



November 2, 2006

Q4 FY06 Earnings



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 industry trends, 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 includes 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.

Q4 FY06 Segment Highlights

QCT

- **Fifth consecutive quarter of record MSM chips shipments – 56M**
- **Introduced QSC1100 single-chip CDMA2000 solution for emerging markets worldwide**
- **Strategic agreement with Semiconductor Manufacturing International Corporation (SMIC) in Tianjin, China**
 - **IC manufacturing services to QUALCOMM with a focus on power management ICs**
- **Acquisition of Qualphone Inc., a leading provider of IP-based Multimedia Subsystems (IMS) embedded client software solutions for mobile devices and interoperability testing (IOT) services**

QTL

- **135+ major wireless equipment manufacturers are now licensed by QUALCOMM**
 - **120+ for CDMA2000, 70+ for WCDMA/TD-SCDMA, 2 for OFDMA single mode products**
- **Licensee information for the Q3FY06 as reported by licensees in the Q4FY06:**
 - **Worldwide shipments of approximately 70M CDMA2000 and WCDMA subscriber units**
 - **Average selling price of ~\$223**
 - **We estimate that WCDMA royalties contributed approximately 49% of total royalties reported**

Q4 FY06 Segment Highlights Continued

QWI

- **QIS:** availability of Ice handset from O2 using uiOne, the first device in Europe
- **QWBS:** shipped ~11,400 satellite-based systems (OmniTRACS[®], OmniVision[™], EutelTRACS[™] and TruckMAIL[™]) and ~11,100 terrestrial-based systems (OmniExpress[®], GlobalTRACS[®] and T2 Untethered TrailerTRACS[™])

QUALCOMM Strategic Initiatives (QSI)

- **MediaFLO USA**
 - Continues to make significant progress in the build out of its nationwide network
 - Working closely with Verizon Wireless, the company's launch partner, towards the launch of its nationwide network, in Calendar Q107, as Verizon Wireless has publicly stated
 - Federal Communications Commission (FCC) released a ruling that expands the number of markets in which MediaFLO USA can operate prior to the DTV transition date in 2009

Q406 Guidance Comparison

	Earnings Guidance <u>July 19, 2006</u>	Q4 Results <u>November 2, 2006</u>
3G MSM phone chips - CDMA2000 1X, 1xEV-DO, WCDMA	53 - 56M est.	56M
CDMA2000/WCDMA handsets shipped CDMA2000/WCDMA handset ASP	67 - 70M est. (Jun'06*) \$215 est. (Jun'06*)	70M (Jun'06*) \$223 (Jun'06*)
QUALCOMM Pro Forma**		
Revenues	\$1.88B - \$1.98B est.	\$2.00B
EPS	\$0.39 - \$0.41 est.	\$0.42
Total QUALCOMM		
GAAP Revenues	\$1.88B - \$1.98B est.	\$2.00B
GAAP EPS	\$0.33 - \$0.35 est.	\$0.36
Includes QSI EPS	(\$0.01) est.	\$0.00
Includes share-based compensation EPS	(\$0.05) est.	(\$0.05)
Tax adjustments related to prior years	n/a	(\$0.01)

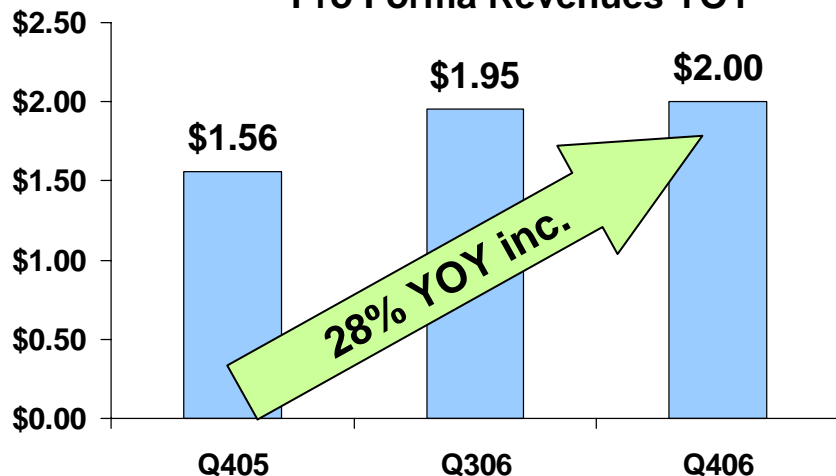
*Royalties are recognized when reported, one quarter following shipment.

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

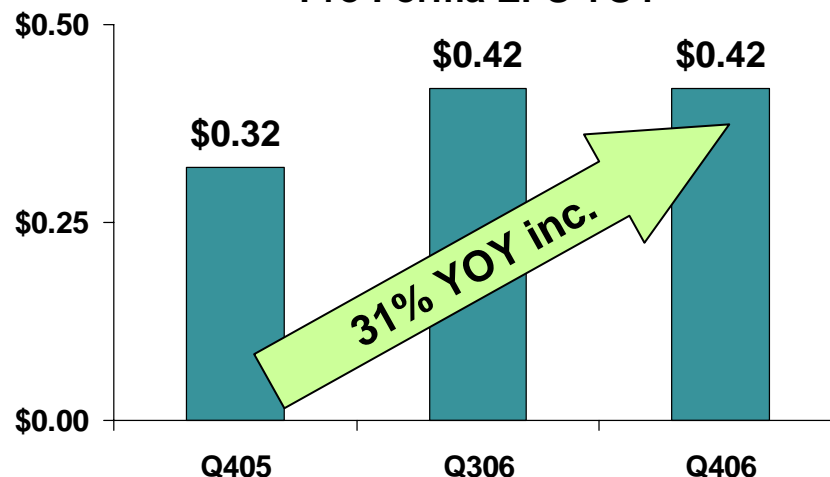
Fiscal Quarter Results as of November 2, 2006

(Billions)

Pro Forma Revenues YOY

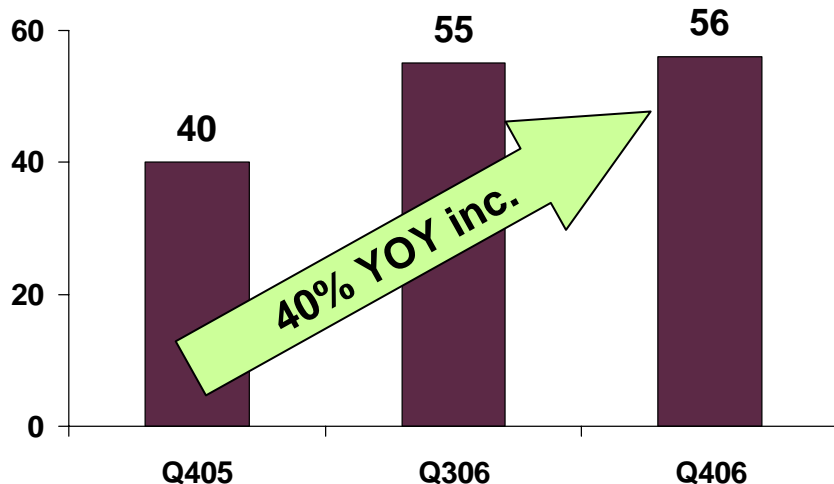


Pro Forma EPS YOY



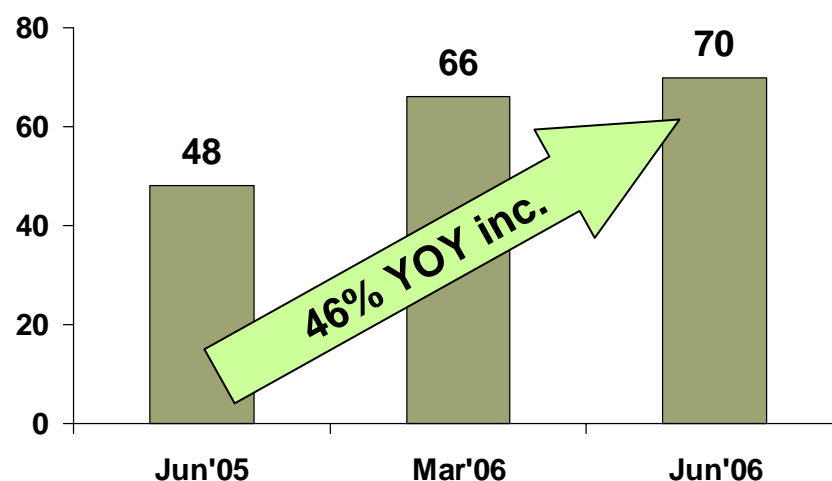
(Millions)

MSMs YOY



(Millions)

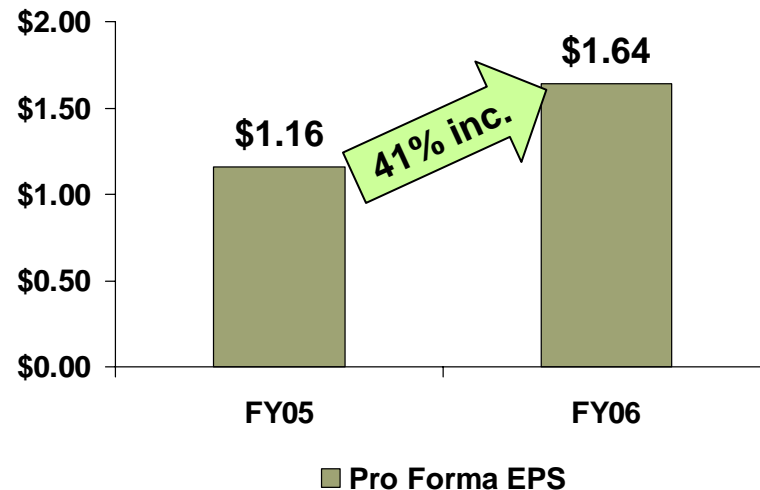
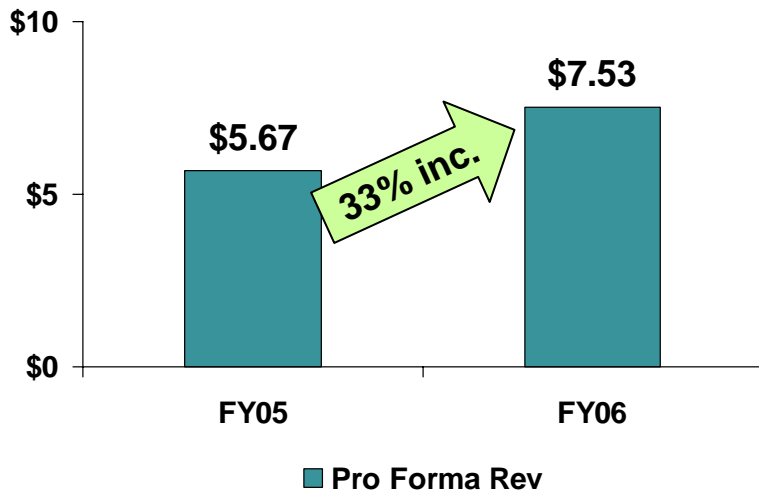
CDMA/WCDMA Handsets Shipped*



