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**QUALCOMM Announces Record First Quarter Fiscal 2003 Results
GAAP Reported Revenues \$1.1 Billion and \$0.30 EPS
Revenues \$1.1 Billion and \$0.42 EPS Excluding QSI Segment**

QUALCOMM's first quarter fiscal 2003 earnings conference call will be broadcast live on January 22, 2003 beginning at 2:30 p.m. Pacific Standard Time on the Company's web site at: www.qualcomm.com. This conference call may contain forward-looking financial information. The taped audio replay will be available for five business days. To listen to the replay, U.S. callers may dial (800) 633-8284 and international callers may dial (402) 977-9140. Both U.S. and international callers should use reservation number 21095067.

SAN DIEGO – January 22, 2003 – QUALCOMM Incorporated (NASDAQ: QCOM) today announced its first quarter fiscal 2003 results ended December 29, 2002. GAAP reported revenues were \$1.1 billion in the first fiscal quarter, up 26 percent sequentially and 57 percent year-over-year. Revenues increased primarily due to record demand for CDMA products across global markets. GAAP reported net income was \$241 million or \$0.30 per share in the first fiscal quarter, up 30 percent sequentially and 76 percent year-over-year.

Revenues excluding the QUALCOMM Strategic Initiatives (QSI) segment were \$1.1 billion in the first fiscal quarter, up 27 percent sequentially and 54 percent year-over-year. Net income excluding the QSI segment was \$345 million or \$0.42 per share in the first fiscal quarter, up 35 percent sequentially and 83 percent year-over-year (please see page 9 for detailed results).

“QUALCOMM's exceptionally strong performance in the first fiscal quarter was fueled by the successful commercial deployment of third generation CDMA networks, which now total 35 operators in 17 countries around the world,” said Dr. Irwin Mark Jacobs, chairman and CEO of QUALCOMM. “We achieved record revenues and earnings in both our QTL technology licensing business and our QCT semiconductor business, with shipments of approximately 29

million MSM phone chips during the first fiscal quarter. We are continuing to see very strong demand in the Americas and throughout Asia for our industry-leading chipsets and system software. Our end-to-end BREW platform is supporting an ever increasing variety of applications, enhancing data revenues and encouraging an early migration to 3G CDMA. We anticipate significant growth in China and India this year as China Unicom, Reliance InfoComm, Tata Teleservices and other wireless operators introduce commercial CDMA2000 1X service.”

Gross margins excluding the QSI segment were 67 percent in the first fiscal quarter, down from 69 percent sequentially and up from 66 percent year-over-year. The sequential decrease in gross margins was primarily due to a lower percentage of total revenues coming from QUALCOMM Technology Licensing (QTL), and the year-over-year increase was primarily due to the shift in product mix toward higher-end 3G CDMA2000 1X products and increased efficiency resulting from economies of scale.

Research and development (R&D) expenses excluding the QSI segment were \$110 million in the first fiscal quarter, up 3 percent sequentially and 6 percent year-over-year. The increase in R&D investment was primarily due to product development efforts to support high-speed wireless Internet access and multimode, multiband, multinet network chips supporting cdmaOne™, CDMA2000 1X/1xEV-DO, radioOne™, GSM/GPRS and WCDMA technologies. Selling, general and administrative (SG&A) expenses excluding the QSI segment were \$107 million in the first fiscal quarter, up 4 percent sequentially and 18 percent year-over-year.

Investment income excluding the QSI segment was \$26 million in the first fiscal quarter, up 66 percent sequentially and 5 percent year-over-year. Investment income excluding the QSI segment is primarily comprised of interest income on corporate cash and marketable debt securities and other-than-temporary losses on debt securities. The sequential increase in investment income resulted from lower other-than-temporary losses on debt securities.

QUALCOMM’s annual effective income tax rate on earnings excluding the QSI segment for fiscal 2003 is estimated to be 34 percent, compared to 35 percent in the year ago period. Our annual effective income tax rate on GAAP reported earnings for fiscal 2003 is estimated to be 38 percent, compared to 22 percent in the year ago period.

