394	86,719
Purchased in-process technology	60,030	-
Restructuring, impairments and other non-cash charges and credits	73,673	152,684
Gain on sale of available-for-sale securities	(270,061)	(5,663)
Minority interest in income of consolidated subsidiaries	3,614	6,543
Equity in losses of investees	5,614	5,995
Deferred income tax provision (benefit)	276,666	(45,178)
Increase (decrease) in cash resulting from changes in:		
Accounts receivable, net	180,890	(207,641)
Finance receivables, net	(230,035)	(68,030)
Inventories	(55,365)	126,024
Other current assets	(46,631)	(24,944)
Accounts payable and accrued liabilities	(144,182)	(4,868)
Unearned revenue	23,210	(4,265)
Net cash provided by operating activities	335,652	23,286
INVESTING ACTIVITIES:		
Capital expenditures	(115,104)	(95,048)
Purchases of available-for-sale securities	(964,823)	-
Maturities of available-for-sale investments	436,249	-
Proceeds from sale of available-for-sale securities	353,679	7,163
Purchases of held-to-maturity investments	(607,996)	(15,894)
Maturities of held-to-maturity investments	652,330	59,977
Issuance of notes receivable	(199,021)	(55,374)
Collection of notes receivable	228,763	22,475
Proceeds from sale of business	216,144	-
Business acquisitions and investments in other entities	(189,633)	(9,939)
Other items, net	(6,488)	3,000
Net cash used by investing activities	(195,900)	(83,640)
FINANCING ACTIVITIES:		
Net reduction in borrowings under bank lines of credit	(112,000)	(87,000)
Net proceeds from issuance of common stock	85,059	105,961
Other items, net	(3,458)	(1,824)
Net cash (used) provided by financing activities	(30,399)	17,137
Effect of exchange rate changes on cash	3,179	(11,376)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	112,532	(54,593)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	660,016	175,846

CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 772,548	$ 121,253

</TABLE>

See Notes to Condensed Consolidated Financial Statements.

QUALCOMM INCORPORATED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 - BASIS OF PRESENTATION

The accompanying interim condensed consolidated financial statements have been prepared by QUALCOMM Incorporated (the "Company" or "QUALCOMM"), without audit, in accordance with the instructions to Form 10-Q and, therefore, do not necessarily include all information and footnotes necessary for a fair presentation of its financial position, results of operations and cash flows in accordance with generally accepted accounting principles. The condensed consolidated balance sheet at September 26, 1999 was derived from the audited consolidated balance sheet at that date which is not presented herein. The Company operates and reports using a period ending on the last Sunday of each month.

In the opinion of management, the unaudited financial information for the interim periods presented reflects all adjustments, which are only normal and recurring, necessary to provide a fair presentation. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended September 26, 1999. Operating results for interim periods are not necessarily indicative of operating results for an entire fiscal year.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Certain prior year amounts have been reclassified to conform to the current year presentation.

The Company effected a two-for-one stock split in May 1999 and a four-for-one stock split in December 1999. Stockholders' equity has been restated to give retroactive recognition to the stock splits for all periods presented by reclassifying the par value of the additional shares arising from the splits from paid-in capital to common stock. All references in the financial statements and notes to number of shares and per share amounts have been restated to reflect these stock splits.

Basic earnings (loss) per common share are calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per common share ("diluted EPS") reflect the potential dilutive effect, calculated using the treasury stock method, of additional common shares that are issuable upon exercise of outstanding stock options and the potential dilutive effect for the period prior to conversion of shares issuable upon conversion of Trust Convertible Preferred Securities, determined on an if-converted basis, as follows (in thousands):

<TABLE>
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	THREE MONTHS ENDED		SIX MONTHS ENDED	
	MARCH 26, 2000	MARCH 28, 1999	MARCH 26, 2000	MARCH 28, 1999
<S>	<C>	<C>	<C>	<C>
Options	69,727	-	69,177	13,985
Trust Convertible Preferred Securities	14,843	-	36,229	-
	84,570	-	105,406	13,985

</TABLE>

Options outstanding during the three months ended March 26, 2000 and March 28, 1999 to purchase approximately 70,000 shares and 617,000 shares of common stock, respectively, and options outstanding during the six months ended March 26, 2000 and March 28, 1999 to purchase approximately 945,000 and 26,864,000 shares of common stock, respectively, were not included in the computation of diluted EPS because the options' exercise price was greater than the average market price of the common stock during the period and, therefore, the effect would be anti-dilutive. In addition, diluted shares for the three months ended March 28, 1999 exclude approximately 44,116,000 additional common shares

issuable upon exercise of outstanding stock options that were anti-dilutive because of the net loss during that period. Net income in the computation of diluted EPS for the three and six month periods ended March 26, 2000 is increased by $1 million and $7 million, respectively, representing the assumed savings of distributions, net of taxes, on the Trust Convertible Preferred Securities. The inclusion of additional common shares assuming the conversion of the Trust Convertible Preferred Securities for the three and six month periods ended March 28, 1999 would have been anti-dilutive.

During the first and second quarters of fiscal 2000 approximately 7,793,000 and 5,398,000 Trust Convertible Preferred Securities were converted into approximately 42,906,000 and 29,716,000 shares of common stock, respectively. All Trust Convertible Preferred Securities have been converted into common stock.

The Company displays the accumulated balance of other comprehensive income or loss separately in the equity section of the consolidated balance sheets. Total comprehensive income (loss), which is comprised of net income and other comprehensive loss, amounted to approximately $69 million and ($72) million for the three months ended March 26, 2000 and March 28, 1999, respectively, and $277 million and ($24) million for the six months ended March 26, 2000 and March 28, 1999, respectively. Components of other comprehensive loss consist of the following (in thousands):

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	THREE MONTHS ENDED		SIX MONTHS ENDED	
	MARCH 26, 2000	MARCH 28, 1999	MARCH 26, 2000	MARCH 28, 1999
Foreign currency translation	$ 7,002	$ (29,298)	$ 6,136	$ (29,701)
Change in unrealized gain on securities, net of income taxes	22,892	-	56,239	-
Reclassification adjustment for gains included in net income, net of income taxes	(160,139)	-	(161,790	-
	$(130,245)	$ (29,298)	$ (99,415	$ (29,701)

</TABLE>

In December 1999, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 101 ("SAB 101"), "Revenue Recognition in Financial Statements." The Company will be required to adopt SAB 101 for fiscal 2000. SAB 101 requires, among other things, that license and other up-front fees be recognized over the term of the agreement, unless the fees are in exchange for products delivered or services performed that represent the culmination of a separate earnings process. The Company does not expect this change in accounting principle to have a material effect on the Company's financial position and results of operation.

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 133 ("FAS 133"), "Accounting for Derivative Instruments and Hedging Activities." In May 1999, the FASB voted to delay the effective date of FAS 133 by one year. The Company will be required to adopt FAS 133 for fiscal year 2001. This statement establishes a new model for accounting for derivatives and hedging activities. Under FAS 133, all derivatives must be recognized as assets and liabilities and measured at fair value. The Company has not completed its determination of the impact of the adoption of this new accounting standard on its consolidated financial position or results of operations.

NOTE 2 - ACQUISITIONS

SnapTrack, Inc.

On March 1, 2000, the Company completed the acquisition of all of the outstanding capital stock of SnapTrack, Inc. ("SnapTrack"), a developer of wireless position location technology, in a transaction accounted for as a purchase. The purchase price was approximately $1 billion, representing the value of QUALCOMM shares issuable to effect the purchase, the value of vested and unvested options and warrants assumed at the closing date and estimated transaction costs of $2 million. The preliminary allocation of purchase price, based on the estimated fair values of the acquired assets and assumed

liabilities and an independent appraisal of intangible assets, reflects acquired goodwill of $948 million, other intangible assets of $34 million and purchased in-process technology of $60 million. Tangible assets acquired and liabilities assumed were not material to the Company's financial statements. The Company expects to finalize the purchase price allocation within one year and does not anticipate material adjustments to the preliminary purchase price allocation. Amounts allocated to goodwill and other intangible assets are amortized on a straight-line basis over their estimated useful lives of four years. These financial statements should be read in conjunction with the supplementary consolidated financial statements and related notes included in the Company's Current Report on Form 8-K/A, which was filed with the SEC on April 11, 2000.

Purchased in-process technology was expensed upon acquisition because technological feasibility had not been established and no future alternative uses existed. The value of in-process technology was calculated by identifying research projects in areas for which technological feasibility has not been established, estimating the costs to develop the purchased in-process technology into commercially viable products, estimating the resulting net cash flows from such products, discounting the net cash flows to present value, and applying the reduced percentage completion of the projects thereto. The discount rate includes a factor that takes into account the uncertainty surrounding the successful development of the purchased in-process technology.

The condensed consolidated financial statements include the operating results of SnapTrack from the date of acquisition. Unaudited pro forma operating results for the Company, assuming the acquisition of SnapTrack had been made at the beginning of the periods presented, are as follows (in thousands):

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	MARCH 26, 2000	MARCH 28, 1999	MARCH 26, 2000	MARCH 28, 1999
Revenues	$ 727,761	$ 932,395	$ 1,848,153	$ 1,873,634
Net income (loss)	$ 154,515	$ (104,198)	$ 268,549	$ (117,882)
Basic earnings (loss) per common share	$ 0.21	$ (0.18)	$ 0.39	$ (0.20)
Diluted earnings (loss) per common share	$ 0.19	$ (0.18)	$ 0.34	$ (0.20)

These pro forma results have been prepared for comparative purposes only and may not be indicative of the results of operations which actually would have occurred had the combination been in effect at the beginning of the respective periods or of future results of operations of the consolidated entities.

Technology Development Group of Tellit Communications Ltd.

On February 25, 2000, the Company purchased the Technology Development Group of Tellit Communications Limited ("Tellit"), a U.K.-based company. The initial purchase price of $13 million was paid in cash. An additional $9 million in consideration is payable in cash through March 31, 2001 if certain performance and other milestones are reached. The preliminary allocation of purchase price, based on the estimated fair values of acquired assets and liabilities assumed, reflects acquired goodwill of $11 million, assembled workforce of $1 million, and net tangible assets of $1 million. The Company expects to finalize the purchase price allocation within one year and does not anticipate material adjustments to the preliminary purchase price allocation. Amounts allocated to goodwill and assembled workforce are amortized on a straight-line basis over their estimated useful lives of three years. The condensed consolidated financial statements include the operating results of the new QUALCOMM subsidiary formed to purchase the Technology Development Group from Tellit from the date of acquisition. Pro forma results of operations have not been presented because the effect of this acquisition is not material.

NOTE 3 - COMPOSITION OF CERTAIN BALANCE SHEET CAPTIONS

Accounts receivable, net are comprised as follows (in thousands):

	MARCH 26, 2000	SEPTEMBER 26, 1999
Trade, net of allowance for doubtful accounts of $14,699 and $22,276, respectively	$489,944	$674,211
Long-term contracts:		
Billed	98,452	128,208
Unbilled	67,605	69,409
Other	3,296	11,812
	$659,297	$883,640

Unbilled receivables represent costs and profits recorded in excess of amounts billable pursuant to contract provisions and are expected to be realized within one year.

Finance receivables result from arrangements in which the Company has agreed to provide its customers or certain Code Division Multiple Access ("CDMA") customers of Telefonaktiebolaget LM Ericsson ("Ericsson") (Note 9) with long-term interest bearing debt financing for the purchase of equipment and/or services. Such financing is generally collateralized by the related equipment. Finance receivables are comprised as follows (in thousands):

	MARCH 26, 2000	SEPTEMBER 26, 1999
Finance receivables	$ 818,513	$ 585,482
Allowance for doubtful receivables	(10,619)	(10,623)
	807,894	574,859
Current maturities	23,597	26,377
Noncurrent finance receivables, net	$ 784,297	$ 548,482

At March 26, 2000, commitments to extend long-term financing to CDMA customers of Ericsson (Note 9) totaled approximately $306 million, which the Company expects to fund over the next five years. Such commitments are subject to the customers meeting certain conditions established in the financing arrangements and, in most cases, to Ericsson also financing a portion of such sales. Commitments represent the estimated amounts to be financed under these arrangements; actual financing may be in lesser amounts.

Inventories are comprised as follows (in thousands):

	MARCH 26, 2000	SEPTEMBER 26, 1999
Raw materials	$ 19,054	$ 161,481
Work-in-process	6,811	51,003
Finished goods	52,037	45,457
	$ 77,902	$ 257,941

NOTE 4 - INVESTMENTS

In February 2000, the Company purchased 308,000 units of Leap Wireless International Inc.'s ("Leap Wireless") senior discount notes with warrants for $150 million. The notes mature in April 2010 and bear interest at 14.5%. The warrants are detachable after six months and entitle each holder to 2.503 common shares per unit held. The exercise price is $96.80 per share. The carrying value of the senior discount notes with warrants is $159 million at March 26, 2000. Leap Wireless used $227 million of the proceeds from the issuance of senior discount notes and senior notes to pay down its credit facility with QUALCOMM. The credit facility was cancelled in the second quarter of fiscal 2000.