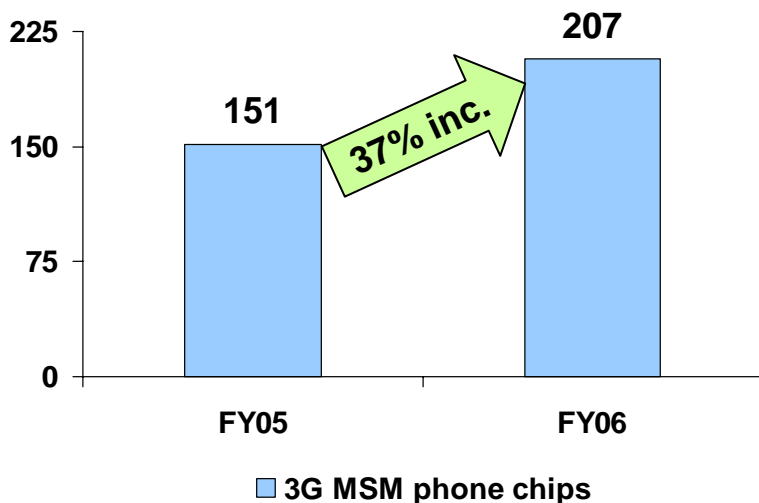
*Royalties are recognized when reported, one quarter following shipment.

Fiscal Year Results as of November 2, 2006

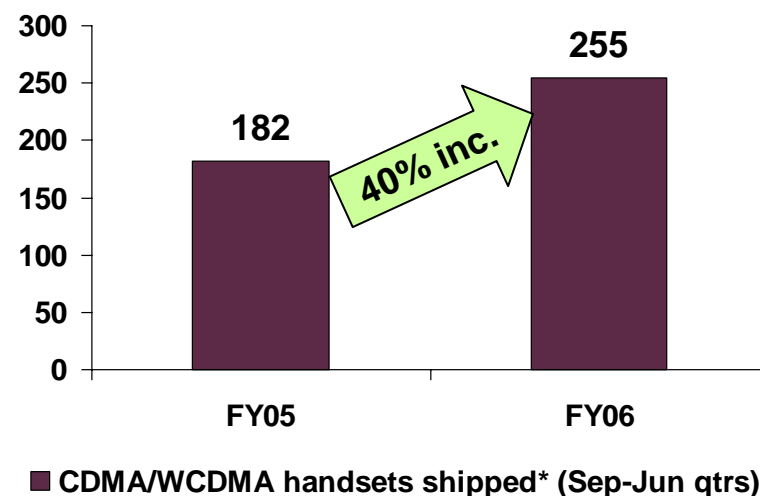
(Billions)



(Millions)

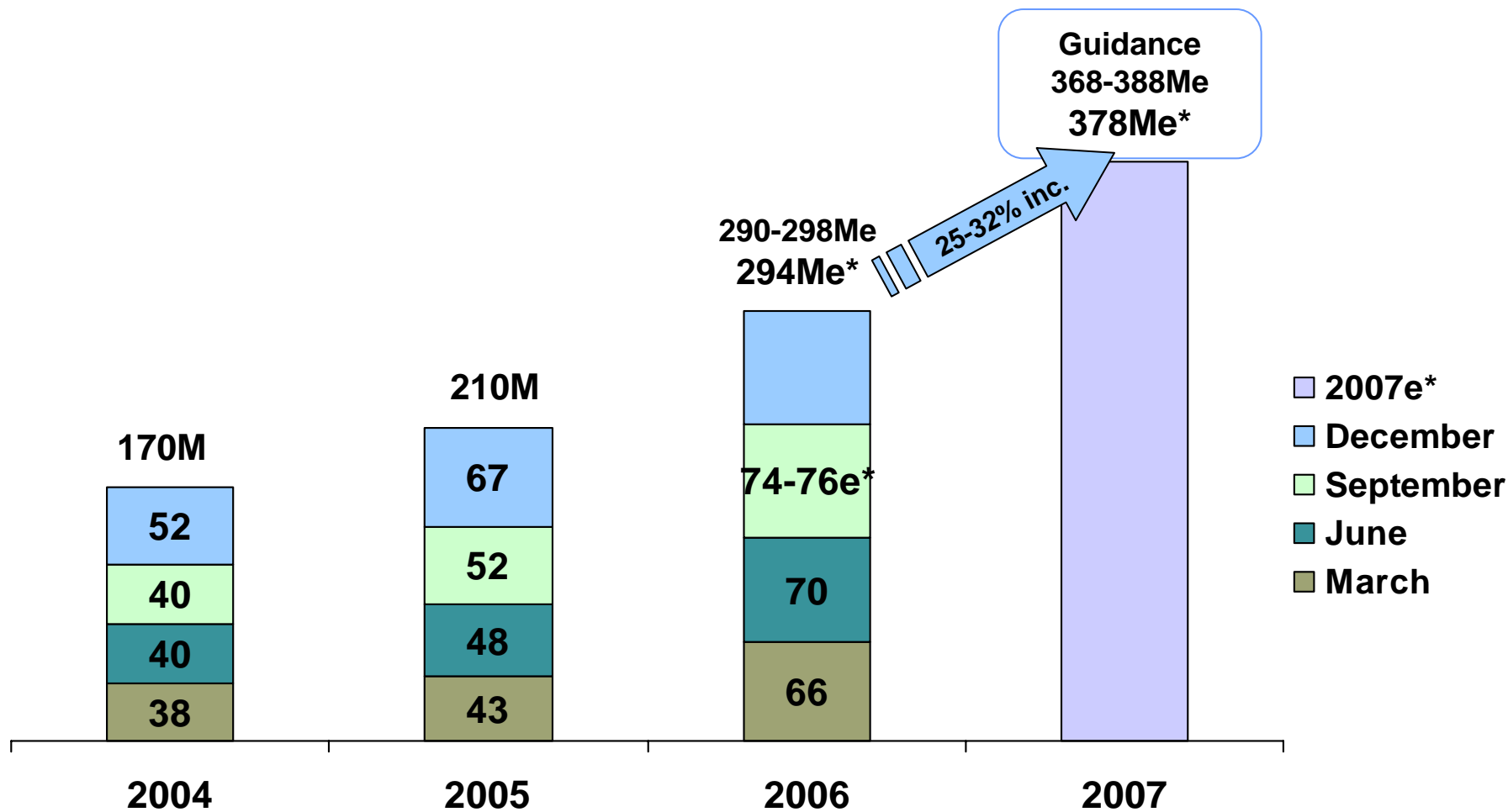


(Millions)



