



Q1 FY06 Earnings

January 25, 2006

Safe Harbor

Before we proceed with our presentation, we would like to point out that the following discussion will contain forward-looking statements from industry consultants, QUALCOMM, and others regarding anticipated future results, potential market size, market shares, and other factors which inherently involve risks and uncertainties, including the rate of development, deployment and commercial acceptance of CDMA-based networks and technology and fluctuations in the demand for CDMA-based products, services or applications.

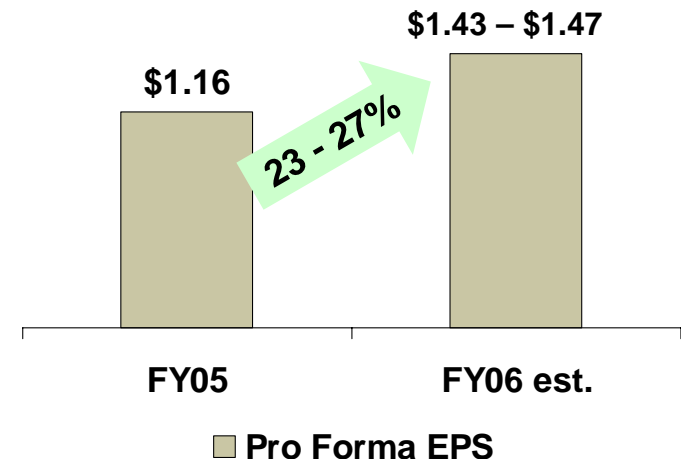
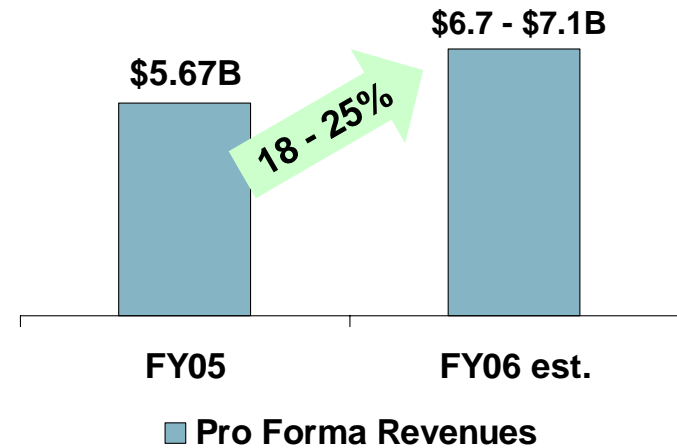
These and other risks and uncertainties relating to QUALCOMM's business are outlined in detail in our most recent 10-Q and 10-K forms filed with the Securities and Exchange Commission.

Please consult those documents for a more complete understanding of these risks and uncertainties.

This presentation may include a discussion of "non-GAAP financial measures" as that term is defined in Regulation G. The most directly comparable GAAP financial measures and information reconciling these non-GAAP financial measures to the company's financial results prepared in accordance with GAAP have been posted on the company's Investor Relations web site at <http://www.qualcomm.com/IR/>

First Fiscal Quarter 2006 Highlights – January 25, 2006

- Record revenue, strong year-over-year growth
- Reaffirms Fiscal 2006 revenue and earnings guidance
- Accelerating wireless subscriber migration to feature rich 3G devices and services around the world
- Continued execution on product roadmaps, well positioned to capitalize on growth of 3G
- Continued delivery of advanced wireless technologies to market for large-scale deployments



Q1 FY06 Record Results Meet or Exceed Previous Guidance

	<u>Prior Guidance as of Dec 8, 2005</u>	<u>Results as of Jan 25, 2006</u>
3G MSM phone chips (CDMA2000 1X, 1xEV-DO, WCDMA)	47M est.	47M
CDMA/WCDMA handsets shipped	52M est. (Sep'05*)	52M (Sep'05*)
CDMA/WCDMA handset ASP	\$213 est. (Sep'05*)	\$215 (Sep'05*)
QUALCOMM Pro Forma**		
Revenues	\$1.67 - \$1.77B high-end est.	\$1.74B
Operating Expense (R&D and SG&A) (as of Nov 2, 05)	7 - 9% increase est.	4.3% seq. increase
EPS	\$0.38 - \$0.39 est.	\$0.39
Total QUALCOMM		
GAAP Revenues	\$1.67 - \$1.77B high end-est.	\$1.74B
GAAP EPS	\$0.32 - \$0.33 est.	\$0.36
Includes QSI EPS	(\$0.02)	(\$0.01)
Includes share-based compensation EPS	(\$0.04)	(\$0.05)
Includes Tax adjustment benefits related to prior yrs	n/a	\$0.03

*Royalties are recognized when reported, one quarter following shipment.

