

QUALCOMM Incorporated
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Three Months Ended			Nine
	June 27, 2004	March 28, 2004	December 28, 2003 *	Months Ended June 27, 2004
Operating Activities:				
Income from continuing operations	\$ 486,424	\$ 441,289	\$ 410,529	\$ 1,338,242
Depreciation and amortization	40,183	39,612	40,546	120,341
Net realized gains on marketable securities and other investments	(17,462)	(10,805)	(4,764)	(33,031)
Change in fair values of derivative investments	(6,673)	(1,397)	466	(7,604)
Other-than-temporary losses on marketable securities and other investments	18	820	700	1,538
Equity in losses of investees	17,741	20,899	16,070	54,710
Non-cash income tax expense	157,905	157,648	180,719	496,272
Other non-cash charges and (credits)	21,247	13,193	(7,139)	27,301
Increase (decrease) in cash resulting from changes in:				
Accounts receivable, net	(294,017)	59,615	(197,575)	(431,977)
Inventories, net	(12,448)	(11,098)	17,685	(5,861)
Other assets	12,827	25,635	13,894	52,356
Trade accounts payable	24,436	58,607	22,843	105,886
Payroll, benefits and other liabilities	67,325	(10,290)	715	57,750
Unearned revenue	(35,105)	(6,693)	(22,557)	(64,355)
Net cash provided by operating activities	<u>462,401</u>	<u>777,035</u>	<u>472,132</u>	<u>1,711,568</u>
Investing Activities:				
Capital expenditures	(76,030)	(54,468)	(63,093)	(193,591)
Purchases of available-for-sale securities	(2,249,621)	(1,933,293)	(1,591,573)	(5,774,487)
Proceeds from sale of available-for-sale securities	2,058,021	1,266,646	775,576	4,100,243
Purchases of held-to-maturity securities	(204,857)	-	-	(204,857)
Maturities of held-to-maturity securities	60,325	24,999	108,895	194,219
Issuance of finance receivables	(66)	(31)	(358)	(455)
Collection of finance receivables	641	760	194,090	195,491
Issuance of notes receivable	(4,905)	(13,250)	(17,033)	(35,188)
Collection of notes receivable	38,364	-	-	38,364
Other investments and acquisitions	(16,409)	(6,363)	(43,595)	(66,367)
Other items, net	6,539	542	4	7,085
Net cash used by investing activities	<u>(387,998)</u>	<u>(714,458)</u>	<u>(637,087)</u>	<u>(1,739,543)</u>
Financing Activities:				
Proceeds from issuance of common stock	69,189	99,890	31,619	200,698
Proceeds from put options	-	5,103	-	5,103
Dividends paid	(81,134)	(56,519)	(56,043)	(193,696)
Net cash (used) provided by financing activities	<u>(11,945)</u>	<u>48,474</u>	<u>(24,424)</u>	<u>12,105</u>
Net cash provided (used) by discontinued operations	<u>-</u>	<u>38,915</u>	<u>(59,172)</u>	<u>(20,257)</u>
Effect of exchange rate changes on cash	<u>(232)</u>	<u>625</u>	<u>(616)</u>	<u>(223)</u>
Net increase (decrease) in cash and cash equivalents	<u>62,226</u>	<u>150,591</u>	<u>(249,167)</u>	<u>(36,350)</u>
Cash and cash equivalents at beginning of period	<u>1,946,518</u>	<u>1,795,927</u>	<u>2,045,094</u>	<u>2,045,094</u>
Cash and cash equivalents at end of period	<u>\$ 2,008,744</u>	<u>\$ 1,946,518</u>	<u>\$ 1,795,927</u>	<u>\$ 2,008,744</u>

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