NOTE 5 - INVESTMENT INCOME (EXPENSE), NET

Investment income (expense) is comprised as follows (in thousands):

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	MARCH 26, 2000	MARCH 28, 1999	MARCH 26, 2000	MARCH 28, 1999
Interest income	$ 67,605	$ 8,229	$ 109,163	$ 14,035
Realized gains on marketable securities	267,487	-	270,061	5,663
Loss on cancellation of warrants	-	(3,273)	-	(3,273)
Minority interest in income of consolidated subsidiaries	(300)	(2,845)	(3,614)	(6,543)
Equity in losses of investees	(1,043)	(4,974)	(5,614)	(5,995)
	$ 333,749	$ (2,863)	$ 369,996	$ 3,887

NOTE 6 - INVESTMENTS IN OTHER ENTITIES

Globalstar L.P.

Through partnership interests held in certain intermediate limited partnerships, the Company owns a 6.2% partnership interest in Globalstar L.P. ("Globalstar"), a limited partnership formed to develop, own and operate the Globalstar low-Earth-orbit ("LEO") satellite system utilizing CDMA technology ("the Globalstar System").

At March 26, 2000 and September 26, 1999, $472 million and $349 million in interest bearing financed amounts and $149 million and $171 million in accounts receivable, including $56 million and $59 million in unbilled receivables, were outstanding from Globalstar, respectively. In March 2000, the Company reached an agreement with Globalstar to finance current and future contract payments. Such financing will be interest bearing and payable in quarterly installments beginning January 15, 2001 through August 15, 2003. As a result of the agreement, the Company changed its estimate of amounts collectible under Globalstar contracts and recorded previously unrecognized interest income of $4 million during the second quarter of fiscal 2000 and previously unrecognized revenue of $8 million and interest income of $10 million during the first six months of fiscal 2000. At March 26, 2000, $70 million in future contract payments are expected to be eligible for financing under the financing agreement with Globalstar.

Korea Telecom Freetel

On November 24, 1999, the Company invested approximately $196 million in Korea Telecom Freetel ("KT Freetel") and received 2,565,000 common shares, representing a 1.9% interest in KT Freetel, and a zero coupon bond with warrants to purchase approximately 1,851,000 additional shares. The exercise price of the warrants is expected to be paid by tendering the bond as payment in full. KT Freetel has agreed to commercially deploy high data rate ("HDR") technology, subject to the successful completion of technical and marketing trials. If KT Freetel meets certain obligations related to HDR technology, QUALCOMM is required to exercise the warrants. If KT Freetel does not meet such obligations, QUALCOMM will have the right to redeem the bond at a premium equal to 10% per annum.

Ignition, LLC

In March 2000, the Company purchased 42 million Series B Preferred units, representing an approximate 13% undiluted interest, in Ignition, LLC ("Ignition"), a venture firm formed to fund, mentor and build wireless Internet start-up companies. The Company also received a warrant to purchase four million common units at $0.46 per unit. The Company made an initial capital contribution of $8 million and will be required to provide $34 million in additional equity contributions over five years. The Company accounts for its investment in Ignition under the equity method.

Other Investments

The Company has entered into strategic alliances with domestic and international emerging wireless telecommunications operating companies. These alliances often involve investment by QUALCOMM of capital in these operating companies. Funding commitments related to these investments total $93 million at March 26, 2000, which the Company expects to fund over three years. Such commitments are subject to the operating companies meeting certain conditions; actual equity funding may be in lesser amounts.

NOTE 7 - BANK LINE OF CREDIT

The Company has an unsecured credit facility under which banks are committed to make up to $400 million in revolving loans to the Company. The credit facility expires in March 2001. The facility may be extended on an annual basis upon maturity. The Company is currently obligated to pay commitment fees equal to 0.175% per annum on the unused amount of the credit facility. The credit facility includes certain restrictive financial and operating covenants. At March 26, 2000, there were no amounts or letters of credit issued or outstanding under the credit facility.

NOTE 8 - RESTRUCTURING

During January 1999, the Company completed a review of its operating structure to identify opportunities to improve operating effectiveness. As a result of this review, management approved a formal restructuring plan, and the Company recorded charges to operations of $15 million during the second quarter of fiscal 1999, including $10 million in employee termination costs, $3 million in asset impairments and $1 million in estimated net losses on subleases or lease cancellation penalties. The activities related to the restructuring have been completed. The following table presents the rollforward from the initial provision during the second quarter of fiscal 1999 to March 26, 2000 (in thousands):

	PROVISIONS	DEDUCTIONS	MARCH 26, 2000
Employee termination costs	$ 10,162	$(10,162)	$ -
Facility exit costs	4,397	(4,397)	$ -
Total	$ 14,559	$(14,559)	$ -

NOTE 9 - DISPOSITION OF ASSETS AND OTHER CHARGES

In February 2000, the Company sold its terrestrial-based CDMA wireless consumer phone business, including its phone inventory, manufacturing equipment and customer commitments, to Kyocera Corporation ("Kyocera"). Under the agreement with Kyocera, Kyocera agreed to purchase a majority of its CDMA chipsets and system software requirements from QUALCOMM for a period of five years. Kyocera will continue its existing royalty-bearing CDMA license agreement with QUALCOMM. QUALCOMM received $216 million in cash on February 22, 2000. Total consideration to be paid will be based on a final determination of the value of the net assets actually sold. At March 26, 2000, approximately $33 million in net assets held for sale to Kyocera in connection with the pending sale of certain foreign business operations and assets is included in other current assets.

As part of the agreement with Kyocera, QUALCOMM formed a new subsidiary, that has a substantial number of employees from QUALCOMM Consumer Products business, to provide services to Kyocera on a cost-plus basis to support Kyocera's phone business for up to three years. Selected employees of QUALCOMM Personal Electronics ("QPE"), a 51% owned consolidated subsidiary of the company and manufacturer of phones for QUALCOMM, were transferred to Kyocera. As a condition of the purchase, QPE paid down and cancelled its two revolving credit agreements. The Company anticipates that remaining QPE manufacturing assets will be liquidated. QUALCOMM recorded $56 million and $83 million in charges during the three months and six months ended March 26, 2000, respectively, to reflect the estimated difference between the carrying value of the net assets and the consideration to be received from Kyocera, less costs to sell, and employee termination costs.

In May 1999, the Company sold certain of its assets related to its terrestrial CDMA wireless infrastructure business to Ericsson and entered into various license and settlement agreements with Ericsson. Ericsson has

notified the Company that it is disputing the purchase price (Note 11). Pursuant to the Company's agreement with Ericsson, the Company has and will extend financing for possible future sales by Ericsson of infrastructure equipment and related services to specific customers in certain geographic areas, including Brazil, Chile, Mexico, and Russia or in other areas selected by Ericsson (Note 3).

NOTE 10 - INCOME TAXES

The Company currently estimates its annual effective income tax rate to be approximately 45% for fiscal 2000, compared to 35% for fiscal 1999. The higher tax rate for fiscal 2000 is primarily a result of higher pretax earnings,

non-deductible charges for purchased in-process technology and amortization of goodwill.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Litigation

On March 5, 1997, the Company filed a complaint against Motorola, Inc. ("Motorola"). The complaint was filed in response to allegations by Motorola that the Company's then, recently announced, Q Phone infringes design and utility patents held by Motorola as well as trade dress and common law rights relating to the appearance of certain Motorola wireless telephone products. The complaint denied such allegations and sought a judicial declaration that the Company's products do not infringe any patents held by Motorola. On March 10, 1997, Motorola filed a complaint against the Company alleging claims based primarily on the above-alleged infringement. In 1997 and 1999, Motorola and the Company filed additional claims and counterclaims for patent infringement and related causes of action, all of which were consolidated for pretrial proceedings in the United States District Court in San Diego.

On March 23, 2000, the Company and Motorola entered into an agreement to settle all of their outstanding litigation by dismissing all claims and counterclaims in the lawsuits. No payments were made in consideration for the dismissals. In addition, the Company and Motorola agreed to a three-year moratorium on patent infringement lawsuits with respect to each company's CDMA subscriber products, network equipment, chipsets and test equipment. Under the settlement, the Company and Motorola agreed to leave unmodified the financial terms of their original 1990 royalty-bearing license agreement for CDMA applications that covered certain patents filed before July 3, 1995 and extended their cross-licenses to include certain patents after that date. The licenses granted by Motorola to the Company under the 1990 agreements for subscriber and infrastructure products were terminated since the Company has since sold its subscriber and infrastructure businesses. The new accord covers certain patents filed after July 3, 1995 and licenses patents for CDMA standards. Motorola will pay royalties to the Company at rates that are generally paid by the industry to the Company for using newly licensed patents, including patents of the Company that had been at issue in the lawsuits, for CDMA subscriber products across all licensed CDMA standards.

On or about June 5, 1997, Elisra Electronic Systems Ltd. ("Elisra") submitted to the International Chamber of Commerce a Request for Arbitration of a dispute with the Company based upon a Development and Supply Agreement ("DSA") entered into between the parties effective November 15, 1995, alleging that the Company wrongfully terminated the DSA, seeking monetary damages. The Company thereafter submitted a Reply and Counterclaim, alleging that Elisra breached the DSA, seeking monetary damages. Subsequently, the parties stipulated that the dispute be heard before an arbitrator under the jurisdiction of the American Arbitration Association, and to bifurcate the resolution of liability issues from damage issues. To date, the arbitrator has heard testimony regarding the liability or non-liability of the parties, and post-hearing briefs have been filed. Oral argument on the liability phase is currently scheduled for May 31, 2000. Although there can be no assurance that the resolution of these claims will not have a material adverse effect on the Company's results of operations, liquidity or financial position, the Company believes that the claims made by Elisra are without merit and will vigorously defend against the claims.

On October 27, 1998, the Electronics and Telecommunications Research Institute of Korea ("ETRI") submitted to the International Chamber of Commerce a Request for Arbitration (the "Request") of a dispute with the Company arising out of a Joint Development Agreement ("JDA") dated April 30, 1992, between ETRI and the Company. In the Request, ETRI alleged that the Company breached certain provisions of the JDA and sought monetary damages and an accounting. The Company filed an answer and counterclaims denying the allegations, seeking a declaration establishing the termination of the JDA and monetary damages and injunctive relief against ETRI. In accordance with the JDA, the arbitration will take place in San Diego. The arbitration hearing is

scheduled to commence July 5, 2000. Although there can be no assurance that the resolution of these claims will not have a material adverse effect on the Company's results of operations, liquidity or financial position, the Company believes that the claims are without merit and will vigorously defend the action.

On May 6, 1999, Thomas Sprague, a former employee of the Company, filed a putative class action against the Company, ostensibly on behalf of himself and those of the Company's former employees who were offered employment with Ericsson in conjunction with the sale to Ericsson of certain of the Company's infrastructure division assets and liabilities and who elected not to participate in a Retention Bonus Plan being offered to such former employees. The complaint was filed in California Superior Court in and for the County of San Diego and purports to state eight causes of action arising primarily out of alleged breaches of the terms of the Company's 1991 Stock Option Plan, as amended from time to time. The putative class sought to include former employees

of the Company whom, among other things, "have not or will not execute the Bonus Retention Plan and accompanying full and complete release of QUALCOMM." The complaint seeks an order accelerating all unvested stock options for the members of the class. Of the 1,053 transitioning former employees who had unvested stock options, 1,016 elected to participate in the Retention Bonus Plan offered by QUALCOMM and Ericsson, which provides several benefits including cash compensation based upon a portion of the value of their unvested options, and includes a written release of claims against the Company. On July 30, 1999, plaintiffs filed a First Amended Complaint incorporating the allegations set forth in the original complaint, adding two new causes of action and expanding the putative class to also include those former employees who chose to participate in the Bonus Retention Plan. In October 1999, the court sustained the Company's demurrer to the plaintiffs' cause of action for breach of fiduciary duty. Counsel for the putative class filed a Second Amended Complaint, including substantially the same allegations as the First Amended Complaint, on November 1, 1999. On March 10, 2000, counsel for plaintiffs and QUALCOMM filed a Stipulation of Settlement with the court that would allocate a settlement payment of $9 million, which will be funded by third parties, to all plaintiffs who do not elect to opt out of the settlement on or before April 17, 2000. QUALCOMM has the right to void the settlement if the number of employees electing to opt out exceeds a certain number, based upon the number of unvested stock options held by the employees at the time their employment with QUALCOMM terminated. To date, the number of employees electing to opt out has exceeded the limit, giving the Company the right to elect to void the settlement prior to the approval of the settlement by the court, however the Company has not yet given notice of its election to accept or void the settlement. A settlement hearing has been set for April 28, 2000, in which the Court shall consider the proposed stipulation of settlement. Although there can be no assurance that the court will approve the Stipulation of Settlement, or that an unfavorable outcome of the dispute would not have a material adverse effect on the Company's results of operations, liquidity or financial position, the Company believes the claims are without merit and will vigorously defend the action.

