

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

April 23, 2003

---

Date of Report (Date of earliest event reported)

**QUALCOMM Incorporated**

---

(Exact name of registrant as specified in its charter)

Delaware

---

(State or other jurisdiction of incorporation)

000-19528

95-3685934

---

(Commission File Number)

---

(IRS Employer Identification No.)

5775 Morehouse Drive,

San Diego,

CA

92121

---

(address of principal executive offices)

---

(Zip Code)

858-587-1121

---

(Registrant's telephone number, including area code)

---

**TABLE OF CONTENTS**

[Item 7. Exhibits.](#)

[Item 9. Regulation FD Disclosure](#)

[SIGNATURES](#)

[EXHIBIT INDEX](#)

[EXHIBIT 99.1](#)

---

[Table of Contents](#)

Item 7. Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	April 23, 2003 Press Release by QUALCOMM Incorporated

**Item 9. Regulation FD Disclosure**

In accordance with Securities and Exchange Commission Release No. 33-8216, the following information, which is intended to be furnished under Item 12, "Results of Operations and Financial Condition," is instead being furnished under Item 9, "Regulation FD Disclosure."

On April 23, 2003, QUALCOMM Incorporated (the "Company") issued a press release regarding the Company's financial results for its second fiscal quarter ended March 30, 2003. The full text of the Company's press release is attached hereto as Exhibit 99.1.

The attached press release presents financial information excluding the QUALCOMM Strategic Initiatives (QSI) segment, which would otherwise be required by GAAP. The Company presents such non-GAAP information to facilitate evaluation by management, investors and analysts of its ongoing core operating businesses, including QUALCOMM CDMA Technologies (QCT), QUALCOMM Technology Licensing (QTL) and QUALCOMM Wireless and Internet (QWI). QSI results relate to strategic investments for which the Company has exit strategies of varying durations. The Company's management believes that the information excluding QSI presents a more representative measure of the operating and liquidity performance of the Company because it excludes the effect of fluctuations in value of investments that are unrelated to the Company's operational performance. The financial information excluding QSI should be considered in addition, not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. Reconciliations between total QUALCOMM results and results excluding QSI are presented in the press release.

**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 hereunto duly authorized.

Date: April 23, 2003

**QUALCOMM Incorporated**

By: /s/ William E. Keitel

---

William E. Keitel  
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	April 23, 2003 Press Release by QUALCOMM Incorporated

QUALCOMM Contact:  
 Julie Cunningham  
 Sr. Vice President, Investor Relations  
 1-(858) 658-4224 (ph) 1-(858) 651-9303 (fax)  
 e-mail: juliec@qualcomm.com

QUALCOMM ANNOUNCES SECOND QUARTER FISCAL 2003 RESULTS  
 REVENUES \$1.0 BILLION AND EPS \$0.13  
 REVENUES \$1.0 BILLION AND EPS \$0.38, EXCLUDING QSI SEGMENT

SAN DIEGO - April 23, 2003 - QUALCOMM Incorporated (NASDAQ: QCOM) today announced its second quarter fiscal 2003 results ended March 30, 2003. Revenues were \$1.0 billion in the second fiscal quarter, up 50 percent year-over-year, primarily due to increasing demand for CDMA products across global markets. Second quarter net income was \$103 million, up 135 percent year-over-year. Earnings per share were \$0.13, up 160 percent from \$0.05 in the second quarter of fiscal 2002.

Second quarter net income includes \$160 million in asset impairment charges related to Vesper. Following the recent denial of Vesper's request by the Brazilian regulator to use mobile service in the 1900 MHz frequencies band, we have decided to pursue an expedited exit strategy, including the sale or other disposition of Vesper and/or its assets. The impairment loss recognized is the difference between the carrying values of Vesper's long-lived assets and their estimated fair market values.

Revenues excluding the QUALCOMM Strategic Initiatives (QSI) segment were \$1.0 billion in the second fiscal quarter, up 54 percent year-over-year. Net income excluding the QSI segment was \$314 million, up 95 percent year-over-year. Earnings per share excluding the QSI segment were \$0.38, up 90 percent year-over-year. Reconciliations between total QUALCOMM results and results excluding QSI are listed in this release with more detailed information for the prior periods presented on our Investor Relations web page at [www.qualcomm.com](http://www.qualcomm.com).

"During the March quarter, we exceeded our earnings target and delivered excellent year-over-year growth. Our cash, cash equivalents and marketable securities increased by \$460 million in the second fiscal quarter including the effect of initiating our first-ever stock repurchase program," said Dr. Irwin Mark Jacobs, chairman and CEO of QUALCOMM. "New CDMA2000 1X networks were launched by operators in China, India, Thailand, Australia, Mexico, Puerto Rico and Brazil, and new

- more -

WCDMA networks were recently launched in Japan, Italy, the U.K. and Australia. The highest-speed commercial 3G data networks, based on our CDMA2000 1xEV-DO technology, are generating substantial increases in subscriber revenues for operators in South Korea. Several new 1xEV-DO networks are expected to be launched in the coming months, together with exciting new applications, including streaming video. Seven operators in six nations have now commercially deployed a broad selection of BREW-based applications and services, including Vivo, the joint venture of Telefonica Moviles and Portugal Telecom in Brazil. Despite these many positive developments, we were disappointed by the Brazilian regulator's denial of Vesper's request to provide full mobility service, a request we believe was in accordance with previous regulation and one which would have greatly benefited subscribers in Brazil. As a result, we have initiated efforts to exit our Vesper investment and realize the maximum value possible from its assets."

