

Q3 FY06 Guidance Update

May 3, 2006

Safe Harbor

Before we proceed with our presentation, we would like to point out that the following discussion will contain forward-looking statements from industry consultants, QUALCOMM, and others regarding anticipated future results, potential market size, market shares, and other factors which inherently involve risks and uncertainties, including the rate of development, deployment and commercial acceptance of CDMA-based networks and technology and fluctuations in the demand for CDMA-based products, services or applications.

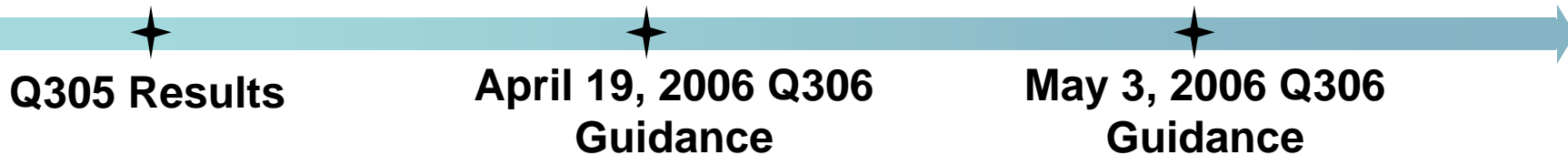
These and other risks and uncertainties relating to QUALCOMM's business are outlined in detail in our most recent 10-Q and 10-K forms filed with the Securities and Exchange Commission.

Please consult those documents for a more complete understanding of these risks and uncertainties.

This presentation may 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 have been included at the end of this presentation.

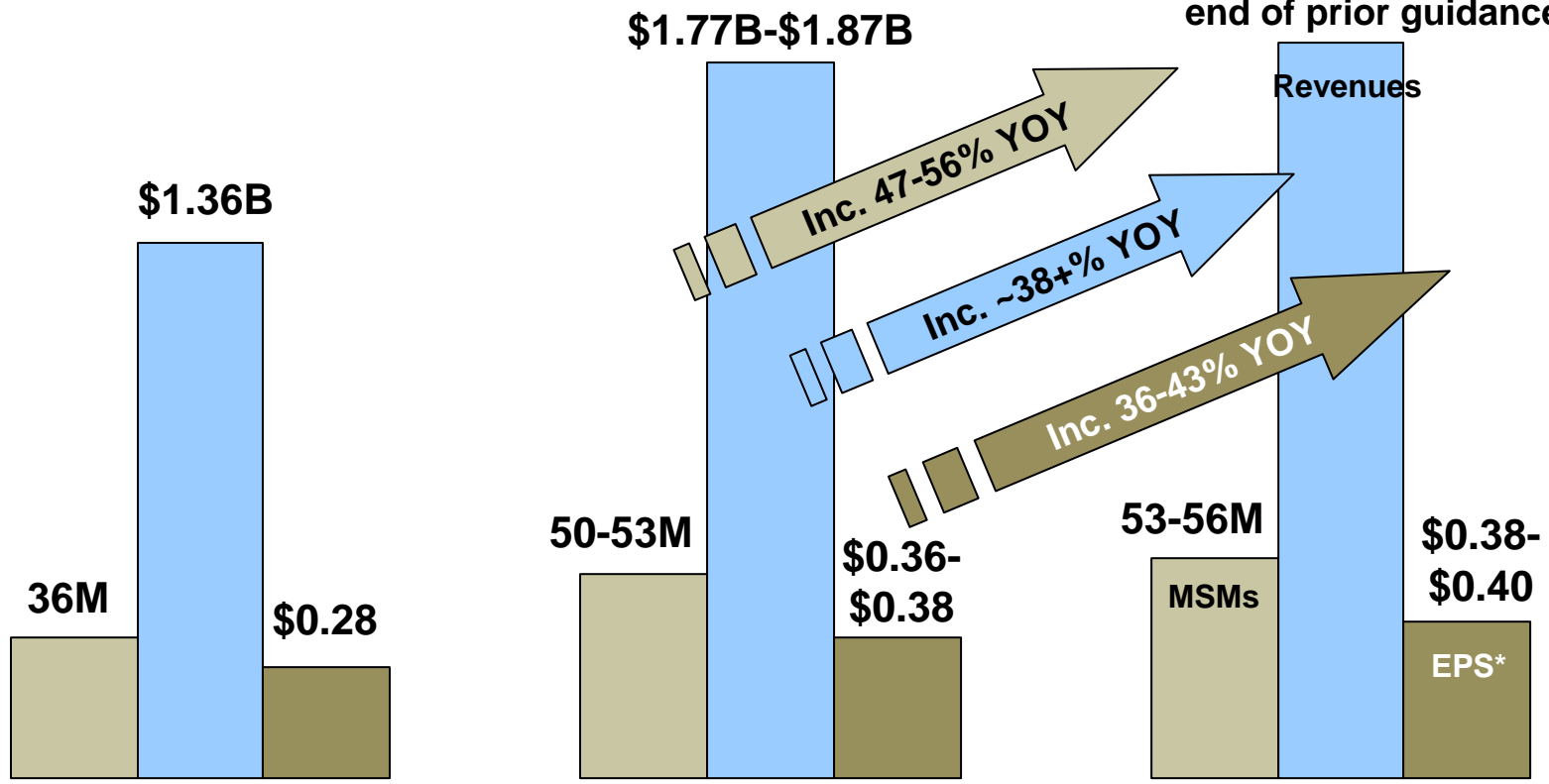
Third Fiscal Quarter 2006 – May 3, 2006 Guidance Update

