

QUALCOMM Incorporated
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Three Months Ended		Six
	March 28, 2004	December 28, 2003 *	Months Ended March 28, 2004
Operating Activities:			
Income from continuing operations	\$ 441,289	\$ 410,529	\$ 851,818
Depreciation and amortization	39,612	40,546	80,158
Net realized gains on marketable securities and other investments	(10,805)	(4,764)	(15,569)
Other-than-temporary losses on marketable securities and other investments	820	700	1,520
Equity in losses of investees	20,899	16,070	36,969
Non-cash income tax expense	157,648	180,719	338,367
Other non-cash charges and (credits)	11,796	(6,673)	5,123
Increase (decrease) in cash resulting from changes in:			
Accounts receivable, net	59,615	(197,575)	(137,960)
Inventories, net	(11,098)	17,685	6,587
Other assets	25,635	13,894	39,529
Trade accounts payable	58,607	22,843	81,450
Payroll, benefits and other liabilities	(10,290)	715	(9,575)
Unearned revenue	(6,693)	(22,557)	(29,250)
Net cash provided by operating activities	<u>777,035</u>	<u>472,132</u>	<u>1,249,167</u>
Investing Activities:			
Capital expenditures	(54,468)	(63,093)	(117,561)
Purchases of available-for-sale securities	(1,933,293)	(1,591,573)	(3,524,866)
Proceeds from sale of available-for-sale securities	1,266,646	775,576	2,042,222
Maturities of held-to-maturity securities	24,999	108,895	133,894
Issuance of finance receivables	(31)	(358)	(389)
Collection of finance receivables	760	194,090	194,850
Issuance of notes receivable	(13,250)	(17,033)	(30,283)
Other investments and acquisitions	(6,363)	(43,595)	(49,958)
Other items, net	542	4	546
Net cash used by investing activities	<u>(714,458)</u>	<u>(637,087)</u>	<u>(1,351,545)</u>
Financing Activities:			
Proceeds from issuance of common stock	99,890	31,619	131,509
Repurchase and retirement of common stock	5,103	-	5,103
Dividends paid	(56,519)	(56,043)	(112,562)
Net cash provided (used) by financing activities	<u>48,474</u>	<u>(24,424)</u>	<u>24,050</u>
Net cash provided (used) by discontinued operations	<u>38,915</u>	<u>(59,172)</u>	<u>(20,257)</u>
Effect of exchange rate changes on cash	625	(616)	9
Net increase (decrease) in cash and cash equivalents	<u>150,591</u>	<u>(249,167)</u>	<u>(98,576)</u>
Cash and cash equivalents at beginning of period	<u>1,795,927</u>	<u>2,045,094</u>	<u>2,045,094</u>
Cash and cash equivalents at end of period	<u>\$ 1,946,518</u>	<u>\$ 1,795,927</u>	<u>\$ 1,946,518</u>

* As adjusted to present cash flows related to the Vesper Operating Companies, TowerCo and SMP licenses as discontinued operations.