Research and development (R&D) expenses were \$132 million, including \$2 million for QSI, in the second fiscal quarter, up 13 percent year-over year. The increase in R&D expenses compared to the year ago quarter was primarily related to QCT product initiatives.

Selling, general and administrative (SG&A) expenses were \$136 million, including \$19 million for QSI, in the second fiscal quarter, up 9 percent year-over-year. The increase in SG&A expense compared to the year ago quarter was primarily due to an increase in employee and other expenses related to the expansion of the QCT customer base and our support and marketing efforts related to the BREW(TM) application development platform.

Our fiscal 2003 effective income tax rate is now estimated to be 43 percent, compared to 36 percent in fiscal 2002. Excluding the QSI segment, our fiscal 2003 effective tax rate is now estimated to be 33 percent, due to increased foreign sales at lower tax rates, compared to 35 percent in fiscal 2002. The change in the estimated 2003 effective tax rate excluding QSI required an adjustment from the 34 percent effective tax rate in the first quarter of fiscal

2003, resulting in a 32 percent effective tax rate in the second quarter of fiscal 2003. The Company also reversed approximately \$1.1 billion of its valuation allowance on substantially all of its U.S. deferred tax assets during the three months ended March 30, 2003 as a credit to stockholders' equity.

QUALCOMM STRATEGIC INITIATIVES

The QUALCOMM Strategic Initiatives (QSI) segment includes our strategic investments and related income and expenses, including the Vesper Companies in Brazil. QSI revenues, which are primarily related to the consolidation of the Vesper Companies, were \$26 million in the second fiscal quarter, down 10 percent sequentially. QSI losses before taxes were \$246 million in the second fiscal quarter. This includes Vesper related losses of \$188 million, which consist primarily of \$160 million of asset impairment charges and \$22 million of losses from operations (net of minority interest). The balance of the QSI losses before taxes is primarily our share of equity losses from our investment in Inquam of \$33 million and other-than-temporary losses on investments of \$24 million.

BUSINESS OUTLOOK

The following statements are forward-looking and actual results may differ materially. Please see Note Regarding Forward-Looking Statements in this release for a description of certain risk factors and QUALCOMM's quarterly reports on file with the Securities and Exchange Commission (SEC) for a more complete description of risks.

THIRD QUARTER FISCAL 2003

- Based on the current business outlook, we anticipate that revenues excluding the QSI segment in the third fiscal quarter will increase by approximately 27 percent year-over-year. We anticipate that earnings per share excluding the QSI segment will be approximately \$0.30-\$0.31 in the third fiscal quarter, an increase of approximately 25-29 percent year-over-year. This estimate assumes shipments of approximately 23 million MSM phone chips during the quarter. This would represent a 44 percent growth in MSM chip shipments year-over-year. Approximately 96 percent of chip shipments in the third fiscal quarter are expected to be 3G CDMA2000 MSM phone chips.
- Based on the current business outlook, we anticipate that total QUALCOMM revenues in the third quarter will increase by approximately 24 percent year-over-year. We anticipate that total QUALCOMM earnings per share will be approximately \$0.23 in the third fiscal quarter, including an estimated \$0.08 loss per share attributed to the QSI segment, compared to a \$0.02 loss per share in the year ago quarter. Due to their nature, certain income and expense items such as realized gains or losses, gains or losses on derivatives, income related to the use of our FCC Auction Discount Voucher and asset impairments cannot be accurately forecast. Accordingly, the Company excludes such items from its business outlook, and actual results may

vary materially from the business outlook if the Company incurs any such income or expense items.

FISCAL 2003

- Based on the current business outlook, we anticipate that revenues excluding the QSI segment will grow by approximately 30-33 percent year-over-year and earnings per share excluding the QSI segment to be in the range of \$1.38-\$1.41 for fiscal 2003, up 41-44 percent year-over-year, exceeding our previous guidance. We estimate the CDMA phone market to be 103-110 million units in calendar 2003 with a decrease of approximately 10 percent in average selling prices of CDMA phones, upon which royalties are calculated.
- Based on the current business outlook, we anticipate that total QUALCOMM revenues will grow by approximately 27-30 percent year-over-year and total QUALCOMM earnings per share to be in the range of \$0.84-\$0.87 for fiscal 2003, up 91-98 percent year-over-year, including an estimated \$0.54 loss per share attributed to the QSI segment. Due to their nature, certain income and expense items such as realized gains or losses, gains or losses on derivatives, income related to the use of our FCC Auction Discount Voucher and asset impairments cannot be accurately forecast. Accordingly, the Company

excludes such items from its business outlook, and actual results may vary materially from the business outlook if the Company incurs any such income or expense items.

CASH AND MARKETABLE SECURITIES

QUALCOMM's cash, cash equivalents and marketable securities totaled approximately \$4.4 billion at the end of the second quarter of fiscal 2003, compared to \$3.9 billion on December 29, 2002 and \$3.2 billion on September 29, 2002. Our previously announced stock repurchase program was initiated in the second fiscal quarter utilizing \$124 million in the quarter. Detailed reconciliations between total QUALCOMM cash and cash equivalents and cash and cash equivalents including marketable securities and excluding the QSI segment are presented in this release.