On June 29, 1999, GTE Wireless, Incorporated ("GTE") filed an action in the U.S. District Court for the Eastern District of Virginia asserting that wireless telephones sold by the Company infringe a single patent allegedly owned by GTE. On September 15, 1999, the court granted the company's motion to transfer the action to the U.S. District Court for the Southern District of California. Although there can be no assurance that an unfavorable outcome of the dispute would not have a material adverse effect on the Company's results of operations, liquidity or financial position, the Company believes the action is without merit and will vigorously defend the action.

QUALCOMM and Ericsson are currently participating in an arbitration in which Ericsson is disputing the determination of the purchase price under the asset purchase agreement pursuant to which Ericsson acquired certain assets related to the Company's terrestrial wireless infrastructure business in May 1999. QUALCOMM has also received notice from Ericsson that Ericsson intends to assert claims for indemnification under the subject asset purchase agreement. QUALCOMM and Ericsson are having on-going discussions aimed at potentially resolving these claims. In the event the parties are unable to otherwise resolve these claims, the pending arbitration with respect to the purchase price determination shall continue to proceed forward and Ericsson's claims for indemnification will be subject to resolution pursuant to the dispute resolution procedures set forth in the asset purchase agreement. Although there can be no assurance that the resolution of these claims will not have a material adverse effect on the Company's results of operations, liquidity or financial position, the Company believes the claims are without merit and will vigorously defend them.

On February 2, 2000, Thomas Durante, James Curley, Curtis Parker and Joseph Edwards, filed a putative class action against the Company, ostensibly on behalf of themselves and those former employees of the Company

whose employment was terminated in April 1999. Virtually all of the purported class of plaintiffs received severance packages at the time of the termination of their employment, in exchange for their general release of claims against the company. The complaint was filed in California Superior Court in and for the County of Los Angeles and purports to state ten causes of action including breach of contract, age discrimination, violation of Labor Code ss. 200, violation of Labor Code ss. 970, unfair business practices, intentional infliction of emotional distress, unjust enrichment, breach of the covenant of good faith and fair dealing, declaratory relief and undue influence. The complaint seeks an order accelerating all unvested stock options for the members of the class. Although there can be no assurance that an unfavorable outcome of the dispute would not have a material adverse effect on the Company's results of operations, liquidity or financial position, the Company believes the claims are without merit and will vigorously defend the action.

The Company is engaged in other legal actions arising in the ordinary course of its business and believes that the ultimate outcome of these actions will not have a material adverse effect on its results of operations, liquidity or financial position.

Letters of Credit and Financial Guarantees

The Company has issued a letter of credit to support a guarantee of up to $22.5 million of Globalstar (Note 6) borrowings under an existing bank financing agreement. The guarantee will expire in December 2000. The letter of credit is collateralized by a commensurate amount of the Company's investments in debt securities. As of March 26, 2000, Globalstar had no borrowings outstanding under the existing bank financing agreement.

In addition to the letter of credit on behalf of Globalstar, the Company has $22 million of letters of credit and $200 million of other financial guarantees outstanding as of March 26, 2000, none of which are collateralized.

Metrosvyaz Ltd.

In September 1999, the Company recorded $51 million in charges to reflect the impairment of assets related to Metrosvyaz Ltd. ("Metrosvyaz"), a company formed to develop and manage investments in wireless operating companies in Russia, as a result of Leap Wireless' announcement of its intention to withdraw its support for Metrosvyaz. In February 2000, as a result of ongoing discussions and QUALCOMM's continued interest in promoting CDMA in Russia, the Company signed a Memorandum of Understanding ("MOU") with Metrosvyaz, pursuant to which, the Company advanced $6 million under a previously existing loan facility. The amount advanced was deemed to be nonrecoverable, and the $6 million charge was recorded as other non-operating expense. The MOU provides specific milestones that Metrosvyaz and its investors must meet to obtain an additional $10 million in funding. If the additional funding occurs, QUALCOMM will receive a right to obtain a 35% interest in Metrosvyaz if certain performance goals are met. The Company also has a commitment to provide approximately $30 million in vendor financing to Metrosvyaz related to potential future sales made by Ericsson to Metrosvyaz (Note 3).

NOTE 12 - SEGMENT INFORMATION

The Company is organized on the basis of products and services. Reportable segments are as follows: QUALCOMM CDMA Technologies ("QCT") designs and supplies chipsets and software solutions to handset and infrastructure manufacturers; QUALCOMM Technology Licensing ("QTL") licenses third parties to design, manufacture, and sell products incorporating the Company's technologies; and QUALCOMM Wireless Systems ("QWS") designs, manufactures, markets, and deploys infrastructure and handset products for use in terrestrial and non-terrestrial CDMA wireless and satellite networks and provides satellite-based two-way data messaging, position reporting equipment and services to transportation companies. The Company sold its terrestrial-based CDMA wireless consumer phone business, the former operating segment, QUALCOMM Consumer Products ("QCP"), to Kyocera in February 2000 (Note 9).

The table below presents revenues and earnings before taxes ("EBT") for reported segments (in thousands):

<TABLE>
<CAPTION>

	QCT	QTL	QWS	RECONCILING ITEMS	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>
For the three months ended:					
March 26, 2000					
Revenues	$ 279,186	$ 167,652	$ 188,302	$ 92,601	$ 727,741
EBT	89,977	150,423	83,034	75,634	399,068
March 28, 1999					
Revenues	$ 263,411	$ 106,476	$ 202,781	$ 359,727	$ 932,395
EBT	109,006	93,771	(24,200)	(244,145)	(65,568)
For the six months ended:					
March 26, 2000					
Revenues	$ 631,581	$ 345,197	$ 403,266	$ 467,770	$ 1,847,814
EBT	217,667	313,013	149,181	1,657	681,518
March 28, 1999					
Revenues	$ 456,726	$ 180,542	$ 502,862	$ 733,488	$ 1,873,618
EBT	172,930	156,067	(39,075)	(283,906)	6,016

</TABLE>

Reconciling items in the above table are comprised as follows (in thousands):

<TABLE>
<CAPTION>

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	MARCH 26, 2000	MARCH 28, 1999	MARCH 26, 2000	MARCH 28, 1999
<S>	<C>	<C>	<C>	<C>

REVENUES				
Revenues from external customers of QCP segment sold	$ 100,492	$ 325,224	$ 541,856	$ 694,759
Elimination of intersegment revenue	(41,951)	(79,365)	(142,055)	(166,086)
Other products	34,060	113,868	67,969	204,815
Reconciling items	$ 92,601	$ 359,727	$ 467,770	$ 733,488
EARNINGS BEFORE INCOME TAXES				
Unallocated corporate expenses	$(155,750)	$(162,365)	$(183,320)	$(157,814)
EBT of QCP segment sold	(62,676)	(30,645)	(80,222)	(30,775)
Unallocated investment income (expense), net	299,577	(1,549)	325,608	7,175
Distributions on Trust Convertible Preferred Securities of subsidiary trust	(1,994)	(9,904)	(13,039)	(19,703)
Intracompany profit	(10,548)	(31,042)	(42,453)	(65,828)
Other	7,025	(8,640)	(4,917)	(16,961)
Reconciling items	$ 75,634	$(244,145)	$ 1,657	$(283,906)

</TABLE>

Unallocated corporate expenses during the three months and six months ended March 26, 2000 include $56 million and $83 million, respectively, related to the sale of the terrestrial-based CDMA phone business, $60 million for in-process technology related to the SnapTrack acquisition, and $21 million for amortization of goodwill and other acquisition-related intangible assets. Unallocated corporate expenses include $166 million for the three months and six months ended March 28, 1999 related to the sale of certain assets of the Company's terrestrial CDMA wireless infrastructure business and restructuring charges.

Revenues from external customers and intersegment revenues are as follows (in thousands):

<TABLE>
<CAPTION>

<S>	QCT <C>	QTL <C>	QWS <C>
FOR THE THREE MONTHS ENDED:			
MARCH 26, 2000			
Revenues from external customers	$257,794	$150,575	$184,820
Intersegment revenues	21,392	17,077	3,482
MARCH 28, 1999			
Revenues from external customers	$211,003	$ 80,739	$201,561
Intersegment revenues	52,408	25,737	1,220
FOR THE SIX MONTHS ENDED:			
MARCH 26, 2000			
Revenues from external customers	$543,769	$294,436	$399,784
Intersegment revenues	87,812	50,761	3,482
MARCH 28, 1999			
Revenues from external customers	$350,769	$130,960	$492,315
Intersegment revenues	105,957	49,582	10,547

</TABLE>

Segment assets were presented in the Company's 1999 Annual Report on Form 10-K. QWS segment assets increased to $1,107 million at March 26, 2000 from $868 million at September 26, 1999, principally as a result of the financing of Globalstar contract payments (Note 6) and capitalized interest on other finance receivables.

Note 13 - Subsequent Event

In April 2000, the Company purchased 11,499,627 shares of the common stock of NetZero, Inc. ("NetZero"), representing a 9.9% interest, for $144 million in cash. NetZero is a publicly-traded company that provides Internet access and services to consumers and on-line direct marketing services to advertisers.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This information should be read in conjunction with the condensed consolidated financial statements and the notes thereto included in Item 1 of Part I of this Quarterly Report and the audited consolidated financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended September 26,

1999 contained in the Company's 1999 Annual Report on Form 10-K.

Except for the historical information contained herein, the following discussion contains forward-looking statements that involve risks and uncertainties. QUALCOMM's future results could differ materially from those discussed here. Factors that could cause or contribute to such differences include, but are not specifically limited to: the ability to develop and introduce cost effective new products in a timely manner; risk that the rate of growth in the CDMA subscriber base will decrease; risks associated with the scale-up, acceptance and operations of CDMA systems, including HDR technology; risks associated with component shortages; risks associated with strategic opportunities or acquisitions, divestitures and investments the Company may pursue; risks related to the ability to sustain or improve operational efficiency and profitability; risks relating to the success of the Globalstar business; developments in current or future litigation; the Company's ability to effectively manage growth and the intense competition in the wireless communications industry; risks associated with the timing and receipt of license fees and royalties; risk associated with international business activities; and risks related to accounts receivable and finance receivables, as well as the other risks detailed in this section, "Liquidity and Capital Resources," and in the Company's 1999 Annual Report on Form 10-K. The Company's consolidated financial data includes QPE and certain other consolidated subsidiaries of the Company.

OVERVIEW

QUALCOMM is a leading provider of digital wireless communications products, technologies and services based on the Company's technology. The Company designs, develops, and markets CDMA chipsets and system software. The Company also licenses and receives royalty payments on its CDMA technology from major domestic and international telecommunications equipment suppliers. In addition, the Company designs, manufactures and distributes products and provides services for its OmniTRACS system. The Company also has contracts with Globalstar to design, develop and manufacture subscriber products and ground communications systems utilizing CDMA technology and to provide contract development services. The Company also recently announced a new business model for the Company's Eudora e-mail software product. The Company will provide the Eudora e-mail software to users for free and generate revenues from sponsor advertising within the program.

The Company is increasing its strategic investment activities to promote the worldwide adoption of CDMA products and the growth of CDMA-based wireless data and CDMA-based wireless Internet products and solutions. The Company generally invests in start-up companies that have developed or are developing innovative technologies for the wireless industry, venture firms that invest in similar start-up companies and CDMA carrier companies.

The Company's CDMA technology has been adopted as an industry standard for digital cellular, Personal Communications Services and other wireless services. Wireless networks based on the Company's current implementation of CDMA technology, referred to as cdmaOne, have been commercially deployed or are under development in more than 35 countries around the world, with 27 countries already in commercial deployments. In February 2000, the CDMA Development Group reported that CDMA carriers now have over 50 million commercial subscribers worldwide as of December 1999, a growth of 118% in one year.

QUALCOMM continues to invest in research and development projects focused on improving current CDMA applications and products, developing and commercializing next generation CDMA technology and products, interfacing with other digital cellular standards, and developing and commercializing new leading edge HDR technology, products and services. The Company believes HDR will provide a high speed, cost-effective, fixed and mobile alternative for Internet access, competing with digital subscriber loop, cable, and satellite networks. HDR is designed to enable existing wireless operators and future CDMA third-generation service providers to obtain higher capacities and superior performance by optimizing voice and data spectrum separately, while serving both applications from the same base station. The Company is developing a Digital Cinema System which will combine QUALCOMM's expertise in advanced image compression, electronic security, network management, integrated circuit design and satellite communications to provide a complete electronic delivery system to support

the motion picture industry. QUALCOMM is also marketing its system and technology to the motion picture industry and participating in the industry-wide standards setting process.