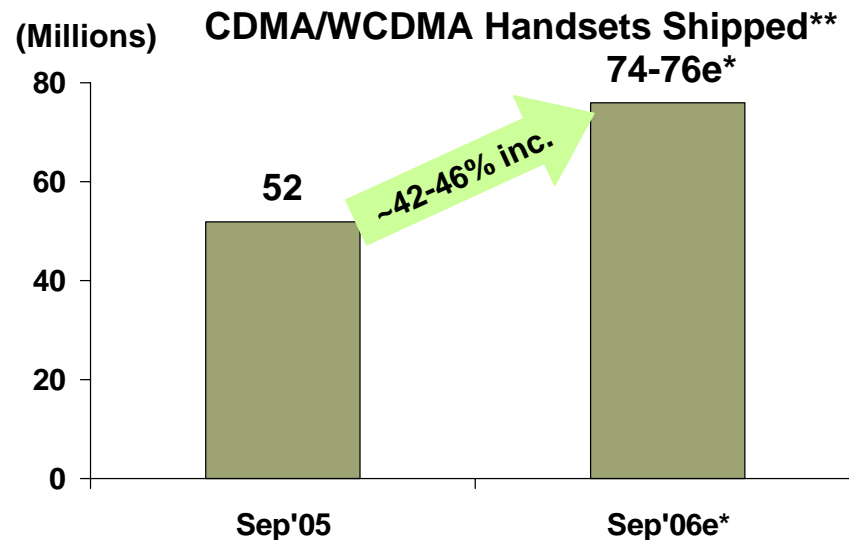
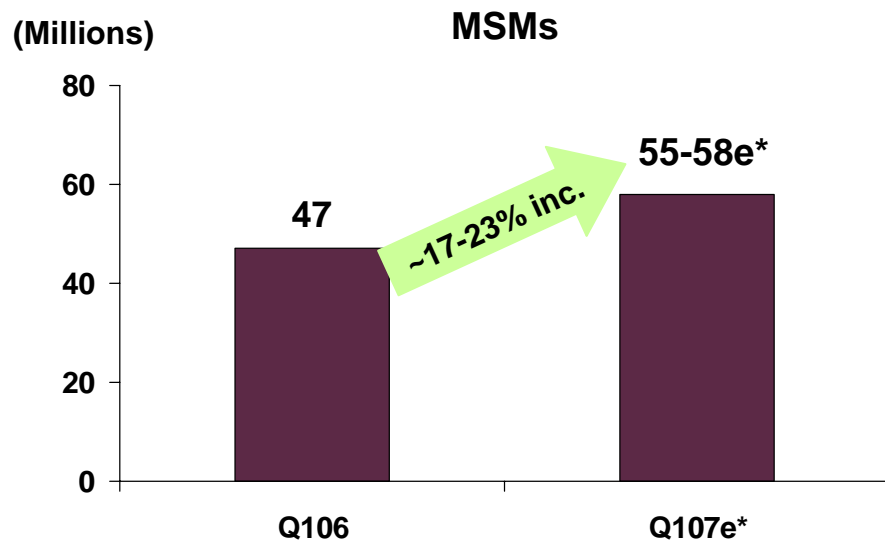
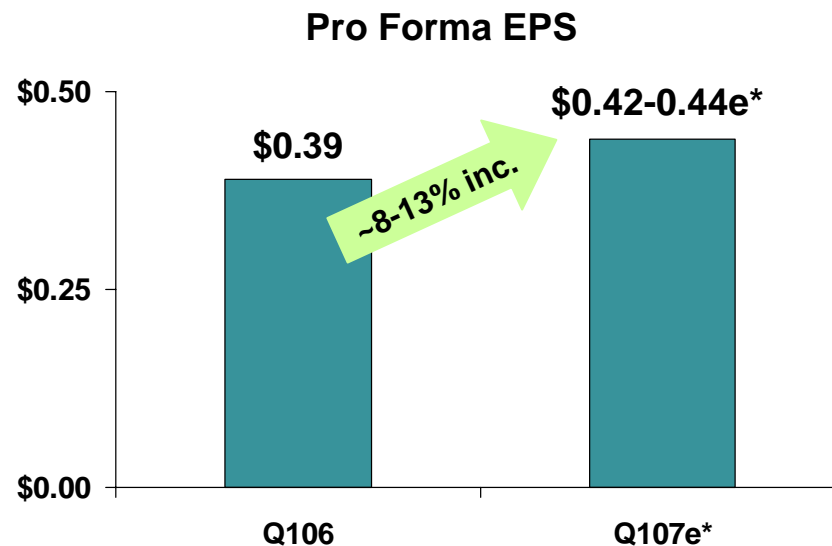
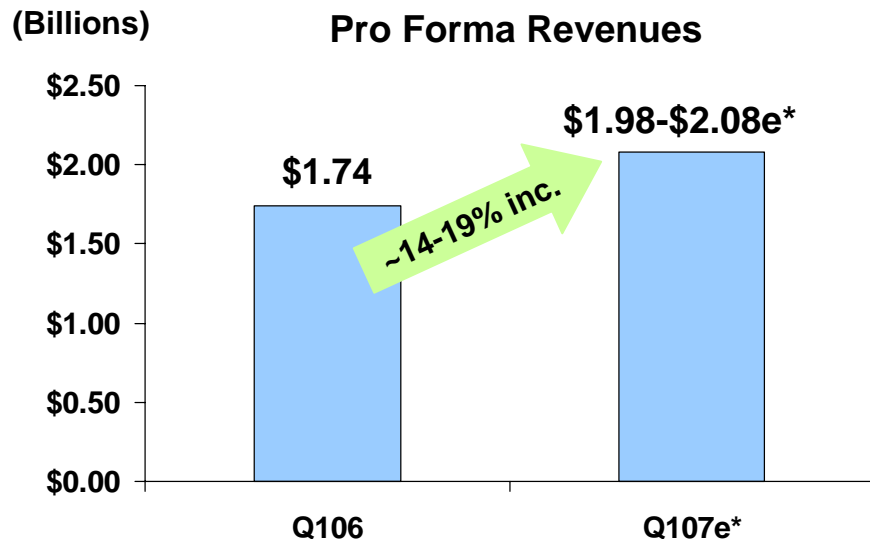
*Royalties are recognized when reported, one quarter following shipment.

Worldwide CDMA and WCDMA Phone Shipments (Calendar Year, Millions)



*Guidance as of November 2, 2006

Fiscal Quarter Guidance as of November 2, 2006*



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

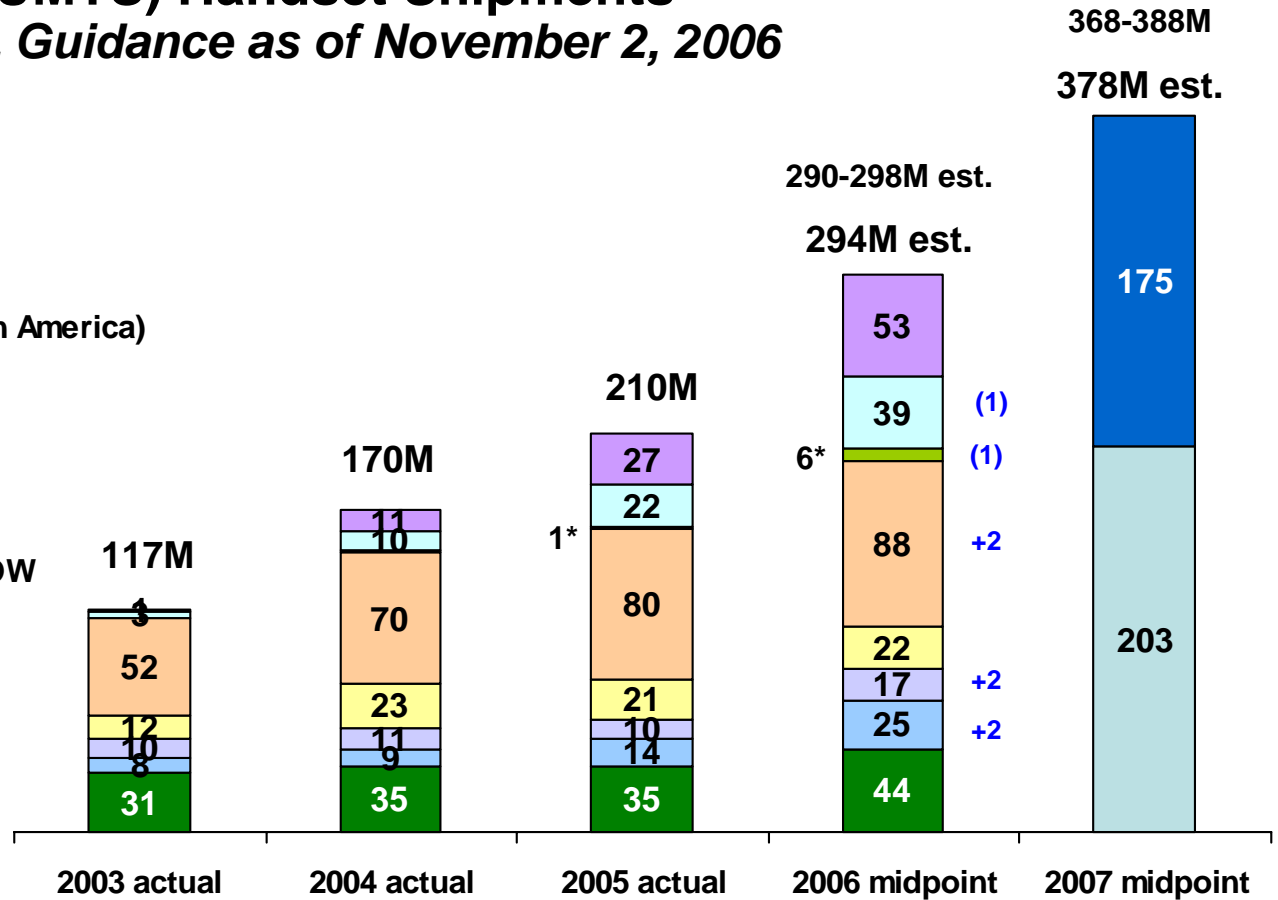
Fiscal Year Guidance as of November 2, 2006*



*Note: FY07 estimates do not reflect the potential adverse impact on our results, approximately \$0.04 to \$0.06 diluted earnings per share, of Nokia not paying royalties in Q4 FY07 for June quarter shipments.

CDMA and WCDMA (UMTS) Handset Shipments Calendar Year (Millions), Guidance as of November 2, 2006

- WCDMA Total
- CDMA Total
- WCDMA Europe
- WCDMA Asia
- WCDMA ROW (Includes North America)
- CDMA US/Canada
- CDMA Americas
- CDMA China
- CDMA India
- CDMA Korea, Japan, SEA, ROW



WCDMA	4M	22M	50M	98M est.	175M est.
CDMA	113M	148M	160M	196M est.	203M est.
Total	117M	170M	210M	294M est.	378M est.




Note: Regional handset shipment estimates are QUALCOMM midpoint estimates and include data devices, telematics, security devices and some quantity of channel inventory.