RESULTS OF BUSINESS SEGMENTS

THE FOLLOWING TABLES PRESENT SEGMENT INFORMATION (IN THOUSANDS):

Second Quarter - Fiscal Year 2003

<TABLE>  
<CAPTION>

Total Segments QUALCOMM	QCT	QTL	QWI	Reconciling Items	QUALCOMM	
				(1)	excluding QSI	QSI
	<C>	<C>	<C>	<C>	<C>	<C>
Revenues 1,043,043	652,873	260,110	119,319	(15,524)	1,016,778	26,265
Change from prior quarter (5%)	(8%)	2%	9%	N/M	(5%)	(10%)
Change from prior year 50%	90%	34%	8%	N/M	54%	(29%)
Earnings (loss) before taxes 214,876	223,520	236,192	7,370	(6,431)	460,651	(245,775)
Change from prior quarter (45%)	(22%)	3%	167%	N/M	(12%)	(85%)
Change from prior year 213%	188%	38%	286%	N/M	83%	(107%)
Tax rates 52%					32%	14%
Net income (loss) 103,016					313,858	(210,842)
Change from prior quarter (57%)					(9%)	(104%)
Change from prior year 135%					95%	(303%)
Diluted net earnings (loss) per common share (3) 0.13					0.38	(0.26)
Change from prior quarter (57%)					(10%)	(100%)
Change from prior year 160%					90%	(333%)

</TABLE>

First Quarter - Fiscal Year 2003

<TABLE>  
<CAPTION>

Total Segments QUALCOMM	QCT	QTL	QWI	Reconciling Items	QUALCOMM	
				(1)	excluding QSI	QSI



<S>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues 1,097,169	709,681	255,423	108,981	(6,121)	1,067,964	29,205
Earnings (loss) before taxes 389,249	288,282	229,409	2,761	1,848	522,300	(133,051)
Tax rates 38%					34%	22%
Net income (loss) 241,334					344,718	(103,384)
Diluted net earnings (loss) per common share (3) 0.30					0.42	(0.13)

Second Quarter - Fiscal Year 2002

<TABLE>  
<CAPTION>

Goodwill				Reconciling Items	QUALCOMM			
Amortization and Segments (2) QUALCOMM	Total	QCT	QTL	QWI	(1)	excluding QSI	QSI	Other
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues - 696,115		343,815	193,955	110,264	11,229	659,263	36,852	
Earnings (loss) before taxes (64,359) 68,641		77,724	171,535	(3,964)	6,533	251,828	(118,828)	
Tax rates 0% 36%						36%	56%	
Net income (loss) (64,600) 43,930						160,814	(52,284)	
Diluted net earnings (loss) per common share (3) (0.08) 0.05						0.20	(0.06)	

Six Months - Fiscal Year 2003

<TABLE>  
<CAPTION>

Total				Reconciling Items	QUALCOMM			
Segments QUALCOMM	Total	QCT	QTL	QWI	(1)	excluding QSI	QSI	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues 2,140,212		1,362,554	515,533	228,300	(21,645)	2,084,742	55,470	
Earnings (loss) before taxes 604,125		511,802	465,601	10,131	(4,583)	982,951	(378,826)	
Tax rates 43%						33%	17%	
Net income (loss) 344,350						658,576	(314,226)	
Diluted net earnings (loss) per common share (3) 0.42						0.81	(0.38)	

Six Months - Fiscal Year 2002

<TABLE>  
<CAPTION>

Goodwill

Amortization and Segments (2) QUALCOMM	Total	Reconciling Items			QUALCOMM			Other
		QCT	QTL	QWI	(1)	Excluding QSI	QSI	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>								
Revenues 1,394,757		702,959	404,758	219,559	24,675	1,351,951	42,806	-
Earnings (loss) before taxes 286,192		164,665	360,223	(5,197)	19,586	539,277	(123,787)	(129,298)
Tax rates 0%	36%					35%	69%	
Net income (loss) 183,163						350,530	(38,498)	(128,869)
Diluted net earnings (loss) per common share (3) (0.16)	0.23					0.43	(0.05)	

QUALCOMM Announces Second Quarter Fiscal 2003 Results

Page 6 of 16

- (1) Reconciling items related to revenues consist primarily of other non-reportable segment revenues less intersegment eliminations. Reconciling items related to earnings before taxes consist primarily of corporate expenses, charges that are not allocated to the segments for management reporting purposes, unallocated net investment income, non-reportable segment results, interest expense and the elimination of intercompany profit.
- (2) Starting in fiscal 2003, the Company no longer records goodwill amortization, in accordance with Financial Accounting Standards No. 142. In the second quarter of fiscal 2002, goodwill amortization and other adjustments included \$61.1 million of amortization of goodwill, \$3.1 million of amortization of intangible assets and \$1.0 million of payroll expenses on stock option exercises, offset by \$0.1 million of credits related to the sale of the terrestrial-based CDMA wireless infrastructure business and \$0.7 million of credits related to the reduction of reserves established in connection with the Globalstar business. In the first six months of fiscal 2002, goodwill amortization and other adjustments included \$122.3 million of amortization of goodwill, \$6.1 million of amortization of intangible assets and \$3.1 million of payroll expenses on stock option exercises, offset by \$0.1 million of credits related to the sale of the terrestrial-based CDMA wireless infrastructure business and \$2.1 million of credits related to the reduction of reserves established in connection with the Globalstar business. With the adoption of FAS 142 in 2003 and given the immateriality of the other adjustments, the Company no longer makes these adjustments to its results excluding QSI in fiscal 2003.
- (3) The sum of the earnings per share amounts may not equal total earnings per share due to rounding.

