

# Second Quarter Fiscal 2009 Earnings

APRIL 27, 2009



## 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 and product availability, 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- and OFDMA-based networks and technology and fluctuations in the demand for CDMA- and OFDMA-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.

## Disclaimer

Nothing in this presentation is an offer to sell any of the parts referenced herein. This presentation may reference and/or show images of parts and/or devices utilizing parts whose manufacture, use, sale, offer for sale, or importation into the United States are subject to certain injunctions against Qualcomm. This presentation is intended solely to provide information for those products and uses of products that are outside the scope of the injunctions. Any device utilizing 1x-EVDO parts must utilize Qualcomm's hybrid mode alternative solution.

# Qualcomm Reports Q2 FY09 Earnings



- Global demand for 3G-enabled products and services remains strong despite the current economic environment
- Strong operating performance, and Q2 revenues were at the high end of prior guidance
- Recent settlement with Broadcom will resolve all pending litigation between the parties and is positive for our stockholders, customers, partners and the wireless industry
- Continued distress in the global financial markets resulted in additional impairments to our marketable securities

# Qualcomm Reports Q2 FY09 Earnings

(April 27, 2009)

## Pro Forma Results

- **Revenues of \$2.45 billion**
- **Operating income of \$214 million**, *which reflects a \$748 million litigation settlement charge related to the settlement and patent agreement with Broadcom*
- **Diluted loss per share of \$0.03**

## Operating Results

- **~69 million MSM chip shipments**, *up 10% sequentially*
- **~128 million CDMA-based device shipments**, *up 2% sequentially*
- **~\$201 ASP of CDMA-based device shipments**, *down 5% sequentially*
- **Operating cash flow of \$1.26 billion**, *down 64% sequentially* \*

## Return of Capital to Stockholders

- **Cash dividends paid of \$528 million, or \$0.32 per share**, *relating to dividends declared in the first and second quarters*

\*Sequential decline driven by \$2.5B payment received in Q1'09 related to agreements with Nokia

# Second Quarter Results Comparison

Qualcomm Pro Forma*	Q2'09 Prior Guidance**	Q2'09 Results
Revenues	\$2.25 - \$2.45B	<b>\$2.45B</b>
Operating Income	\$750 - \$850M	<b>\$214M</b>
MSM Shipments	60 - 65M	<b>69M</b>
CDMA/WCDMA devices shipped (Dec Qtr) <sup>(1)</sup>	116M - 121M	<b>128M</b>
CDMA/WCDMA device ASP (Dec Qtr) <sup>(1)</sup>	~\$207	<b>~\$201</b>

**Revenues, MSM shipments, CDMA/WCDMA devices at or above prior guidance**

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

\*\* Prior guidance did not include a \$748 million charge related to the settlement and patent agreement with Broadcom.

(1) Shipments in Dec. quarter, reported in the Mar. quarter. CDMA/WCDMA device shipments and average selling prices are for estimated worldwide device shipments, including shipments not reported to Qualcomm.

# Second Quarter Results Comparison, Excluding Impact of Broadcom Agreement

Qualcomm Pro Forma*	Q2'09 Prior Guidance	Q2'09 Results**
Revenues	\$2.25 - \$2.45B	<b>\$2.45B</b>
Operating Income	\$750 - \$850M	<b>\$962M</b>
MSM Shipments	60 - 65M	<b>69M</b>
CDMA/WCDMA devices shipped (Dec Qtr) <sup>(1)</sup>	116M - 121M	<b>128M</b>
CDMA/WCDMA device ASP (Dec Qtr) <sup>(1)</sup>	~\$207	<b>~\$201</b>

**Significantly exceeded prior operating income guidance**

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

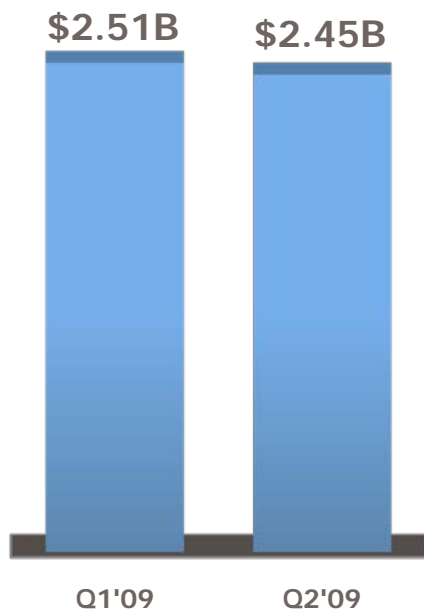
\*\* Excludes \$748 million charge related to the settlement and patent agreement with Broadcom.

(1) Shipments in Dec. quarter, reported in the Mar. quarter. CDMA/WCDMA device shipments and average selling prices are for estimated worldwide device shipments, including shipments not reported to Qualcomm.

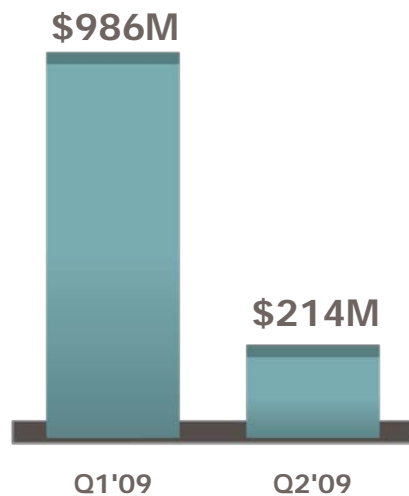
# Second Fiscal Quarter Results

(Reported April 27, 2009)

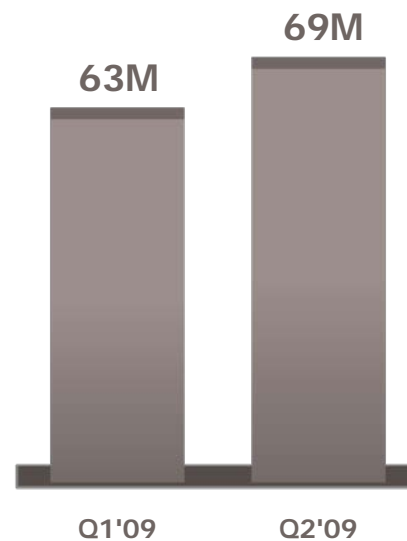
## Pro Forma Revenues



## Pro Forma Operating Income



## MSMs



## CDMA/WCDMA Devices Shipped\*



\*Royalties are recognized when reported, generally one quarter following shipment. CDMA/WCDMA device shipments are derived from reports provided by our licensees/manufacturers during the year and our own estimates of unreported activity.

# Business Segment Highlights

## Qualcomm Technology Licensing (QTL)

- 165+ CDMA licensees; 95+ licensed for WCDMA/TD-SCDMA;
- 8 royalty-bearing OFDM/OFDMA single mode subscriber and infrastructure licensees

## Qualcomm CDMA Technologies (QCT)

- ~69 million MSM chips shipped
- Cumulative 5 billion chips shipped
- Announced plans to work with Nokia to develop advanced UMTS mobile devices, initially for North America
- Announced the addition of the following new products to our roadmap:
  - Femtocell Station Modem (FSM) chipsets
  - MSM 8960 the industry's first chipset solution for advanced Smartphones supporting CDMA2000 1xEV-DO Rev. B and SV-DO, multi-carrier HSPA+ and LTE
  - New family of HSPA+ chipsets, with multimedia, dual-carrier HSPA+ and integrated RF/FM/Bluetooth/GPS
  - MSM 7227 designed to enable high-performance, sub-\$150 Smartphones
  - Gobi2000, which adds support for additional radio frequencies, increased data speeds, enhanced GPS functionality and support for additional operating systems (Windows 7); Expected to be in laptops launching second half of 2009
  - Added support for Near Field Communication (NFC) technology to certain chipsets



