

July 24, 2008



# Qualcomm Announces Financial Guidance for the Fourth Fiscal Quarter and Fiscal Year Ending September 28, 2008

## Raises Fiscal 2008 Revenue and Earnings Guidance

SAN DIEGO, July 24 /PRNewswire-FirstCall/ -- Qualcomm Incorporated (Nasdaq: QCOM) today announced its financial guidance for the fourth fiscal quarter and fiscal year ending September 28, 2008.

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 that may affect the forward-looking statements.

### Pro Forma Defined

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

### Business Outlook

Based on the current business outlook, and prior to accounting for the recently announced Nokia settlement agreement, we anticipate fourth fiscal quarter Qualcomm pro forma revenues to be approximately \$2.5 to \$2.7 billion and Qualcomm pro forma diluted earnings per share (EPS) to be approximately \$0.49 to \$0.51. Our current estimate is based on the shipment of approximately 84 to 87 million Mobile Station Modem(TM) (MSM(TM)) chips during the quarter, compared to approximately 68 million MSM chips shipped during the year ago quarter. We estimate June quarter shipments of approximately 114 to 118 million CDMA devices (CDMA2000(R) and WCDMA) at an estimated average selling price of approximately \$215 per unit. Approximately 89 million CDMA devices were shipped in the year ago quarter.

We anticipate fiscal 2008 Qualcomm pro forma revenues to be approximately \$10.3 to \$10.5 billion and Qualcomm pro forma diluted EPS to be approximately \$2.11 to \$2.13. We are at an early stage of working through the mechanics of the Nokia settlement agreement. At this early stage, our preliminary estimate of incremental diluted EPS is approximately \$0.07 to \$0.13.

"Global demand for 3G continues at a rapid pace as consumers, operators and manufacturers benefit from a wide variety of competitively priced, feature-rich devices," said Dr. Paul E. Jacobs, chief executive officer of Qualcomm. "In calendar year 2008, we continue to see approximately 30 percent year-over-year growth for CDMA-based device shipments. The fundamental drivers of our business remain strong, and we are raising our fiscal 2008 revenue and earnings per share estimates."

Due to their nature, certain income and expense items, such as realized investment gains or losses, gains and losses on certain derivative instruments or asset impairments, cannot be accurately forecast. Accordingly, we exclude forecasts of such items from our business outlook, and actual results may vary materially from the business outlook if we incur any such income or expense items. In addition, our outlook does not include provisions for the consequences of injunctions or significant possible damages or costs related to litigation matters, unless damages have been awarded by a court.

As previously announced, we have entered into a new agreement with Nokia enabling both companies to make and sell products implementing the major wireless cellular standards, including 3G and 4G standards, as well as settling all litigation between the companies. In addition, Nokia is withdrawing its complaint to the European Commission.

We continue to be engaged in litigation with Broadcom Corporation in various forms. As previously disclosed, we have included our estimate of the impact of the ruling by the Federal District Court in Santa Ana, Calif. in our outlook for fiscal 2008.

The following table summarizes total Qualcomm (GAAP) and Qualcomm pro forma guidance for the fourth fiscal quarter and fiscal 2008 based on the current business outlook. The pro forma business outlook provided below is presented consistent with the presentation of pro forma results elsewhere herein.