N/M - Not Meaningful

#### BUSINESS SEGMENT HIGHLIGHTS

##### QUALCOMM CDMA TECHNOLOGIES (QCT)

- Shipped approximately 28 million MSM(TM) phone chips to customers worldwide during the second fiscal quarter, up from approximately 14 million units in the year ago quarter.
- Shipped approximately 25 million 3G CDMA2000 1X/1xEV-DO MSM phone chips during the second fiscal quarter for a cumulative total of nearly 94 million 3G CDMA2000 MSM phone chips.
- Shipped CSM infrastructure chips for 3G CDMA2000 1X/1xEV-DO to support more than 1.5 million equivalent voice channels, down from approximately 2.5 million in the year ago quarter.
- Announced that more than 10 million gpsOne(TM)-enabled devices are now in commercial use in Japan, South Korea and the United States, making QUALCOMM's gpsOne technology the world's most widely deployed personal location system.
- Announced strong market demand for the advanced multimedia MSM6100(TM)

chipset solution. A total of eight handset manufacturers, including Curitel, Kyocera, LG Electronics, Motorola, Samsung Electronics, Sharp Corporation, Synertek and Toshiba, covering 22 separate planned device designs, have already begun to take receipt of shipments of the MSM6100 chipset in order to support rollouts of these new devices this year.

QUALCOMM TECHNOLOGY LICENSING (QTL)

- Signed a total of ten CDMA license agreements during the second fiscal quarter, including six new licenses and four amendments to existing license agreements.
- Thirty-two subscriber licensees reported sales of CDMA2000 1X products and nine subscriber licensees reported sales of WCDMA products through the second fiscal quarter.
- Thirteen infrastructure licensees reported sales of CDMA2000 1X products and eight infrastructure licensees reported sales of WCDMA products through the second fiscal quarter.

QUALCOMM WIRELESS & INTERNET GROUP (QWI)

QUALCOMM INTERNET SERVICES (QIS)

- Announced two additional commercial BREW launches by operators, including the joint venture between Telefonica Moviles and Portugal Telecom (Vivo) in Brazil and Telstra in Australia. Also, KDDI in Japan launched over-the-air download capability for its BREW-based service.
- Announced that ALLTEL will be the first operator to offer BREW Shop software, a native PDA application which enables operators to use the BREW Distribution System to offer over-the-air PDA application download services.
- Announced the development of content for the BREW platform by leading game and entertainment companies, including SEGA Mobile, Sony Pictures Digital, Bandai, THQ, Sorrent and Mforma.
- Demonstrated over-the-air GPRS downloads of both native BREW and Java(TM) applications using the BREW distribution system at the 3GSM World Congress 2003 using the GSM/GPRS network of French wireless operator SFR and a Maxon GSM/GPRS phone.

QUALCOMM WIRELESS BUSINESS SOLUTIONS (R) (QWBS)

- Shipped approximately 8,400 OmniTRACS(R) units and related products in the second quarter, down 12 percent year-over-year largely due to a decline in sales in Brazil. This brings the cumulative total to over 470,000 units shipped worldwide.
- Commercially introduced GlobalTRACS(TM), an equipment management system that provides reliable, wireless access to equipment engine hours and location data, regardless of equipment type or manufacturer.

- Announced several new innovative technologies for fleet management solutions, including a high data rate technology, a portable computing solution for load management with electronic signature capture and transfer, and an untethered trailer monitoring system initiative.

CONFERENCE CALL

QUALCOMM's second quarter fiscal 2003 earnings conference call will be broadcast live on April 23, 2003 beginning at 2:30 p.m. Pacific Daylight Time on the Company's web site at: [www.qualcomm.com](http://www.qualcomm.com). This conference call may contain forward-looking financial information. The conference call will include a discussion of "non-GAAP financial measures" as that term is defined in Regulation G. The most directly comparable GAAP financial measures and information reconciling these non-GAAP financial measures to the company's financial results prepared in accordance with GAAP, as well as the other material financial and statistical information to be discussed in the conference call, will be posted on the company's Investor Relations web site at [www.qualcomm.com](http://www.qualcomm.com) immediately prior to commencement of the call. The taped audio replay will be available for approximately two weeks. To listen to the replay, U.S. callers may dial (800) 633-8284 and international callers may dial (402) 977-9140. U.S. and international callers should use reservation number 21095067.

QUALCOMM Incorporated ([www.qualcomm.com](http://www.qualcomm.com)) is a leader in developing and delivering innovative digital wireless communications products and services based on the Company's CDMA digital technology. Headquartered in San Diego,

Calif., QUALCOMM is included in the S&P 500 Index and is a 2003 FORTUNE 500(R) company traded on The Nasdaq Stock Market(R) under the ticker symbol QCOM.