QUALCOMM has entered into a number of development and manufacturing contracts involving the Globalstar System. QUALCOMM's development agreement provides for the design and development of the ground communications stations, known as gateways, and user terminals of the Globalstar System. Since telephone systems using LEO satellites are a new commercial technology, demand for Globalstar's service is uncertain. If Globalstar fails to generate sufficient cash flow from operations through the marketing efforts of its service providers, it might be unable to fund its operating costs or service its debt.

The value of QUALCOMM's investment in and future business with Globalstar, as well as QUALCOMM's ability to collect outstanding receivables from Globalstar, depends on the success of Globalstar and the Globalstar System. See "Notes to Condensed Consolidated Financial Statements - Note 6 - Investments in Other Entities."

RECENT DEVELOPMENTS

In February 2000, the Company sold its terrestrial-based CDMA wireless consumer phone business (the former QCP operating segment) to Kyocera. See "Notes to Condensed Consolidated Financial Statements - Note 9 - Disposition of Assets and Other Charges."

On February 25, 2000, the Company purchased the Technology Development Group of Tellit Communications Limited, a U.K.-based company. The initial purchase price of $13 million was paid in cash. An additional $9 million in consideration is payable in cash through March 31, 2001 if certain performance and other milestones are reached. See "Notes to Condensed Consolidated Financial Statements - Note 2 - Acquisitions."

On March 1, 2000, the Company completed the acquisition of all of the outstanding capital stock of SnapTrack, a developer of wireless position location technology, in a transaction accounted for as a purchase. See "Notes to Condensed Consolidated Financial Statements - Note 2 - Acquisitions."

In March 2000, the Company purchased 42 million Series B Preferred units, representing an approximate 13% undiluted interest, in Ignition, a venture firm formed to fund, mentor and build wireless Internet start-up companies. The Company made an initial capital contribution of $8 million and will be required to provide $34 million in additional equity contributions. See "Notes to Condensed Consolidated Financial Statements - Note 6 Investments in Other Entities."

In April 2000, the Company purchased 11,499,627 shares of the common stock of NetZero, representing a 9.9% interest, for $144 million in cash. See "Notes to Condensed Consolidated Financial Statements - Note 13 - Subsequent Event."

SECOND QUARTER OF FISCAL 2000 COMPARED TO SECOND QUARTER OF FISCAL 1999

Total revenues for the second quarter of fiscal 2000 were $728 million compared to $932 million for the second quarter of fiscal 1999. The decrease in revenue for the second quarter of fiscal 2000 was primarily due to a decrease in the terrestrial-based CDMA wireless consumer phone product revenue as a result of the sale of the business in February 2000, a decrease in the wireless infrastructure product revenue related to the sale of this business in May 1999, and a decrease in average selling prices of chipsets, offset by increases in royalty revenues and CDMA chipset shipments.

The Company's shipments of its chipsets in the second quarter of fiscal 2000 were lower than the first quarter of fiscal 2000 due to seasonal factors, inventory balancing by customers due to continued shortages of other phone components, and customers transitioning to next generation chips.

Cost of revenues for the second quarter of fiscal 2000 was $350 million compared to $624 million for the second quarter of fiscal 1999. The dollar decrease was primarily due to a decrease in the terrestrial-based CDMA consumer product phone costs as a result of the sale of the business in February 2000, a decrease in the wireless infrastructure product costs related to the sale of this business in May 1999, and a reduction in the unit cost of chipsets, offset by an increase in CDMA chipsets unit volume. Cost of revenues decreased as a percentage of revenues to 48% in the second quarter of fiscal 2000 from 67% in the second quarter of fiscal 1999. This is primarily due to higher revenues from high margin chipsets and software, royalties and OmniTRACS, offset by lower revenues from lower gross margin CDMA terrestrial-based phones and infrastructure. During second quarter of fiscal 2000, cost of revenues included $19 million in charges related to the sale of the terrestrial-based CDMA

consumer phone business, as compared to $10 million for the same period in fiscal 1999 related to the sale of the wireless infrastructure product business.

For the second quarter of fiscal 2000, research and development expenses were $90 million or 12% of revenues, compared to $103 million or 11% of revenues for the second quarter of fiscal 1999. The dollar decrease was due to a decrease in terrestrial-based CDMA consumer phone product research and development as a result of the sale of this business in February 2000 and a decrease in terrestrial CDMA wireless infrastructure product research and development related to the sale of this business in May 1999, offset by increased chipset product initiatives and software development efforts and new HDR products.

For the second quarter of fiscal 2000, selling, general and administrative expenses were $97 million or 13% of revenues, compared to $105 million or 11% of revenues for the second quarter of fiscal 1999. The dollar decrease from the

second quarter of fiscal 1999 was due to a decrease in marketing costs in terrestrial-based CDMA wireless consumer phone products as a result of the sale of the business in February 2000, and a decrease in selling, general and administrative expenses for terrestrial CDMA wireless infrastructure products as a result of the sale of this business in May 1999, partially offset by continued growth in personnel and associated overhead expenses necessary to support growth in other business operations, and increased patent, litigation, employer payroll tax on employee non-qualified stock option exercises and public reporting expenses.

Amortization of goodwill and other acquisition-related intangible assets increased to $21 million for the second quarter of fiscal 2000 compared to $0.3 million for the second quarter of fiscal 1999, primarily due to the acquisition of SnapTrack. See "Notes to Condensed Consolidated Financial Statements - Note 2 - - Acquisitions."

Purchased in-process technology of $60 million in the second quarter of fiscal 2000 resulted from the acquisition of SnapTrack. See "Notes to Condensed Consolidated Financial Statements - Note 2 - Acquisitions."

For the second quarter of fiscal 2000, other operating expenses were $37 million, compared to $96 million in the second quarter of fiscal 1999. Other operating expenses during the second quarter of fiscal 2000 were comprised primarily of charges to reflect the estimated difference between the carrying value of the net assets and the consideration to be received from Kyocera, less costs to sell, and employee termination costs. During the second quarter of fiscal 1999, the Company recorded a $15 million restructuring charge and $81 million in charges relating to the sale of the terrestrial CDMA wireless infrastructure business to Ericsson. See "Notes to Condensed Consolidated Financial Statements - Note 9 Disposition of Assets and Other Charges."

Interest expense was $1 million for the second quarter of fiscal 2000, compared to $5 million for the second quarter of fiscal 1999. The decrease was due to the payoff and cancellation of the QPE bank lines of credit in February 2000.

Net investment income was $334 million in the second quarter of fiscal 2000 compared to a $3 million expense, net for the second quarter of fiscal 1999. The increase was primarily due to a $267 million realized gain on the sale of marketable securities, interest earned on the $1 billion in cash proceeds from a stock offering in July 1999 and cash provided by operating activities, interest earned on Globalstar finance receivables and changes in the estimate of amounts collectible under the Globalstar contracts. See "Notes to Condensed Consolidated Financial Statements - Note 6 - Investments in Other Entities."

Distributions on Trust Convertible Preferred Securities decreased to $2 million for the second quarter of fiscal 2000 compared to $10 million for the second quarter of fiscal 1999 as a result of conversions of the 5 3/4% Trust Convertible Preferred Securities into common stock. During the second quarter of fiscal 2000, all remaining Trust Convertible Preferred Securities were converted into common stock. See "Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources."

During the second quarter of fiscal 2000, the Company recorded $3 million in net non-operating other charges, including $6 million in charges relating to amounts advanced to Metrosvyaz (see "Notes to Condensed Consolidated Financial Statements - Note 11 Commitments and Contingencies"), offset by a $3 million release of reserves as a result of a settlement related to a non-operating liability. During the second quarter of fiscal 1999, the Company recorded $53 million in non-operating charges, including $37 million related to the Ericsson transaction and $15 million related to the write-off of non-operating assets.

Income tax expense was $199 million for the second quarter of fiscal 2000 compared to a tax benefit of $23 million for the second quarter of fiscal 1999. The annual effective tax rate is currently estimated to be 45% for

fiscal 2000, compared to 35% for fiscal 1999. The higher tax rate is primarily a result of higher pretax earnings, non-deductible charges for purchased in-process technology and amortization of goodwill.

FIRST SIX MONTHS OF FISCAL 2000 COMPARED TO FIRST SIX MONTHS OF FISCAL 1999

Total revenues for the first six months of fiscal 2000 were $1,848 million compared to $1,874 million for the first six months of fiscal 1999. The decrease in revenue for the first six months of fiscal 2000 was primarily due to a decrease in the terrestrial-based CDMA consumer product revenue as a result of the sale of the business in February 2000, a decrease in the wireless infrastructure product revenue related to the sale of this business in May 1999 and a decrease in average selling prices of chipsets, offset by significant increases in royalty revenues and in sales of CDMA chipsets. Revenue from one South Korean customer, Samsung Electronics Company, by the QCT and QTL segments comprised 10% of total revenues in the first six months of fiscal 2000.

Cost of revenues for the first six months of fiscal 2000 was $999 million compared to $1,266 million for the first six months of fiscal 1999. The dollar decrease was primarily due to a decrease in the terrestrial-based CDMA wireless consumer phone product costs as a result of the sale of the business in February 2000, a decrease in the wireless infrastructure product costs related to the sale of this business in May 1999, and a reduction in the unit cost of chipsets, offset by an increase in CDMA chipsets unit volume. Cost of revenues decreased as a percentage of revenues to 54% in the first six months of fiscal 2000 from 68% in the second quarter of fiscal 1999. This is primarily due to higher revenues from high margin chipsets and software, royalties and OmniTRACS, offset by lower revenues from lower gross margin CDMA terrestrial-based phones and infrastructure. During the first six months of fiscal 2000, cost of revenues included $20 million in charges related to the sale of the terrestrial-based CDMA consumer phone business, as compared to $10 million for the same period in fiscal 1999 related to the sale of the wireless infrastructure product business.

For the first six months of fiscal 2000, research and development expenses were $174 million or 9% of revenues, compared to $203 million or 11% of revenues for the first six months of fiscal 1999. The dollar decrease was due to a decrease in terrestrial CDMA wireless infrastructure product research and development as a result of the sale of this business in May 1999, offset by increased chipset product initiatives and software development efforts and new HDR products.

For the first six months of fiscal 2000, selling, general and administrative expenses were $199 million or 11% of revenues, compared to $225 million or 12% of revenues for the first six months of fiscal 1999. The dollar decrease from the first six months of fiscal 1999 was due to a decrease in marketing costs in terrestrial-based CDMA wireless consumer phone products as a result of the sale of the business in February 2000 and a decrease in selling, general and administrative expenses for terrestrial CDMA wireless infrastructure products as a result of the sale of this business in May 1999, partially offset by continued growth in personnel and associated overhead expenses necessary to support other growing business operations and increased patent, litigation, employer payroll tax on employee non-qualified stock option exercises and public reporting expenses.

Amortization of goodwill and other acquisition-related intangible assets increased to $21 million for the first six months of fiscal 2000 compared to $1 million for the first six months of fiscal 1999, primarily due to the acquisition of SnapTrack. See "Notes to Condensed Consolidated Financial Statements - Note 2 - Acquisitions."

Purchased in-process technology of $60 million in the first six months of fiscal 2000 resulted from the acquisition of SnapTrack. See "Notes to Condensed Consolidated Financial Statements - Note 2 - Acquisitions."

For the first six months of fiscal 2000, other operating expenses were $64 million, compared to $96 million in the first six months of fiscal 1999. Other operating expenses during the first six months of fiscal 2000 were comprised primarily of charges to reflect the estimated difference between the carrying value of the net assets and the consideration to be received from Kyocera, less costs to sell, and employee termination costs. During the first six months of fiscal 1999, the Company recorded a $15 million restructuring charge and $81 million in charges relating to the sale of the terrestrial CDMA wireless infrastructure business to Ericsson. See "Notes to Condensed Consolidated Financial Statements - Note 9 Disposition of Assets and Other Charges."

Interest expense was $4 million for the first six months of fiscal 2000, compared to $9 million for the first six months of fiscal 1999. The decrease was due to decreased bank borrowings by QPE and the subsequent payoff and cancellation of the QPE bank lines of credit in February 2000.

Net investment income was $370 million in the first six months of fiscal 2000 compared to $4 million for the first six months of fiscal 1999. The increase was primarily due to a $270 million realized gain on the sale of marketable securities, interest earned on the $1 billion in cash proceeds from a stock offering in July 1999 and on cash provided by operating activities, higher interest rates, and changes in the estimate of amounts collectible under the Globalstar contracts. See "Notes to Condensed Consolidated Financial Statements - - Note 6 - Investment in Other Entities."