- **Stronger than expected new orders for 3G products in our chipset division during the June quarter**
 - **EV-DO**
 - **Very low-tier**
- **Breadth of 3G segmented chipset offering**
 - **Unsurpassed in the industry**
 - **Results from significant investment in R&D**
- **Continued momentum in 3G CDMA and WCDMA handsets**
- **Strong first fiscal quarter CDMA and WCDMA operator results**



QUALCOMM Updates Q306 Guidance Estimates

At or slightly above the high end of prior guidance



*Pro forma results and guidance exclude the QSI segment, estimated share-based compensation, tax benefits related to prior years and in process R&D expense.

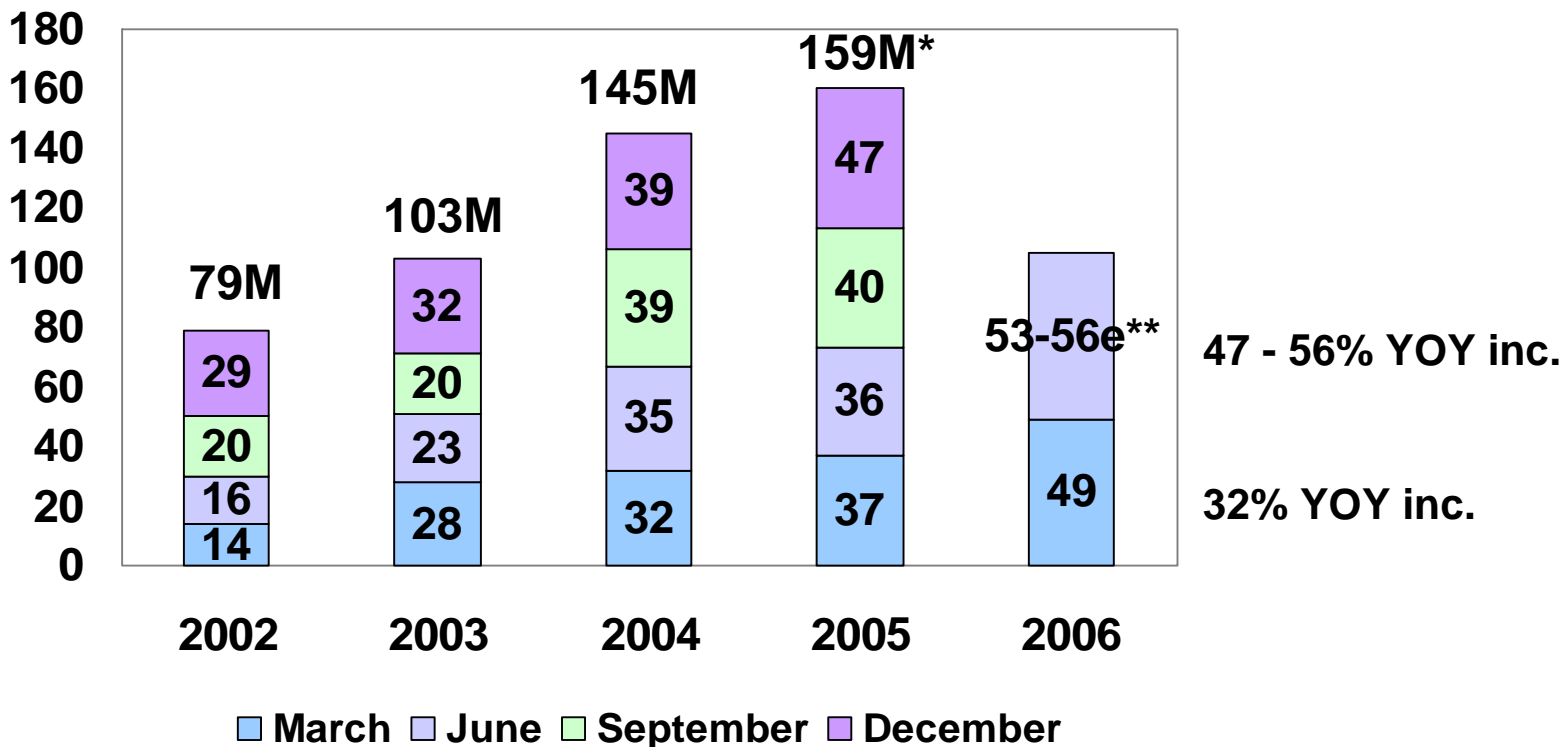
Q206 Results and Q306 Sequential Guidance Update

