

FOR IMMEDIATE RELEASE

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QUALCOMM Increases Financial Guidance for the Third Fiscal Quarter of 2006

SAN DIEGO — June 13, 2006 — QUALCOMM Incorporated (Nasdaq: QCOM) today updated its financial guidance for the third fiscal quarter ending June 25, 2006.

The following statements are forward looking and actual results may differ materially. Please see “Note Regarding Forward-Looking Statements” at the end of this news release for a description of certain risk factors and QUALCOMM’s annual and quarterly reports on file with the Securities and Exchange Commission (SEC) for a more complete description of risks.

Pro Forma Defined

Pro forma results and guidance exclude the QUALCOMM Strategic Initiatives (QSI) segment, estimated share-based compensation, tax benefits related to prior years and acquired in-process research and development (R&D) expense, when applicable.

Third Fiscal Quarter Business Outlook

Based on the current business outlook, we now anticipate third fiscal quarter QUALCOMM pro forma revenues to be approximately \$1.91 to \$1.96 billion. We now anticipate third fiscal quarter QUALCOMM pro forma diluted earnings per share to be approximately \$0.41 to \$0.42, compared to \$0.28 in the year ago quarter. This estimate is based on the shipment of approximately 55 million Mobile Station Modem (MSM) chips during the quarter compared to approximately 36 million in the year ago quarter and approximately 49 million in the prior quarter. We previously anticipated third fiscal quarter QUALCOMM pro forma revenues to be at or slightly above the high end of prior guidance of \$1.77 to \$1.87 billion. We previously anticipated third fiscal quarter QUALCOMM pro forma diluted earnings per share of

approximately \$0.38 to \$0.40 and previously estimated shipments of approximately 53 to 56 million MSM chips.

The majority of our licensees have reported royalties in the third fiscal quarter for products shipped in the March quarter. Based on these reports and an estimate of licensees yet to report, we anticipate March quarter shipments of approximately 65 to 66 million CDMA units (CDMA2000™ and WCDMA) at an average selling price of approximately \$213, compared to our prior estimate of approximately 62 to 64 million units at an average selling price of approximately \$203.

“Consumer demand for third generation devices and services continues to be vibrant as operators offer compelling prices, services and devices,” said Dr. Paul E. Jacobs, chief executive officer of QUALCOMM. “WCDMA handset shipments and average selling prices are exceeding our prior expectations. Demand for our CDMA2000 infrastructure chips, notably DO revision A, is exceptionally strong. This, combined with the ongoing movement to upgrade WCDMA networks to HSDPA, causes us to be encouraged by the forward market for 3G advanced devices and services.”

The following table summarizes total QUALCOMM (GAAP) and QUALCOMM pro forma guidance for the third fiscal quarter of 2006 based on the current business outlook. Total QUALCOMM (GAAP) guidance for the third fiscal quarter of 2006 includes approximately \$0.05 diluted loss per share related to estimated share-based compensation. Estimated share-based compensation in future periods may vary materially from the business outlook as the methodology used to calculate this estimate is dependent on a variety of assumptions which are subject to market fluctuations and other factors.

Due to their nature, certain income and expense items such as realized investment gains or losses in QSI, gains and losses on certain derivative instruments or asset impairments, cannot be accurately forecast. Accordingly, the Company excludes forecasts of such items from its business outlook, and actual results may vary materially from the business outlook if the Company incurs any such income or expense items.

The following estimates are approximations and are based on the current business outlook:

Business Outlook Summary			
THIRD QUARTER			
	Q3'05 Results	Prior Guidance Q3'06 Estimates	Current Guidance Q3'06 Estimates
QUALCOMM Pro Forma			
Revenues	\$1.36B	At or slightly above the high end of prior guidance of \$1.77B to \$1.87B	\$1.91B - \$1.96B
Year-over-year change			increase 41% - 44%
Diluted earnings per share (EPS)	\$0.28	\$0.38- \$0.40	\$0.41- \$0.42
Year-over-year change		increase 36% - 43%	increase 46% - 50%
Total QUALCOMM (GAAP)			
Revenues	\$1.36B	At or slightly above the high end of prior guidance of \$1.77B to \$1.87B	\$1.91B - \$1.96B
Year-over-year change			increase 41% - 44%
Diluted earnings per share (EPS)	\$0.33	\$0.32- \$0.34	\$0.35- \$0.36
Year-over-year change		decrease 3% - increase 3%	increase 6% - 9%
Diluted EPS attributable to QSI	\$0.05	(\$0.01)	(\$0.01)
Diluted EPS attributable to estimated share-based compensation	n/a	(\$0.05)	(\$0.05)
EPS attributable to tax benefit related to prior years	\$0.01	n/a	n/a
Metrics			
MSM Shipments	approx. 36M	approx. 53M - 56M	approx. 55M
CDMA/WCDMA handset units shipped	approx. 43M*	approx. 62M - 64M*	approx. 65M - 66M*
CDMA/WCDMA handset unit wholesale average selling price	approx. \$231*	approx. \$203*	approx. \$213*

*Based on shipments in Mar. quarter, reported in Jun. quarter

Sums may not equal totals due to rounding.

