

**FOR IMMEDIATE RELEASE**

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**Qualcomm Updates Financial Guidance for the Fourth Fiscal Quarter and  
Fiscal Year Ending September 30, 2007**

*Increases Fourth Fiscal Quarter and Fiscal 2007 Earnings Per Share Estimates*

SAN DIEGO — September 25, 2007 — Qualcomm Incorporated (Nasdaq: QCOM) today updated its financial guidance for the fourth fiscal quarter and fiscal year ending September 30, 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 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 adjustments related to prior years and acquired in-process research and development (R&D) expense.

**Business Outlook**

Based on the current business outlook, we now anticipate fourth fiscal quarter Qualcomm pro forma revenues to be at or slightly above the high end of the prior guidance of approximately \$2.15 to \$2.25 billion. We now anticipate fourth fiscal quarter Qualcomm pro forma diluted earnings per share to be approximately \$0.52 to \$0.53, compared to \$0.42 in the year ago quarter. This estimate is based on the shipment of approximately 67 to 68 million Mobile Station Modem™ (MSM™) chips during the quarter as compared to our prior estimate of 65 to 68 million units. We previously anticipated fourth fiscal quarter Qualcomm pro forma diluted earnings per share of approximately \$0.48 to \$0.50.

The majority of our licensees have reported royalties in the fourth fiscal quarter for products shipped in the June quarter. Based on these reports and our own estimate of unreported activity, we anticipate June quarter shipments of approximately 92 million CDMA units (CDMA2000® and WCDMA) for the total market at an average selling price of approximately \$218, compared to our prior estimate of approximately 90 to 94 million units at an average selling price of approximately \$222. Approximately 70 million CDMA units were shipped in the year ago quarter.

“We are expecting another successful quarter as worldwide demand for third-generation devices and services continues to accelerate,” said Dr. Paul E. Jacobs, chief executive officer of Qualcomm. “Our updated guidance reflects greater than expected demand for our WCDMA and 1xEV-DO chipsets that enable high-end, feature-rich products. June quarter handset shipment estimates indicate sequential growth in both Europe and North America. Even with this growth, we believe that the worldwide CDMA inventory channel remains in our normal band.”

“Our \$1.2 billion stock repurchase thus far through the fourth fiscal quarter demonstrates that our continued business growth, strong balance sheet and positive cash flows enable us to return capital to stockholders while making substantial investments in new and innovative technologies, products and services that benefit consumers and the industry.”

The following table summarizes total Qualcomm (GAAP) and Qualcomm pro forma guidance for the fourth fiscal quarter and fiscal 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, asset impairments or the resolution of income tax audits, 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.

Our total Qualcomm (GAAP) earnings estimate for the fourth fiscal quarter and fiscal 2007 includes a \$0.19 benefit in 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 benefit to earnings has been excluded from our Qualcomm pro forma earnings estimate. Our fiscal 2007 effective income tax rate for total Qualcomm (GAAP) is now estimated to be 9 percent, compared to our previous estimate of 19 percent. Our fiscal 2007 Qualcomm pro forma estimated effective tax rate is now 22 percent, compared to our previous estimate of 23 percent due to an increase in foreign earnings taxed at less than the United States federal tax rate.

We are engaged in multiple disputes with Nokia Corp., including litigation over Nokia's obligation to pay royalties for the use of certain of our patents. As a result, under generally accepted accounting principles, we do not expect to be able to record royalty revenue attributable to Nokia's sales after April 9, 2007 starting in the fourth quarter of fiscal 2007 until an arbitrator (or court) awards damages or the disputes are otherwise resolved by agreement with Nokia. Our estimate of royalties which we believe are owed by Nokia in the fourth quarter of fiscal year 2007 for June quarter shipments after April 9, 2007 is approximately \$0.05 diluted earnings per share, which we have excluded from our current fourth fiscal quarter and fiscal 2007 guidance.