NOTE REGARDING USE OF NON-GAAP FINANCIAL MEASURES

The Company presents financial information excluding the QUALCOMM Strategic Initiatives (QSI) segment to facilitate evaluation by management, investors and analysts of its ongoing core operating businesses, including QUALCOMM CDMA Technologies (QCT), QUALCOMM Technology Licensing (QTL) and QUALCOMM Wireless & Internet (QWI). QSI results relate to strategic investments for which the Company has exit strategies of varying durations. Management believes that the information excluding QSI presents a more representative measure of the operating and liquidity performance of the Company because it excludes the effect of fluctuations in value of

investments that are unrelated to the Company's operational performance. The financial information excluding QSI should be considered in addition, not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. Reconciliations between total QUALCOMM results and results excluding QSI are presented in this release.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

In addition to the historical information contained herein, this news release contains forward-looking statements that are subject to risks and uncertainties. Actual results may differ substantially from those referred to herein due to a number of factors, including but not limited to risks associated with: changing global economic conditions, particularly in the telecommunications and Internet-related industries and the resulting uncertainty in forecasting future results; timing and receipt of license fees and royalties; integrated circuit inventory and order levels; the Company's ability to execute additional 3G licenses; the scale-up, acceptance and operations of CDMA systems, including CDMA2000 1xEV-DO and systems in new markets such as China and India; the ability to sustain or improve operational efficiency and profitability; decreases in the rate of growth in CDMA-based wireless data and Internet access or the CDMA subscriber population; strategic investments, loans, acquisitions or divestitures the Company has or may pursue; the value realized on sale of the Vesper Companies' business or assets; changes in the fair values of marketable securities and derivative instruments held; the development, deployment and commercial acceptance of evolving CDMA technology standards; developments in current or future litigation; customer receivables and performance guarantees; component shortages; and international business activities, as well as the other risks detailed from time-to-time in the Company's SEC reports.

###

QUALCOMM(R), QCT(R) QUALCOMM Wireless Business Solutions(R), OmniTRACS(R), MSM(TM), MSM6100(TM), gpsOne(TM), GlobalTRACS(TM) and BREW(TM) are trademarks and/or service marks of QUALCOMM Incorporated. All other trademarks are the property of their respective owners.

QUALCOMM INCORPORATED  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 THIS SCHEDULE IS TO ASSIST THE READER IN RECONCILING FROM  
 RESULTS EXCLUDING QSI TO TOTAL QUALCOMM RESULTS  
 (IN THOUSANDS, EXCEPT PER SHARE DATA)  
 (UNAUDITED)

	THREE MONTHS ENDED MARCH 30, 2003		
	EXCLUDING QSI	QSI	
TOTAL QUALCOMM			
<S>	<C>	<C>	<C>
Revenues:			
Equipment and services	\$ 763,217	\$ 26,265	\$
789,482			
Licensing and royalty fees	253,561	-	
253,561			
	1,016,778	26,265	
1,043,043			

-----			
Operating expenses:			
Cost of equipment and services revenues	341,100	40,828	
381,928			
Research and development	129,757	2,044	
131,801			
Selling, general and administrative	116,954	18,770	
135,724			
Amortization of other acquisition-related intangible assets	1,965	-	
1,965			
Asset impairment charges	-	160,145	
160,145			
	-----	-----	--
Total operating expenses	589,776	221,787	
811,563			
	-----	-----	--
Operating income (loss)	427,002	(195,522)	
231,480			
Interest expense	(375)	(3,504)	
(3,879)			
Investment income (expense), net	34,024 (a)	(46,749) (d)	
(12,725)			
	-----	-----	--
Income (loss) before income taxes	460,651	(245,775) (b)	
214,876			
Income tax (expense) benefit	(146,793) (c)	34,933	
(111,860) (c)			
	-----	-----	--
Net income (loss)	\$ 313,858	\$ (210,842)	\$
103,016			
	=====	=====	
=====			
Net earnings (loss) per common share:			
Diluted	\$ 0.38 (e)	\$ (0.26) (e)	\$
0.13 (e)			
	=====	=====	
=====			
Shares used in per share calculations:			
Diluted	818,088	818,088	
818,088			
	=====	=====	
=====			

</TABLE>

- (a) Includes \$28 million in interest income related to cash, cash equivalents and marketable debt securities, which are not part of the Company's strategic investment portfolio.
- (b) Includes \$162 million loss, net of minority interest, of Vesper Holdings from December 1, 2002 through February 28, 2003 due to the Company's practice of consolidating foreign subsidiaries one month in arrears.
- (c) The estimated fiscal year 2003 effective tax rate for operations excluding QSI and total QUALCOMM are 33% and 43%, respectively. The change in the estimated 2003 effective tax rate for operations excluding QSI from 34% used in the first quarter of fiscal 2003 results in a 32% effective tax rate in the second quarter of fiscal 2003. The change in the estimated 2003 effective tax rate for total QUALCOMM from 38% used in the first quarter of fiscal 2003 results in a 52% effective tax rate in the second quarter of fiscal 2003.
- (d) Includes \$57 million equity losses in investees, \$24 million other-than-temporary losses on investments, \$23 million minority interest in loss of consolidated subsidiaries and \$7 million interest income.
- (e) The sum of the earnings per share amounts may not equal total earnings per share due to rounding.

<TABLE>

<CAPTION>

SIX MONTHS ENDED MARCH 30, 2003

	EXCLUDING QSI	QSI	
TOTAL QUALCOMM			
<S>	<C>	<C>	<C>
Revenues:			
Equipment and services	\$ 1,591,475	\$ 55,470	\$
1,646,945			
Licensing and royalty fees	493,267	-	
493,267			
	2,084,742	55,470	
2,140,212			
Operating expenses:			
Cost of equipment and services revenues	692,504	77,425	
769,929			
Research and development	240,004	4,276	
244,280			
Selling, general and administrative	223,756	59,967	
283,723			
Amortization of other acquisition-related intangible assets	3,937	-	
3,937			
Asset impairment charges	-	160,145	
160,145			
Total operating expenses	1,160,201	301,813	
1,462,014			
Operating income (loss)	924,541	(246,343)	
678,198			
Interest expense	(1,714)	(9,046)	
(10,760)			
Investment income (expense), net	60,124 (a)	(123,437) (d)	
(63,313)			
Income (loss) before income taxes	982,951	(378,826) (b)	
604,125			
Income tax (expense) benefit	(324,375) (c)	64,600	
(259,775) (c)			
Net income (loss)	\$ 658,576	\$ (314,226)	\$
344,350			
Net earnings (loss) per common share:			
Diluted	\$ 0.81 (e)	\$ (0.38) (e)	\$
0.42 (e)			
Shares used in per share calculations:			
Diluted	816,916	816,916	
816,916			

</TABLE>

(a) Includes \$54 million in interest income related to cash, cash equivalents and marketable debt securities, which are not part of the Company's strategic investment portfolio.

