

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

(In thousands)

(Unaudited)

	Three Months Ended			Nine Months
	June 29, 2003	March 30, 2003	December 29, 2002	Ended June 29, 2003
<b>Operating Activities:</b>				
Net income	\$ 191,689	\$ 103,016	\$ 241,334	\$ 536,039
Depreciation and amortization	43,043	46,349	43,177	132,569
Asset impairment charges	34,113	160,145	-	194,258
Net realized gains on marketable securities and other investments	(28,139)	(9,972)	(1,296)	(39,407)
Change in fair values of derivative investments	1,381	(106)	(14)	1,261
Other-than-temporary losses on marketable securities and other investments	21,105	23,967	66,583	111,655
Minority interest in loss of consolidated subsidiaries	(242)	(22,733)	(13,820)	(36,795)
Equity in losses of investees	21,038	56,526	32,700	110,264
Non-cash income tax expense	165,017	58,986	136,627	360,630
Other non-cash charges and credits	(11,939)	8,739	13,150	9,950
Increase (decrease) in cash resulting from changes in:				
Proceeds of trading securities	-	2,085	-	2,085
Accounts receivable, net	(74,894)	133,020	(129,674)	(71,548)
Inventories, net	29,854	(43,335)	(20,866)	(34,347)
Other assets	(14,123)	21,416	(14,624)	(7,331)
Trade accounts payable	(16,403)	(9,269)	(9,663)	(35,335)
Payroll, benefits, and other liabilities	(11,991)	23,278	(1,545)	9,742
Unearned revenue	(4,410)	26,732	(11,586)	10,736
Net cash provided by operating activities	<u>345,099</u>	<u>578,844</u>	<u>330,483</u>	<u>1,254,426</u>
<b>Investing Activities:</b>				
Capital expenditures	(55,035)	(49,410)	(81,561)	(186,006)
Purchases of wireless licenses	-	-	(8,247)	(8,247)
Purchases of available-for-sale securities	(1,453,247)	(608,886)	(840,036)	(2,902,169)
Proceeds from sale of available-for-sale securities	694,385	600,539	415,046	1,709,970
Purchases of held-to-maturity securities	(25,067)	(93,595)	(66,611)	(185,273)
Maturities of held-to-maturity securities	129,773	27,672	48,480	205,925
Issuance of finance receivables	(1,040)	(7,281)	(140,740)	(149,061)
Collection of finance receivables	283,829	1,001	526,032	810,862
Issuance of notes receivable	(16,061)	(511)	(666)	(17,238)
Collection of notes receivable	-	6	4,175	4,181
Other investments and acquisitions	(2,062)	(7,747)	(23,991)	(33,800)
Other items, net	6,082	(4,019)	1,476	3,539
Net cash used by investing activities	<u>(438,443)</u>	<u>(142,231)</u>	<u>(166,643)</u>	<u>(747,317)</u>
<b>Financing Activities:</b>				
Net proceeds from issuance of common stock	19,980	56,823	55,873	132,676
Repurchase and retirement of common stock	(42,047)	(123,577)	-	(165,624)
Proceeds from put options	-	7,136	-	7,136
Dividends	(79,007)	-	-	(79,007)
Proceeds from the issuance of long-term debt	1,036	3,856	1,764	6,656
Payments on long-term debt	(1,783)	(12,075)	(5,142)	(19,000)
Other items, net	(20)	-	20	-
Net cash (used) provided by financing activities	<u>(101,841)</u>	<u>(67,837)</u>	<u>52,515</u>	<u>(117,163)</u>
Effect of exchange rate changes on cash	169	772	(2,766)	(1,825)
<b>Net (decrease) increase in cash and cash equivalents</b>	<u>(195,016)</u>	<u>369,548</u>	<u>213,589</u>	<u>388,121</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>1,989,841</u>	<u>1,620,293</u>	<u>1,406,704</u>	<u>1,406,704</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 1,794,825</u>	<u>\$ 1,989,841</u>	<u>\$ 1,620,293</u>	<u>\$ 1,794,825</u>