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 \$29 million in the first fiscal quarter, down 15 percent sequentially largely due to changes in foreign exchange rates of the Brazilian real. QSI losses before taxes were \$133 million in the first fiscal quarter, up 36 percent sequentially primarily due to a \$28 million increase in other-than-temporary losses on investments. Included in the QSI losses was \$30 million of losses from Vesper, a 29 percent decrease in losses sequentially.

Business Outlook

The following statements are forward-looking and actual results may differ materially. Please see page 8 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.

Second Quarter Fiscal 2003

- Based on the current business outlook, we anticipate that revenues excluding the QSI segment in the second fiscal quarter will increase by approximately 50 percent year-over-year and decrease sequentially by approximately 7 percent. We anticipate that earnings per share excluding the QSI segment will be approximately \$0.34-\$0.35 in the second fiscal quarter, a 75 percent increase year-over-year. This estimate assumes shipments of approximately 27 million MSM phone chips during the quarter, of which approximately 86 percent is expected to be 3G CDMA2000 MSM phone chips. This represents 93 percent growth in MSM chip shipments year-over-year. We anticipate that operating expenses will increase in the second fiscal quarter compared to the first fiscal quarter due to seasonal factors such as higher employee payroll taxes and public company expenses.

Fiscal 2003

- Based on the current business outlook, we anticipate that revenues excluding the QSI segment will grow by approximately 28-33 percent year-over-year and earnings per share excluding the QSI segment to be in the range of \$1.34 - \$1.39 for fiscal 2003, up 37-42 percent year-over-year. This estimate is based on the sale of 105-112 million CDMA

phones in calendar 2003 with approximately 10 percent decrease in average selling prices of CDMA phones, upon which royalties are calculated.

Cash Flow

QUALCOMM’s cash, cash equivalents and marketable securities, excluding the QSI segment, totaled approximately \$3.7 billion at the end of the first quarter of fiscal 2003. The following table presents selected cash flow information for the first quarter of fiscal 2003, which includes cash equivalents and marketable securities, but excludes the QSI segment, (in millions):

<u>Selected Cash Flow Information</u>	<u>First Quarter Fiscal 2003</u>
Earnings before taxes, depreciation, amortization and asset impairments, excluding QSI	\$ 555
Working capital changes and tax paid	(196)
Net additional share capital	56
Capital expenditures	(77)
Net cash provided, excluding QSI	338
Change in fair value of marketable securities	19
Transfers from QSI ⁽¹⁾	390
Transfers to QSI ⁽²⁾	(70)
Net increase in cash, cash equivalents and marketable securities of QUALCOMM, excluding cash and marketable securities in QSI ⁽³⁾	<u><u>\$ 677</u></u>

(1) Cash from loan payments and sale of equity securities.

(2) Funding for strategic debt and equity investments, operations of Vesper and other QSI operating expenses.

(3) The difference between the \$677 million net increase in cash, cash equivalents and marketable securities of QUALCOMM, excluding QSI, and the \$214 million change in cash and cash equivalents shown in the Company’s Form 10-Q cash flow statement, consists of a \$459 million increase in marketable securities held by QUALCOMM, not in QSI, and a \$4 million decrease in cash in QSI.

Results of Business Segments

The following tables present operations segment information, excluding the QSI segment (in thousands):

First Quarter - Fiscal Year 2003

Segments	QCT	QTL	QWI	Other/ Reconciling Items (1)	QUALCOMM excluding QSI
Revenues	709,681	255,423	108,981	(6,121)	1,067,964
Change from prior quarter	47%	5%	(1%)	N/M	27%
Change from prior year	98%	21%	0%	N/M	54%
Earnings before taxes	288,282	229,409	2,761	1,848	522,300
% of revenues	41%	90%	3%	N/M	49%
Change from prior quarter	82%	4%	331%	N/M	36%
Change from prior year	232%	22%	324%	N/M	82%

Fourth Quarter - Fiscal Year 2002

Segments	QCT	QTL	QWI	Other/ Reconciling Items (1)	QUALCOMM excluding QSI
Revenues	483,617	243,481	109,542	3,031	839,671
Earnings before taxes	158,334	221,500	(1,196)	5,395	384,033
% of revenues	33%	91%	(1%)	N/M	46%