# Business Segment Highlights, (cont.)

## Qualcomm Wireless & Internet (QWI)

- Qualcomm Internet Services (QIS)
  - Announced BREW managed services agreements with Page Plus Cellular and Pocket Communications
  - Announced that Xiam will make location-based recommendations and assisted mobile Internet discovery available to its global customer base
- Qualcomm Enterprise Services (QES)
  - Mobile Computing Platform 100 Series (MCP100) hit milestone of 30,000 on-air units with 300 transportation companies
  - Announced a new Mobile Computing Platform 200 Series (MCP200) which can help increase transportation company revenue by enabling drivers to provide better customer service and enhancing in-cab productivity
  - Introduced the OmniOne+ fleet management solution, integrating GPS and navigation, for the European market

# Business Segment Highlights, (cont.)

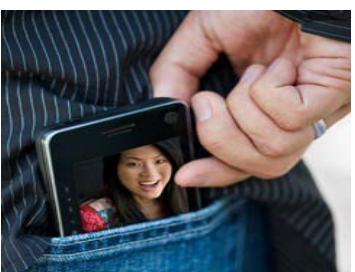
## Reconciling Items

- MediaFLO Technologies (MFT)
  - In partnership with Abertis Telecom, delivered MediaFLO broadcast mobile TV throughout the city of Barcelona during Mobile World Congress 2009
  - European Telecommunications Standards Institute (ETSI) approved publication of the FLO Air Interface Specification
- Qualcomm MEMS Technologies (QMT)
  - Announced an agreement with LG Electronics to begin the development of mirasol enabled handsets

## Qualcomm Strategic Initiatives (QSI)

- FLO TV (formerly MediaFLO USA)
  - Expands Live FLO TV service to cover 10 million additional consumers ahead of the June 12 DTV transition
  - FLO TV service enhanced previously underserved portions of 16 existing markets and provides coverage for the first time in 3 new markets including Atlantic City, NJ, Greensboro, NC and Wilmington, DE
  - Viewership on Day 1 of the 2009 Men's College Basketball Programming experienced a 48 percent increase in the average minutes per user

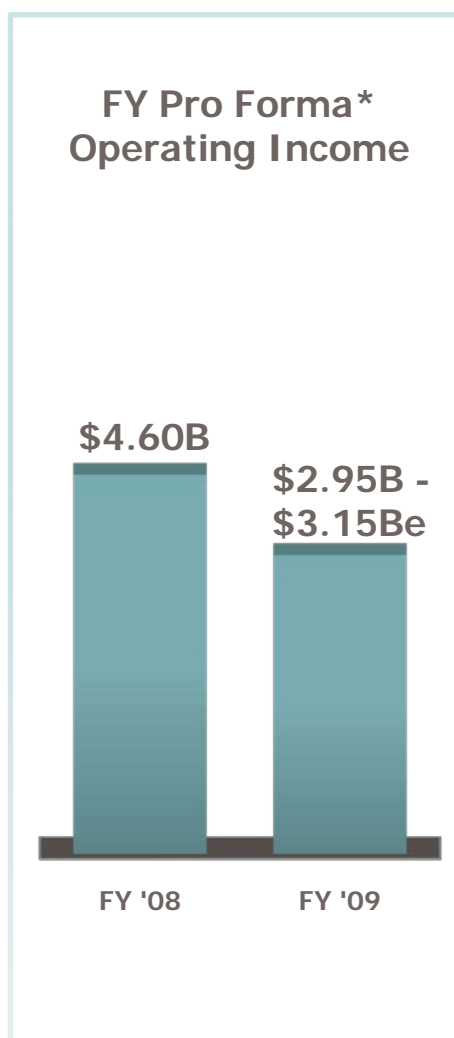
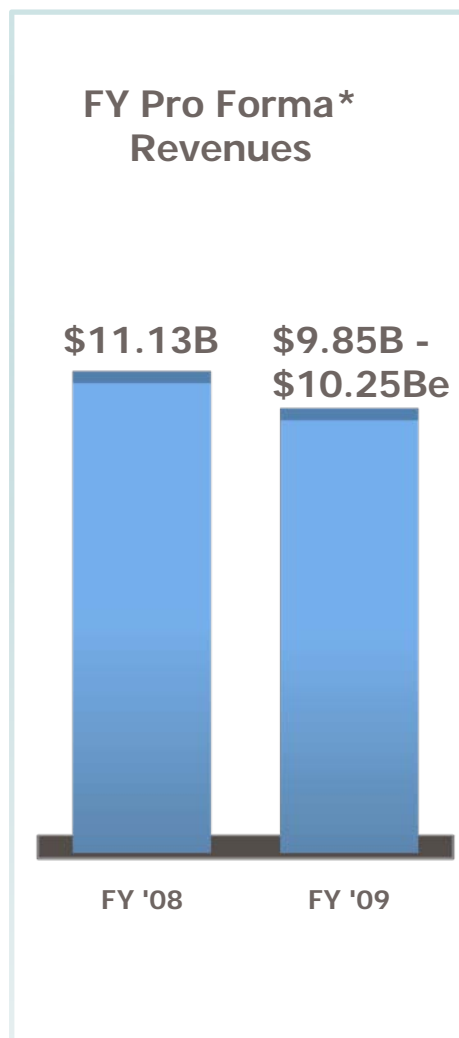
# Qualcomm Guidance (as of April 27, 2009)



- Raising Fiscal 2009 revenue guidance
- While the business environment continues to remain uncertain, we believe CDMA channel inventory has stabilized and we are seeing some replenishment of products driven primarily by emerging markets
- We continue to grow R&D programs to further our technology leadership and drive future growth, while closely managing SG&A expenses
- Demand for CDMA-based devices and services remains healthy and our calendar year 2009 device shipment estimate remains unchanged

# Fiscal 2009 Guidance

(As of April 27, 2009)



- Raising revenue guidance
- ~1% year-over-year growth in pro forma combined SG&A and R&D expenses
  - Significant R&D increase offset by SG&A reductions
- Operating income guidance reflects charge for litigation settlement related to the settlement and patent agreement with Broadcom

# Fiscal 2009 Guidance Comparison

(As of April 27, 2009)

Qualcomm Pro Forma*	2009 Prior Guidance**	2009 Current Guidance
Revenues (FY)	\$9.3B - \$9.8B	<b>\$9.85B - \$10.25B</b>
Operating Income (FY)	\$3.2B - \$3.5B	<b>\$2.95B - \$3.15B</b>
CDMA/WCDMA device ASP <sup>(1)</sup> (FY)	~\$202	<b>~\$199</b>
CDMA/WCDMA device shipments (CY)	~540M – 590M	<b>~540M – 590M</b>

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

\*\* Prior guidance did not include a \$748 million charge related to the settlement and patent agreement with Broadcom.

(1) Shipments in Sept. to June quarters, reported in Dec. to Sept. quarters (our FY). CDMA/WCDMA device shipments and average selling prices are for estimated worldwide device shipments, including shipments not reported to Qualcomm.