Distributions on Trust Convertible Preferred Securities decreased to $13 million for the first six months of fiscal 2000 compared to $20 million for the first six months of fiscal 1999 as a result of conversions of the 5 3/4% Trust Convertible Preferred Securities outstanding into common stock. During the second quarter of fiscal 2000, all remaining Trust Convertible Preferred Securities were converted into common stock. See "Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources."

During the first six months of fiscal 2000, the Company recorded $3 million in net non-operating other charges, including $6 million in charges relating to

amounts advanced to Metrosvyaz (see "Notes to Condensed Consolidated Financial Statements - Note 11 Commitments and Contingencies"), offset by a $3 million release of non-operating reserves due to a settlement. During the first six months of fiscal 1999, the Company recorded $53 million in non-operating charges, including $37 million related to the Ericsson transaction and $15 million related to the write-off of non-operating assets.

Income tax expense was $305 million for the first six months of 2000 compared to $0.1 million for the first six months of 1999. The Company's income tax provisions for the first six months of fiscal 2000 and 1999 reflect adjustments for the retroactive reinstatements of the R&D tax credit.

QUALCOMM SEGMENT RESULTS FOR THE SECOND QUARTER OF FISCAL 2000 COMPARED TO SECOND QUARTER OF FISCAL 1999

The following should be read in conjunction with the second quarter financial results of fiscal 2000 for each reporting segment. See "Notes to Condensed Consolidated Financial Statements - Note 12 - Segment Information."

CDMA Technologies Segment ("QCT")

The QCT segment is a major supplier of chipsets and software solutions to handset and infrastructure manufacturers. QCT helps manufacturers produce smaller and more affordable products by bringing new chipsets to the market with more functionality in a substantially smaller package size. QCT's CDMA ASIC products include Mobile Station Modem ("MSM") chips for telephone handsets, Cell Site Modem chips for infrastructure base stations and a number of related chips that make digital voice transmission and processing possible.

QCT segment revenues for the second quarter of fiscal 2000 were $279 million compared to $263 million for the second quarter of fiscal 1999. Earnings before taxes for the second quarter of fiscal 2000 were $90 million compared to $109 million for the second quarter of fiscal 1999. Revenue growth was primarily due to increased customer demand for CDMA chipsets in the United States, Korea, and Japan, offset by a decrease in average selling prices of chipsets. The decrease in earnings before taxes was due to increased research and development chipset product initiatives and software development efforts and the decrease in the average sales prices per chipset. Over 11 million MSM chipsets were sold during the second quarter of fiscal 2000, compared to 9 million in the second quarter of fiscal 1999.

The Company's shipments of its chipsets in the second quarter of fiscal 2000 were lower than the first quarter of fiscal 2000 due to seasonal factors, inventory balancing by customers due to continued shortages of other phone components, and customers transitioning to next generation chips.

Technology Licensing Segment ("QTL")

QTL licenses third parties to design, manufacture and sell products incorporating the Company's technologies.

QTL segment revenues for the second quarter of fiscal 2000 were $168 million compared to $106 million for the second quarter of fiscal 1999. Earnings before taxes for the second quarter of fiscal 2000 were $150 million compared to $94 million for the second quarter of fiscal 1999. Revenue and earnings before taxes growth was

primarily due to royalties received from licensees resulting from an increase in worldwide demand for CDMA products and an increase in up-front license fees.

In March 2000, the Company reached an agreement with Motorola to extend cross-licenses and to dismiss claims and counterclaims in the series of patent infringement lawsuits between the companies and to resolve certain items resulting from the companies' audits of each others' royalty payments. The settlement resulted in the reversal of accruals of certain royalty related items.

Royalty revenue declined from the first quarter of fiscal 2000 as a result of seasonal and other factors that also impacted the QCT segment in the quarter.

Wireless Systems Segment ("QWS")

QWS designs, manufactures, markets and deploys infrastructure and handset products for use in terrestrial and non-terrestrial CDMA wireless and satellite networks and provides satellite-based two-way data messaging, position reporting equipment, and services to transportation companies.

QWS segment revenues for the second quarter of fiscal 2000 were $188 million compared to $203 million for the second quarter of fiscal 1999. Earnings before taxes for the second quarter of fiscal 2000 were $83 million compared to $24 million loss for the second quarter of fiscal 1999. Revenues decreased due to the sale of certain assets of the Company's terrestrial CDMA wireless infrastructure business in May 1999 to Ericsson and the completion of the

production and sale of Globalstar gateways, offset by increased OmniTRACS domestic and international unit demand and messaging revenue due to an increase in the customer base. The Company shipped 16,460 OmniTRACS and other related communication systems during the second quarter of fiscal 2000, compared to 10,700 in the second quarter of fiscal 1999. In addition, during the second quarter of fiscal 2000, QWS recognized approximately $15 million in revenue as a result of revisions in estimated costs related to its contracts with Globalstar based on gateway equipment performance to date and accumulated cost data.

Earnings before taxes increased due to the sale of certain assets related to the Company's terrestrial CDMA wireless infrastructure business in May 1999 to Ericsson and an increase in interest income and fees on finance receivables. (See "Notes to Condensed Consolidated Financial Statements - Note 6 - Investments in Other Entities.") During the second quarter of fiscal 2000, the Company recognized previously unamortized loan fees in connection with the pay off and cancellation of certain credit facilities, including the Leap facility. See "Notes to Condensed Consolidated Financial Statements - Note 4 - Investments."

LIQUIDITY AND CAPITAL RESOURCES

The Company anticipates that its cash and cash equivalents and investments balances of $2,027 million at March 26, 2000, including interest earned thereon, will be used to fund its working and other capital requirements, including investments in other companies and other assets to support the growth of its business, financing for customers of CDMA infrastructure products in accordance with the agreement with Ericsson, and facilities related to the expansion of the Company's operations. In the event additional needs for cash arise, the Company may raise additional funds from a combination of sources including potential debt and equity issuance.

The Company has an unsecured credit facility under which banks are committed to make up to $400 million in revolving loans to the Company. The facility expires in March 2001 and may be extended on an annual basis upon maturity. The Company is currently obligated to pay commitment fees equal to 0.175% per annum on the unused amount of the facility. The facility includes certain restrictive financial and operating covenants. At March 26, 2000, there were no amounts or letters of credit issued or outstanding under the facility.

In the first six months of fiscal 2000, $336 million in cash was provided by operating activities, compared to $23 million in cash provided by operating activities in the first six months of fiscal 1999. Cash provided by operating activities in the first six months of fiscal 2000 includes $608 million of net cash flow provided by operations offset by $272 million of net working capital requirements. The improved cash flow from operations primarily reflects the increase in net income resulting from improved gross margins and investment income. Net working capital requirements of $272 million primarily reflect increases in finance receivables and a decrease in accounts payable and accrued liabilities, offset by a decrease in accounts receivable. The increase in finance receivables in the first six months of fiscal 2000 resulted from the financing of contract payments under the

development agreement with Globalstar, and the decrease in accounts payable and accrued liabilities and accounts receivable is primarily attributed to the sale of the terrestrial-based CDMA wireless consumer phone business.

In the first six months of fiscal 2000, $196 million in cash was used by the Company in investing activities, including $190 million for business acquisitions and investments in entities in which the Company holds less than a 50% interest, the issuance of $199 million in notes receivable, $131 million in net purchases of marketable securities and $115 million in capital expenditures, offset by $216 million in proceeds from the sale of the terrestrial-based CDMA wireless consumer phone business and $229 million collected on notes receivable. The Company is increasing its strategic investment activities to promote the worldwide adoption of CDMA products and the growth of CDMA-based wireless data and CDMA-based wireless Internet products and solutions. The Company expects to continue making significant investments in other entities and in capital assets, including new facilities and building improvements, throughout fiscal 2000.

The Company also makes equity and debt investments generally aimed at promoting the worldwide adoption of CDMA technology products and the growth of wireless data and wireless Internet products and solutions. The Company generally invests in start-up companies that have developed or are developing innovative technologies for the wireless industry, venture firms that invest in similar start-up companies and CDMA carrier companies.

In the first six months of fiscal 2000, the Company's financing activities used $30 million, including $112 million in net repayments under bank lines of credit, offset by $85 million from the issuance of common stock under the Company's stock option and employee stock purchase plans. In the first six months of fiscal 1999, the Company's financing activities provided net cash of $17 million. The Company and QPE repaid net amounts of $80 million and $7 million, respectively, on their outstanding credit facilities, and the Company

realized $106 million in proceeds from the issuance of common stock under the Company's stock option and employee stock purchase plans.

On October 29, 1999, the Company and Pegaso executed a commitment letter, subject to Pegaso shareholder approval, in which the Company agreed to underwrite up to $500 million of debt financing to Pegaso and its wholly-owned subsidiary, Pegaso Comunicaciones y Sistemas, a CDMA wireless operating company in Mexico. The debt financing would consist of a $250 million senior secured facility and a $250 million unsecured facility. The Company currently has guaranteed a $175 million facility that could be refinanced by the $250 million senior secured facility. The debt facilities are expected to have final maturities of seven to eight years.

Information regarding the Company's financial commitments at March 26, 2000 is provided in the Notes to the Condensed Consolidated Financial Statements. See "Notes to Condensed Consolidated Financial Statements - Note 3 - Composition of Certain Balance Sheet Captions, Note 6 - Investments in Other Entities, and Note 11 - Commitments and Contingencies."

YEAR 2000

The Company has completed its Year 2000 ("Y2K") Project ("Project") as scheduled, including addressing leap year calendar date calculation concerns. The possibility of significant interruptions of normal operations has been reduced. As of April 24, 2000, the Company's products, computing, and communications infrastructure systems have operated without Y2K related problems and appear to be Y2K ready. The Company is not aware that any of its major customers or third-party suppliers have experienced significant Y2K related problems.

The Company believes all its critical systems are Y2K ready. However, there is no guarantee that the Company has discovered all possible failure points. Specific factors contributing to this uncertainty include failure to identify all systems, non-ready third parties whose systems and operations impact the Company, and other similar uncertainties.

Contingency plans are complete and will be implemented if required. Should a significant problem occur, the Company would revert to standard manual contingency procedures to continue operation until the problem is corrected.

To date, the Company has spent an estimated $20 million on this Project. The funding for this Project comes from operations and working capital. The Company estimates the allocable time of employees using average hourly rates for each class of employee. None of the Company's other mission-critical information projects have been delayed due to the implementation of the Y2K Project.

As a result of the Y2K Project, the Company identified and fixed several system issues. In addition, the Company received other benefits from the Y2K Project, including acceleration of the development of alternative sourcing for our supply base risk mitigation plans which are valid and beneficial to long term supply assurance, refinement of the Company's Disaster Recovery Plan, improvement of diagnostic procedures for core information technology services and asset management, and establishment of a more consistent computer desktop environment which should ultimately reduce support costs.

FUTURE ACCOUNTING REQUIREMENTS

In December 1999, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 101 ("SAB 101"), "Revenue Recognition in Financial Statements." The Company will be required to adopt SAB 101 for fiscal 2000. SAB 101 requires, among other things, that license and other up-front fees be recognized over the term of the agreement, unless the fees are in exchange for products delivered or services performed that represent the culmination of a separate earnings process. The Company does not expect this change in accounting principle to have a material effect on the Company's financial position and results of operation.

In June 1998, the FASB issued Statement of Financial Accounting Standards No. 133 ("FAS 133"), "Accounting for Derivative Instruments and Hedging Activities." In May 1999, the FASB voted to delay the effective date of FAS 133 by one year. The Company will be required to adopt FAS 133 for fiscal year 2001. This statement establishes a new model for accounting for derivatives and hedging activities. Under FAS 133, all derivatives must be recognized as assets and liabilities and measured at fair value. The Company has not completed its determination of the impact of the adoption of this new accounting standard on its consolidated financial position or results of operations.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Financial market risks related to interest rates, foreign currency exchange rates and equity price risks on investments held by the Company are described in the Company's 1999 Annual Report on Form 10-K. At March 26, 2000, there have been no other material changes to the market risks described at September 26,

1999. Additionally, the Company does not anticipate any near-term changes in the nature of its market risk exposures or in management's objectives and strategies with respect to managing such exposures.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

A review of the Company's current litigation is disclosed in the Notes to Condensed Consolidated Financial Statements. See "Notes to Condensed Consolidated Financial Statements - Note 11 - Commitments and Contingencies." The Company is also engaged in other legal actions arising in the ordinary course of its business and believes that the ultimate outcome of these actions will not have a material adverse effect on its results of operations, liquidity or financial position.