*WCDMA ROW includes North America

[Change from prior guidance](#)

Quarterly CDMA/WCDMA Handset Shipments and ASP Trend

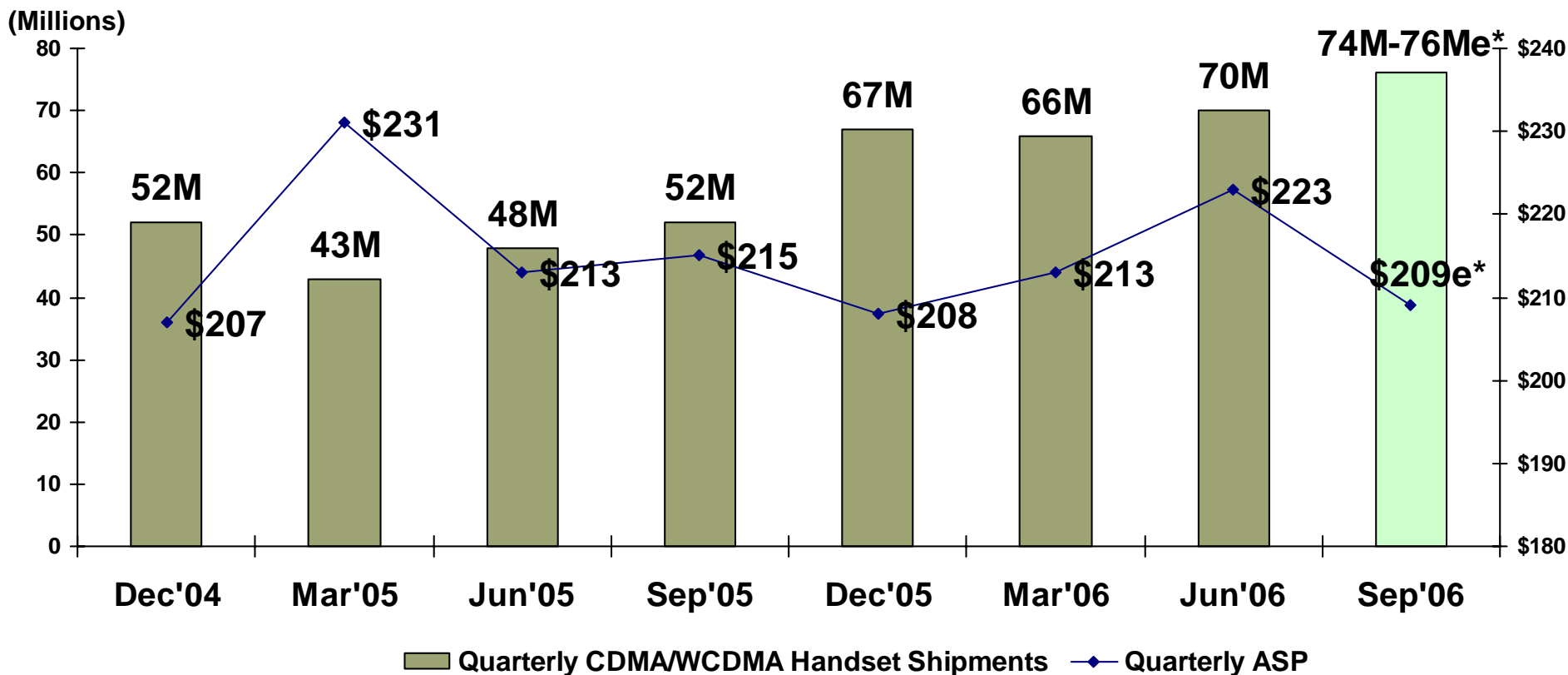
	FY02	FY03				FY04				FY05				FY06				FY07
	Jun'02	Sep'02	Dec'02	Mar'03	Jun'03	Sep'03	Dec'03	Mar'04	Jun'04	Sep'04	Dec'04	Mar'05	Jun'05	Sep'05	Dec'05	Mar'06	Jun'06	Sep'06
Handset shipments	19	23	27	26	23	31	37	38	40	40	52	43	48	52	67	66	70	74-76e*
Calendar year		87				117				170				210				
Fiscal year	78				99				146				182				255	
Handset ASP	\$202	\$190	\$197	\$190	\$193	\$194	\$188	\$225	\$212	\$212	\$207	\$231	\$213	\$215	\$208	\$213	\$223	\$209e*
Fiscal year ASP	\$194				\$192				\$205				\$215				\$215	\$205e*

-  Quarterly CDMA/WCDMA handset shipments (Millions of units)
-  Quarterly Average Selling Price (ASP)
-  Fiscal Year Average Selling Price (ASP)

Note: Shipments from September to June quarters are reported by licensees in December to September, QUALCOMM's Fiscal Year.

*Guidance as of November 2, 2006

Quarterly CDMA and WCDMA Handset Shipments and ASP Trend

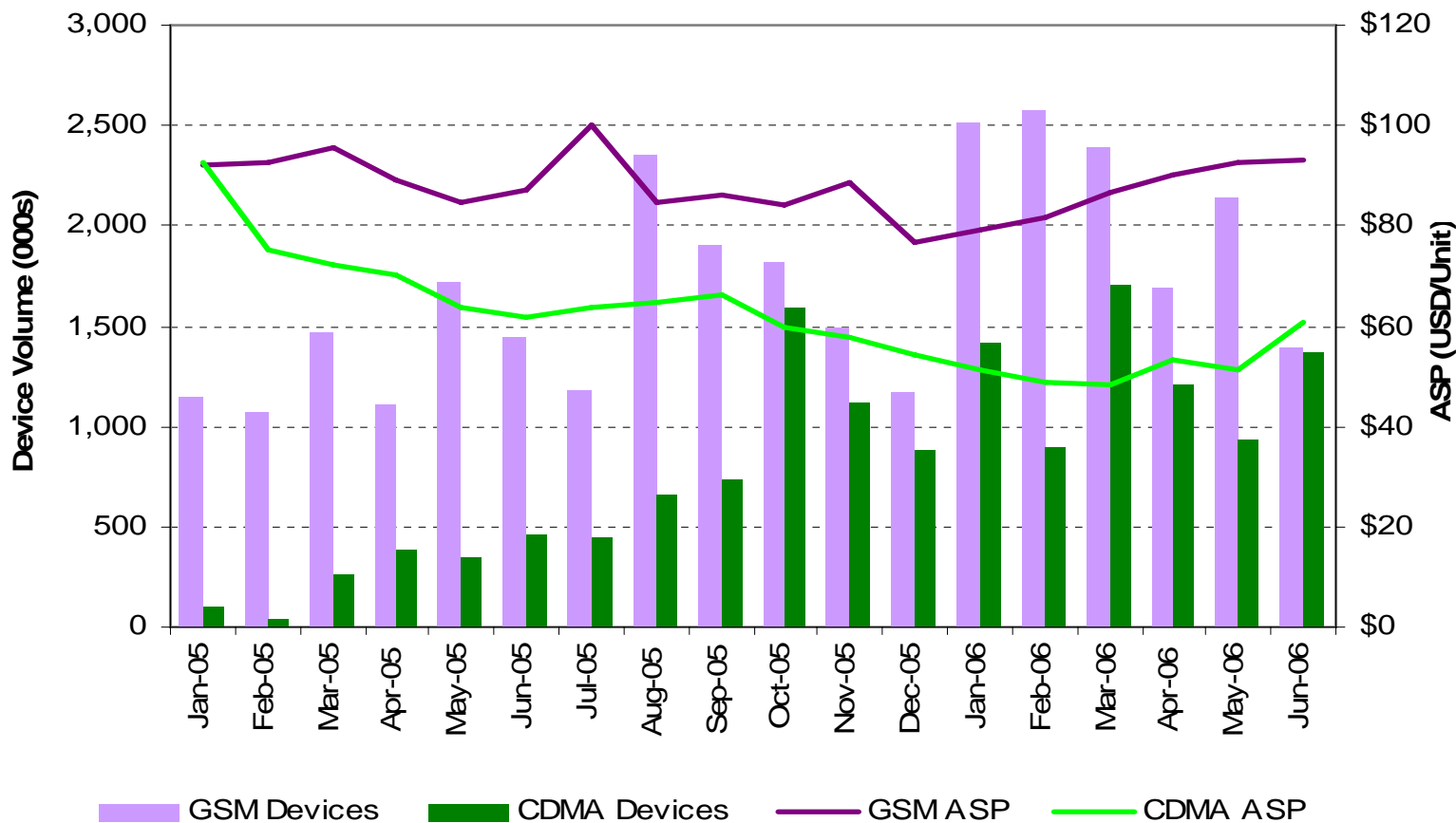


Note: Shipments from September to June quarters are reported by licensees in December to September, QUALCOMM's Fiscal Year.

