

**QUALCOMM Incorporated**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands)  
(Unaudited)

	Three Months Ended				Twelve
	September 24, 2006	June 25, 2006	March 26, 2006	December 25, 2005	Months Ended September 24, 2006
<b>Operating Activities:</b>					
Net Income	\$ 614	\$ 643	\$ 593	\$ 620	\$ 2,470
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	82	69	63	58	272
Net realized gains on marketable securities and other investments	(42)	(34)	(40)	(20)	(136)
Share-based compensation expense	127	126	120	122	495
Incremental tax benefits from stock options exercised	(27)	(103)	(172)	(101)	(403)
Losses (gains) on derivative instruments	11	24	(3)	(3)	29
Other-than-temporary losses on marketable securities and other investments	3	9	9	3	24
Equity in (gains) losses of investees	(1)	-	10	20	29
Non-cash income tax expense	139	155	116	104	514
Other items, net	(6)	(12)	6	(16)	(28)
Changes in assets and liabilities, net of effects of acquisitions:					
Accounts receivable, net	7	(126)	157	(171)	(133)
Inventories	10	(42)	(21)	(18)	(71)
Other assets	(10)	4	5	16	15
Trade accounts payable	(89)	34	19	87	51
Payroll, benefits and other liabilities	116	45	21	(86)	96
Unearned revenue	18	24	6	(19)	29
Net cash provided by operating activities	<u>952</u>	<u>816</u>	<u>889</u>	<u>596</u>	<u>3,253</u>
<b>Investing Activities:</b>					
Capital expenditures	(129)	(182)	(161)	(213)	(685)
Purchases of available-for-sale securities	(2,907)	(3,548)	(2,744)	(3,318)	(12,517)
Proceeds from sale of available-for-sale securities	2,937	3,473	2,283	2,160	10,853
Maturities of held-to-maturity securities	60	30	40	-	130
Other investments and acquisitions, net of cash acquired	(17)	(120)	(264)	(6)	(407)
Other items, net	(6)	4	1	4	3
Net cash used by investing activities	<u>(62)</u>	<u>(343)</u>	<u>(845)</u>	<u>(1,373)</u>	<u>(2,623)</u>
<b>Financing Activities:</b>					
Proceeds from issuance of common stock	69	155	287	181	692
Incremental tax benefits from stock options exercised	27	103	172	101	403
Repurchase and retirement of common stock	(335)	(1,165)			(1,500)
Proceeds from put options	-	11			11
Dividends paid	(198)	(202)	(298)	-	(698)
Net cash (used) provided by financing activities	<u>(437)</u>	<u>(1,098)</u>	<u>161</u>	<u>282</u>	<u>(1,092)</u>
Effect of exchange rate changes on cash	(1)	1	(3)	2	(1)
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>452</u>	<u>(624)</u>	<u>202</u>	<u>(493)</u>	<u>(463)</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>1,155</u>	<u>1,779</u>	<u>1,577</u>	<u>2,070</u>	<u>2,070</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 1,607</u>	<u>\$ 1,155</u>	<u>\$ 1,779</u>	<u>\$ 1,577</u>	<u>\$ 1,607</u>