ITEM 2. CHANGES IN SECURITIES

On March 1, 2000, the Company completed the acquisition of all the outstanding capital stock of SnapTrack, Inc. in exchange for the issuance of 7,433,792 shares of common stock of the Company; provided, however, that 10% of the total shares will be subject to an escrow for a period of one year (which one-year period may be extended in the event any claims are made) to satisfy any indemnification obligations of the SnapTrack security holders. Each of the individuals that received common stock of the Company in the exchange was, alone or with the purchasers representative, an "accredited investor" within the meaning of Rule 501(a) promulgated under the Securities Act of 1933, as amended (the "Securities Act"). The Company relied on the exemption provided by Section 4(2) under the Securities Act.

On March 17, 2000, the Company completed the acquisition of all the outstanding capital stock of Within Technology, Inc. in exchange for the issuance of 22,590 shares of common stock of the Company. Each of the individuals that received common stock of the Company in the exchange was an "accredited investor" within the meaning of Rule 501(a) promulgated under the Securities Act. The Company relied on the exemption provided by Section 4(2) under the Securities Act.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Annual Meeting of Shareholders of QUALCOMM Incorporated was convened on March 7, 2000 at 9:30 a.m. There were issued and outstanding on January 12, 2000, the record date, 702,838,277 shares of Common Stock. There were present at said meeting in person or by proxy, shareholders of the Corporation who were the holders of 630,317,211 shares of Common Stock entitled to vote thereat, constituting a quorum. The proposal to elect four Class III directors to hold office until the 2003 Annual Meeting of Stockholders received the following votes:

	For	Against
Richard C. Atkinson	627,625,794	2,691,417
Diana Lady Dougan	627,674,949	2,642,262
Peter M. Sacerdote	625,372,821	4,944,390
Marc I. Stern	627,722,636	2,594,575

The proposal to ratify the selection of PricewaterhouseCoopers LLP as the Company's independent accountants received the following vote:

	For	Against	Abstain
	626,722,889	628,826	2,965,496

The foregoing proposal was approved and accordingly ratified.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

10.29 1998 Non-Employee Directors' Stock Option Plan and forms of nonstatutory stock option agreement for initial and annual option grants thereunder.

27.0 Financial Data Schedule.

(b) Reports on Form 8-K

Report on Form 8-K dated March 7, 2000, containing information relating to the Asset Purchase Agreement, among QUALCOMM Incorporated, KII Acquisition Company and Kyocera International, Inc. (1) (2) Report on Form 8-K dated March 15, 2000, containing information relating to acquisition of SnapTrack, Inc., among QUALCOMM Incorporated, Falcon Acquisition Company, wholly-owned subsidiary of QUALCOMM, and SnapTrack, Inc. Report on Form 8-K/A dated April 11, 2000, amending the Form 8-K dated March 15, 2000, containing information relating to the acquisition of SnapTrack, Inc. among QUALCOMM Incorporated, Falcon Acquisition Company, wholly-owned subsidiary of QUALCOMM, and SnapTrack, Inc.

(1) Certain portions of this exhibit have been omitted pursuant to a request for confidential treatment. Omitted portions will be filed separately with the Securities and Exchange Commission.

(2) Schedules omitted pursuant to Rule 601(b)(2) of Regulation S-K of the Securities and Exchange Commission. Registrant undertakes to furnish such schedules and attachments thereto to the Securities and Exchange Commission upon request.

EXHIBIT 10.29

QUALCOMM INCORPORATED
1998 NON-EMPLOYEE DIRECTORS' STOCK OPTION PLAN

ADOPTED EFFECTIVE FEBRUARY 10, 1998
STOCKHOLDER APPROVAL FEBRUARY 10, 1998
AMENDED JANUARY 17, 2000

1. PURPOSE.

(a) The purpose of the Plan is to provide a means by which Non-Employee Directors may be given an opportunity to benefit from increases in value of the common stock of the Company ("Common Stock") through the granting of Nonstatutory Stock Options. This Plan shall serve as an amendment and restatement of the Company's Non-Employee Director Stock Option Plan, which was adopted by the Company in 1993 (the "Prior Plan"), and shall be effective February 10, 1998 (the "Effective Date").

(b) The Company, by means of the Plan, seeks to retain the services of persons now serving as Non-Employee Directors of the Company, to secure and retain the services of persons capable of serving in such capacity and to provide incentives for such persons to exert maximum efforts for the success of the Company.

(c) The Company intends that the Options issued under the Plan shall be Nonstatutory Stock Options granted pursuant to Section 6 hereof.

2. DEFINITIONS.

(a) "AFFILIATE" means any parent corporation or subsidiary corporation, whether now or hereafter existing, as those terms are defined in Sections 424(e) and (f), respectively, of the Code.

(b) "ANNUAL OPTION" means a stock option granted pursuant to subsection 5(c) of the Plan.

(c) "BOARD" means the Board of Directors of the Company.

(d) "CODE" means the Internal Revenue Code of 1986, as amended.

(e) "COMMITTEE" means a Committee appointed by the Board in accordance with subsection 3(c) of the Plan.

(f) "COMPANY" means QUALCOMM Incorporated, a Delaware corporation.

(g) "CONSULTANT" means any person, including an advisor, engaged by the Company or an Affiliate to render consulting services and who is compensated for such services, provided

that the term "Consultant" shall not include Directors who are paid only a director's fee by the Company or who are not compensated by the Company for their services as Directors.

(h) "CONTINUOUS SERVICE" means that the Optionee's service to the Company or an Affiliate of the Company, whether in the capacity of a Director or subsequently as an Employee or a Consultant, is not interrupted or terminated. The Optionee's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Optionee renders such service to the Company or an Affiliate of the Company or a change in the entity for which the Optionee renders such service, provided that there is no interruption or termination of the Optionee's service. The Board or its designee, in that party's sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of: (i) any leave of absence approved by the Board or its designee, including sick leave, military leave, or any other personal leave; or (ii) transfers between locations of the Company or between the Company, Affiliates or their successors.

(i) "DIRECTOR" means a member of the Board.

(j) "DISABILITY" means the permanent and total disability of the Optionee within the meaning of Section 22(e)(3) of the Code.

(k) "EMPLOYEE" means any person, including Officers and Directors, employed by the Company or any Affiliate of the Company. Neither service as a Director nor payment of a director's fee by the Company shall be sufficient to constitute "employment" by the Company.

(l) "EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended.

(m) "FAIR MARKET VALUE" means, as of any date, the value of the Common Stock of the Company determined as follows:

(i) If the Common Stock is listed on any established stock exchange, or traded on the Nasdaq National Market, the Fair Market Value of a share of Common Stock shall be the average of the highest and lowest price at which the Common Stock was sold on such exchange or national market on the trading day prior to the day of determination (or, in the case in which the Common Stock is traded on more than one market, the exchange or system on which the Common Stock has the highest average trading volume), as reported in the Wall Street Journal or such other source as the Board deems reliable; or

(ii) in the absence of any such market for the Common Stock, the Fair Market Value shall be determined in good faith by the Board.

(n) "INCENTIVE STOCK OPTION" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(o) "INITIAL OPTION" means a stock option granted pursuant to subsection 5(b) of the Plan.

(p) "NON-EMPLOYEE DIRECTOR" means a Director who is not a current Employee or Officer of the Company or its parent or a subsidiary and does not receive compensation (directly or indirectly) from the Company or its parent or subsidiary for services rendered as a consultant or in any capacity other than as a Director.

(q) "NONSTATUTORY STOCK OPTION" means an Option not intended to qualify as an Incentive Stock Option.

(r) "OFFICER" means any person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(s) "OPTION" means a stock option granted pursuant to the Plan.

(t) "OPTION AGREEMENT" means a written agreement between the Company and an Optionee evidencing the terms and conditions of an individual Option grant. Each Option Agreement shall be subject to the terms and conditions of the Plan.

(u) "OPTIONEE" means a person to whom an Option is granted pursuant to the Plan.

(v) "PLAN" means this QUALCOMM Incorporated 1998 Non-Employee Directors' Stock Option Plan.

(w) "RULE 16B-3" means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(x) "SECURITIES ACT" means the Securities Act of 1933, as amended.

3. ADMINISTRATION.

(a) The Plan shall be administered by the Board unless and until the Board delegates administration to a Committee, as provided in subsection 3(c).

(b) The Board shall have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To construe and interpret the Plan and Options granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Option Agreement, in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(ii) To amend the Plan or an Option as provided in Section 11.

(iii) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company which are not in conflict with the provisions of the Plan.

(c) The Board may delegate administration of the Plan to a Committee or Committees of not fewer than two members of the Board. If administration is delegated to a Committee, the Committee shall have, in connection with the

administration of the Plan, the powers theretofore possessed by the Board (and references in this Plan to the Board shall thereafter be to the Committee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board, and to the requirements of Section 144 of the Delaware General Corporation Law. The Board may abolish the Committee at any time and revest in the Board the administration of the Plan.

4. SHARES SUBJECT TO THE PLAN.

(a) Subject to the provisions of Section 10 relating to adjustments upon changes in stock, the stock that may be issued pursuant to Options shall not exceed in the aggregate Four Million (4,000,000) shares of Common Stock. This share reserve shall be comprised of: (i) the Two Hundred Forty Thousand (240,000) shares of Common Stock available for grant under the Prior Plan plus (ii) an additional Three Million Seven Hundred Sixty Thousand (3,760,000) shares. If any Option (including an Option granted under the Prior Plan) shall for any reason expire or otherwise terminate, in whole or in part, without having been exercised in full, the stock not acquired under such Option shall revert to and again become available for issuance under the Plan. Similarly, if the Company shall for any reason exercise its right of repurchase with respect to any unvested shares of Common Stock purchased pursuant to an early exercise provision, as provided for in subsection 6(j), the unvested shares so repurchased shall revert to and again become available for issuance under the Plan. The foregoing numbers are after giving effect to the 2:1 split in the Company's common stock effective May 10, 1999, and the 4:1 split in the Company's common stock effective December 30, 1999.

(b) The stock subject to the Plan may be unissued shares or reacquired shares, bought on the market or otherwise.

5. ELIGIBILITY AND NON-DISCRETIONARY GRANTS.

(a) Options shall be granted only to Non-Employee Directors of the Company.

(b) Each person who is, on the Effective Date or any subsequent date thereto, elected or appointed for the first time to be a Non-Employee Director shall automatically, upon such date of initial election or appointment, be granted an Initial Option to purchase Twenty Thousand (20,000) shares of Common Stock of the Company on the terms and conditions set forth herein.

(c) Each year, commencing with the annual meeting of stockholders of the Company (the "Annual Meeting") occurring in 1998, each person who is then serving as a Non-Employee Director, other than a Non-Employee Director who is granted an Initial Option at such Annual Meeting, shall automatically be granted an Annual Option to purchase Ten Thousand (10,000) shares of Common Stock of the Company on the terms and conditions set forth herein. Notwithstanding the foregoing, after January 17, 2000, an Annual Option shall not be granted to a Non-Employee Director unless and until two hundred seventy (270) days shall have passed since the date of the last grant of an Option to such Non-Employee Director.

6. OPTION PROVISIONS.

Each Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) each of the following provisions:

(a) TERM. No Option shall be exercisable after the expiration of ten (10) years from the date it was granted.

(b) PRICE. The exercise price of each Option shall equal one hundred percent (100%) of the Fair Market Value of the stock subject to the Option on the date the Option is granted. Notwithstanding the foregoing, an Option may be granted with an exercise price lower than that set forth in the preceding sentence if such Option is granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Section 424(a) of the Code.

(c) CONSIDERATION. The purchase price of stock acquired pursuant to an Option shall be paid, to the extent permitted by applicable statutes and regulations, either: (i) in cash at the time the Option is exercised, or (ii) at the discretion of the Board or the Committee, either at the time of the grant or exercise of the Option, by (A) delivery to the Company of other Common Stock of the Company or (B) other arrangement (which may include, without limiting the generality of the foregoing, the use of other Common Stock of the Company) with the Optionee in any other form of legal consideration that may be acceptable to the Board.

(d) TRANSFERABILITY. An Option shall be transferable only to the extent specifically provided in the Option Agreement; provided, however, that if the Option Agreement does not specifically provide for the transferability of the

Option, the Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the person to whom the Option is granted only by such person or by such person's guardian or legal representative. Notwithstanding the foregoing, the person to whom the Option is granted may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionee, shall thereafter be entitled to exercise the Option.

(e) VESTING.

(i) The total number of shares of stock subject to an Option shall be allotted in periodic installments. The Option Agreement shall provide that from time to time during each of such installment periods, the Option may become exercisable ("vest") with respect to some or all of the shares allotted to that period, and may be exercised with respect to some or all of the shares allotted to such period and/or any prior period as to which the Option became vested but was not fully exercised.