*Guidance as of November 2, 2006

CDMA ASPs are Lower than GSM in India

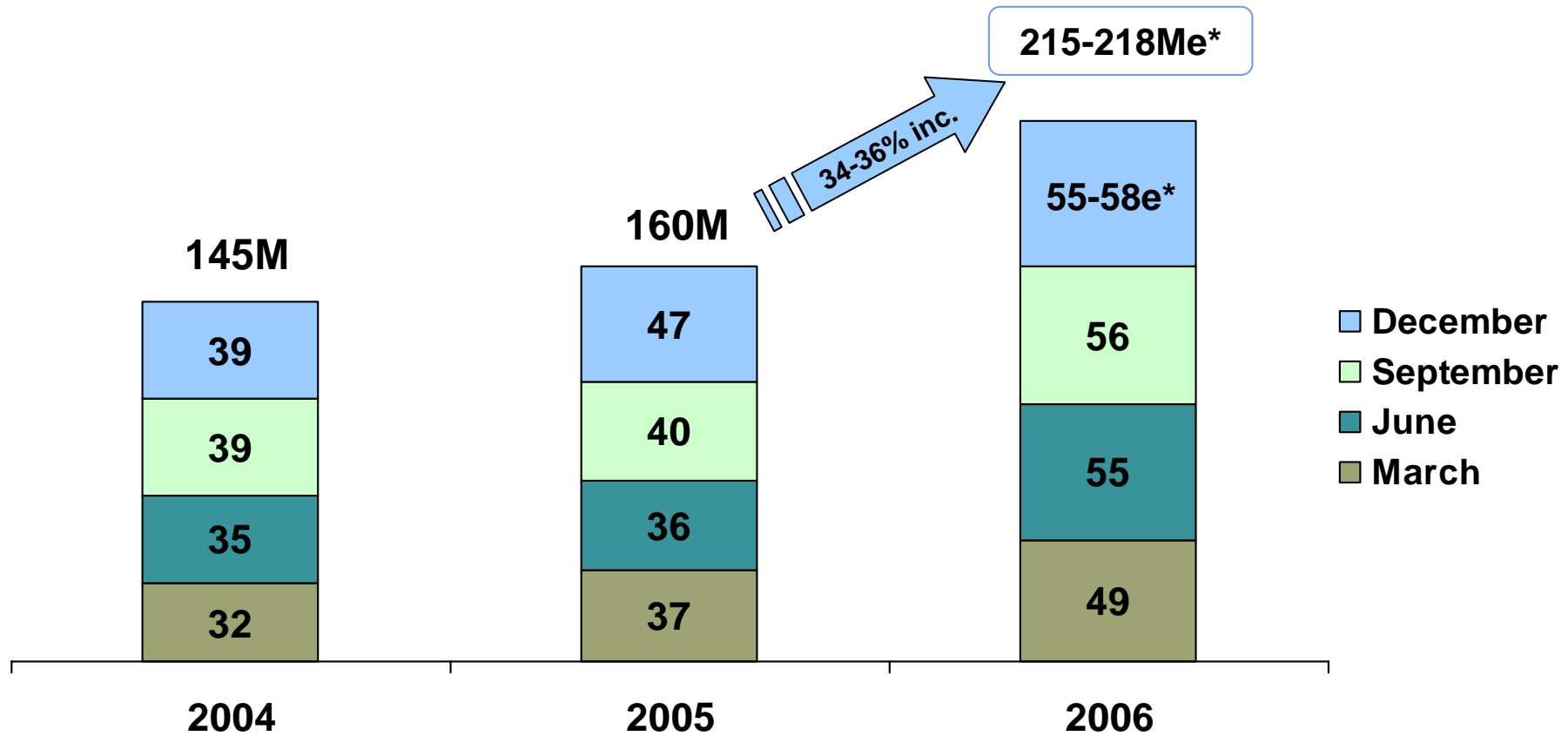
India GSM and CDMA Shipments and ASPs



*Average of observed monthly ASP delta

Source: Yankee Group, August 2006

CDMA and WCDMA QUALCOMM MSM Shipments YOY (Calendar Year, Millions)



*Guidance as of November 2, 2006

Operators Leveraging EV-DO Rev A (DOrA) Capabilities

Multi-year time-to-market advantage over other physical layers with similar applications

- QChat – killer application for Rev A
 - < 1sec latency
 - Push to Anything (PTX)
- Multi-cast
- Priority QoS



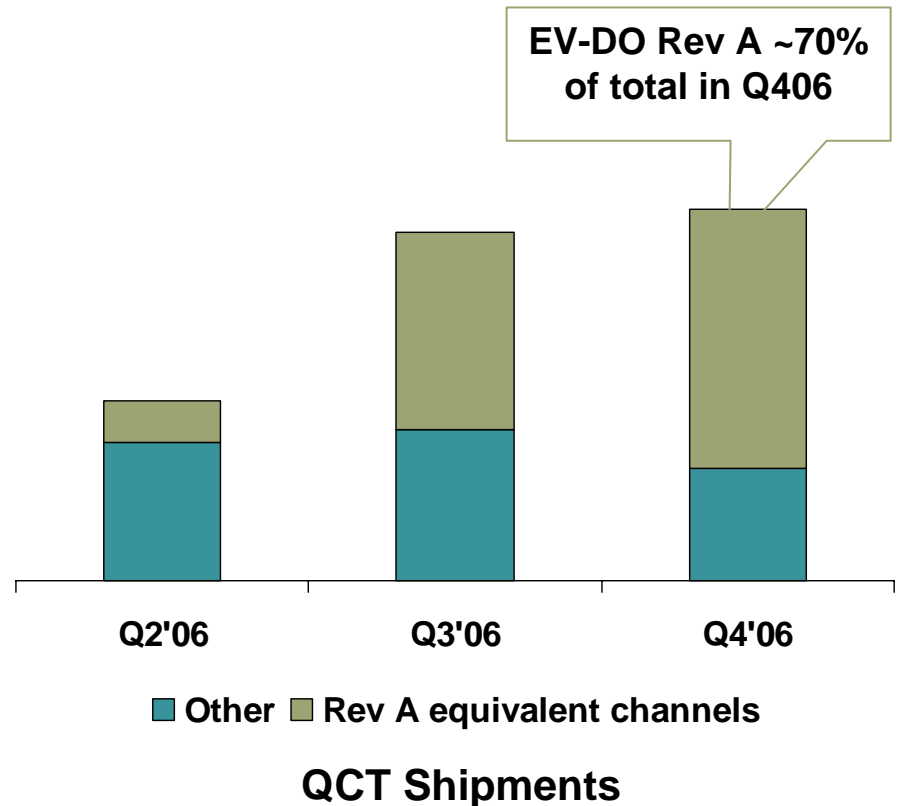
Announced plans to launch Rev A:



Launching December



Already launched!



8 EV-DO Rev. A Devices Available as of November 2006, With 3 Already Being Sold at Retail Locations



Sierra Wireless 595



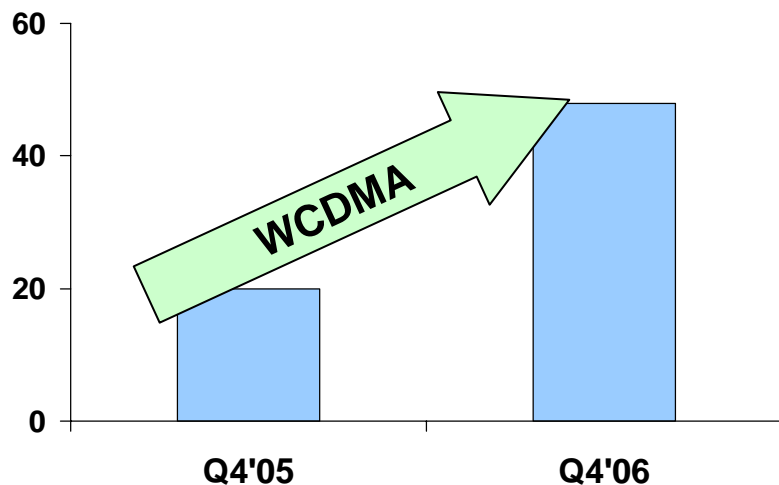
**Novatel Wireless
Merlin S720**



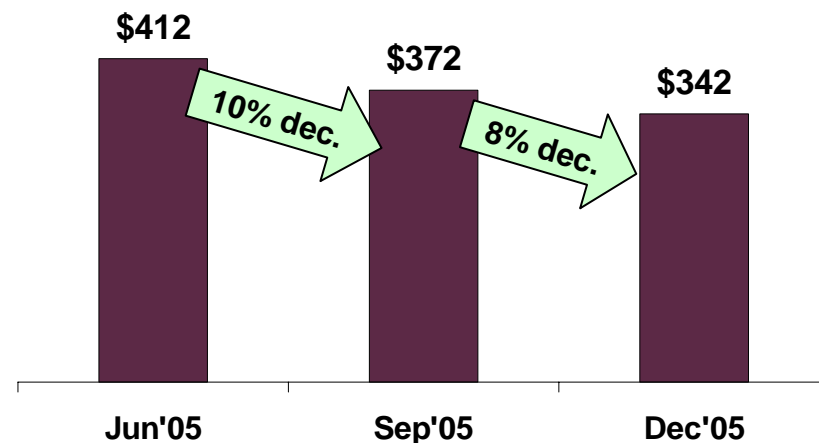
Pantech PX500

WCDMA Growth Highlights

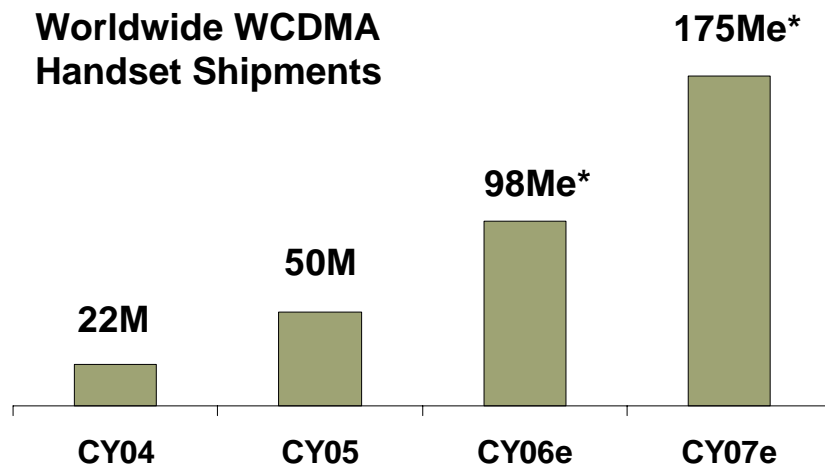
WCDMA Device Launches with QUALCOMM Chips Per Quarter