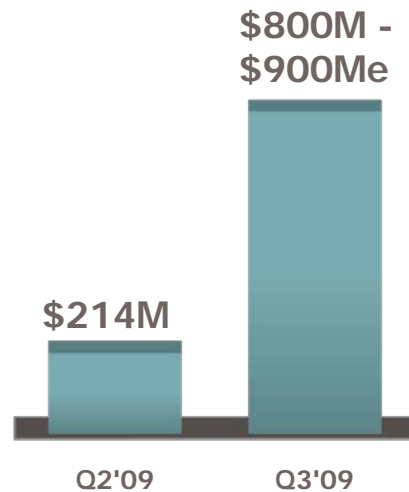
# Third Fiscal Quarter Guidance

(As of April 27, 2009)

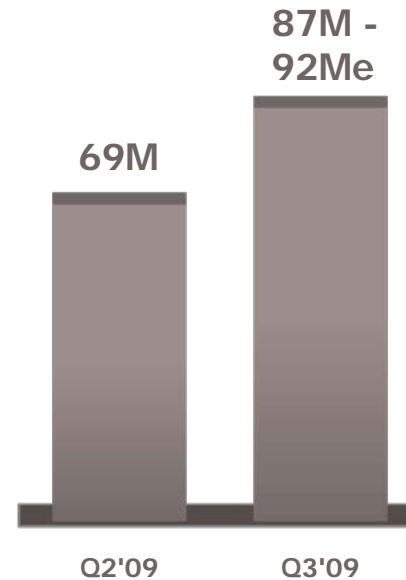
## Pro Forma Revenues



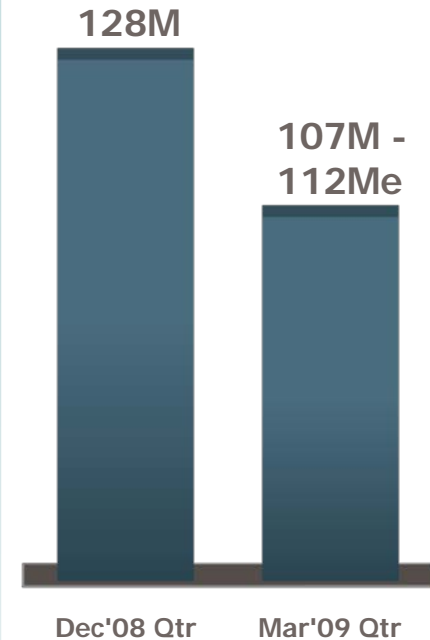
## Pro Forma Operating Income



## MSMs



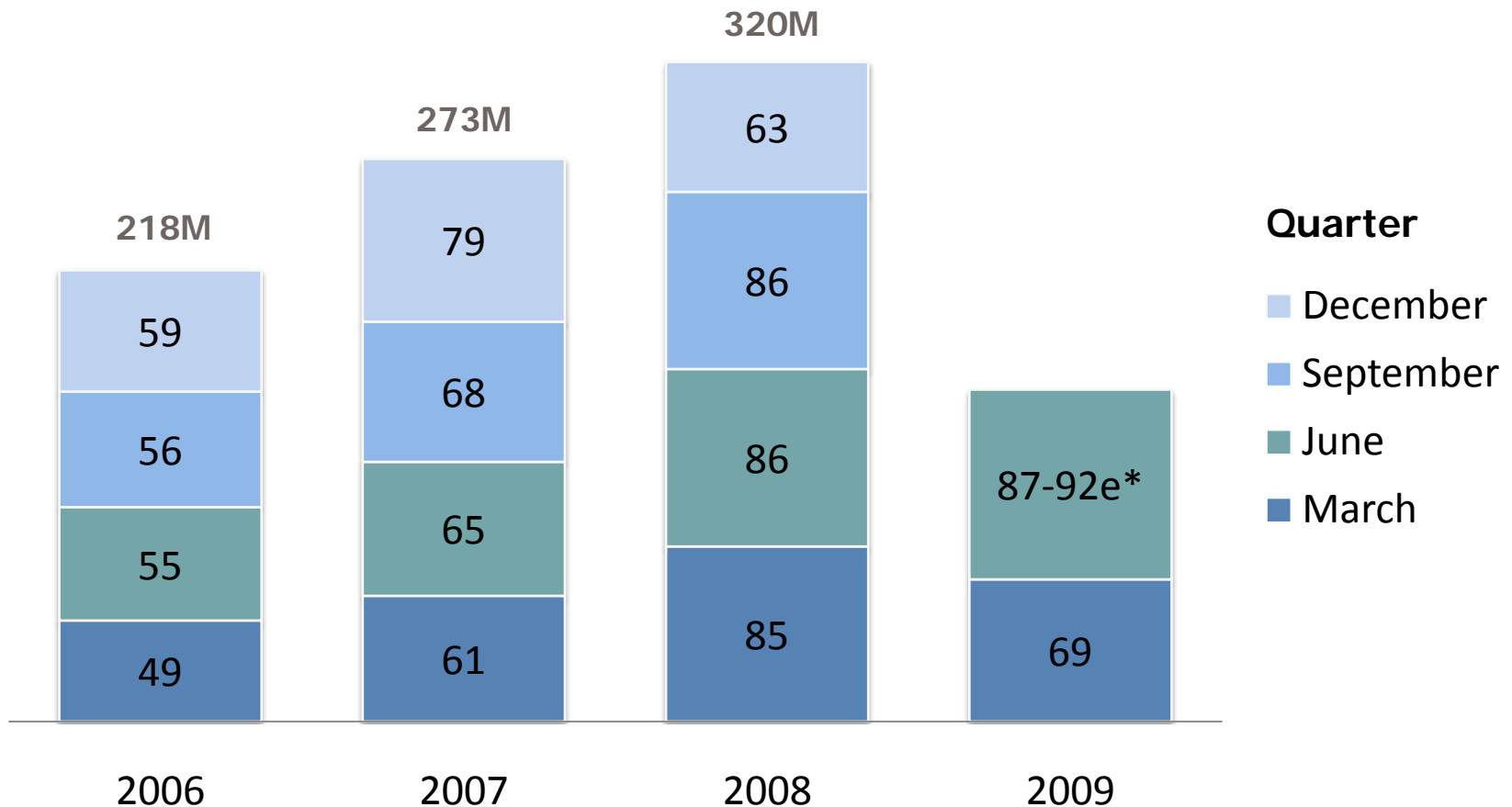
## CDMA/WCDMA Devices Shipped\*



\*Royalties are recognized when reported, generally one quarter following shipment. CDMA/WCDMA device shipments are derived from reports provided by our licensees/manufacturers during the year and our own estimates of unreported activity.

# Qualcomm CDMA and WCDMA(UMTS) MSM Shipments

(Calendar Year, Millions)