(ii) Initial Options shall vest over a period of five (5) years as follows: (A) if the Initial Option is granted pursuant to the election of the Optionee to the Board at an Annual Meeting prior to January 18, 2000, then such Initial Option will vest twenty percent (20%) of the total number of such shares subject to such Option ("Option Shares") on January 15 of each of

the first, second, third, fourth and fifth years following the date of the grant of such Initial Option; (B) if the Initial Option is granted pursuant to the election or appointment of the Optionee to the Board prior to January 18, 2000 and at some time other than at an Annual Meeting, then such Initial Option will vest twenty percent (20%) of the Option Shares on the anniversary of the date of the grant of such Initial Option in each of first, second, third, fourth and fifth years following such grant; or (C) any Initial Option granted after January 17, 2000 shall vest twenty percent (20%) of the Option Shares on the first anniversary of the date of its grant and the remaining eighty percent (80%) of the Option Shares shall vest as to 1/48th of those shares in forty-eight (48) consecutive monthly installments with the first such monthly vesting installment to occur thirteen (13) months from the date of grant; provided, however, that if the Optionee's Continuous Service is terminated due to (1) death, (2) a Voluntary Termination with Good Reason (as defined in subsection 10(c)), or (3) an Involuntary Termination without Cause (as defined in subsection 10(d)), then the vesting of such Initial Option and the time during which such Initial Option may be exercised shall be accelerated upon the occurrence of such event.

(iii) An Annual Option granted prior to January 18, 2000, shall vest over five (5) years, with twenty percent (20%) of the Option Shares vesting on January 15 of each of the first, second, third, fourth and fifth years following the date of the grant of such Annual Option, otherwise an Annual Option shall vest 1/60th of the total shares in sixty (60) consecutive monthly installments with the first such installment to commence one month after the date of grant; provided, however, that if the Optionee's Continuous Service is terminated due to (1) death, (2) a Voluntary Termination with Good Reason, or (3) an Involuntary Termination without Cause, then the vesting of such Annual Option and the time during which such Annual Option may be exercised shall be accelerated upon the occurrence of such event.

(f) TERMINATION OF SERVICE. In the event an Optionee's Continuous Service terminates (other than upon the Optionee's retirement at age seventy (70) or older after nine (9) or more years of service on the Board, or the Optionee's death or Disability), the Optionee may exercise his or her Option (to the extent that the Optionee was entitled to exercise it at the date of termination) but only within such period of time ending on the earlier of (i) the date thirty (30) days after the termination of the Optionee's Continuous Service or (ii) the expiration of the term of the Option as set forth in the Option Agreement. If, after termination, the Optionee does not exercise his or her Option within the time specified in the Option Agreement, the Option shall terminate, and the shares covered by such Option shall revert to and again become available for issuance under the Plan.

If the exercise of the Option following the termination of the Optionee's Continuous Service (other than upon the Optionee's retirement at age seventy (70) or older after nine (9) or more years of service on the Board, or the Optionee's death or Disability) would be prohibited at any time solely because the issuance of shares would violate the registration requirements under the Securities Act, then the Option shall terminate on the earlier of (i) the expiration of the term of the Option or (ii) the expiration of a period of thirty (30) days after the termination of the Optionee's Continuous Service during which the exercise of the Option would not be in violation of such registration requirements (if such provisions would result in an extension of the time during which

the Option may be exercised beyond the period described in the first paragraph of this subsection 6(f)).

If the exercise of the Option following the termination of the Optionee's Continuous Service (other than upon the Optionee's retirement at age seventy (70) or older after nine (9) or more years of service on the Board, or the Optionee's death or Disability) would be prohibited at any time solely because such exercise would result in liability under Section 16(b) of the Exchange Act, then the Option shall terminate on the earliest of (i) the expiration of the term of the Option, (ii) the tenth (10th) day after the last date upon which exercise would result in such liability, or (iii) six (6) months and ten (10) days after the termination of the Optionee's Continuous Service.

(g) RETIREMENT OF OPTIONEE. Notwithstanding anything in subsection 6(f) to the contrary, in the event of the retirement of an Optionee at age seventy (70) or older after nine (9) years of service on the Board, the Option will terminate only upon the expiration of the Option term.

(h) DISABILITY OF OPTIONEE. Notwithstanding anything in subsection 6(f) to the contrary, in the event an Optionee's Continuous Service terminates due to the Disability of the Optionee, the Option will terminate only upon the expiration of the Option term.

(i) DEATH OF OPTIONEE. In the event that: (i) an Optionee's Continuous Service terminates due to the death of the Optionee, or (ii) an Optionee's Continuous Service terminates due to the Disability of the Optionee and such termination is subsequently followed by the death of the Optionee prior to the expiration of the term of the Option, then the vesting of all unvested shares owned by the Optionee will be accelerated effective as of the date of death of the Optionee and the Option may be exercised by the Optionee's estate, by a person who acquired the right to exercise the Option by bequest or inheritance, or by a person designated to exercise the option upon the Optionee's death pursuant to subsection 6(d), but only within the period ending twelve (12) months after the death of the Optionee. If, after the death of the Optionee, the Option is not exercised within the time specified herein, the Option shall terminate, and the shares covered by such Option shall revert to and again become available for issuance under the Plan.

(j) EARLY EXERCISE. The Option may, but need not, include a provision whereby the Optionee may elect at any time while an Employee, Director or Consultant to exercise the Option as to any part or all of the shares subject to the Option prior to the full vesting of the Option. Any unvested shares so purchased shall be subject to a repurchase right in favor of the Company, with the repurchase price to be equal to the original purchase price of the Common Stock, or to any other restriction the Board determines to be appropriate; provided, however, that (i) the right to repurchase at the original purchase price shall lapse at a rate of twenty percent (20%) per year over five (5) years from the date the Option was granted, and (ii) such right shall be exercisable only within (A) the ninety (90) day period following the termination of the Optionee's Continuous Service or (B) such longer period as may be agreed to by the Company and the Optionee.

7. COVENANTS OF THE COMPANY.

(a) During the terms of the Options, the Company shall keep available at all times the number of shares of stock required to satisfy such Options.

(b) The Company shall seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to issue and sell shares under Options. If, after reasonable efforts, the Company is unable to obtain from any such regulatory commission or agency the authority which counsel for the Company deems necessary for the lawful issuance and sale of stock under the Plan, the Company shall be relieved from any liability for failure to issue and sell stock upon exercise of such Options unless and until such authority is obtained.

8. USE OF PROCEEDS FROM STOCK.

Proceeds from the sale of stock pursuant to Options shall constitute general funds of the Company.

9. MISCELLANEOUS.

(a) Neither a Non-Employee Director nor any person to whom an Option is transferred in accordance with the Plan shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares subject to such Option unless and until such person has satisfied all requirements for exercise of the Option pursuant to its terms.

(b) Nothing in the Plan or any instrument executed or Option granted

pursuant thereto shall confer upon any holder of Options any right to continue serving as a Director, Employee or Consultant, or shall affect the right of the Company or any Affiliate to terminate the Optionee's service as a Director, Employee or Consultant, pursuant to the Company's Bylaws and the provisions of the corporate law of the state in which the Company is incorporated.

(c) The Company may require any person to whom an Option is granted, or any person to whom an Option is transferred in accordance with the Plan, as a condition of exercising or acquiring stock under any Option: (i) to give written assurances satisfactory to the Company as to such person's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters, and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Option; and (ii) to give written assurances satisfactory to the Company stating that such person is acquiring the stock subject to the Option for such person's own account and not with any present intention of selling or otherwise distributing the stock. The foregoing requirements, and any assurances given pursuant to such requirements, shall be inoperative if (i) the issuance of the shares upon the exercise or acquisition of stock under the Option has been registered under a then currently effective registration statement under the Securities Act, or (ii) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such

counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the stock.

(d) To the extent provided by the terms of an Option Agreement, the person to whom an Option is granted may satisfy any federal, state or local tax withholding obligation relating to the exercise or acquisition of stock under an Option by any of the following means (in addition to the Company's right to withhold from any compensation paid to such person by the Company) or by a combination of such means: (i) tendering a cash payment; (ii) authorizing the Company to withhold shares from the shares of the Common Stock otherwise issuable to the participant as a result of the exercise or acquisition of stock under the Option; or (iii) delivering to the Company owned and unencumbered shares of the Common Stock of the Company.

10. ADJUSTMENTS UPON CHANGES IN STOCK.

(a) If any change is made in the stock subject to the Plan, or subject to any Option, without the receipt of consideration by the Company (through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other transaction not involving the receipt of consideration by the Company), the Plan will be appropriately adjusted in the type(s) and maximum number of securities subject to the Plan pursuant to subsection 4(a), and the outstanding Options will be appropriately adjusted in the type(s) and number of securities and price per share of stock subject to such outstanding Options. Such adjustments shall be made by the Board, the determination of which shall be final, binding and conclusive. (The conversion of any convertible securities of the Company shall not be treated as a "transaction not involving the receipt of consideration by the Company.")

(b) In the event of: (1) a dissolution or liquidation of the Company, (2) the sale of all or substantially all of the Company's assets, (3) a merger, consolidation or reorganization of the Company with or into another corporation or other legal person, other than a merger, consolidation or reorganization in which more than fifty percent (50%) of the combined voting power of the then-outstanding securities of the surviving entity (or if more than one entity survives the transaction, the controlling entity) immediately after such a transaction are held in the aggregate by holders of voting securities of the Company immediately prior to such transaction, (4) the acquisition by any person (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) of beneficial ownership (within the meaning of Rule 13d-3 or any successor rule or regulation promulgated under the Exchange Act) of securities representing fifty percent (50%) or more of the combined voting power of the then-outstanding securities of the Company, or (5) during any period of two (2) consecutive years, individuals who at the beginning of any such period constitute the Directors of the Company (the "Incumbent Directors") cease for any reason to constitute at least a majority thereof unless the election or the nomination for election by the Company's stockholders of a Director of the Company first elected during such period was approved by the vote of at least two-thirds of the Incumbent Directors, whereupon such Director shall also be classified as an Incumbent Director (collectively, a "Change in Control"), then: (i) any surviving or acquiring corporation shall assume Options outstanding under the

Plan or shall substitute similar options (including an option to acquire the

same consideration paid to stockholders in the transaction described in this subsection 10(b)) for those outstanding under the Plan and in the event any surviving or acquiring corporation does assume such Options or substitute similar options for those outstanding under the Plan, then upon the Optionee's Voluntary Termination with Good Reason (as described in subsection 10(c)) or the Optionee's Involuntary Termination without Cause (as described in subsection 10(d)) the vesting of such Options and the time during which such Options may be exercised shall be accelerated upon the occurrence of such event or (ii) in the event any surviving or acquiring corporation refuses to assume such Options or to substitute similar options for those outstanding under the Plan, then (A) with respect to Options held by persons then performing services as Directors, Employees or Consultants, the vesting of such Options and the time during which such Options may be exercised shall be accelerated prior to such event and the Options terminated if not exercised after such acceleration and at or prior to such event, and (B) with respect to any other Options outstanding under the Plan, such Options shall be terminated if not exercised prior to such event.

(c) The term "Voluntary Termination with Good Reason" means the Optionee's resignation, with Good Reason (as defined below), as a Director, within one (1) month prior to the Change in Control or within thirteen (13) months following a Change in Control. "Good Reason" means any of the following to the extent applicable to the Optionee's position as a Director, Employee or Consultant at that time:

(i) reduction of the Optionee's rate of compensation (including Director fees) as in effect immediately prior to the Change in Control;

(ii) failure to provide a package of benefits which, taken as a whole, provide substantially similar benefits to those in which the Optionee was entitled to participate immediately prior to the Change in Control;

(iii) a change in the Optionee's responsibilities, authority, title or office resulting in diminution of position, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith which is remedied by the Company promptly after notice thereof is given by the Optionee;

(iv) a request that the Optionee render services at a site more than thirty-five (35) miles from the prior site at which Optionee rendered services, unless the Optionee accepts such relocation request;

(v) failure or refusal of a successor to the Company to assume any Option granted under this Plan; or

(vi) any material breach by the Company or any successor to the Company of any of the material provisions of the Optionee's Option.

(d) The term "Involuntary Termination without Cause" means the involuntary termination without Cause (as defined below) of the Optionee's Continuous Service by the

Company within one (1) month prior to a Change in Control or within thirteen (13) months following a Change in Control. "Cause" means any of the following:

(i) the Optionee's theft, dishonesty, or falsification of documents or records;

(ii) the Optionee's improper use or disclosure of the Company's confidential or proprietary information;

(iii) any action by the Optionee which has a material detrimental effect on the Company's reputation or business;

(iv) the Optionee's failure or inability to perform any reasonable assigned duties after written notice from the Board of, and a reasonable opportunity to cure, such failure or inability;

(v) any material breach by the Optionee of any service agreement between the Optionee and the Company which breach is not cured pursuant to the terms of such agreement; or

(vi) the Optionee's conviction (including any plea of guilty or nolo contendere) of any criminal act which materially impairs the Optionee's ability to perform his or her duties with the Company.