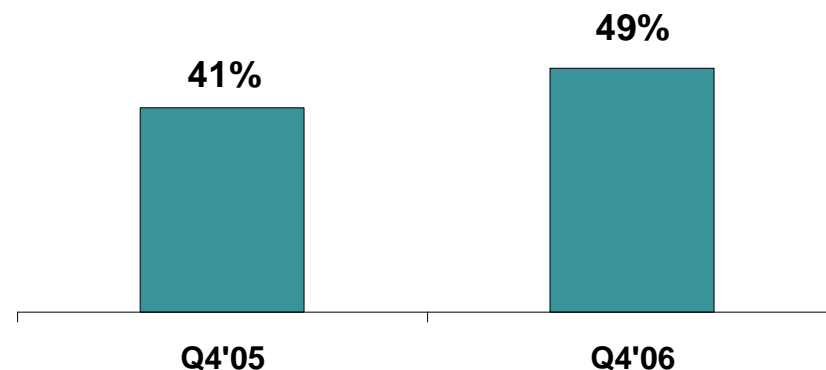
WCDMA Handset ASP



Worldwide WCDMA Handset Shipments

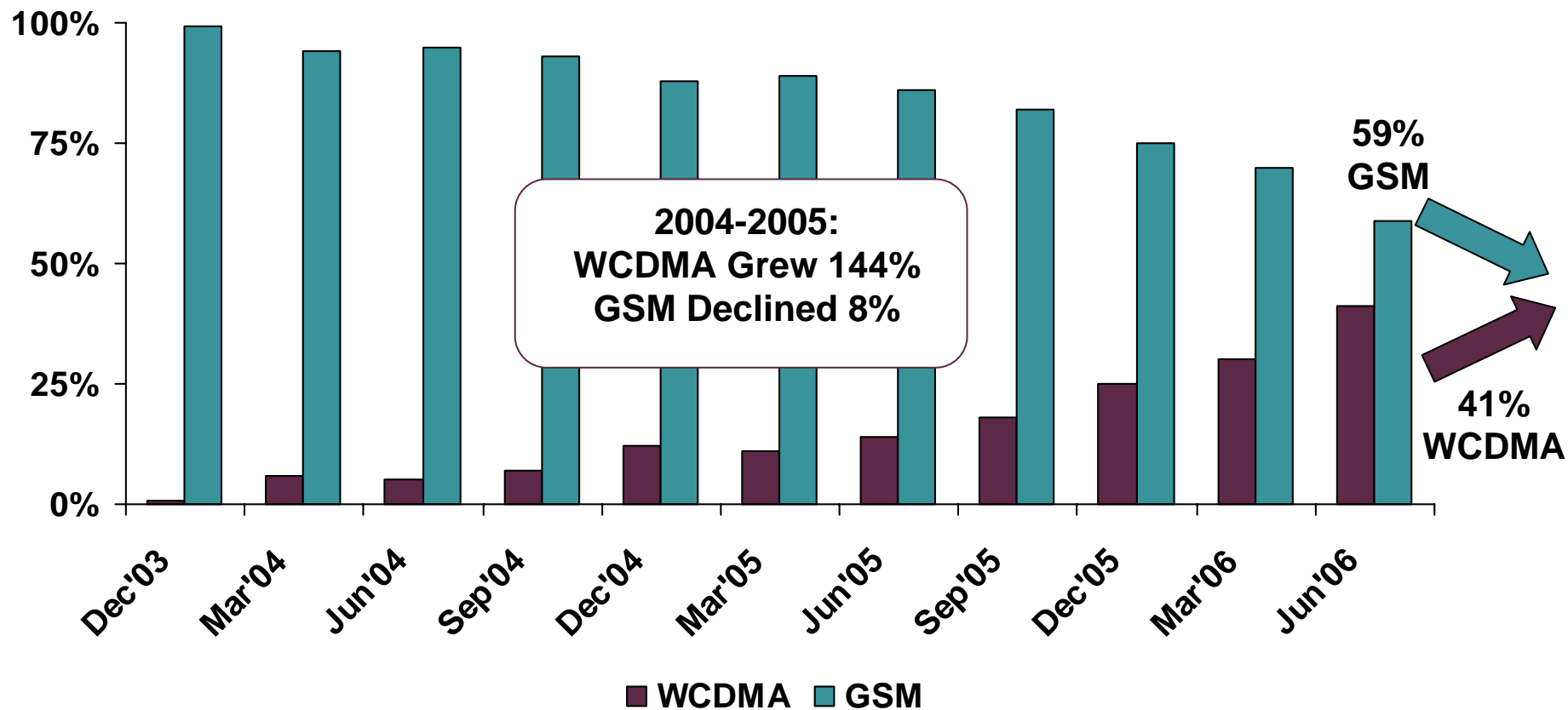


Percentage of 3rd party Reported Royalties From WCDMA Products



*As of November 2, 2006

WCDMA and GSM % of Quarterly Handset Shipments in W. Europe



Over 66 HSDPA Devices From 19 Suppliers Launched *as of October 2006**



ZTE MF330
1st MSM6280



Sierra Wireless
AirCard 860



Huawei E220
USB Modem



Novatel
Merlin
U740c



Option Wireless
Globe Trotter



First HSDPA
Data Card

Novatel Wireless
Merlin U730



Samsung SGH-
ZV50



LG KH1000



Samsung SPH-
W2100



LG CU500



First HSDPA
for Europe

Samsung Z560



First HSDPA
embedded Notebook

Dell Latitude D820

First HSDPA in US



LGE CU320
HEDGE Cingular



Samsung ZX20
HEDGE1.8 Cingular

*Sample list

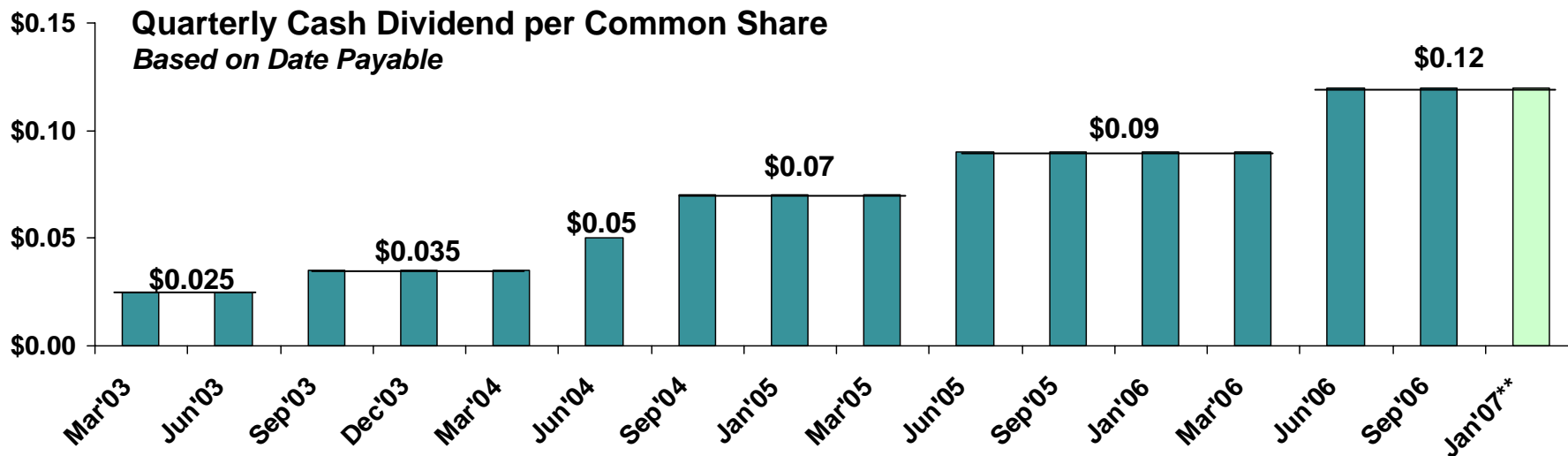
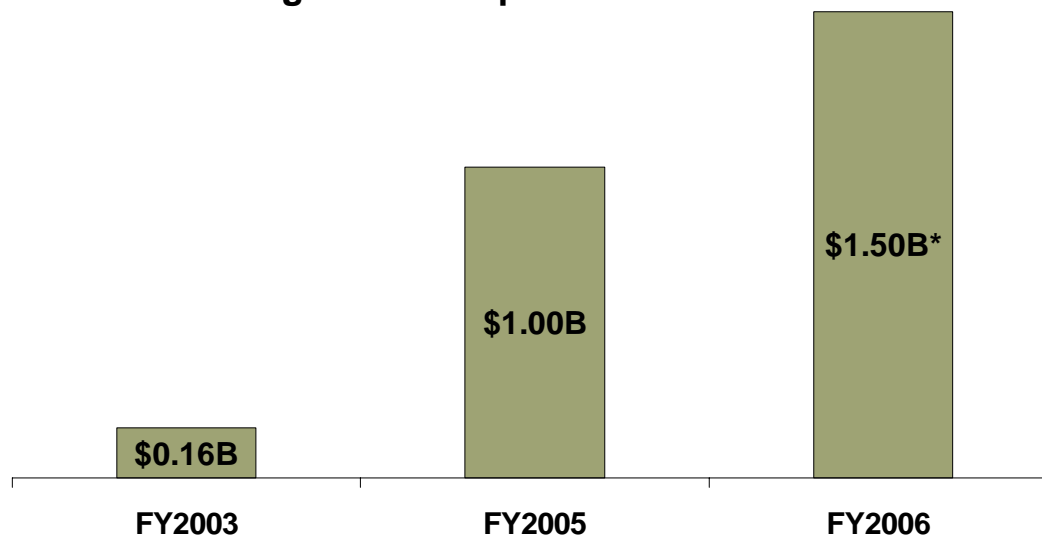
Source: 3GToday; GSacom.com, October 6, 2006

Balance Sheet

(\$Billions)	<u>Sep 2005</u>	<u>Sep 2006</u>
Cash & Marketable Securities	\$8.7	\$9.9
Receivables, Inventory	\$0.7	\$1.0
Fixed Assets & Goodwill	\$1.6	\$2.7
Deferred Tax Assets & Other	\$1.5	\$1.6
<hr/> Total Assets	\$12.5	\$15.2
Total Liabilities	\$1.4	\$1.8
<hr/> Stockholder Equity	\$11.1	\$13.4
Total Liabilities & Stockholder Equity	\$12.5	\$15.2