## Quarter

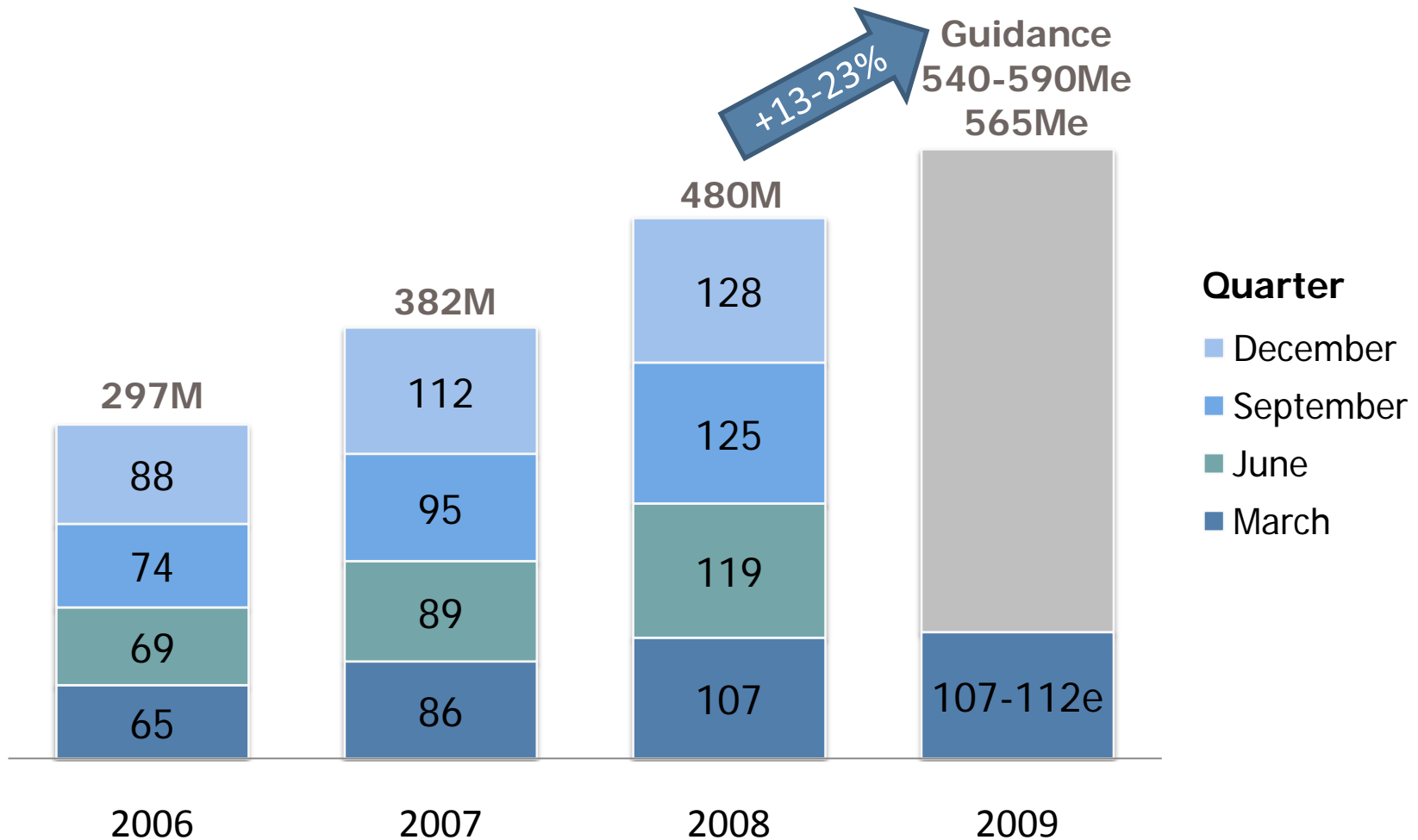
- December
- September
- June
- March

\*Guidance as of April 27, 2009

\*\*Sum of quarterly amounts do not equal totals due to rounding

# CDMA and WCDMA(UMTS) Device Shipment Estimates

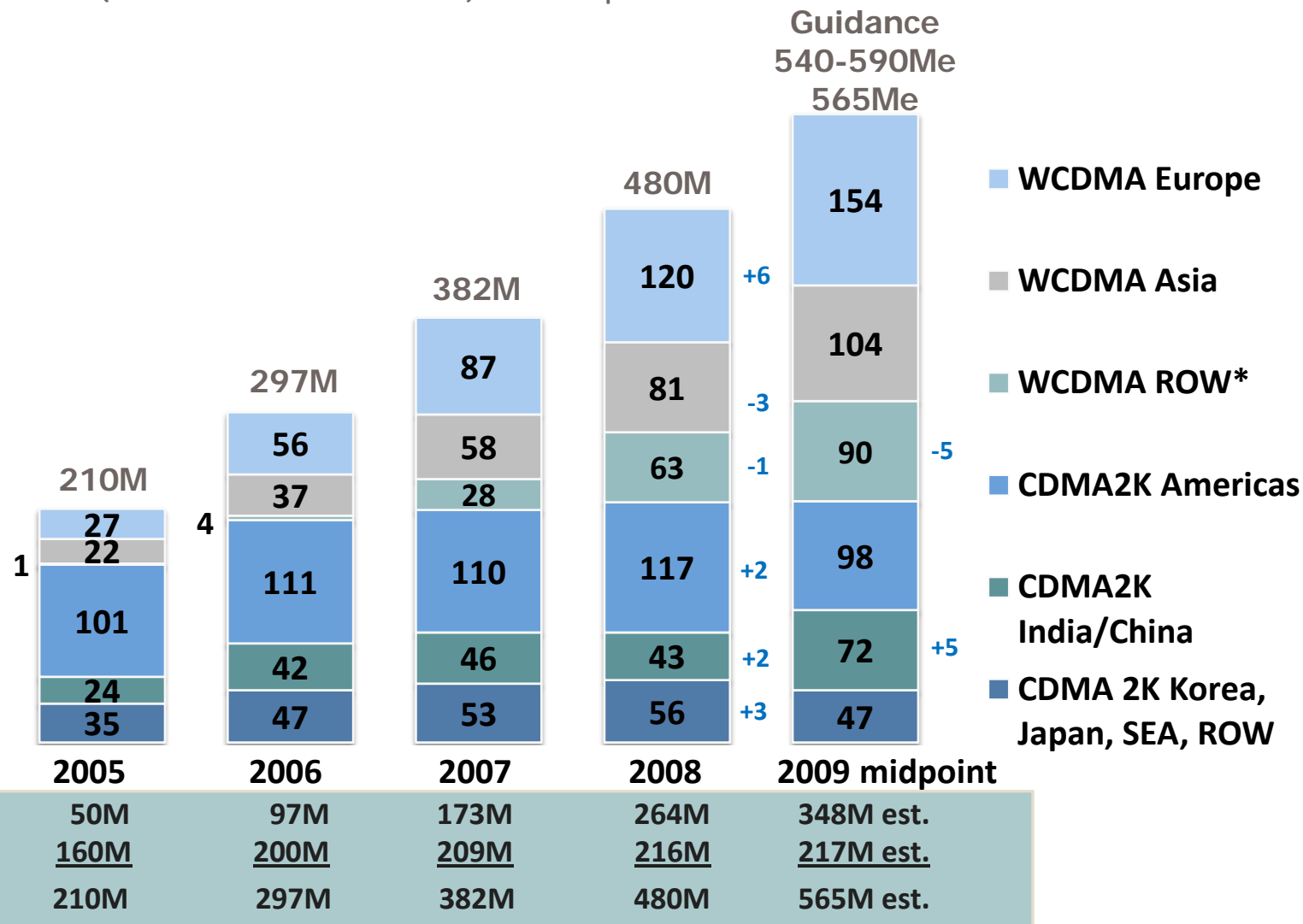
(Calendar Year, Millions) as of April 27, 2009





# CDMA and WCDMA(UMTS) Device Shipment Estimates

(Calendar Year, Millions) as of April 27, 2009



**Change from prior guidance**

Note: Regional device shipments are Qualcomm estimates and include handsets, data devices, telematics, security devices and some quantity of channel inventory. CDMA/WCDMA device shipment estimates are for estimated worldwide device shipments, including shipments not reported to Qualcomm.

