

QUALCOMM Incorporated
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	<u>Three Months Ended</u>		<u>Six</u>
	<u>March 26,</u>	<u>December 25,</u>	<u>Months Ended</u>
	<u>2006</u>	<u>2005</u>	<u>March 26,</u>
			<u>2006</u>
Operating Activities:			
Net Income	\$ 593	\$ 620	\$ 1,213
Non-cash items:			
Depreciation and amortization	63	58	121
Net realized gains on marketable securities and other investments	(40)	(20)	(60)
Share-based compensation expense	120	122	242
Incremental tax benefits from stock options exercised	(172)	(101)	(273)
Non-cash income tax expense	116	104	220
Other non-cash charges, net	22	4	26
Increase (decrease) in cash resulting from changes in:			
Accounts receivable, net	157	(171)	(14)
Inventories	(21)	(18)	(39)
Other assets	5	16	21
Trade accounts payable	19	87	106
Payroll, benefits and other liabilities	21	(86)	(65)
Unearned revenue	6	(19)	(13)
Net cash provided by operating activities	<u>889</u>	<u>596</u>	<u>1,485</u>
Investing Activities:			
Capital expenditures	(161)	(213)	(374)
Purchases of available-for-sale securities	(2,744)	(3,318)	(6,062)
Proceeds from sale of available-for-sale securities	2,283	2,160	4,443
Other investments and acquisitions, net of cash acquired	(264)	(6)	(270)
Other items, net	41	4	45
Net cash used by investing activities	<u>(845)</u>	<u>(1,373)</u>	<u>(2,218)</u>
Financing Activities:			
Proceeds from issuance of common stock	287	181	468
Incremental tax benefits from stock options exercised	172	101	273
Dividends paid	(298)	-	(298)
Net cash provided by financing activities	<u>161</u>	<u>282</u>	<u>443</u>
Effect of exchange rate changes on cash	<u>(3)</u>	<u>2</u>	<u>(1)</u>
Net increase (decrease) in cash and cash equivalents	<u>202</u>	<u>(493)</u>	<u>(291)</u>
Cash and cash equivalents at beginning of period	<u>1,577</u>	<u>2,070</u>	<u>2,070</u>
Cash and cash equivalents at end of period	<u>\$ 1,779</u>	<u>\$ 1,577</u>	<u>\$ 1,779</u>