**Pro forma results exclude the QSI segment, estimated share based compensation, and tax benefits related to prior years

Quarterly Results and Guidance

As of January 25, 2006 Earnings Release

	<u>Q105 Dec 04 Results</u>	<u>Q106 Dec 05 Results</u>	<u>Q206 Mar 06 Seq Guidance</u>
3G MSM phone chips - CDMA2000 1X, 1xEV-DO, WCDMA	39M	47M	44 - 46M est.
CDMA/WCDMA handsets shipped	40M (Sep'04*)	52M (Sep'05*)	59 - 61M (Dec'05*) est.
CDMA/WCDMA handset ASP	\$212 (Sep'04*)	\$215 (Sep'05*)	\$209 (Dec'05*) est.
QUALCOMM Pro Forma**			
Revenues	\$1.39B	\$1.74B	\$1.63 - \$1.73B est.
Operating Expense (R&D and SG&A)	\$362M	\$441M	10 - 13% increase seq. est.
EPS	\$0.28	\$0.39	\$0.35 - \$0.37 est.
Total QUALCOMM			
GAAP Revenues	\$1.39B	\$1.74B	\$1.63 - \$1.73B est.
GAAP EPS	\$0.30	\$0.36	\$0.28 - \$0.30 est.
Includes QSI EPS	\$0.02	(\$0.01)	(\$0.01) est.
Includes share-based compensation EPS	n/a	(\$0.05)	(\$0.05) est.
Includes tax benefits related to prior yrs	n/a	\$0.03	n/a
Includes in-process R&D	n/a	n/a	(\$0.01) est.

*Royalties are recognized when reported, one quarter following shipment.

**Pro forma results exclude the QSI segment, estimated share-based compensation and tax benefits related to prior years. Pro forma guidance also excludes in process R&D expense.

Fiscal Year Results and Guidance

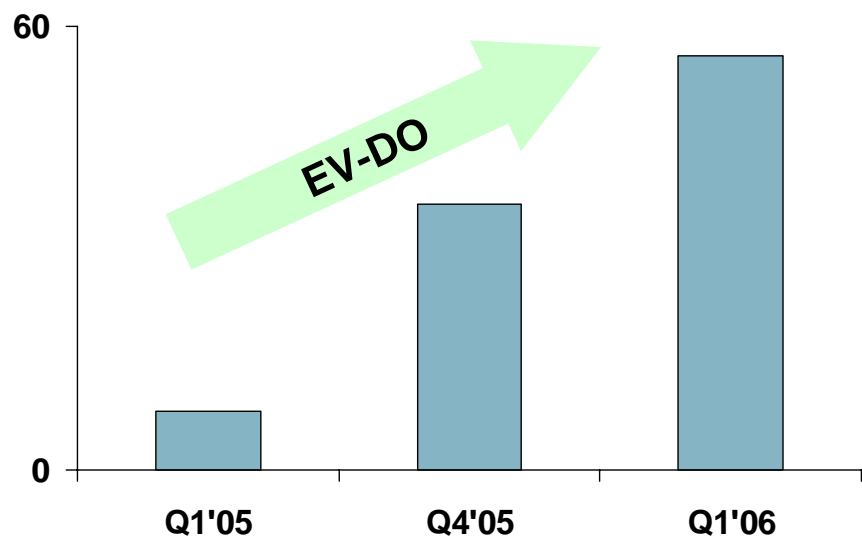
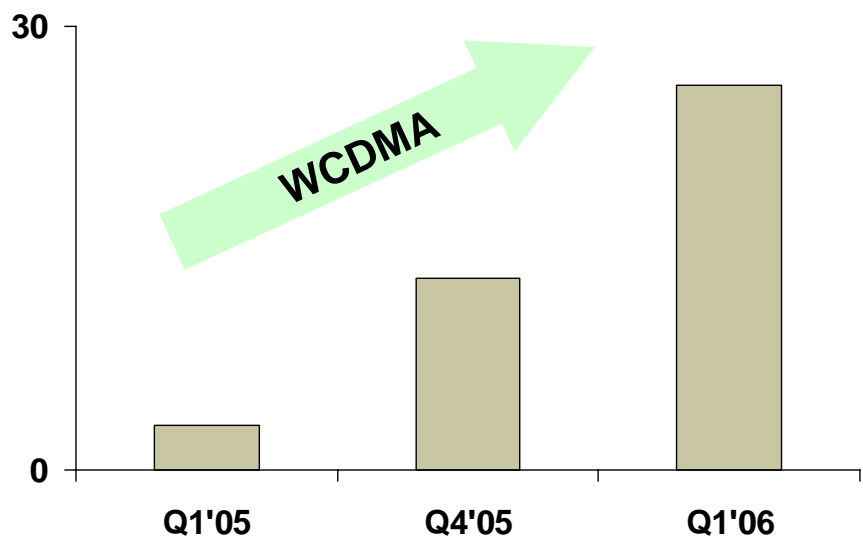
As of January 25, 2006 Earnings Release