(b) Includes \$192 million loss, net of minority interest, of Vesper Holdings from September 1, 2002 through February 28, 2002 due to the Company's practice of consolidating foreign subsidiaries one month in arrears.

(c) The estimated fiscal year 2003 effective tax rate for operations excluding QSI and total QUALCOMM are 33% and 43%, respectively.

(d) Includes \$90 million other-than-temporary losses on investments, \$89 million equity losses in investees, \$37 million minority interest in loss of consolidated subsidiaries and \$14 million interest income.

(e) The sum of the earnings per share amounts may not equal total earnings per share due to rounding.

QUALCOMM INCORPORATED  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS AND MARKETABLE SECURITIES  
 THIS SCHEDULE IS TO ASSIST THE READER IN RECONCILING CASH FLOWS FROM  
 CASH, CASH EQUIVALENTS AND MARKETABLE SECURITIES EXCLUDING QSI TO TOTAL  
 QUALCOMM CASH FLOWS  
 (IN THOUSANDS)  
 (UNAUDITED)

<TABLE> <CAPTION>	THREE MONTHS ENDED MARCH 30,		
2003	-----		
TOTAL	EXCLUDING		
QUALCOMM	QSI	QSI	
-----	-----		
<S> <C>	<C>	<C>	
Earnings before taxes, depreciation, amortization and asset impairments (1) 477,792	\$ 497,860	\$ (20,068)	\$
Working capital changes and taxes paid (2) 101,052	85,886	15,166	
-----	-----		
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES 578,844	583,746	(4,902)	
Net additional share capital 56,823	56,823	-	
Repurchases of common stock (123,577)	(123,577)	-	
Capital expenditures (49,410)	(37,120)	(12,290)	
Net issuance of finance receivables (6,280)	(245)	(6,035)	
Other investments (7,747)	-	(7,747)	
Other items (6,920)	416	(7,336)	
Changes in fair value and other changes to marketable securities (9,972)	9,403	(19,375)	
Marketable securities pending settlement 28,343	33,055	(4,712)	
Transfer from QSI (3) -	3,183	(3,183)	
Transfer to QSI (4) -	(40,087)	40,087	
-----	-----		
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND MARKETABLE SECURITIES (5) 460,104	\$ 485,597	\$ (25,493)	\$
=====	=====		
(1) Reconciliation to GAAP: Net income (loss) 103,016	\$ 313,858	\$ (210,842)	\$
Non-cash adjustments 321,901	131,127	190,774	
Plus: Taxes paid 52,875	52,875	-	
-----	-----		
Earnings before taxes, depreciation, amortization and asset impairments 477,792	\$ 497,860	\$ (20,068)	\$
=====	=====		
(2) Reconciliation to GAAP: Increase in cash resulting from changes in working capital 153,927	\$ 138,761	\$ 15,166	\$
Minus: Taxes paid	(52,875)	-	

(52,875)			
-----		-----	
Working capital changes and taxes paid	\$ 85,886	\$ 15,166	\$
101,052			
=====		=====	
(3) Cash from loan payments and sale of equity securities.			
(4) Funding for strategic debt and equity investments, operations of Vesper and other QSI operating expenses.			
(5) Reconciliation to GAAP cash flow statement:			
Net increase (decrease) in cash and cash equivalents (GAAP)	\$ 370,874	\$ (1,326)	\$
369,548			
Plus: Net purchase (proceeds) of marketable securities	74,350	(80)	
74,270			
Plus: Net increase (decrease) in fair value and other changes to marketable securities	9,403	(19,375)	
(9,972)			
Plus: Net increase (decrease) in marketable securities pending settlement	33,055	(4,712)	
28,343			
Less: Proceeds from trading securities included in working capital change	(2,085)	-	
(2,085)			
-----		-----	
Net increase (decrease) in cash, cash equivalents and marketable securities	\$ 485,597	\$ (25,493)	\$
460,104			
=====		=====	

</TABLE>

QUALCOMM INCORPORATED  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS AND MARKETABLE SECURITIES  
 THIS SCHEDULE IS TO ASSIST THE READER IN RECONCILING CASH FLOWS FROM  
 CASH, CASH EQUIVALENTS AND MARKETABLE SECURITIES EXCLUDING QSI TO TOTAL QUALCOMM  
 CASH FLOWS  
 (IN THOUSANDS)  
 (UNAUDITED)