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

### Business Outlook Summary

#### FOURTH FISCAL QUARTER

	Q4'07 Results (2)	Current Guidance Q4'08 Estimates (3) (5)	Estimated Nokia Q4'08 EPS Impact (5)
Qualcomm Pro Forma Revenues	\$2.31B	\$2.5B - \$2.7B	
Year-over-year change		increase 8% - 17%	
Diluted earnings per share (EPS)	\$0.54	\$0.49 - \$0.51	\$0.07 - \$0.13
Year-over-year change		decrease 6% - 9%	
Total Qualcomm (GAAP) Revenues	\$2.31B	\$2.5B - \$2.7B	
Year-over-year change		increase 8% - 17%	
Diluted earnings per share (EPS)	\$0.67	\$0.39 - \$0.41	\$0.07 - \$0.13
Year-over-year change		decrease 39% - 42%	
Diluted EPS attributable to QSI	(\$0.02)	(\$0.04)	
Diluted EPS attributable to estimated share-based compensation	(\$0.05)	(\$0.06)	
Diluted EPS attributable to certain tax items related to prior years	\$0.20	n/a	
<b>Metrics</b>			
MSM shipments	approx. 68M	approx. 84M - 87M	approx. 84M - 87M
CDMA/WCDMA devices shipped (1)	approx. 89M*	approx. 114M - 118M*	approx. 114M - 118M*
CDMA/WCDMA device wholesale average selling price (1)	approx. \$218*	approx. \$215*	approx. \$215*

\* Shipments in June quarter, reported in September quarter

#### FISCAL YEAR

	FY 2007 Results (2)	Prior Guidance FY 2008 Estimates (3) (4)	Current Guidance FY 2008 Estimates (3) (5)	Estimated Nokia FY 2008 EPS Impact (5)
Qualcomm Pro Forma Revenues	\$8.87B	\$10.0B - \$10.4B	\$10.3B - \$10.5B	
Year-over-year change		increase 13% - 17%	increase 16% - 18%	
Diluted earnings				

per share (EPS)	\$2.01	\$2.04 - \$2.09	\$2.11 - \$2.13	\$0.07 - \$0.13
Year-over-year change		increase 1% - 4%	increase 5% - 6%	

Total Qualcomm  
(GAAP)

Revenues	\$8.87B	\$10.0B - \$10.4B	\$10.3B - \$10.5B	
Year-over- year change		increase 13% - 17%	increase 16% - 18%	

Diluted earnings per share (EPS)	\$1.95	\$1.71 - \$1.76	\$1.77 - \$1.79	\$0.07 - \$0.13
Year-over-year change		decrease 10% - 12%	decrease 8% - 9%	

Diluted EPS attributable to QSI	(\$0.08)	(\$0.11)	(\$0.11)	
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Diluted EPS attributable to estimated share- based compensation	(\$0.19)	(\$0.22)	(\$0.22)	
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Diluted EPS attributable to in-process R&D	(\$0.01)	\$0.00	(\$0.01)	
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Diluted EPS attributable to tax items related to prior years	\$0.22	n/a	n/a	
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Metrics

Fiscal year* CDMA/WCDMA device wholesale average selling price(1)	approx. \$214	approx. \$217	approx. \$219	approx. \$219
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\* Shipments in Sept. to June quarters, reported in Dec. to Sept. quarters

CALENDAR YEAR Device Estimates (1)

CDMA/WCDMA device shipments	Calendar 2007 Estimates	Prior Guidance Calendar 2008 Estimates	Current Guidance Calendar 2008 Estimates
March quarter	approx. 86M	approx. 105M - 109M	approx. 107M
June quarter	approx. 89M	not provided	approx. 114M - 118M
September quarter	approx. 95M	not provided	not provided
December quarter	approx. 112M	not provided	not provided
Calendar year range (approx.)	382M Midpoint	488M - 518M Midpoint	488M - 518M Midpoint
CDMA/WCDMA units	approx. 382M	approx. 503M	approx. 503M
CDMA units	approx. 209M	approx. 223M	approx. 229M

WCDMA units                      approx. 173M                      approx. 280M                      approx. 274M

- (1) CDMA/WCDMA device shipments and average selling prices are for estimated worldwide device shipments, including shipments not reported to Qualcomm.
- (2) Our Q4'07 and fiscal 2007 results do not include royalty revenues attributable to Nokia's sales after April 9, 2007.
- (3) We have excluded from our fiscal 2008 revenue and earnings guidance our estimate of royalties related to Nokia's sales.
- (4) Prior guidance for fiscal 2008 presented above is as of April 23, 2008. On June 12, 2008, we updated fiscal year 2008 diluted EPS guidance to approx. \$2.09 - \$2.13 for Qualcomm pro forma and approx. \$1.75 - \$1.79 for total Qualcomm (GAAP).
- (5) Our fourth fiscal quarter and fiscal 2008 guidance excludes the incremental benefit of approximately \$0.07 to \$0.13 diluted EPS related to our agreement with Nokia as we are still working through some of the terms of the agreement before we can make a final determination regarding the amount and timing of revenue recognition.