\*WCDMA ROW includes North America

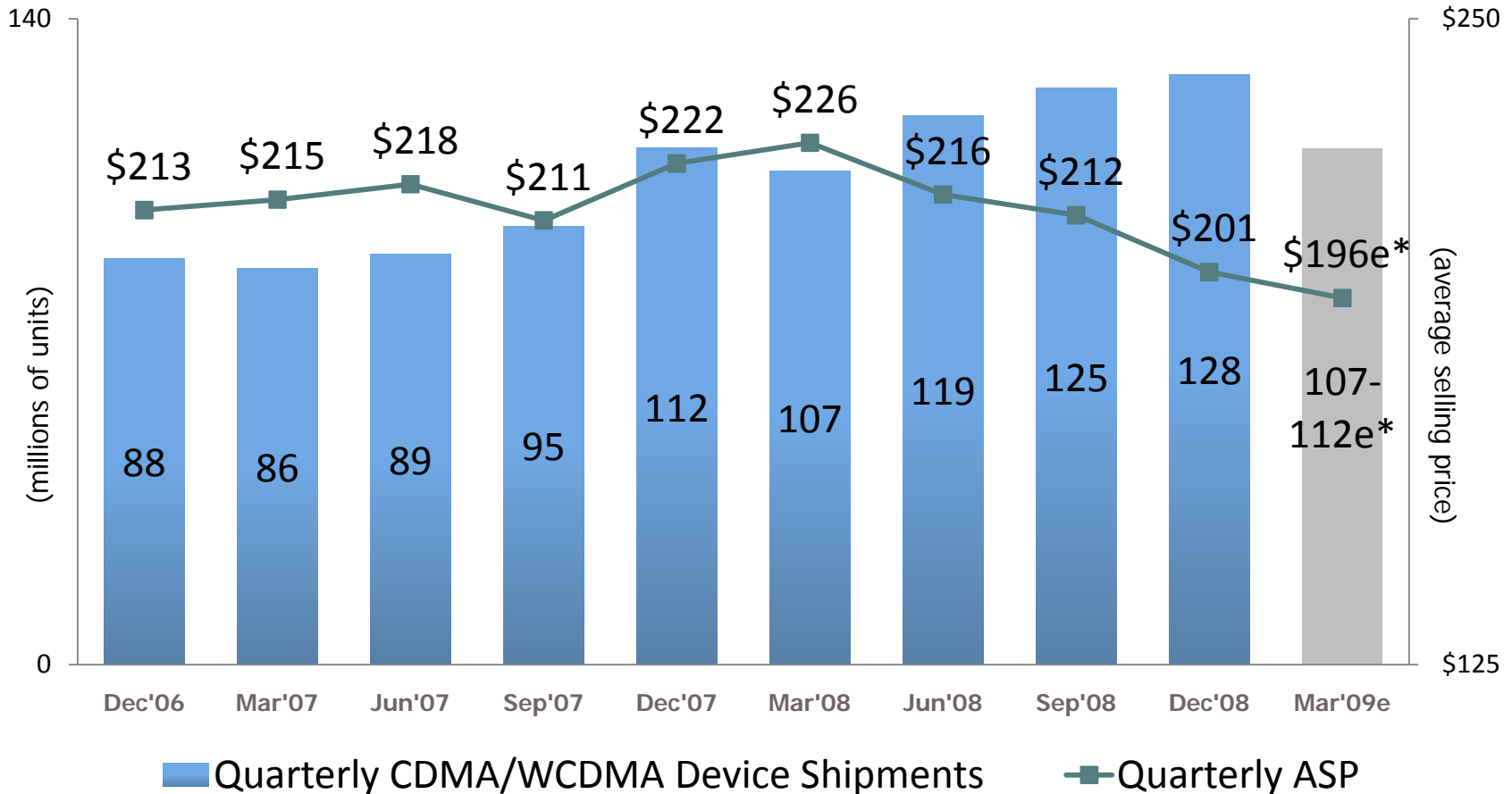
# Quarterly Estimated CDMA/WCDMA Device Shipments & ASP Trend

(Device shipments in millions of units)	FY 2008				FY2009		
	Sep '07	Dec '07	Mar '08	Jun '08	Sep '08	Dec '08	Mar '09e*
Qtr. Device Shipments	95	112	107	119	125	128	107-112Me*
Calendar Year		382				480	
Fiscal Year				433			
Qtr. Device ASP	\$211	\$222	\$226	\$216	\$212	\$201	\$196e*
Fiscal Year ASP				\$219			\$199e*

Note: Shipments from Sep. to Jun. quarters are reported by licensees in Dec. to Sept., Qualcomm's fiscal year. Reflects adjustments made as a result of the completion of licensee audits. CDMA/WCDMA device shipment and average selling prices (ASP) are for estimated worldwide device shipments, including shipments not reported to Qualcomm.

\*Guidance as of April 27, 2009.

# Quarterly Estimated CDMA/WCDMA Device Shipments & ASP Trend



\*Guidance as of April 27, 2009.

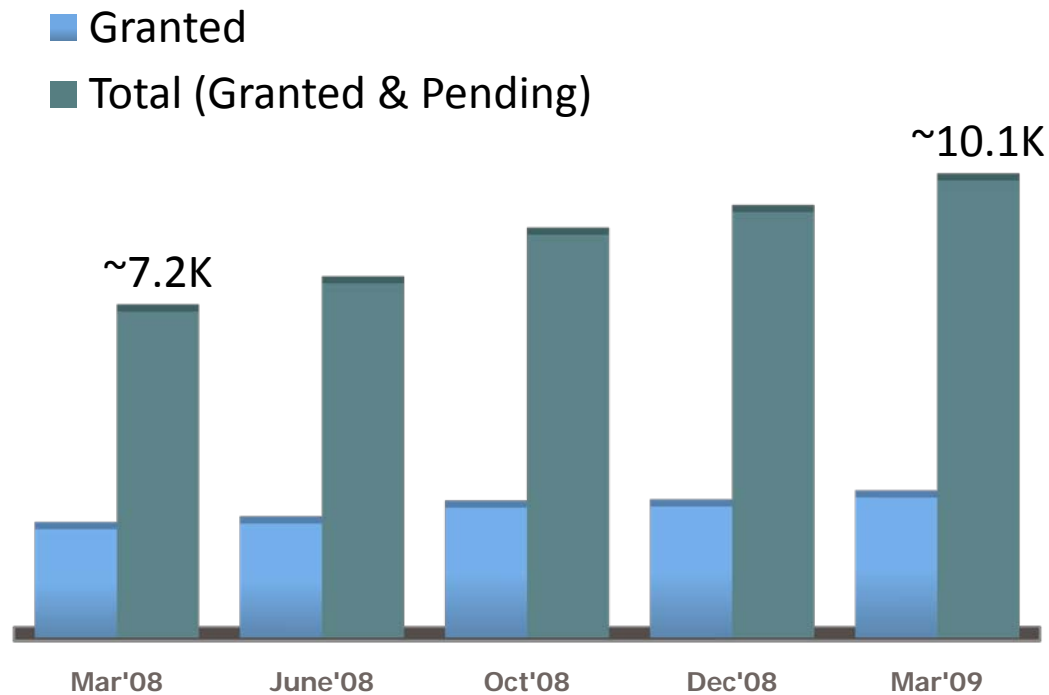
# Qualcomm's Unique Patent Position

## Patent Position is a Strong Asset Value

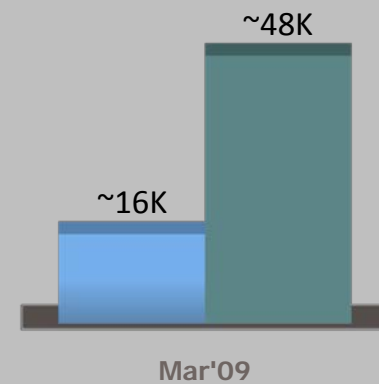
- Industry recognized patent portfolio for all 3G CDMA and 4G OFDMA standards
- Patents essential/applicable to GSM/GPRS/EDGE products

### Cumulative U.S. Patents

(Excludes non-U.S. pending and granted patents)