First Quarter - Fiscal Year 2002

Segments	QCT	QTL	QWI	Other/ Reconciling Items (1)	QUALCOMM excluding QSI
Revenues	359,144	210,803	109,295	13,446	692,688
Earnings before taxes	86,941	188,688	(1,233)	13,053	287,449
% of revenues	24%	90%	(1%)	N/M	41%

- (1) Other/Reconciling Items related to revenues consist primarily of other non-segment revenues less intersegment eliminations. Reconciling Items related to earnings before taxes consist primarily of 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.

N/M – Not Meaningful

Business Segment Highlights

QUALCOMM CDMA Technologies (QCT)

- Shipped approximately 29 million MSM phone chips to customers worldwide during the first fiscal quarter, up from approximately 20 million units sequentially and approximately 15 million units in the year ago quarter.
- Shipped approximately 23 million 3G CDMA2000 1X/1xEV-DO MSM phone chips during the first fiscal quarter for a cumulative total of nearly 70 million 3G CDMA2000 MSM phone chips.
- Shipped CSM infrastructure chips to support more than 2.2 million equivalent voice channels, down from 2.5 million sequentially and up from approximately one million in the year ago quarter.
- Announced that more than five million gpsOne™-enabled devices are now in commercial use in Japan, South Korea and the United States, making gpsOne the most widely deployed commercial position location technology worldwide.
- Announced the MSM6250™ chipset and system software, a highly integrated solution that supports GSM/GPRS and WCDMA, also known as UMTS in Europe. Offering support for numerous multimedia functions and position location capabilities, the MSM6250 chip is an upgrade to the MSM6200 that will enable phones to support rich multimedia data applications and operate on all GSM/GPRS and WCDMA networks that meet International Telecommunications Union (ITU) standards worldwide.
- Announced the MSM6500™ chipset and system software, a high-capacity, high-speed wireless data solution that supports the industry-wide CDMA2000 standards, as well as roaming on GSM/GPRS systems.
- Named "2002 Best Financially Managed Company" by the Fabless Semiconductor Association for outstanding financial performance.

QUALCOMM Technology Licensing (QTL)

- Signed a total of eight CDMA license agreements during the first fiscal quarter, including four new licenses and four extensions to existing license agreements. Based on royalty reports for the September quarter of 2002:

- Twenty-seven subscriber licensees reported sales of CDMA2000 1X products and seven subscriber licensees reported sales of WCDMA products.
- Twelve infrastructure licensees reported sales of CDMA2000 1X products and seven infrastructure licensees reported sales of WCDMA products.

QUALCOMM Wireless & Internet Group (QWI)

QUALCOMM Internet Services (QIS)

- Announced an agreement with China Unicom to create a joint venture that will foster the growth of the Chinese developer community and QUALCOMM's BREW platform in China. The joint venture will capitalize on the technical advantages of BREW technology, the competitive advantages of CDMA in wireless data and the versatile operating capabilities of China Unicom.
- Hosted with China Unicom, the China BREW Application Development Consortium Meeting, a gathering of Chinese wireless application developers and wireless device manufacturers. Hundreds of developers and manufacturers attended, helping build momentum for China Unicom's launch of BREW-enabled services.
- Announced that KTF, a leading South Korean wireless operator, extended its contract to provide a wireless application service based on QUALCOMM's BREW solution, the complete end-to-end solution that enables over-the-air downloading of applications virtually anytime, anywhere. KTF has more than 2.4 million users of their BREW-based magic n multipack™ service.
- Announced that QUALCOMM's BREW solution can now automatically provision wireless devices with a Java™-technology based virtual machine and Java applets over the air using the Insignia Mobile Foundation Java-enabling software.

QUALCOMM Wireless Business Solutions (QWBS)

- Shipped approximately 10,600 OmniTRACS® units and related products in the first fiscal quarter, down 28 percent sequentially and up 13 percent year-over-year. This brings the cumulative total to over 460,000 units shipped worldwide.