	<u>FY04 Results</u>	<u>FY05 Results</u>	<u>FY06 Seq Guidance</u>
Total MSM phone chips	137M	151M	n/a
3G MSM phone chips (CDMA2000 1X, 1xEV-DO, WCDMA)	137M	151M	n/a
For fiscal year royalty calculations:			
CDMA/WCDMA handsets shipped	146M (Jul'03-Jun'04)	182M	n/a
CDMA/WCDMA handset ASP	\$205	\$215	\$210 est.
QUALCOMM Pro Forma*			
Revenues	\$5,031M	\$5,673M	\$6.7 - \$7.1B est.
Operating Expense (R&D and SG&A)	\$1,246M	\$1,573M	22 - 27% increase est.
EPS	\$1.07	\$1.16	\$1.43 - \$1.47 est.
Total QUALCOMM			
GAAP Revenues	\$4,880M	\$5,673M	\$6.7 - \$7.1B est.
GAAP EPS	\$1.03	\$1.26	\$1.19 - \$1.23 est.
Includes QSI EPS	\$0.01	\$0.06	(\$0.06) est.
Includes tax benefits related to prior yrs	n/a	\$0.04	\$0.03 est.
Includes estimated stock option expense	n/a	n/a	(\$0.20) est.
Includes in-process R&D	n/a	n/a	(\$0.01) est.

*Pro forma results exclude the QSI segment, estimated share based compensation, tax benefits related to prior years and are presented as if the New Method of recording royalties was in use during FY2004. Pro forma guidance also excludes in-process R&D expense. 2004 results have also been adjusted to conform to new segment presentation for the reorganization of MediaFLO into the QSI segment during Q1'05.

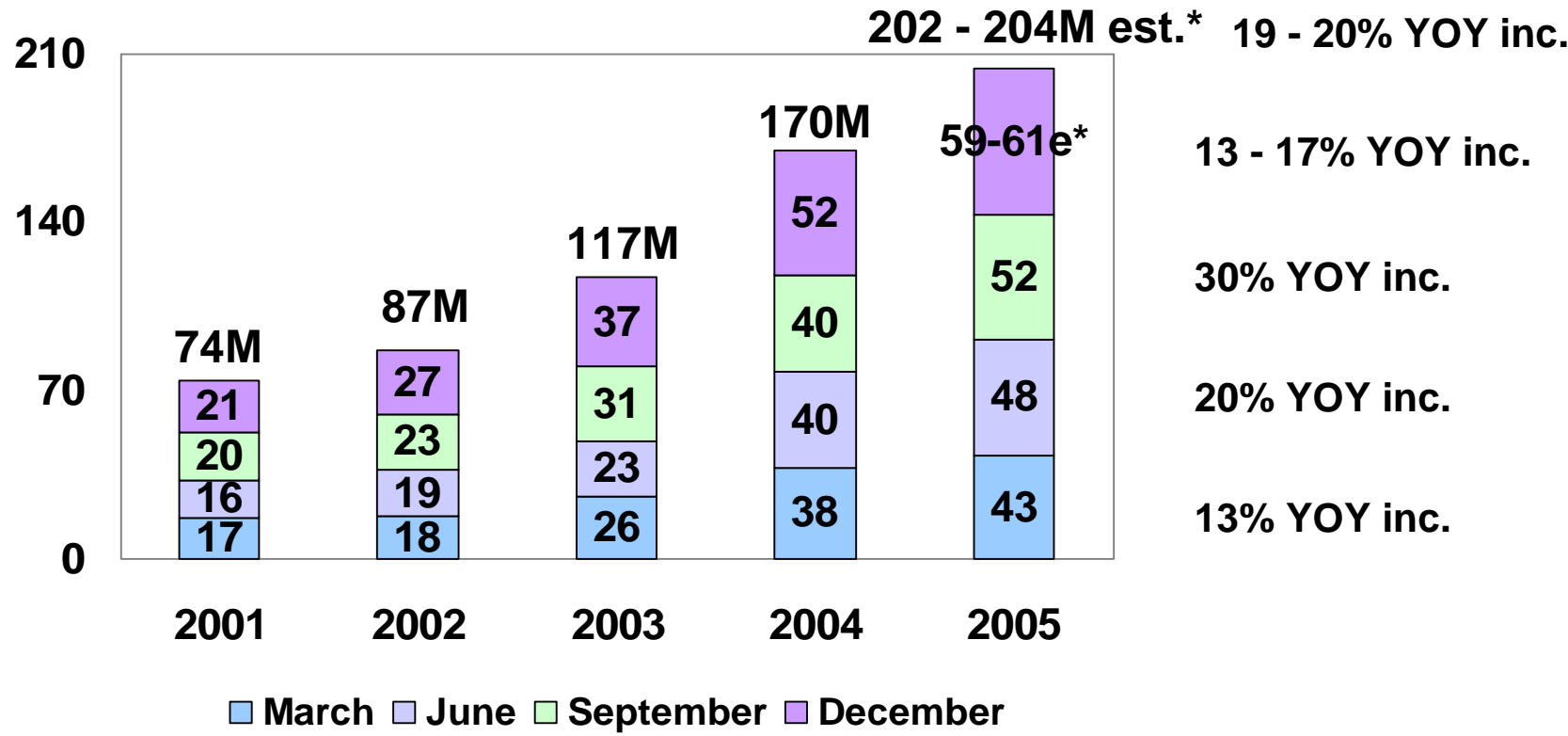
QCT Ships Record 47M MSM Chips in December Quarter