### Cumulative Foreign Granted & Pending Patents



# Cumulative \$10B Capital Returned to Stockholders\*\*

## Share Repurchases\*

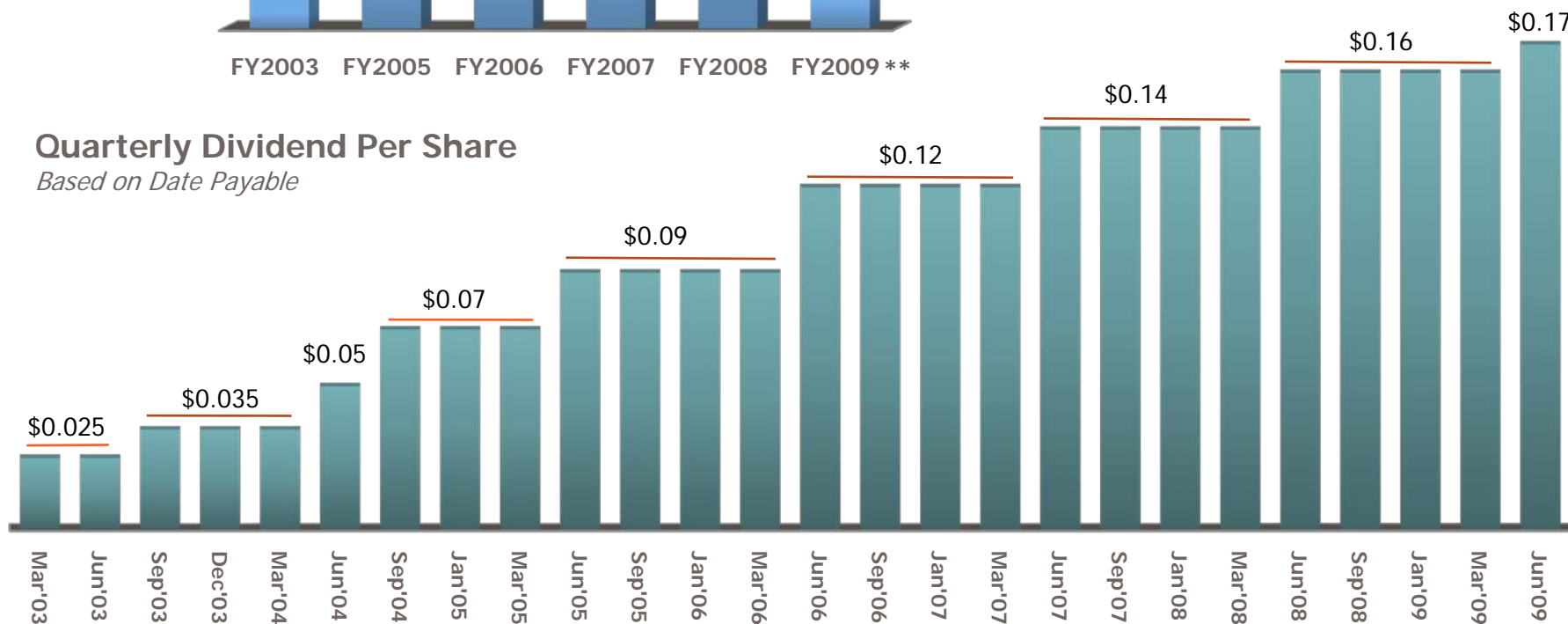
(Billions)



**\$1.7 Billion Available\*\* for Repurchase under Current BOD Authorization**

## Quarterly Dividend Per Share

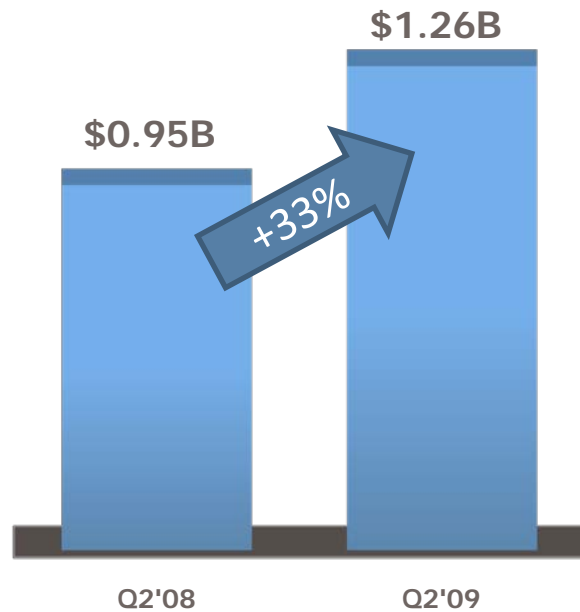
Based on Date Payable



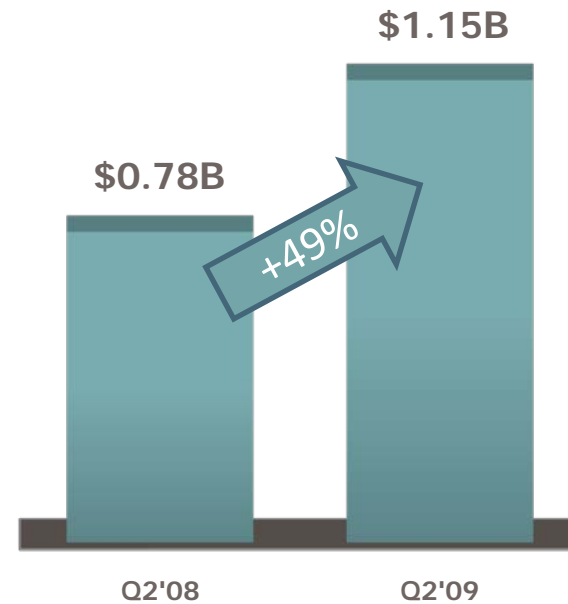
Note: The Company effected a two-for-one stock split in August 2004. All references to per share data have been adjusted to reflect the stock split. \*Gross Repurchases \*\*As of March 29, 2009

# Qualcomm Business Model Continues to Generate Strong Cash Flow

### GAAP Operating Cash Flow



### Pro Forma Free Cash Flow



# Financial Strength

(\$ in Billions)	March 2008	March 2009	
Domestic	\$4.3	<b>\$6.3</b>	Cash Resources and Operating Flexibility
Offshore	<u>\$6.3</u>	<u><b>\$7.7</b></u>	
<b>Total Cash &amp; Marketable Securities</b>	\$10.6	<b>\$14.0</b>	
Total Assets	\$18.2	<b>\$24.1</b>	Solid Balance Sheet
Stockholders' Equity	\$15.5	<b>\$17.1</b>	
Debt*	\$0.1	<b>\$0.2</b>	
EBITDA (Q2)	\$0.9	<b>(\$0.1)</b>	Cash Flow to Support Future Growth
Pro Forma Free Cash Flows (Q2)	\$0.8	<b>\$1.2</b>	

\*Capital leases

# Balance Sheet

(\$ in Billions)	March 2008	March 2009
Cash & Marketable Securities	\$10.6	<b>\$14.0</b>
Receivables & Inventory	\$1.3	<b>\$1.2</b>
Fixed Assets, Goodwill & Other Intangible Assets	\$4.1	<b>\$6.9</b>
Deferred Tax Assets & Other	\$2.2	<b>\$2.0</b>
<b>Total Assets</b>	\$18.2	<b>\$24.1</b>
Total Liabilities	\$2.7	<b>\$7.0</b>
Stockholders' Equity	\$15.5	<b>\$17.1</b>
<b>Total Liabilities &amp; Stockholders' Equity</b>	\$18.2	<b>\$24.1</b>

**Strength & Flexibility to Support Strong Growth & Stockholder Returns**



# Reconciliations

# Pro Forma Results

\$ in millions

## Second Quarter - Fiscal Year 2009

	Pro Forma	Estimated Share-Based Compensation (1)	Tax Items (2)	In-Process R&D	QSI (3)	GAAP
<b>Revenues</b>	\$ 2,447	\$ -	\$ -	\$ -	\$ 8	\$ 2,455
<i>Change from prior quarter</i>	(3%)				33%	(2%)
<b>Operating income (loss)</b>	\$ 214	\$ (140)	\$ -	\$ (6)	\$ (78)	\$ (10)
<i>Change from prior quarter</i>	(78%)	3%		N/A	19%	(101%)
<b>Net (loss) income</b>	\$ (46)	\$ (145)	\$ (36)	\$ (6)	\$ (56)	\$ (289)
<i>Change from prior quarter</i>	(109%)	(46%)	N/A	N/A	30%	(185%)
<b>Diluted EPS</b>	\$ (0.03)	\$ (0.09)	\$ (0.02)	\$ -	\$ (0.03)	\$ (0.18)
<i>Change from prior quarter</i>	(110%)	(50%)	N/A	N/A	40%	(190%)
<b>Diluted shares used</b>	1,651	1,651	1,651	1,651	1,651	1,651