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

<b>Business Outlook Summary</b>			
<b>FOURTH FISCAL QUARTER</b>			
	<b>Prior Year Q4'06 Results</b>	<b>Prior Guidance Q4'07 Estimates (1)</b>	<b>Current Guidance Q4'07 Estimates (1)</b>
<b>Qualcomm Pro Forma</b>			
Revenues	\$2.00B	\$2.15B - \$2.25B	At or slightly above high end of prior guidance
Year-over-year change		increase 8% - 13%	
Diluted earnings per share (EPS)	\$0.42	\$0.48 - \$0.50	\$0.52 - \$0.53
Year-over-year change		increase 14% - 19%	increase 24% - 26%
<b>Total Qualcomm (GAAP)</b>			
Revenues	\$2.00B	\$2.15B - \$2.25B	At or slightly above high end of prior guidance
Year-over-year change		increase 8% - 13%	
Diluted earnings per share (EPS)	\$0.36	\$0.41 - \$0.43	\$0.64 - \$0.65
Year-over-year change		increase 14% - 19%	increase 78% - 81%
Diluted EPS attributable to QSI	\$0.00	(\$0.02)	(\$0.02)
Diluted EPS attributable to estimated share-based compensation	(\$0.05)	(\$0.05)	(\$0.05)
Diluted EPS attributable to tax items related to prior years	n/a	n/a	\$0.19
<b>Metrics</b>			
MSM Shipments	approx. 56M	approx. 65M - 68M	approx. 67M - 68M
CDMA/WCDMA handset units shipped (2)	approx. 70M*	approx. 90M - 94M*	approx. 92M*
CDMA/WCDMA handset unit wholesale average selling price (2)	approx. \$223*	approx. \$222*	approx. \$218*
*Shipments in June quarter, reported in Sept. quarter			
<b>FISCAL YEAR</b>			
	<b>Prior Year FY 2006 Results</b>	<b>Prior Guidance FY 2007 Estimates (1)</b>	<b>Current Guidance FY 2007 Estimates (1)</b>
<b>Qualcomm Pro Forma</b>			
Revenues	\$7.53B	\$8.72B - \$8.82B	At or slightly above high end of prior guidance
Year-over-year change		increase 16% - 17%	
Diluted earnings per share (EPS)	\$1.64	\$1.95 - \$1.97	\$1.99 - \$2.00
Year-over-year change		increase 19% - 20%	increase 21% - 22%
<b>Total Qualcomm (GAAP)</b>			
Revenues	\$7.53B	\$8.72B - \$8.82B	At or slightly above high end of prior guidance
Year-over-year change		increase 16% - 17%	
Diluted earnings per share (EPS)	\$1.44	\$1.69 - \$1.71	\$1.92 - \$1.93
Year-over-year change		increase 17% - 19%	increase 33% - 34%
Diluted EPS attributable to in-process R&D	(\$0.01)	(\$0.01)	(\$0.01)
Diluted EPS attributable to QSI	(\$0.02)	(\$0.08)	(\$0.08)
Diluted EPS attributable to estimated share-based compensation	(\$0.19)	(\$0.19)	(\$0.19)
Diluted EPS attributable to tax items related to prior years	\$0.02	\$0.02	\$0.21
<b>Metrics</b>			
Fiscal year* CDMA/WCDMA handset unit wholesale average selling price (2)	approx. \$215	approx. \$216	approx. \$215
*Shipments in Sept. to June quarters, reported in Dec. to Sept. quarters			

(1) These estimates do not reflect Nokia royalties for the fourth quarter of fiscal 2007 for June quarter shipments after April 9, 2007, estimated to be approximately \$0.05 diluted earnings per share.

(2) CDMA/WCDMA handset unit shipments and average selling prices are provided for the total market.

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 2007 FORTUNE 500<sup>®</sup> company traded on The Nasdaq Stock Market<sup>®</sup> 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 Qualcomm Strategic Initiatives (QSI) segment, certain estimated share-based compensation, certain tax adjustments 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 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 the share-based compensation 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 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 generally accepted accounting principles (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 and arbitration proceedings 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; outcomes of audits by taxing authorities; 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)

### Fourth Quarter - Fiscal Year 2006

Segments	Qualcomm Pro Forma	Estimated Share-Based Compensation (1)	Tax Items	In-Process R&D	QSI (2)	Total Qualcomm (GAAP)
Revenues	\$ 1,999	\$ -	\$ -	\$ -	\$ -	\$ 1,999
EBT	961	(127)	-	(1)	(23)	810
Net income (loss)	705	(76)	(16)	(1)	2	614
Diluted EPS	\$ 0.42	\$ (0.05)	\$ (0.01)	\$ -	\$ -	\$ 0.36
Diluted shares used	1,693	1,693	1,693	1,693	1,693	1,693

### Twelve Months - Fiscal Year 2006

Segments	Qualcomm Pro Forma	Estimated Share-Based Compensation (1)	Tax Items	In-Process R&D	QSI	Total Qualcomm (GAAP)
Revenues	\$ 7,526	\$ -	\$ -	\$ -	\$ -	\$ 7,526
EBT	3,806	(495)	-	(22)	(133)	3,156
Net income (loss)	2,804	(320)	40	(22)	(32)	2,470
Diluted EPS	\$ 1.64	\$ (0.19)	\$ 0.02	\$ (0.01)	\$ (0.02)	\$ 1.44
Diluted shares used	1,711	1,711	1,711	1,711	1,711	1,711

- (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) 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 provisions related to estimated share-based compensation and in-process R&D from the tax provision for total Qualcomm (GAAP).