	Q206 Results	Q306 Guidance as of Apr 19, 2006	Q306 Guidance as of May 3, 2006
3G MSM phone chips - CDMA2000 1X, 1xEV-DO, WCDMA	49M	50 - 53M est.	53 - 56M est.
CDMA/WCDMA handsets shipped	67M (Dec'05*)	62 - 64M est. (Mar'06*)	62 - 64M est. (Mar'06*)
CDMA/WCDMA handset ASP	\$208 (Dec'05*)	\$203 (Mar'06*)	\$203 (Mar'06*)
QUALCOMM Pro Forma**			
Revenues	\$1,834M	\$1.77 - \$1.87B est.	At or slightly above the high-end of prior guidance
Operating Expense (R&D and SG&A)	\$490M	Increase 6 - 8% seq. est.	Not provided
EPS	\$0.41	\$0.36 - \$0.38 est.	\$0.38 - \$0.40 est.
Total QUALCOMM			
GAAP Revenues	\$1,834M	\$1.77 - \$1.87B est.	At or slightly above the high-end of prior guidance
GAAP EPS	\$0.34	\$0.30 - \$0.32 est.	\$0.32 - \$0.34 est.
Includes QSI EPS	(\$0.01)	(\$0.01)	(\$0.01)
Includes share-based compensation EPS	(\$0.05)	(\$0.05)	(\$0.05)
Includes tax benefits related to prior yrs	n/a	n/a	n/a
Includes in-process R&D	(\$0.01)	n/a	n/a

*Royalties are recognized when reported, one quarter following shipment.

**Pro forma results exclude the QSI segment, estimated share-based compensation, tax benefits related to prior years and in process R&D expense.

**CDMA and WCDMA
 QUALCOMM MSM Units Shipped
 by Calendar Quarter (Millions)**



Note: MSM units and handsets shipped per quarter will fluctuate due to various lead times for different operators, handset manufacturers and handset models. Inventory supply strategies will also impact quarterly trends.

*Sum of quarterly amounts do not equal total due to rounding.

**Guidance as of May 3, 2006

Reconciliations

Second Quarter - Fiscal Year 2006

Segments	QUALCOMM Pro Forma	Estimated Share-Based Compensation (1)	In-Process R&D (2)	QSI (3)	Total QUALCOMM (GAAP)
Revenues	\$ 1,834	\$ -	\$ -	\$ -	\$ 1,834
EBT	\$ 962	\$ (120)	\$ (21)	\$ (36)	\$ 785
Net income (loss)	706	(78)	(21)	(14)	\$ 593
Diluted EPS	\$ 0.41	\$ (0.05)	\$ (0.01)	\$ (0.01)	\$ 0.34
Diluted shares used	1,721	1,721	1,721	1,721	1,721

Second Quarter - Fiscal Year 2005

Segments	QUALCOMM Pro Forma	Tax Adjustments (4)	QSI (3)	Total QUALCOMM (GAAP)
Revenues	\$ 1,365	\$ -	\$ -	\$ 1,365
EBT	666	-	(33)	\$ 633
Net income (loss)	487	55	(10)	\$ 532
Diluted EPS	\$ 0.29	\$ 0.03	\$ (0.01)	\$ 0.31
Diluted shares used	1,704	1,704	1,704	1,704

Third Quarter - Fiscal Year 2005

Segments	QUALCOMM Pro Forma	Tax Adjustments (5)	QSI (3)	Total QUALCOMM (GAAP)
Revenues	\$ 1,358	\$ -	\$ -	\$ 1,358
EBT	656	-	30	\$ 686
Net income	465	16	79	\$ 560
Diluted EPS	\$ 0.28	\$ 0.01	\$ 0.05	\$ 0.33
Diluted shares used	1,683	1,683	1,683	1,683

Twelve Months - Fiscal Year 2005

Segments	QUALCOMM Pro Forma	Tax Adjustments (4)(5)	QSI (3)	Total QUALCOMM (GAAP)
Revenues	\$ 5,673	\$ -	\$ -	\$ 5,673
EBT	2,799	-	10	\$ 2,809
Net income	1,970	71	102	\$ 2,143
Diluted EPS	\$ 1.16	\$ 0.04	\$ 0.06	\$ 1.26
Diluted shares used	1,694	1,694	1,694	1,694