## First Quarter - Fiscal Year 2009

	Pro Forma	Estimated Share-Based Compensation (1)	QSI (3)	GAAP
<b>Revenues</b>	\$ 2,511	\$ -	\$ 6	\$ 2,517
<b>Operating income (loss)</b>	986	(145)	(96)	745
<b>Net income (loss)</b>	520	(99)	(80)	341
<b>Diluted EPS</b>	\$ 0.31	\$ (0.06)	\$ (0.05)	\$ 0.20
<b>Diluted shares used</b>	1,667	1,667	1,667	1,667

## Second Quarter - Fiscal Year 2008

	Pro Forma	Estimated Share-Based Compensation (1)	QSI (3)	GAAP
<b>Revenues</b>	\$ 2,604	\$ -	\$ 2	\$ 2,606
<b>Operating income (loss)</b>	1,017	(130)	(74)	813
<b>Net income (loss)</b>	894	(88)	(40)	766
<b>Diluted EPS</b>	\$ 0.54	\$ (0.05)	\$ (0.02)	\$ 0.47
<b>Diluted shares used</b>	1,643	1,643	1,643	1,643

# Pro Forma Results (continued)

\$ in millions

## Third Quarter - Fiscal Year 2008

	Pro Forma	Estimated Share-Based Compensation (1)	In-Process R&D	QSI (3)	GAAP
Revenues	\$ 2,758	\$ -	\$ -	\$ 4	\$ 2,762
Operating income (loss)	1,060	(139)	(13)	(84)	824
Net income (loss)	915	(94)	(13)	(60)	748
Diluted EPS	\$ 0.55	\$ (0.06)	\$ (0.01)	\$ (0.04)	\$ 0.45
Diluted shares used	1,654	1,654	1,654	1,654	1,654

## Twelve Months - Fiscal Year 2008

	Pro Forma	Estimated Share-Based Compensation (1)	In-Process R&D	QSI	GAAP
Revenues	\$ 11,130	\$ -	\$ -	\$ 12	\$ 11,142
Operating income (loss)	4,604	(540)	(14)	(320)	3,730
Net income (loss)	3,740	(365)	(13)	(202)	3,160
Diluted EPS	\$ 2.25	\$ (0.22)	\$ (0.01)	\$ (0.12)	\$ 1.90
Diluted shares used	1,660	1,660	1,660	1,660	1,660

(1) Certain share-based compensation is included in operating expenses as part of employee-related costs but is not allocated to the Company's segments as such costs are not considered relevant by management in evaluating segment performance.

(2) During the second quarter of fiscal 2009, the Company recorded a tax expense related to the adjustment of net deferred tax assets that were recorded in prior years to reflect the future impact of California budget legislation enacted on February 20, 2009.

(3) 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 pro forma tax provision, the tax items column and the tax provisions related to estimated share-based compensation and in-process R&D from the GAAP tax provision.

N/M – Not Meaningful

Sums may not equal totals due to rounding.

# Pro Forma Results Excluding Broadcom

## Reconciliation of Pro Forma Results Excluding Impact of Broadcom Agreement to GAAP <sup>(1)</sup> (\$ in millions)

Three Months Ended March 29, 2009					
	Pro Forma <sup>(2)</sup>	Estimated Share- Based Compensation	In-Process R&D	QSI	GAAP
Operating income (loss) excluding the impact of Broadcomm agreement	\$ 962	\$ (140)	\$ (6)	\$ (78)	\$ 738
Less: litigation settlement	(748)	-	-	-	(748)
Operating income (loss)	<u>\$ 214</u>	<u>\$ (140)</u>	<u>\$ (6)</u>	<u>\$ (78)</u>	<u>\$ (10)</u>

<sup>(1)</sup> Pro forma and GAAP revenues were not impacted by the Broadcom agreement.

<sup>(2)</sup> Pro forma results exclude certain estimated share-based compensation, certain tax items related to prior years, acquired in-process R&D and the QSI segment.

# Pro Forma Cash Flows

**Reconciliation of Pro Forma Free Cash Flows to  
Net Cash Provided by Operating Activities (GAAP)  
and other supplemental disclosures**  
(In millions)  
(Unaudited)

<b>Three Months Ended March 29, 2009</b>						
	<b>Estimated</b>					
<b>Pro Forma</b>	<b>Share-Based Compensation</b>	<b>Tax Items</b>	<b>In-Process R&amp;D</b>	<b>QSI</b>	<b>GAAP</b>	
Net cash provided (used) by operating activities	\$ 1,359	\$ (16) (a)	\$ -	\$ -	\$ (80)	\$ 1,263
Less: capital expenditures	(206)	-	-	-	(28)	(234)
Free cash flow	<u>\$ 1,153</u>	<u>\$ (16)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (108)</u>	<u>\$ 1,029</u>

<b>Six Months Ended March 29, 2009</b>						
	<b>Estimated</b>					
<b>Pro Forma</b>	<b>Share-Based Compensation</b>	<b>Tax Items</b>	<b>In-Process R&amp;D</b>	<b>QSI</b>	<b>GAAP</b>	
Net cash provided (used) by operating activities	\$ 4,988	\$ (32) (a)	\$ -	\$ -	\$ (192)	\$ 4,764
Less: capital expenditures	(415)	-	-	-	(53)	(468)
Free cash flow	<u>\$ 4,573</u>	<u>\$ (32)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (245)</u>	<u>\$ 4,296</u>

<b>Three Months Ended March 30, 2008</b>				
	<b>Estimated</b>			
<b>Pro Forma</b>	<b>Share-Based Compensation</b>	<b>QSI</b>	<b>GAAP</b>	
Net cash provided (used) by operating activities	\$ 1,056	\$ (53) (a)	\$ (56)	\$ 947
Less: capital expenditures	(281)	-	(20)	(301)
Free cash flow	<u>\$ 775</u>	<u>\$ (53)</u>	<u>\$ (76)</u>	<u>\$ 646</u>

<b>Six Months Ended March 30, 2008</b>					
	<b>Estimated</b>				
<b>Pro Forma</b>	<b>Share-Based Compensation</b>	<b>In-Process R&amp;D</b>	<b>QSI</b>	<b>GAAP</b>	
Net cash provided (used) by operating activities	\$ 2,070	\$ (101) (a)	\$ (2)	\$ (140)	\$ 1,827
Less: capital expenditures	(387)	-	-	(41)	(428)
Free cash flow	<u>\$ 1,683</u>	<u>\$ (101)</u>	<u>\$ (2)</u>	<u>\$ (181)</u>	<u>\$ 1,399</u>

(a) Incremental tax benefits from stock options exercised during the period.

