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QUALCOMM Raises Financial Guidance for the Second Fiscal Quarter of 2007

Strong Worldwide Demand for CDMA Products Drives Higher Guidance

SAN DIEGO — March 13, 2007 — QUALCOMM Incorporated (Nasdaq: QCOM) today raised its financial guidance for the second fiscal quarter ending April 1, 2007.

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, certain estimated share-based compensation, certain tax adjustments related to prior years and acquired in-process research and development (R&D) expense.

Second Fiscal Quarter Business Outlook

Based on the current business outlook, we now anticipate second fiscal quarter QUALCOMM pro forma revenues to be approximately \$2.1 to \$2.2 billion. We now anticipate second quarter QUALCOMM pro forma diluted earnings per share to be approximately \$0.48 to \$0.49, compared to \$0.41 in the year ago quarter. This estimate is based on the shipment of approximately 60 to 61 million Mobile Station Modem™ (MSM™) chips during the quarter as compared to our prior estimate of 55 to 57 million units. We previously anticipated second quarter QUALCOMM pro forma revenues to be approximately \$2.0 to \$2.1 billion and QUALCOMM pro forma diluted earnings per share of approximately \$0.42 to \$0.44.

The majority of our licensees have reported royalties in our second fiscal quarter for products shipped in the December quarter. Based on these reports and an estimate of licensees yet to report, we anticipate December quarter shipments of approximately 91 million CDMA units (CDMA2000® and WCDMA) at an average selling price of approximately \$214, compared to our prior estimate of approximately 82 to 86 million units at an average selling price of approximately \$217. Approximately 67 million CDMA units were shipped in the year ago quarter. Calendar year 2006 total CDMA handset unit shipments are estimated to have been approximately 301 million units, including 101 million WCDMA units and 200 million CDMA2000 units, compared to our prior estimate of approximately 296 million units, including 98 million WCDMA units and 198 million CDMA2000 units.

“We are expecting a particularly successful quarter, reflecting strong growth in chipsets, handsets, and applications and services, enabled by mobile broadband capabilities deployed around the world by both CDMA2000 and WCDMA operators. Demand for our high-end, mid-tier and low-tier CDMA2000 chipsets, as well as WCDMA chipsets has accelerated,” said Dr. Paul E. Jacobs, chief executive officer of QUALCOMM. “Reports from our licensees for December quarter handset shipments reflected greater than expected strength in Europe and North America. Despite this growth, we believe the CDMA inventory channel continues at a healthy level of less than 20 weeks.”

“In addition, several milestones underscore the strength of our business model in building new revenue streams with our partners while delivering exciting new capabilities to consumers at competitive price points. The GSM Association selected LG’s phone powered by a QUALCOMM chipset as the “3G for All” winner to enable feature rich WCDMA handsets at lower prices. The BREW developer community powered past \$1 billion in cumulative payments. Our MediaFLO service, bringing brand name TV entertainment to handsets, is launching with Verizon, and AT&T/Cingular announced their plan to launch this service later this year.”

The following table summarizes total QUALCOMM (GAAP) and QUALCOMM pro forma guidance for the second fiscal quarter of 2007 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.

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. 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.

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

Business Outlook Summary			
SECOND FISCAL QUARTER			
	Q2'06 Results	Prior Guidance Q2'07 Estimates (1)	Current Guidance Q2'07 Estimates (1)
QUALCOMM Pro Forma			
Revenues	\$1.83B	\$2.0B - \$2.1B	\$2.1B - \$2.2B
Year-over-year change		increase 9% - 15%	increase 15% - 20%
Diluted earnings per share (EPS)	\$0.41	\$0.42 - \$0.44	\$0.48 - \$0.49
Year-over-year change		increase 2% - 7%	increase 17% - 20%
Total QUALCOMM (GAAP)			
Revenues	\$1.83B	\$2.0B - \$2.1B	\$2.1B - \$2.2B
Year-over-year change		increase 9% - 15%	increase 15% - 20%
Diluted earnings per share (EPS)	\$0.34	\$0.35 - \$0.37	\$0.41 - \$0.42
Year-over-year change		increase 3% - 9%	increase 21% - 24%
Diluted EPS attributable to QSI	(\$0.01)	(\$0.02)	(\$0.02)
Diluted EPS attributable to estimated share-based compensation	(\$0.05)	(\$0.05)	(\$0.05)
Diluted EPS attributable to in-process R&D	(\$0.01)	n/a	n/a
Metrics			
MSM Shipments	approx. 49M	approx. 55M - 57M	approx. 60M - 61M
CDMA/WCDMA handset units shipped	approx. 67M*	approx. 82M - 86M*	approx. 91M*
CDMA/WCDMA handset unit wholesale average selling price	approx. \$208*	approx. \$217*	approx. \$214*

(1) Q2'07 estimates incorporate the expected results related to acquisitions completed in the first quarter of fiscal 2007. 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. 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 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.

Pro forma information used by management excludes the QUALCOMM Strategic Initiatives (QSI) segment, certain estimated share-based compensation, certain tax adjustments 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, other than amounts related to share-based awards granted under the executive bonus program, 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 adjustments 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.

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 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; attacks on our licensing business model, including results of current and future litigation as well as actions of governmental or quasi-governmental bodies, and the costs we incur in connection therewith; 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; 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 Periods

(In millions, except per share data)

Second Quarter - Fiscal Year 2006

Segments	QCT (1)	QTL (1)	QWI (2)	Reconciling Items (1)(2)(3)	QUALCOMM Pro Forma	Estimated Share-Based Compensation	In-Process R&D (4)	QSI (5)	Total QUALCOMM (GAAP)
Revenues	\$ 1,018	\$ 640	\$ 178	\$ (2)	\$ 1,834	\$ -	\$ -	\$ -	\$ 1,834
EBT	291	587	16	68	962	(120)	(21)	(36)	785
Net income (loss)					706	(78)	(21)	(14)	593
Diluted EPS					\$ 0.41	\$ (0.05)	\$ (0.01)	\$ (0.01)	\$ 0.34
Diluted shares used					1,721	1,721	1,721	1,721	1,721

- (1) During the first quarter of fiscal 2007, the Company reassessed the intersegment royalty charged to QCT by QTL and determined that the royalty should be eliminated starting in fiscal 2007 for management reporting purposes to, among other reasons, recognize other value that QTL has increasingly been realizing from QCT. As a result, QCT did not record a royalty to QTL in the first quarter of fiscal 2007, and prior period segment information has been adjusted in the same manner for comparative purposes.
- (2) During the first quarter of fiscal 2007, the Company reorganized the QUALCOMM Wireless Systems (QWS) division, which sells products and services to Globalstar, into the QWBS division in the QWI segment. Revenues and operating results relating to the QWS business were included in reconciling items through the end of fiscal 2006. Prior period segment information has been adjusted to conform to the new segment presentation.
- (3) Reconciling items related to revenues consist primarily of other nonreportable segment revenues less intersegment eliminations. Reconciling items related to earnings before taxes consist primarily of certain investment income, research and development expenses and marketing expenses that are not allocated to the segments for management reporting purposes, nonreportable segment results and the elimination of intercompany profit.
- (4) During fiscal 2006, the Company recorded \$22 million of expenses related to acquired in-process R&D associated with three acquisitions completed during the year. \$21 million of this expense was recorded in the second quarter of fiscal 2006 and \$1 million was recorded in the fourth quarter of fiscal 2006. For fiscal 2006 pro forma presentation, results were adjusted to exclude these expenses.
- (5) 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 adjustment column and the tax provision related to estimated share-based compensation from the tax provision for total QUALCOMM (GAAP).