Strength & flexibility to support strong growth and shareholder returns

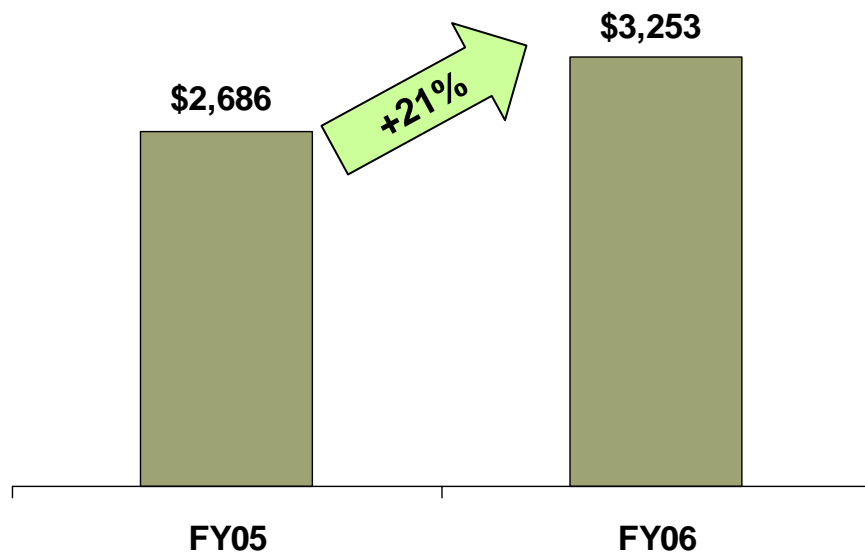
Returning Capital to Shareholders Through Share Repurchase (Billions)



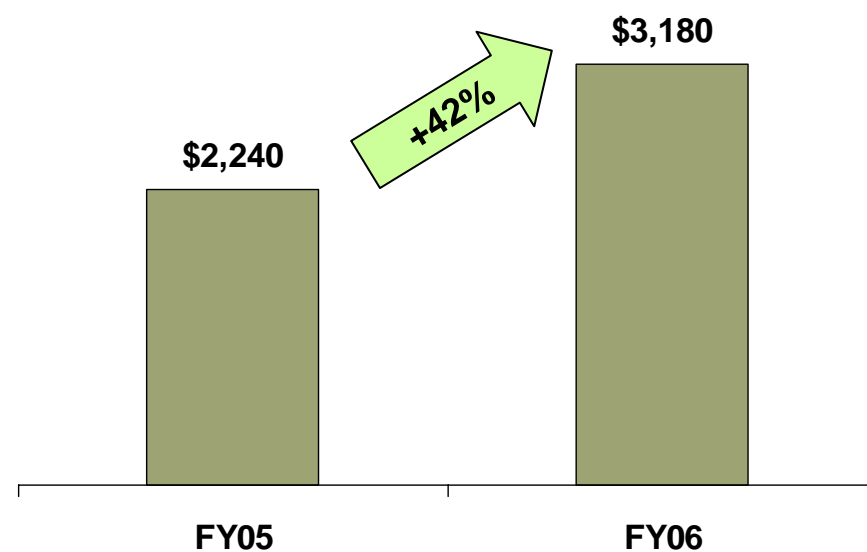
Note: The Company effected a two-for-one stock split in August 2004. All references to per share data have been adjusted to reflect the stock split.
 *Gross repurchases. Authorized \$2.5B on November 7, 2005, no expiration date. As of November 2, 2006, \$0.9B remains authorized for repurchase.
 **As of Oct 5, 2006

QUALCOMM Business Model Continues to Generate Strong Cash Flow

**Total QUALCOMM (GAAP)
Operating Cash Flow
(Millions)**



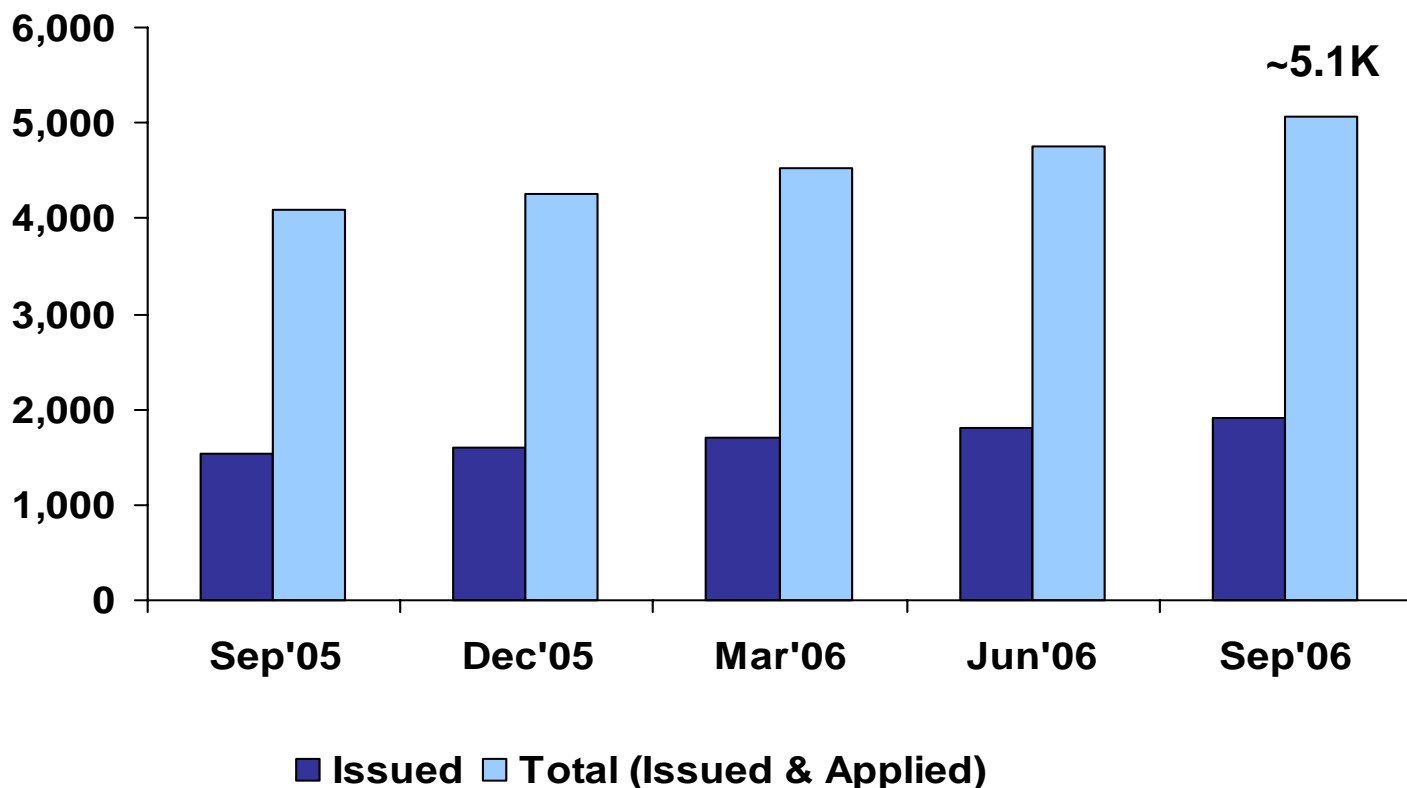
**Pro Forma
Free Cash Flow
(Millions)**



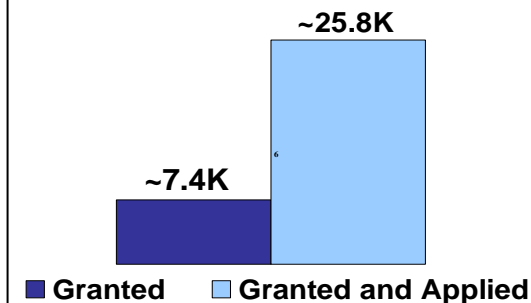
QUALCOMM's Unique Patent Position

Patent Portfolio is a Strong Asset Value

Cumulative U.S. Patents (Issued Patents & Filed Applications)
(Excludes non-U.S. filed applications and granted patents)



Sep '06 Cum. Foreign Patents





Reconciliations.

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

	<u>Q4 FY2006</u>	<u>Fiscal Q1 - 2007 Guidance*</u>	
QUALCOMM Pro Forma	\$ 575	Increase 5 - 8% sequentially (est.)	⁽¹⁾
QSI	\$ 38	not provided	
In-process R&D	\$ 1	n/a	
Total QUALCOMM excluding share-based compensation under SFAS 123R	<u>\$ 614</u>	Increase 6 - 9% sequentially (est.)	
Share-based compensation allocated to SG&A & R&D	\$ 118		
Total QUALCOMM (GAAP)	<u><u>\$ 732</u></u>	Increase 6 - 9% sequentially (est.)	⁽²⁾

(1) QUALCOMM Pro Forma guidance for Q1 FY07 excludes expenses related to the QSI segment and estimated share-based compensation.

(2) Q1'07 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.

*Guidance as of November 2, 2006

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

	<u>Fiscal 2006 Results</u>	<u>Fiscal 2007 Guidance*</u>	
QUALCOMM Pro Forma	\$ 2,044	Increase approximately 16% sequentially (est.)	⁽¹⁾
QSI	\$ 134	not provided	
In-process R&D	\$ 22	n/a	
Total QUALCOMM excluding share-based compensation under SFAS 123R	<u>\$ 2,200</u>	Increase approximately 17% sequentially (est.)	
Share-based compensation allocated to SG&A & R&D	\$ 454		
Total QUALCOMM (GAAP)	<u><u>\$ 2,654</u></u>	Increase approximately 16% sequentially (est.)	⁽²⁾

(1) QUALCOMM pro forma guidance for fiscal 2007 excludes expenses related to the QSI segment and estimated share-based compensation.

(2) Fiscal 2007 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.