# EBITDA

## Reconciliation of EBITDA to Net Income (Loss)

(In millions)

(Unaudited)

	Three Months Ended	
	March 30 2008	March 29, 2009
<b>Net (loss) Income</b>	\$ 766	\$ (289)
Plus: Income tax expense	140	188
Plus: Depreciation and amortization	111	154
Less: Interest income, net	(111)	(117)
<b>EBITDA</b>	<u>\$ 906</u>	<u>\$ (64)</u>

*EBITDA is defined as (Earnings (Loss) Before Interest, Taxes, Depreciation and Amortization)*

# Pro Forma Combined SG&A and R&D Expenses

## Reconciliation of Pro Forma to GAAP

### Combined R&D and SG&A expenses

(\$ in millions)

Three Months Ended March 29, 2009					
	Pro Forma <sup>(1)</sup>	Estimated Share- Based Compensation	In-Process R&D	QSI	GAAP
Research and development	\$ 506	\$ 68	\$ 6	\$ 24	\$ 604
Selling, general and administrative	289	62	-	24	375
Total combined R&D and SG&A expenses	<u>\$ 795</u>	<u>\$ 130</u>	<u>\$ 6</u>	<u>\$ 48</u>	<u>\$ 979</u>
<b>Change compared to prior quarter</b>	<b>-3%</b>				<b>-4%</b>
<b>Change compared to prior year</b>	<b>-1%</b>				<b>1%</b>

Three Months Ended December 28, 2008				
	Pro Forma <sup>(1)</sup>	Estimated Share- Based Compensation	QSI	GAAP
Research and development	\$ 511	\$ 69	\$ 24	\$ 604
Selling, general and administrative	305	66	42	413
Total combined R&D and SG&A expenses	<u>\$ 816</u>	<u>\$ 135</u>	<u>\$ 66</u>	<u>\$ 1,017</u>

Three Months Ended March 30, 2008				
	Pro Forma <sup>(1)</sup>	Estimated Share- Based Compensation	QSI	GAAP
Research and development	\$ 472	\$ 60	\$ 21	\$ 553
Selling, general and administrative	334	61	25	420
Total combined R&D and SG&A expenses	<u>\$ 806</u>	<u>\$ 121</u>	<u>\$ 46</u>	<u>\$ 973</u>

<sup>(1)</sup> Pro forma results exclude certain estimated share-based compensation, certain tax items related to prior years, acquired in-process R&D and the QSI segment.

# Business Outlook (as of April 27, 2009)

<b>FISCAL YEAR</b>		
	<b>FY 2008 Results</b>	<b>Current Guidance FY 2009 Estimates (1)</b>
<b>Pro Forma</b>		
Revenues	\$11.13B	\$9.85B - \$10.25B
Year-over-year change		decrease 8% - 12%
Operating income	\$4.60B	\$2.95B - \$3.15B
Year-over-year change		decrease 32% - 36%
<b>GAAP</b>		
Revenues	\$11.14B	\$9.85B - \$10.25B
Year-over-year change		decrease 8% - 12%
Operating income	\$3.73B	\$1.95B - \$2.15B
Year-over-year change		decrease 42% - 48%
Operating income (loss) attributable to QSI	(\$0.32B)	(\$0.39B)
Operating income (loss) attributable to estimated share-based compensation	(\$0.54B)	(\$0.60B)
Operating income (loss) attributable to in-process R&D	(\$0.01B)	(\$0.01B)

(1) While we do not forecast impairments, we do have unrealized losses on marketable securities that could be recognized in future periods if market conditions do not improve.

Sums may not equal totals due to rounding.



# Business Outlook (as of April 27, 2009)

<b>THIRD FISCAL QUARTER</b>		
	<b>Q3'08 Results (1)</b>	<b>Current Guidance Q3'09 Estimates (2)</b>
<b>Pro Forma</b>		
Revenues	\$2.76B	\$2.40B - \$2.60B
Year-over-year change		decrease 6% - 13%
Operating income	\$1.06B	\$0.80B - \$0.90B
Year-over-year change		decrease 15% - 25%
<b>GAAP</b>		
Revenues	\$2.76B	\$2.40B - \$2.60B
Year-over-year change		decrease 6% - 13%
Operating income	\$0.82B	\$0.55B - \$0.65B
Year-over-year change		decrease 21% - 33%
Operating income (loss) attributable to QSI	(\$0.08B)	(\$0.10B)
Operating income (loss) attributable to estimated share-based compensation	(\$0.14B)	(\$0.15B)
Operating Income (loss) attributable to in-process R&D	(\$0.01B)	not applicable

(1) Our Q3'08 results do not include royalty revenues attributable to Nokia's sales.

(2) While we do not forecast impairments, we do have unrealized losses on marketable securities that could be recognized in future periods if market conditions do not improve.

Sums may not equal totals due to rounding.

# Certain Pro Forma Guidance Measures Excluding Broadcom

## Reconciliation of Certain Pro Forma Guidance Measurements Excluding Broadcom to GAAP Guidance Measurements Fiscal 2009

	Pro Forma	Change from Prior Guidance Pro Forma (Midpoint)	QSI	SBC	IPR&D	GAAP	Change from Prior Guidance GAAP (Midpoint)
Prior guidance <sup>(1)</sup>	\$3.2B - \$3.5B					\$2.2B - \$2.5B	
Increase	\$0.35B - \$0.45B		(\$0.4B)	(\$0.6B)	not provided	\$0.35B - \$0.45B	
Current guidance without Broadcom <sup>(2)</sup>	\$3.65B - \$3.85B	increase 12%	(\$0.39B)	(\$0.6B)	(\$0.01B)	\$2.65B - \$2.85B	increase 17%
Impact of Broadcom	(\$0.7B)					(\$0.7B)	
Current guidance with Broadcom <sup>(2)</sup>	\$2.95B - \$3.15B	decrease 9%	(\$0.39B)	(\$0.6B)	(\$0.01B)	\$1.95B - \$2.15B	decrease 13%
FY09 estimated tax rate without Broadcom <sup>(2)</sup>	25%	n/a	not provided	not provided	not provided	26%	n/a
FY09 estimated tax rate with Broadcom <sup>(2)</sup>	31%	n/a	not provided	not provided	not provided	35%	n/a

<sup>(1)</sup> Guidance as of January 28, 2009

<sup>(2)</sup> Guidance as of April 27, 2009

# Q3 Combined R&D and SG&A Guidance

## Reconciliation of Pro Forma to GAAP

### Combination of R&D and SG&A

(\$ in millions)

	Q2 FY2009	Fiscal Q3 - 2009 Guidance*
<b>Pro forma combined R&amp;D and SG&amp;A expenses</b> <sup>(1)</sup>	\$ 795	Increase approx. 6% sequentially (est.)
<b>QSI</b>	48	not provided
<b>In-process R&amp;D</b>	6	not provided
<b>Total combined R&amp;D and SG&amp;A expenses excluding certain share-based compensation</b>	<u>\$ 849</u>	Increase approx. 6% sequentially (est.)
<b>Share-based compensation allocated to SG&amp;A &amp; R&amp;D</b>	130	
<b>Total GAAP combined R&amp;D and SG&amp;A expenses</b> <sup>(2)</sup>	<u><u>\$ 979</u></u>	Increase approx. 7% sequentially (est.)

(1) Pro forma combined R&D and SG&A expenses guidance for Q3 FY09 excludes expenses related to the QSI segment, in-process R&D, certain tax items related to prior years and certain share-based compensation.

(2) Q3 FY09 total GAAP combined R&D and SG&A expenses guidance includes an estimate of the share-based compensation expense allocated to R&D and SG&A.

\* Guidance as of April 27, 2009

# FY09 Combined R&D and SG&A Guidance

## Reconciliation of Pro Forma to GAAP

### Combination of R&D and SG&A

(\$ in millions)

	Fiscal 2008 Results	Fiscal 2009 Guidance*
<b>Pro forma combined R&amp;D and SG&amp;A expenses <sup>(1)</sup></b>	\$ 3,271	Increase approx. 1% sequentially (est.)
<b>QSI</b>	212	not provided
<b>In-process R&amp;D</b>	14	not provided
<b>Total combined R&amp;D and SG&amp;A expenses excluding certain share-based compensation</b>	\$ 3,497	Increase approx. 1% sequentially (est.)
<b>Share-based compensation allocated to SG&amp;A &amp; R&amp;D</b>	501	
<b>Total GAAP combined R&amp;D and SG&amp;A expenses <sup>(2)</sup></b>	\$ 3,998	Increase approx. 3% sequentially (est.)

(1) Pro forma combined R&D and SG&A expenses guidance for fiscal 2009 excludes expenses related to the QSI segment, in-process R&D, certain tax items related to prior years and certain share-based compensation.

(2) FY09 total GAAP combined R&D and SG&A expenses guidance includes an estimate of the share-based compensation expense allocated to R&D and SG&A.

\* Guidance as of April 27, 2009

Thank You