<TABLE>  
<CAPTION>

	SIX MONTHS ENDED MARCH 30,		
2003			
-----		-----	
	EXCLUDING		
	QSI	QSI	
TOTAL			
QUALCOMM			
-----		-----	
<S>	<C>	<C>	
<C>			
Earnings before taxes, depreciation, amortization and asset impairments (1)	\$ 1,051,064	\$ (43,544)	\$
1,007,520			
Working capital changes and taxes paid (2)	(117,474)	19,281	
(98,193)			
-----		-----	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	933,590	(24,263)	
909,327			
Net additional share capital	112,696	-	
112,696			
Repurchases of common stock	(123,577)	-	
(123,577)			
Capital expenditures	(113,339)	(17,632)	
(130,971)			
Net collections of finance receivables	6,790	372,222	
379,012			
Other investments	-	(31,738)	
(31,738)			
Other items	5,857	(22,163)	
(16,306)			
Changes in fair value and other changes to marketable securities	24,357	13,328	
37,685			
Marketable securities pending settlement	33,055	(4,712)	
28,343			



Transfer from QSI (3)	392,700	(392,700)	
-			
Transfer to QSI (4)	(109,493)	109,493	
-			
-----			
NET INCREASE IN CASH, CASH EQUIVALENTS AND MARKETABLE SECURITIES (5)	\$ 1,162,636	\$ 1,835	\$
1,164,471	=====	=====	
=====			
(1) Reconciliation to GAAP:			
Net income (loss)	\$ 658,576	\$ (314,226)	\$
344,350			
Non-cash adjustments	328,326	270,682	
599,008			
Plus: Taxes paid	64,162	-	
64,162	-----	-----	
-----			
Earnings before taxes, depreciation, amortization and asset impairments.	\$ 1,051,064	\$ (43,544)	\$
1,007,520	=====	=====	
=====			
(2) Reconciliation to GAAP:			
Increase (decrease) in cash resulting from changes in working capital	\$ (53,312)	\$ 19,281	\$
(34,031)			
Minus: Taxes paid	(64,162)	-	
(64,162)	-----	-----	
-----			
Working capital changes and taxes paid	\$ (117,474)	\$ 19,281	\$
(98,193)	=====	=====	
=====			
(3) Cash from loan payments and sale of equity securities.			
(4) Funding for strategic debt and equity investments, operations. of Vesper and other QSI operating expenses			
(5) Reconciliation to GAAP cash flow statement:			
Net increase (decrease) in cash and cash equivalents (GAAP)	\$ 588,034	\$ (4,897)	\$
583,137			
Plus: Net purchase (proceeds) of marketable securities	519,275	(1,884)	
517,391			
Plus: Net increase in fair value and other changes to marketable securities	24,357	13,328	
37,685			
Plus: Net increase (decrease) in marketable securities pending settlement	33,055	(4,712)	
28,343			
Less: Proceeds from trading securities included in working capital change	(2,085)	-	
(2,085)	-----	-----	
-----			
Net increase in cash, cash equivalents and marketable securities	\$ 1,162,636	\$ 1,835	\$
1,164,471	=====	=====	
=====			

</TABLE>

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

<TABLE>  
<CAPTION>

ASSETS

	QUALCOMM EXCLUDING QSI MARCH 30, 2003	QSI (a) (b) MARCH 30, 2003	QUALCOMM MARCH 30, 2003	QUALCOMM SEPTEMBER 29, 2002
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Current assets:				
Cash and cash equivalents	\$ 1,971,670	\$ 18,171	\$ 1,989,841	\$ 1,406,704
Marketable securities	1,732,454	18,150	1,750,604	1,411,178

Accounts receivable, net	507,748	26,466	534,214	536,950
Finance receivables, net	3,627	961	4,588	388,396
Inventories, net	139,663	11,419	151,082	88,094
Deferred tax assets (b)	459,241	-	459,241	122
Other current assets	110,954	24,108	135,062	109,322
	-----	-----	-----	-----
Total current assets	4,925,357	99,275	5,024,632	3,940,766
Marketable securities	480,669	142,869	623,538	381,630
Finance receivables, net	4,272	449,101	453,373	442,934
Other investments	4,722	172,714	177,436	276,414
Property, plant and equipment, net	498,725	89,542	588,267	686,283
Goodwill, net	345,048	1,865	346,913	344,803
Deferred tax assets (b)	603,979	-	603,979	7,493
Other assets	218,212	181,832	400,044	425,725
	-----	-----	-----	-----
Total assets	\$ 7,080,984	\$ 1,137,198	\$ 8,218,182	\$ 6,506,048
	=====	=====	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:				
Trade accounts payable	\$ 141,041	\$ 44,635	\$ 185,676	\$ 209,418
Payroll and other benefits related liabilities	111,767	9,423	121,190	126,005
Unearned revenue	167,427	6,019	173,446	183,482
Dividends payable	39,475	-	39,475	-
Other current liabilities	184,355	28,855	213,210	156,081
	-----	-----	-----	-----
Total current liabilities	644,065	88,932	732,997	674,986
Unearned revenue	266,156	252	266,408	259,995
Long-term debt	-	151,606	151,606	94,288
Other liabilities	29,294	17,058	46,352	40,283
	-----	-----	-----	-----
Total liabilities	939,515	257,848	1,197,363	1,069,552
	-----	-----	-----	-----
Minority interest in consolidated subsidiaries	50	-	50	44,540
	-----	-----	-----	-----
Stockholders' equity:				
Preferred stock, \$0.0001 par value	-	-	-	-
Common stock, \$0.0001 par value	80	-	80	79
Paid-in capital	6,176,021	-	6,176,021	4,918,202
Retained earnings	909,513	-	909,513	604,624
Accumulated other comprehensive loss	(35,633)	(29,212)	(64,845)	(130,949)
	-----	-----	-----	-----
Total stockholders' equity	7,049,981	(29,212)	7,020,769	5,391,956
	-----	-----	-----	-----
Total liabilities and stockholders' equity	\$ 7,989,546	\$ 228,636	\$ 8,218,182	\$ 6,506,048
	=====	=====	=====	=====

</TABLE>

(a) Includes the consolidated Vesper Holdings balance sheet at February 28, 2003. The Company consolidates foreign subsidiaries one month in arrears.