Sums may not equal totals due to rounding.

Qualcomm Incorporated ([www.qualcomm.com](http://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 2008 FORTUNE 500(R) company traded on The Nasdaq Stock Market(R) 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. Management is able to assess what it believes is a more meaningful and comparable set of financial performance measures for the Company and its business segments by using pro forma information. 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.

Pro forma information used by management excludes the QSI segment, certain estimated share-based compensation, certain tax items related to prior years and acquired in-process R&D. 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, other than amounts related to share-based awards granted under a bonus program that may result in the issuance of unrestricted shares of the Company's common stock, is excluded because management views the valuation of options and other share-based compensation as theoretical and unrelated to the Company's operational performance. Further, share-based compensation is affected by factors that are subject to change, 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 generally not an expense that requires or will require cash payment by the Company. Certain tax items 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 is excluded because such expense is viewed by management as unrelated to the operating activities of the Company's ongoing core businesses.

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 Qualcomm pro forma results 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 deployment of our technologies in wireless networks and of 3G wireless communications, equipment and services, including CDMA2000 1X, 1xEV-DO, WCDMA, HSPA and OFDMA both domestically and internationally; attacks on our business model, including results of current and future litigation and arbitration proceedings, as well as actions of governmental or quasi-governmental bodies, and the costs we incur in connection therewith, including potentially damaged relationships with customers and operators who may be impacted by the results of these proceedings; fluctuations in the demand for products, services or applications based on our technologies; our dependence on major customers and licensees; 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; the development, deployment and commercial acceptance of the MediaFLO USA network and FLO(TM) 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 Measures Related to Prior Periods  
(In millions, except per share data)

Fourth Quarter - Fiscal Year 2007

Segments	Qualcomm Pro Forma	Estimated Share- Based Compensation (1)	Tax Items (2)	QSI (3)	Total Qualcomm (GAAP)
Revenues	\$2,305	\$-	\$-	\$1	\$2,306
EBT	1,129	(117)	-	(64)	948
Net income (loss)	911	(77)	331	(34)	1,131
Diluted EPS	\$0.54	\$(0.05)	\$0.20	\$(0.02)	\$0.67
Diluted shares used	1,689	1,689	1,689	1,689	1,689

Twelve Months - Fiscal Year 2007

Segments	Qualcomm Pro Forma	Estimated Share- Based Compensation (2)	Tax Items (2)	In- Process R&D	QSI	Total Qualcomm (GAAP)
Revenues	\$8,870	\$-	\$-	\$-	\$1	\$8,871
EBT	4,363	(487)	-	(10)	(240)	3,626
Net income (loss)	3,406	(321)	364	(9)	(137)	3,303
Diluted EPS	\$2.01	\$(0.19)	\$0.22	\$(0.01)	\$(0.08)	\$1.95
Diluted shares used	1,693	1,693	1,693	1,693	1,693	1,693

- (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 fourth quarter of fiscal 2007, the Company recorded a \$331 million tax benefit, or \$0.20 diluted earnings per share, related to tax expense recorded in prior years resulting from the completion of tax audits during the fourth fiscal quarter. The fiscal 2007 Qualcomm pro forma results excluded this tax benefit attributable to prior years.
- (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 tax provision for Qualcomm pro forma, the tax items column and the tax provisions related to estimated share-based compensation and in-process R&D from the tax provision for total Qualcomm (GAAP).

Sums may not equal totals due to rounding.

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