QUALCOMM Strategic Initiatives (QSI)

- Won bids to acquire mobile licenses for the Vesper Companies in the state of Sao Paulo (excluding Sao Paulo metro), the state of Minas Gerais and in the Northeast region of Brazil. The new mobile licenses cover areas with a combined population in excess of 64 million, according to Morgan Stanley.

QUALCOMM Incorporated (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 traded on The Nasdaq Stock Market[®] under the ticker symbol QCOM.

Except for 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 performance of the Vesper Companies business in Brazil; 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[®], QCT[®], QUALCOMM Wireless Business Solutions[®], OmniTRACS[®], MSM[™], MSM6250[™], MSM6500[™], gpsOne[™], radioOne[™], Vesper[™] and BREW[™] are trademarks and/or service marks of QUALCOMM Incorporated. All other trademarks are the property of their respective owners.

QUALCOMM Incorporated
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
THIS SCHEDULE IS TO ASSIST THE READER IN RECONCILING FROM
RESULTS EXCLUDING QSI TO THE GAAP REPORTED RESULTS

(In thousands, except per share data)

(Unaudited)

Three Months Ended

	<u>December 30, 2001</u>	<u>December 29, 2002</u>	<u>%</u>		<u>December 29, 2002</u>
	<u>Excluding QSI</u>	<u>Excluding QSI</u>	<u>Change</u>	<u>QSI</u>	<u>GAAP Reported</u>
Revenues:					
Equipment and services	\$ 483,566	\$ 828,258	71%	\$ 29,205	\$ 857,463
Licensing and royalty fees	209,122	239,706	15%	-	239,706
	<u>692,688</u>	<u>1,067,964</u>	54%	<u>29,205</u>	<u>1,097,169</u>
Operating expenses:					
Cost of equipment and services revenues	234,316	351,404	50%	36,597	388,001
Research and development	104,369	110,247	6%	2,232	112,479
Selling, general and administrative	90,891	106,802	18%	41,197	147,999
Amortization of other acquisition-related intangible assets	-	1,972		-	1,972
	(e)				
Total operating expenses	<u>429,576</u>	<u>570,425</u>	33%	<u>80,026</u>	<u>650,451</u>
Operating income (loss)	263,112	497,539	89%	(50,821)	446,718
Interest expense	(493)	(1,339)	172%	(5,542)	(6,881)
Investment income (expense), net	24,830	26,100	(a) 5%	(76,688)	(d) (50,588)
Income (loss) before income taxes	287,449	522,300	82%	(133,051)	(b) 389,249
Income tax (expense) benefit	(97,733)	(177,582)	(c) 82%	29,667	(147,915)
Net income (loss)	<u>\$ 189,716</u>	<u>\$ 344,718</u>	82%	<u>\$ (103,384)</u>	<u>\$ 241,334</u>
Net earnings per common share:					
Diluted	<u>\$ 0.23</u>	<u>\$ 0.42</u>			<u>\$ 0.30</u>
Shares used in per share calculations:					
Diluted	<u>809,574</u>	<u>815,745</u>			<u>815,745</u>

- (a) Includes \$27 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 \$30 million loss, net of minority interest, of Vesper Holdings from September 1, 2002 through November 30, 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 GAAP reported results are 34% and 38%, respectively.
- (d) Includes \$66 million other-than-temporary losses on investments, \$33 million equity losses in investees, \$14 million minority interest in loss of consolidated subsidiaries and \$7 million interest income.
- (e) Starting in fiscal 2003, the Company no longer records goodwill amortization in accordance with Statement of Financial Accounting Standards No. 142. Goodwill amortization has been excluded from first quarter fiscal 2002 results to provide a consistent basis for financial comparison.