Continued

- (1) During the first quarter of fiscal 2006, the Company adopted the fair value recognition provisions of FAS 123R using a modified prospective application. Under this method, prior periods are not revised for comparative purposes. Share-based compensation is included in operating expenses as part of employee-related costs but is not allocated to our segments as these estimated costs are not considered relevant by management in evaluating segment performance.
- (2) During the second quarter of fiscal 2006, the Company recorded \$21 million of expenses related to acquired in-process R&D associated with the acquisitions of Berkana Wireless Inc. and Flarion Technologies, Inc. For fiscal 2006 pro forma presentation, results have been adjusted to exclude these expenses as they are unrelated to the Company's ongoing core operating businesses and are also not allocated to our segments as these costs are not considered relevant by management in evaluating segment performance.
- (3) At fiscal year-end, the sum of the quarterly tax provisions for each column, including QSI, will equal the annual tax provisions for each column computed in accordance with GAAP. In interim quarters, the tax provision for the QSI operating segment is computed by subtracting the tax provision for QUALCOMM pro forma, the tax adjustment column, and the tax provision related to estimated share based compensation from the tax provision for total QUALCOMM (GAAP).
- (4) During the second quarter of fiscal 2005, the Company decreased its estimate of R&D costs allocable to the Company's foreign operations under an intercompany cost sharing agreement. Due to this change in estimate, the effective tax rate in the second quarter for total QUALCOMM (GAAP) included a \$55 million benefit, or \$0.03 diluted earnings per share, related to fiscal 2004. For fiscal 2005 pro forma presentation, results have been adjusted to exclude the tax benefit attributable to fiscal 2004.
- (5) During the third quarter of fiscal 2005, the Company made an election to compute its California tax on the basis of its U.S. operations only, which resulted in a \$38 million tax benefit. Our effective tax rate in the third quarter of fiscal 2005 for total QUALCOMM (GAAP) includes a \$16 million tax benefit, or \$0.01 diluted earnings per share, for this California tax election related to fiscal 2004. For fiscal 2005 pro forma presentation, results have been adjusted to exclude the tax benefit attributable to fiscal 2004.

Sums may not equal totals due to rounding.

**Reconciliation of Pro forma to Total QUALCOMM
Operating Expenses (defined as SG&A and R&D)**
(\$ in millions)

	Q2 FY2005	Q1 FY2006	Q2 FY2006	Fiscal Q3 - 2006 Guidance*
QUALCOMM Pro Forma	\$ 391	\$ 441	\$ 490	Increase 6 - 8% sequentially (est.) ⁽¹⁾
QSI	16	28	32	not provided
In-process R&D expense	-	-	21	not applicable
Total QUALCOMM excluding share-based compensation under SFAS 123R	<u>\$ 407</u>	<u>\$ 469</u>	<u>\$ 543</u>	Increase 3 - 5% sequentially (est.)
Share-based compensation allocated to SG&A & R&D	-	110	110	not provided
Total QUALCOMM (GAAP)	<u>\$ 407</u>	<u>\$ 579</u>	<u>\$ 653</u>	Increase 3 - 5% sequentially (est.) ⁽²⁾
Sequential increase			13%	

(1) QUALCOMM pro forma guidance for Q3 FY06 exclude expenses related to the QSI segment and share-based compensation.

(2) Q3'06 total QUALCOMM (GAAP) operating expense guidance includes an estimate of the share-based compensation expense and estimated allocation to SG&A and R&D related to the Company's adoption of SFAS 123R during the first quarter of fiscal 2006.

Q2 FY2005 results for total QUALCOMM (GAAP) do not include any share-based compensation expense under SFAS 123R.

*Guidance as of April 19, 2006

Business Outlook Summary (as of May 3, 2006)

THIRD QUARTER

	Prior Guidance Q3'06 Estimates	Current Guidance Q3'06 Estimates
<i>QUALCOMM Pro Forma</i>		
Revenues	\$1.77B - \$1.87B	At or slightly above the high end of prior guidance
Year-over-year change	increase 30% - 38%	
Diluted earnings per share (EPS)	\$0.36- \$0.38	\$0.38- \$0.40
Year-over-year change	increase 29% - 36%	increase 36% - 43%
<i>Total QUALCOMM (GAAP)</i>		
Revenues	\$1.77B - \$1.87B	At or slightly above the high end of prior guidance
Year-over-year change	increase 30% - 38%	
Diluted earnings per share (EPS)	\$0.30- \$0.32	\$0.32- \$0.34
Year-over-year change	decrease 3% - 9%	decrease 3% - increase 3%
Diluted EPS attributable to QSI	(\$0.01)	(\$0.01)
Diluted EPS attributable to estimated share-based compensation	(\$0.05)	(\$0.05)
EPS attributable to tax benefit related to prior years	n/a	n/a

Sums may not equal totals due to rounding.

Thank you