*Guidance as of November 2, 2006

**RECONCILIATION OF PRO FORMA FREE CASH FLOW TO
TOTAL QUALCOMM (GAAP) OPERATING CASH FLOW**
(\$ in millions)

Twelve Months Ended September 24, 2006

	QUALCOMM Pro Forma	Estimated Share-Based Compensation	QSI	Total QUALCOMM (GAAP)
Net cash provided (used) by operating activities	\$ 3,746	\$ (403)	\$ (90)	\$ 3,253
Capital expenditures	(566)	-	(119)	(685)
Free cash flow (Net cash provided by operating activities less capital expenditures)	<u>\$ 3,180</u>	<u>\$ (403)</u>	<u>\$ (209)</u>	<u>\$ 2,568</u>

Twelve Months Ended September 25, 2005

	QUALCOMM Pro Forma	QSI	Total QUALCOMM (GAAP)
Net cash provided (used) by operating activities	\$ 2,722	\$ (36)	\$ 2,686
Capital expenditures	(482)	(94)	(576)
Free cash flow (Net cash provided by operating activities less capital expenditures)	<u>\$ 2,240</u>	<u>\$ (130)</u>	<u>\$ 2,110</u>

Business Outlook Summary (as of November 2, 2006)

FIRST FISCAL QUARTER		
	Q1'06 Results	Current Guidance Q1'07 Estimates
QUALCOMM Pro Forma		
Revenues	\$1.74B	\$1.98B - \$2.08B
Year-over-year change		increase 14% - 19%
Diluted earnings per share (EPS)	\$0.39	\$0.42 - \$0.44
Year-over-year change		increase 8% - 13%
Total QUALCOMM (GAAP)		
Revenues	\$1.74B	\$1.98B - \$2.08B
Year-over-year change		increase 14% - 19%
Diluted earnings per share (EPS)	\$0.36	\$0.35 - \$0.37
Year-over-year change		decrease 3% - increase 3%
Diluted EPS attributable to QSI	(\$0.01)	(\$0.02)
Diluted EPS attributable to estimated share-based compensation	(\$0.05)	(\$0.05)
Diluted EPS attributable to tax items related to prior years	\$0.03	n/a
Metrics		
MSM Shipments	approx. 47M	approx. 55M - 58M
CDMA/WCDMA handset units shipped	approx. 52M*	approx. 74M - 76M*
CDMA/WCDMA handset unit wholesale average selling price	approx. \$215*	approx. \$209*
*Shipments in Sept. quarter, reported in Dec. quarter		

Business Outlook Summary (as of November 2, 2006)

FISCAL YEAR	FY 2006 Results	Current Guidance FY 2007 Estimates (1)
QUALCOMM Pro Forma		
Revenues	\$7.53B	\$8.1B - \$8.6B
Year-over-year change		increase 8% - 14%
Diluted earnings per share (EPS)	\$1.64	\$1.76 - \$1.81
Year-over-year change		increase 7% - 10%
Total QUALCOMM (GAAP)		
Revenues	\$7.53B	\$8.1B - \$8.6B
Year-over-year change		increase 8% - 14%
Diluted earnings per share (EPS)	\$1.44	\$1.45 - \$1.50
Year-over-year change		increase 1% - 4%
Diluted EPS attributable to in-process R&D	(\$0.01)	n/a
Diluted EPS attributable to QSI	(\$0.02)	(\$0.11)
Diluted EPS attributable to estimated share-based compensation	(\$0.19)	(\$0.20)
Diluted EPS attributable to tax items related to prior years	\$0.02	n/a
Metrics		
Fiscal year* CDMA/WCDMA handset unit wholesale average selling price	approx. \$215	approx. \$205
*Shipments in Sept. to June quarters, reported in Dec. to Sept. quarters		

(1) Current FY 2007 estimates do not reflect the potential adverse impact on our results, approximately \$0.04 to \$0.06 diluted earnings per share, of Nokia not paying royalties in the fourth quarter of fiscal 2007 for June quarter shipments. Further details are included in the introductory paragraph which precedes this Business Outlook table.

Sums may not equal totals due to rounding.

Pro Forma Reconciliations

Fourth Quarter - Fiscal Year 2006

Segments	QUALCOMM Pro Forma	Estimated Share-Based Compensation (1)	Tax Items (2)	In-Process R&D (3)	QSI (4)	Total QUALCOMM (GAAP)
Revenues	\$ 1,999	\$ -	\$ -	\$ -	\$ -	\$ 1,999
<i>Change from prior year</i>	28%	-	-	-	-	28%
EBT	\$ 961	\$ (127)	\$ -	\$ (1)	\$ (23)	\$ 810
<i>Change from prior year</i>	18%	N/M	N/M	N/M	N/M	3%
Net income (loss)	\$ 705	\$ (76)	\$ (16)	\$ (1)	\$ 2	\$ 614
<i>Change from prior year</i>	30%	N/M	N/M	N/M	N/M	14%
Diluted EPS	\$ 0.42	\$ (0.05)	\$ (0.01)	\$ -	\$ -	\$ 0.36
<i>Change from prior year</i>	31%	N/M	N/M	N/M	N/M	13%
Diluted shares used	1,693	1,693	1,693	1,693	1,693	1,693

Third Quarter - Fiscal Year 2006

Segments	QUALCOMM Pro Forma	Estimated Share-Based Compensation (1)	QSI (4)	Total QUALCOMM (GAAP)
Revenues	\$ 1,951	\$ -	\$ -	\$ 1,951
EBT	976	(126)	(26)	824
Net income (loss)	726	(83)	-	643
Diluted EPS	\$ 0.42	\$ (0.05)	\$ -	\$ 0.37
Diluted shares used	1,728	1,728	1,728	1,728

Fourth Quarter - Fiscal Year 2005

Segments	QUALCOMM Pro Forma	QSI (4)	Total QUALCOMM (GAAP)
Revenues	\$ 1,560	\$ -	\$ 1,560
EBT	813	(27)	786
Net income (loss)	543	(5)	538
Diluted EPS	\$ 0.32	\$ -	\$ 0.32
Diluted shares used	1,686	1,686	1,686

Pro Forma Reconciliations Continued

First Quarter - Fiscal Year 2006

Segments	QUALCOMM Pro Forma	Estimated Share-Based Compensation (1)	Tax Adjustments (5)	QSI (4)	Total QUALCOMM (GAAP)
Revenues	\$ 1,741	\$ -	\$ -	\$ -	\$ 1,741
EBT	906	(122)	-	(48)	736
Net income (loss)	667	(82)	56	(21)	620
Diluted EPS	\$ 0.39	\$ (0.05)	\$ 0.03	\$ (0.01)	\$ 0.36
Diluted shares used	1,702	1,702	1,702	1,702	1,702

Twelve Months - Fiscal Year 2006

Segments	QUALCOMM Pro Forma	Estimated Share-Based Compensation (1)	Tax Items (2) (5)	In-Process R&D (3)	QSI	Total QUALCOMM (GAAP)
Revenues	\$ 7,526	\$ -	\$ -	\$ -	\$ -	\$ 7,526
<i>Change from prior year</i>	33%	-	-	-	-	33%
EBT	\$ 3,806	\$ (495)	\$ -	\$ (22)	\$ (133)	\$ 3,156
<i>Change from prior year</i>	36%	N/M	-	-	N/M	12%
Net income (loss)	\$ 2,804	\$ (320)	\$ 40	\$ (22)	\$ (32)	\$ 2,470
<i>Change from prior year</i>	42%	N/M	N/M	N/M	N/M	15%
Diluted EPS	\$ 1.64	\$ (0.19)	\$ 0.02	\$ (0.01)	\$ (0.02)	\$ 1.44
<i>Change from prior year</i>	41%	N/M	N/M	N/M	N/M	14%
Diluted shares used	1,711	1,711	1,711	1,711	1,711	1,711

Twelve Months - Fiscal Year 2005

Segments	QUALCOMM Pro Forma	Tax Adjustments (6)(7)	QSI	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

Footnotes to Pro Forma Reconciliations

(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 fourth quarter of fiscal 2006, the Company refined its estimate of R&D costs allocable to the Company's foreign operations to reflect our actual results and updated forecast of future benefits to the parties under an intercompany cost sharing agreement. Due to this adjustment, the effective tax rate in the fourth quarter of fiscal 2006 for total QUALCOMM (GAAP) includes \$33 million of tax expense, or \$0.02 per diluted share, related to fiscal 2004. In addition, the Company recorded a \$17 million tax benefit, or \$0.01 diluted earnings per share, related to the impact of prior year tax audits completed during the fourth quarter of fiscal 2006. For fiscal 2006 pro forma presentation, results have been adjusted to exclude these tax adjustments related to prior years.

(3) During fiscal 2006, the Company recorded \$22 million of expenses related to acquired in-process R&D associated with three acquisitions completed during the year. \$21 million of this expense was recorded in the second quarter of fiscal 2006 and \$1 million was recorded in the fourth quarter of fiscal 2006. 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.

(4) At fiscal year-end, the sum of the quarterly tax provisions for each column, including QSI, equals 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).

(5) During the first quarter of fiscal 2006, the Company recorded a \$56 million tax benefit, or \$0.03 diluted earnings per share, related to the expected impact of prior year tax audits completed during the quarter. For fiscal 2006 pro forma presentation, results have been adjusted to exclude this tax adjustment attributable to prior years.

(6) 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 this tax adjustment attributable to fiscal 2004.

(7) 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 adjustment attributable to fiscal 2004.

N/M – Not Meaningful

**Reconciliation of QUALCOMM Pro Forma to Total QUALCOMM (GAAP)
Research and Development (R&D) Expenses**

(\$ in millions)	<u>QUALCOMM Pro Forma</u>	<u>Estimated Share- Based Compensation</u>	<u>In-Process R&D Expense*</u>	<u>QSI</u>	<u>Total QUALCOMM (GAAP)</u>
Fiscal 2006	\$ 1,236	\$ 216	\$ 22	\$ 64	\$ 1,538
Fiscal 2005	\$ 962	\$ -	\$ -	\$ 49	\$ 1,011
Year-over-year change (\$)	28%				52%

*During fiscal 2006, the Company recorded \$22 million of expenses related to acquired in-process R&D associated with three acquisitions completed during the year. \$21 million of this expense was recorded in the second quarter of fiscal 2006 and \$1 million was recorded in the fourth quarter of fiscal 2006. 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.



Thank You.