QUALCOMM Incorporated (www.qualcomm.com) is a leader in developing and delivering innovative digital wireless communications products and services based on CDMA and other advanced technologies. Headquartered in San Diego, Calif., QUALCOMM is included in the S&P 500 Index and is a 2006 FORTUNE 500[®] company traded on The Nasdaq Stock Market[®] under the ticker symbol QCOM.

Note Regarding Use of Non-GAAP Financial Measures

The Company presents pro forma financial information that is used by management (i) to evaluate, assess and benchmark the Company's operating results on a consistent and comparable basis, (ii) to measure the performance and efficiency of the Company's ongoing core operating businesses, including the QUALCOMM CDMA Technologies, QUALCOMM Technology Licensing and QUALCOMM Wireless & Internet segments, and (iii) to compare

the performance and efficiency of these segments against each other and against competitors outside the Company. Pro forma measurements of the following financial data are used by the Company's management: revenues, R&D expenses, SG&A expenses, total operating expenses, operating income, net investment income, income before income taxes, effective tax rate, net income, diluted earnings per share, operating cash flow and free cash flow.

Pro forma information used by management excludes the QUALCOMM Strategic Initiatives (QSI) segment, estimated share-based compensation, certain tax benefits related to prior years and acquired in-process R&D expense. The QSI segment is excluded because the Company expects to exit its strategic investments at various times and the effects of fluctuations in the value of such investments are viewed by management as unrelated to the Company's operational performance. Estimated share-based compensation is excluded because management views the valuation of options and other share-based compensation as theoretical and unrelated to the Company's operational performance as it is affected by factors that are subject to change on each grant date including the Company's stock price, stock market volatility, expected option life, risk-free interest rates and expected dividend payouts in future years. Moreover, it is not an expense that requires or will require cash payment by the Company. Certain tax benefits related to prior years are excluded in order to provide a clearer understanding of the Company's ongoing tax rate and after tax earnings. Acquired in-process R&D expense in fiscal 2006 is excluded because such expense is incurred infrequently and is viewed by management as unrelated to the operating activities of the Company's ongoing core businesses.

Management is able to assess what it believes is a more fundamentally pure and comparable set of financial performance measures for the Company and its business segments by eliminating the episodic impact of strategic investments in QSI and items such as acquired in-process R&D, as well as the inherent, non-operational volatility of share-based compensation. As a result, management compensation decisions and the review of executive compensation by the Compensation Committee of the Board of Directors focus primarily on pro forma financial measures applicable to the Company and its business segments.

The non-GAAP pro forma financial information presented herein should be considered in addition to, not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. In addition, pro forma is not a term defined by GAAP, and, as a result, the Company's measure of pro forma results might be different than similarly titled measures used by other companies. Reconciliations between total QUALCOMM (GAAP) results and guidance and QUALCOMM pro forma results and guidance are presented herein.

Note Regarding Forward-Looking Statements

In addition to 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: the rate of development, deployment and commercial acceptance of CDMA-based networks and CDMA-based technology, including CDMA2000 1X, 1xEV-DO, WCDMA and HSDPA both domestically and internationally; our dependence on major customers and licensees; fluctuations in the demand for CDMA-based products, services or applications; foreign currency fluctuations; strategic loans, investments and transactions the Company has or may pursue; our dependence on third party manufacturers and suppliers; our ability to maintain and improve operational efficiencies and profitability; developments in current and future litigation; the development, deployment and commercial acceptance of the MediaFLO™ USA network and FLO™ technology; as well as the other risks detailed from time-to-time in the Company's SEC reports.

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Reconciliation of Non-GAAP Financial Measure Related to Prior Period

(In millions, except per share data)

Third Quarter - Fiscal Year 2005

Segments	QCT	QTL	QWI	Reconciling Items (1)	QUALCOMM Pro Forma	Tax Adjustments (2)	QSI (3)	Total QUALCOMM (GAAP)
Revenues	\$ 766	\$ 448	\$ 164	\$ (20)	\$ 1,358	\$ -	\$ -	\$ 1,358
EBT	186	407	12	51	656	-	30	686
Net income (loss)					465	16	79	560
Diluted EPS					\$ 0.28	\$ 0.01	\$ 0.05	\$ 0.33
Shares used in per share calculations					1,683	1,683	1,683	1,683

- (1) Reconciling items related to revenues consist primarily of other non-reportable segment revenues less intersegment eliminations. Reconciling items related to earnings before taxes consist primarily of corporate expenses, charges that are not allocated to the segments for management reporting purposes, unallocated net investment income, non-reportable segment results and the elimination of intercompany profit.
- (2) 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 benefit attributable to fiscal 2004.
- (3) At fiscal year-end, the sum of the quarterly tax provisions for each column, including QSI, equal 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 and the tax adjustment column from the tax provision for total QUALCOMM (GAAP).