(b) Deferred tax assets and liabilities are not allocated to the Company's segments. A valuation allowance was provided on all net deferred tax assets of investments that are consolidated by QSI, including Vesper, because of uncertainty regarding their realization.

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

<TABLE>  
<CAPTION>

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	MARCH 30, 2003	MARCH 31, 2002	MARCH 30, 2003	MARCH 31, 2002
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Revenues:				
Equipment and services	\$ 789,482	\$ 504,130	\$ 1,646,945	\$ 993,222
Licensing and royalty fees	253,561	191,985	493,267	401,535
	-----	-----	-----	-----
	1,043,043	696,115	2,140,212	1,394,757
	-----	-----	-----	-----
Operating expenses:				
Cost of equipment and services revenues	381,928	291,914	769,929	537,111
Research and development	131,801	116,755	244,280	223,623

Selling, general and administrative	135,724	123,960	283,723	224,725
Amortization of goodwill and other acquisition-related intangible assets	1,965	63,682	3,937	127,413
Asset impairment charges	160,145	-	160,145	-
Total operating expenses	811,563	596,311	1,462,014	1,112,872
Operating income	231,480	99,804	678,198	281,885
Interest expense	(3,879)	(6,156)	(10,760)	(8,718)
Investment (expense) income, net	(12,725)	(25,007)	(63,313)	13,025
Income before income taxes	214,876	68,641	604,125	286,192
Income tax expense	(111,860)	(24,711)	(259,775)	(103,029)
Net income	\$ 103,016	\$ 43,930	\$ 344,350	\$ 183,163
Net earnings per common share:				
Basic	\$ 0.13	\$ 0.06	\$ 0.44	\$ 0.24
Diluted	\$ 0.13	\$ 0.05	\$ 0.42	\$ 0.23
Shares used in per share calculations:				
Basic	789,026	767,903	786,153	766,431
Diluted	818,088	808,996	816,916	809,285
Dividends declared per share	\$ 0.05	\$ -	\$ 0.05	\$ -

</TABLE>

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

SIX MONTHS ENDED	THREE MONTHS ENDED	
	MARCH 30, 2003	DECEMBER 29, 2002
OPERATING ACTIVITIES:		
Net income	\$ 103,016	\$ 241,334
Depreciation and amortization	46,349	43,177
Asset impairment charges	160,145	-
Net realized gains on marketable securities and other investments	(9,972)	(1,296)
Change in fair values of derivative investments	(106)	(14)
Other-than-temporary losses on marketable securities and other investments	23,967	66,583
Minority interest in loss of consolidated subsidiaries	(22,733)	(13,820)
Equity in losses of investees	56,526	32,700
Non-cash income tax expense	58,986	136,627
Other non-cash charges and credits	8,739	13,150
Increase (decrease) in cash resulting from changes in:		
Proceeds of trading securities	2,085	-
Accounts receivable, net	133,020	(129,674)

Inventories, net	(43,335)	(20,866)	
(64,201)			
Other assets	21,416	(14,624)	
6,792			
Trade accounts payable	(9,269)	(9,663)	
(18,932)			
Payroll, benefits, and other liabilities	23,278	(1,545)	
21,733			
Unearned revenue	26,732	(11,586)	
15,146			
-----			
Net cash provided by operating activities	578,844	330,483	
909,327			
-----			
INVESTING ACTIVITIES:			
Capital expenditures	(49,410)	(81,561)	
(130,971)			
Purchases of wireless licenses	-	(8,247)	
(8,247)			
Purchases of available-for-sale securities	(608,886)	(840,036)	
(1,448,922)			
Proceeds from sale of available-for-sale securities	600,539	415,046	
1,015,585			
Purchases of held-to-maturity securities	(93,595)	(66,611)	
(160,206)			
Maturities of held-to-maturity securities	27,672	48,480	
76,152			
Issuance of finance receivables	(7,281)	(140,740)	
(148,021)			
Collection of finance receivables	1,001	526,032	
527,033			
Issuance of notes receivable	(511)	(666)	
(1,177)			
Other investments and acquisitions	(7,747)	(23,991)	
(31,738)			
Other items, net	(4,013)	5,651	
1,638			
-----			
Net cash used by investing activities	(142,231)	(166,643)	
(308,874)			
-----			
FINANCING ACTIVITIES:			
Net proceeds from issuance of common stock	56,823	55,873	
112,696			
Repurchase and retirement of common stock	(123,577)	-	
(123,577)			
Proceeds from put options	7,136	-	
7,136			
Proceeds from the issuance of long-term debt	3,856	1,764	
5,620			
Payments on long-term debt	(12,075)	(5,142)	
(17,217)			
Other items, net	-	20	
20			
-----			
Net cash (used) provided by financing activities	(67,837)	52,515	
(15,322)			
-----			
Effect of exchange rate changes on cash	772	(2,766)	
(1,994)			
-----			
NET INCREASE IN CASH AND CASH EQUIVALENTS	369,548	213,589	
583,137			
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,620,293	1,406,704	
1,406,704			
-----			
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 1,989,841	\$ 1,620,293	\$
1,989,841			
=====			

</TABLE>