11. AMENDMENT OF THE PLAN AND OPTIONS.

(a) The Board at any time, and from time to time, may amend the Plan and/or some or all outstanding Options granted under the Plan. However, except as provided in Section 10 relating to adjustments upon changes in stock, no amendment shall be effective unless approved by the stockholders of the Company to the extent stockholder approval is necessary for the Plan to satisfy the requirements of Rule 16b-3, any requirements of Section 144 of the Delaware General Corporation Law, or any Nasdaq National Market or securities exchange listing requirements.

(b) An Optionee's rights and obligations under any Option granted before any amendment of the Plan shall not be impaired by such amendment unless (i) the Company requests the consent of the person to whom the Option was granted and (ii) such person consents in writing.

12. TERMINATION OR SUSPENSION OF THE PLAN.

(a) The Board may suspend or terminate the Plan at any time. Unless sooner terminated, the Plan shall terminate on February 9, 2013, which is fifteen (15) years from the date the Plan was approved by the stockholders of the Company. No Options may be granted under the Plan while the Plan is suspended or after it is terminated.

(b) An Optionee's rights and obligations under any Option granted while the Plan is in effect shall not be impaired by suspension or termination of the Plan, except with the consent of the person to whom the Option was granted.

13. EFFECTIVE DATE OF PLAN.

The Plan shall become effective on the Effective Date, which is the date of the Plan's approval by the stockholders of the Company. In the event the Plan is not approved by the stockholders, then the Prior Plan shall continue in full force and effect without regard to the adoption of this Plan.

QUALCOMM INCORPORATED
1998 NON-EMPLOYEE DIRECTORS' STOCK OPTION PLAN
NONSTATUTORY STOCK OPTION

(ANNUAL OPTION #<<NUMBER>>)

<<First_Name>> <<Last_Name>>, Optionee:

On <<Option_Date>>, an option to purchase shares of common stock ("Common Stock") was automatically granted to you (the "Optionee") pursuant to the QUALCOMM Incorporated (the "Company") 1998 Non-Employee Directors' Stock Option Plan (the "Plan"). This option is not intended to qualify and will not be treated as an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). Capitalized terms not explicitly defined in this agreement shall have the meaning assigned to such terms in the Plan.

The details of your option are as follows:

1. The total number of shares of Common Stock subject to this option is ten thousand (10,000).

2. The exercise price of this option is <<Option_Price>> per share, such amount being equal to the Fair Market Value of the Common Stock on the date of grant of this option.

3. Subject to the limitations contained herein, this option shall become exercisable (i.e., vest) in sixty (60) equal, consecutive monthly installments with the first installment becoming exercisable one month after the date of the grant. Notwithstanding the foregoing, this option shall not become fully exercisable with respect to shares represented by the installment vesting on a given vesting date unless you have remained in Continuous Service throughout the period from the date of grant to such vesting date.

4. (a) This option may be exercised, to the extent specified above, by delivering a notice of exercise (in a form designated by the Company) together with the exercise price to the Secretary of the Company, or to such other person as the Company may designate, during regular business hours, together with such additional documents as the Company may then require.

(b) This option may only be exercised for whole shares.

(c) You may elect to pay the exercise price under one of the following alternatives:

(i) In cash (or check) at the time of exercise;

(ii) Payment pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board which results in the receipt of cash (or check) by the Company either prior to the issuance of shares of the Common Stock or pursuant to the terms of irrevocable instructions issued by you prior to the issuance of shares of the Common Stock; or

(iii) Payment by a combination of the methods of payment specified in subparagraphs (i) and (ii) above.

(d) By exercising this option you agree that the Company may require you to enter an arrangement providing for the cash payment by you to the Company of any tax withholding obligation of the Company arising by reason of the exercise of this option.

5. The term of this option is ten (10) years measured from the date of grant, subject, however, to earlier termination upon your termination of service, as set forth in Sections 6(f), (g), (h) and (i) of the Plan.

6. This option is not transferable in any manner (including without limitation, sale, alienation, anticipation, pledge, encumbrance, or assignment) other than, (i) by will or by the laws of descent and distribution, (ii) by written designation of a beneficiary, in a form acceptable to the Company, with such designation taking effect upon your death, (iii) pursuant to a domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, or the rules thereunder, or (iv) by delivering written notice to the Company, in a form acceptable to the Company (including such representations, warranties and indemnifications as the Company shall require you to make to protect the Company's interests and ensure that this option has been transferred under the circumstances approved by the Company), by gift to your spouse, former spouse, children, stepchildren, grandchildren, parent, stepparent, grandparent, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, persons having one of the foregoing types of relationship to you due to adoption, any person sharing your household (other than a tenant or employee), a foundation in which these persons or you control the management of assets, and any other entity in which these persons (or you) own more than fifty percent of the voting interests. A transfer to an entity in which more than fifty percent of the voting interests are owned by these persons (or you) in exchange for an interest in that entity is specifically included as a permissible type of transfer. In addition, a transfer to a trust created solely for the benefit (i.e., you and/or any or all of the foregoing persons hold more than 50 percent of the beneficial interest in the trust) of you and/or any or all of the foregoing persons is also a permissible transferee. During your life this option is exercisable only by you or a transferee satisfying the above conditions. Except in the event of your death, upon transfer of your options to any or all of the foregoing persons, you, as the Optionee, are liable for any and all taxes due upon exercise of those transferred options. At no time will a transferee who is considered an affiliate under Rule 144(a)(1) be able to sell any or all such shares without complying with Rule 144. The right of a transferee to exercise the transferred portion of this option shall terminate in accordance with your right of exercise under this option and is further subject to such representations, warranties and indemnifications from the transferee that the Company requires the transferee to make to protect the Company's interests and ensure that this option has been transferred under the circumstances approved by the Company. Once a portion of this option is transferred, no further transfer may be made of that portion of this option, unless the Company consents in writing to the transfer.

7. Any notices provided for in this option or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed

to you at the address specified below or at such other address as you hereafter designate by written notice to the Company.

8. This option is subject to all the provisions of the Plan, a copy of which is attached hereto and its provisions are hereby made a part of this option, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of this option and those of the Plan, the provisions of the Plan shall control.

Very truly yours,
QUALCOMM Incorporated

By:

Richard Sulpizio
Duly authorized on behalf
of the Board of Directors

ATTACHMENTS: 1998 Non-Employee Directors' Stock Option Plan

QUALCOMM INCORPORATED
1998 NON-EMPLOYEE DIRECTORS' STOCK OPTION PLAN
NONSTATUTORY STOCK OPTION

(INITIAL OPTION #<<NUMBER>>)

<<First_Name>> <<Last_Name>>, Optionee:

On <<Option_Date>>, an option to purchase shares of common stock ("Common Stock") was automatically granted to you (the "Optionee") pursuant to the QUALCOMM Incorporated (the "Company") 1998 Non-Employee Directors' Stock Option Plan (the "Plan"). This option is not intended to qualify and will not be treated as an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). Capitalized terms not explicitly defined in this agreement shall have the meaning assigned to such terms in the Plan.

The details of your option are as follows:

1. The total number of shares of Common Stock subject to this option is twenty thousand (20,000).

2. The exercise price of this option is <<Option_Price>> per share, such amount being equal to the Fair Market Value of the Common Stock on the date of grant of this option.

3. Subject to the limitations contained herein, if:

(i) this option is being granted pursuant to your initial election to the Board of Directors of the Company at an annual meeting of the Company's stockholders, then this option shall become exercisable (i.e., vest) as to twenty percent (20%) of the shares of Common Stock subject to this option on the first anniversary of the date of grant and the remaining shares of Common Stock subject to this option shall become exercisable in forty-eight (48) equal, consecutive monthly installments thereafter with the first such installment becoming exercisable thirteen (13) months after the date of the grant; or

(ii) this option is being granted pursuant to your initial election to the Board of Directors of the Company at some time other than at an annual meeting of the Company's stockholders, then this option shall become exercisable (i.e., vest) as to twenty percent (20%) of the shares of Common Stock subject to this option on the first anniversary of the date of grant and the remaining shares of Common Stock subject to this option shall become exercisable in forty-eight (48) equal, consecutive monthly installments thereafter with the first such installment becoming exercisable thirteen (13) months after the date of the grant.

Notwithstanding the foregoing, this option shall not become fully exercisable with respect to shares represented by the installment vesting on a given vesting date unless you have remained in Continuous Service throughout the period from the date of grant to such vesting date.

4. (a) This option may be exercised, to the extent specified above, by delivering a notice of exercise (in a form designated by the Company) together with the exercise price to the Secretary of the Company, or to such other person as the Company may designate, during

regular business hours, together with such additional documents as the Company may then require.

(b) This option may only be exercised for whole shares.

(c) You may elect to pay the exercise price under one of the following alternatives:

(i) In cash (or check) at the time of exercise;

(ii) Payment pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board which results in the receipt of cash (or check) by the Company either prior to the issuance of shares of the Common Stock or pursuant to the terms of irrevocable instructions issued by you prior

to the issuance of shares of the Common Stock; or

(iii) Payment by a combination of the methods of payment specified in subparagraphs (i) and (ii) above.

(d) By exercising this option you agree that the Company may require you to enter an arrangement providing for the cash payment by you to the Company of any tax withholding obligation of the Company arising by reason of the exercise of this option.

5. The term of this option is ten (10) years measured from the date of grant, subject, however, to earlier termination upon your termination of service, as set forth in Sections 6(f), (g), (h) and (i) of the Plan.

6. This option is not transferable in any manner (including without limitation, sale, alienation, anticipation, pledge, encumbrance, or assignment) other than, (i) by will or by the laws of descent and distribution, (ii) by written designation of a beneficiary, in a form acceptable to the Company, with such designation taking effect upon your death, (iii) pursuant to a domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, or the rules thereunder, or (iv) by delivering written notice to the Company, in a form acceptable to the Company (including such representations, warranties and indemnifications as the Company shall require you to make to protect the Company's interests and ensure that this option has been transferred under the circumstances approved by the Company), by gift to your spouse, former spouse, children, stepchildren, grandchildren, parent, stepparent, grandparent, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, persons having one of the foregoing types of relationship to you due to adoption, any person sharing your household (other than a tenant or employee), a foundation in which these persons or you control the management of assets, and any other entity in which these persons (or you) own more than fifty percent of the voting interests. A transfer to an entity in which more than fifty percent of the voting interests are owned by these persons (or you) in exchange for an interest in that entity is specifically included as a permissible type of transfer. In addition, a transfer to a trust created solely for the benefit (i.e., you and/or any or all of the foregoing persons hold more than 50 percent of the beneficial interest in the trust) of you and/or any or all of the foregoing persons is also a permissible transferee. During your life this option is exercisable only by you or a transferee satisfying the

above conditions. Except in the event of your death, upon transfer of your options to any or all of the foregoing persons, you, as the Optionee, are liable for any and all taxes due upon exercise of those transferred options. At no time will a transferee who is considered an affiliate under Rule 144(a)(1) be able to sell any or all such shares without complying with Rule 144. The right of a transferee to exercise the transferred portion of this option shall terminate in accordance with your right of exercise under this option and is further subject to such representations, warranties and indemnifications from the transferee that the Company requires the transferee to make to protect the Company's interests and ensure that this option has been transferred under the circumstances approved by the Company. Once a portion of this option is transferred, no further transfer may be made of that portion of this option, unless the Company consents in writing to the transfer.

7. Any notices provided for in this option or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the address specified below or at such other address as you hereafter designate by written notice to the Company.

8. This option is subject to all the provisions of the Plan, a copy of which is attached hereto and its provisions are hereby made a part of this option, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of this option and those of the Plan, the provisions of the Plan shall control.

Very truly yours,

QUALCOMM Incorporated

By: -----------------------------

Richard Sulpizio
Duly authorized on behalf
of the Board of Directors

ATTACHMENTS: 1998 Non-Employee Directors' Stock Option Plan

3.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTAINED IN THE COMPANY'S QUARTERLY REPORT ON FORM 10-Q FOR THE FISCAL QUARTER ENDED MARCH 26, 2000 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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<F1>ON DECEMBER 30, 1999, THE COMPANY EFFECTED A FOUR-FOR-ONE STOCK DISTRIBUTION TO QUALCOMM STOCKHOLDERS OF RECORD ON DECEMBER 20, 1999. FINANCIAL DATA SCHEDULES PRIOR TO THE THREE MONTHS ENDED DECEMBER 26, 1999, HAVE NOT BEEN RESTATED FOR THE RECAPITALIZATION. IN ADDITION ON MAY 10, 1999, THE COMPANY EFFECTED A TWO-FOR-ONE STOCK DISTRIBUTION TO QUALCOMM STOCKHOLDERS OF RECORD ON APRIL 21, 1999. FINANCIAL DATA SCHEDULES PRIOR TO THE NINE MONTHS ENDED JUNE 27, 1999, HAVE NOT BEEN RESTATED FOR SUCH RECAPITALIZATION
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