QUALCOMM Incorporated
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)
(Unaudited)

ASSETS

	QUALCOMM Excluding QSI December 29, 2002	QSI (a) December 29, 2002	QUALCOMM December 29, 2002	QUALCOMM September 29, 2002
Current assets:				
Cash and cash equivalents	\$ 1,600,796	\$ 19,497	\$ 1,620,293	\$ 1,406,704
Marketable securities	1,707,302	127,938	1,835,240	1,411,178
Accounts receivable, net	640,308	21,445	661,753	536,950
Finance receivables, net	3,358	966	4,324	388,396
Inventories, net	100,645	6,960	107,605	88,094
Other current assets	114,356	24,971	139,327	109,444
Total current assets	<u>4,166,765</u>	<u>201,777</u>	<u>4,368,542</u>	<u>3,940,766</u>
Marketable securities	391,098	57,248	448,346	381,630
Finance receivables, net	3,936	440,774	444,710	442,934
Other investments	4,721	250,939	255,660	276,414
Property, plant and equipment, net	493,770	194,042	687,812	686,283
Goodwill, net	345,055	1,865	346,920	344,803
Other assets	234,632	241,427	476,059	436,691
Total assets	<u>\$ 5,639,977</u>	<u>\$ 1,388,072</u>	<u>\$ 7,028,049</u>	<u>\$ 6,509,521</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:				
Trade accounts payable	\$ 150,966	\$ 43,771	\$ 194,737	\$ 209,418
Payroll and other benefits related liabilities	99,094	9,609	108,703	126,005
Unearned revenue	172,616	5,267	177,883	183,482
Other current liabilities	152,356	21,215	173,571	156,081
Total current liabilities	<u>575,032</u>	<u>79,862</u>	<u>654,894</u>	<u>674,986</u>
Unearned revenue	250,693	626	251,319	259,995
Long-term debt	-	156,889	156,889	94,288
Other liabilities	39,617	2,503	42,120	43,756
Total liabilities	<u>865,342</u>	<u>239,880</u>	<u>1,105,222</u>	<u>1,073,025</u>
Minority interest in consolidated subsidiaries	<u>50</u>	<u>21,768</u>	<u>21,818</u>	<u>44,540</u>
Stockholders' equity:				
Preferred stock, \$0.0001 par value	-	-	-	-
Common stock, \$0.0001 par value	80	-	80	79
Paid-in capital	5,123,139	-	5,123,139	4,918,202
Retained earnings	845,958	-	845,958	604,624
Accumulated other comprehensive loss	(40,958)	(27,210)	(68,168)	(130,949)
Total stockholders' equity	<u>5,928,219</u>	<u>(27,210)</u>	<u>5,901,009</u>	<u>5,391,956</u>
Total liabilities and stockholders' equity	<u>\$ 6,793,611</u>	<u>\$ 234,438</u>	<u>\$ 7,028,049</u>	<u>\$ 6,509,521</u>

(a) Includes the consolidated Vesper Holdings balance sheet at November 30, 2002. The Company consolidates foreign subsidiaries one month in arrears.

QUALCOMM Incorporated
GAAP REPORTED CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	<u>Three Months Ended</u>	
	<u>December 29,</u>	<u>December 30,</u>
	<u>2002</u>	<u>2001</u>
Revenues:		
Equipment and services	\$ 857,463	\$ 489,092
Licensing and royalty fees	239,706	209,550
	<u>1,097,169</u>	<u>698,642</u>
Operating expenses:		
Cost of equipment and services revenues	388,001	245,197
Research and development	112,479	106,868
Selling, general and administrative	147,999	100,765
Amortization of goodwill and other acquisition-related intangible assets	1,972	63,731
Total operating expenses	<u>650,451</u>	<u>516,561</u>
Operating income	446,718	182,081
Interest expense	(6,881)	(2,562)
Investment (expense) income, net	<u>(50,588)</u>	<u>38,032</u>
Income before income taxes	389,249	217,551
Income tax expense	<u>(147,915)</u>	<u>(78,318)</u>
Net income	<u>\$ 241,334</u>	<u>\$ 139,233</u>
Net earnings per common share:		
Basic	<u>\$ 0.31</u>	<u>\$ 0.18</u>
Diluted	<u>\$ 0.30</u>	<u>\$ 0.17</u>
Shares used in per share calculations:		
Basic	<u>783,280</u>	<u>764,959</u>
Diluted	<u>815,745</u>	<u>809,574</u>