QCT Customer Device Launches Per Quarter Accelerate:



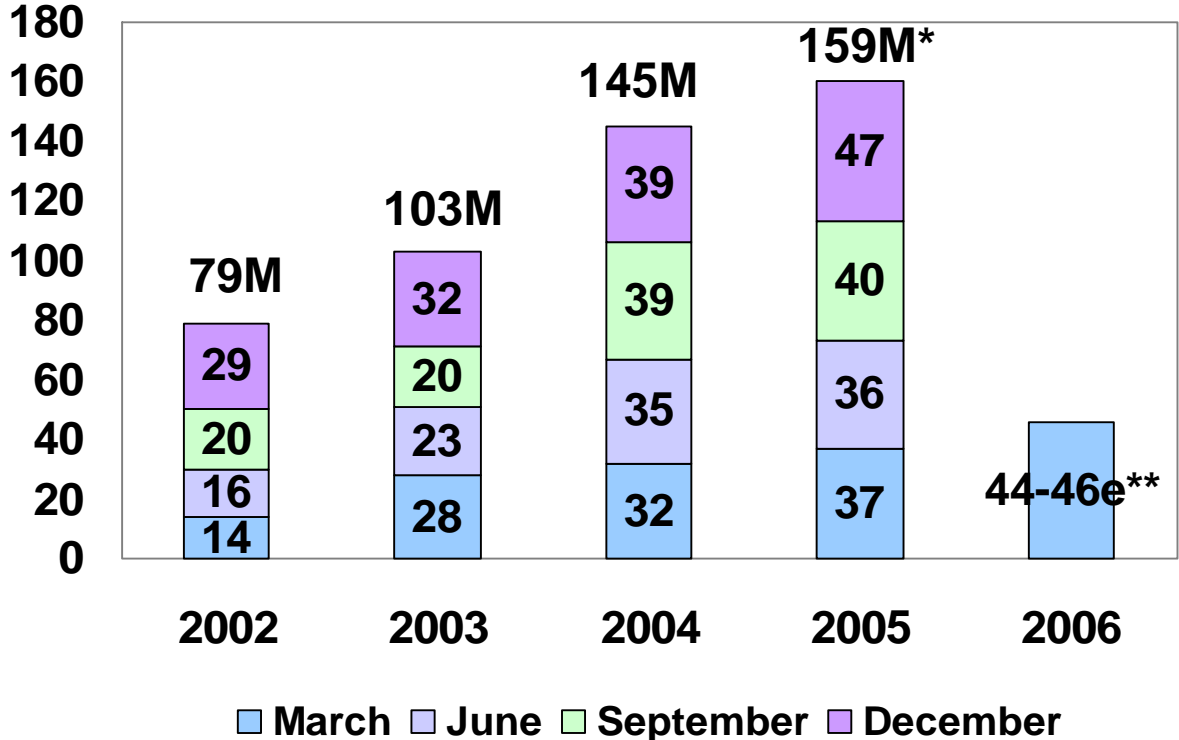
> 120 WCDMA and 219 EV-DO devices - launched or in design with QCT chips

**Worldwide CDMA and WCDMA
 Phone Shipments
 by Calendar Quarter (Millions)**



*Guidance as of January 25, 2006

CDMA and WCDMA QUALCOMM MSM Units Shipped by Calendar Quarter (Millions)



19 - 24% YOY inc.




Note: MSM units and handsets shipped per quarter will fluctuate due to various lead times for different operators, handset manufacturers and handset models. Inventory supply strategies will also impact quarterly trends.

*Sum of quarterly amounts do not equal total due to rounding.

**Guidance as of January 25, 2006

Quarterly CDMA/WCDMA Handset Shipments and ASP Trend

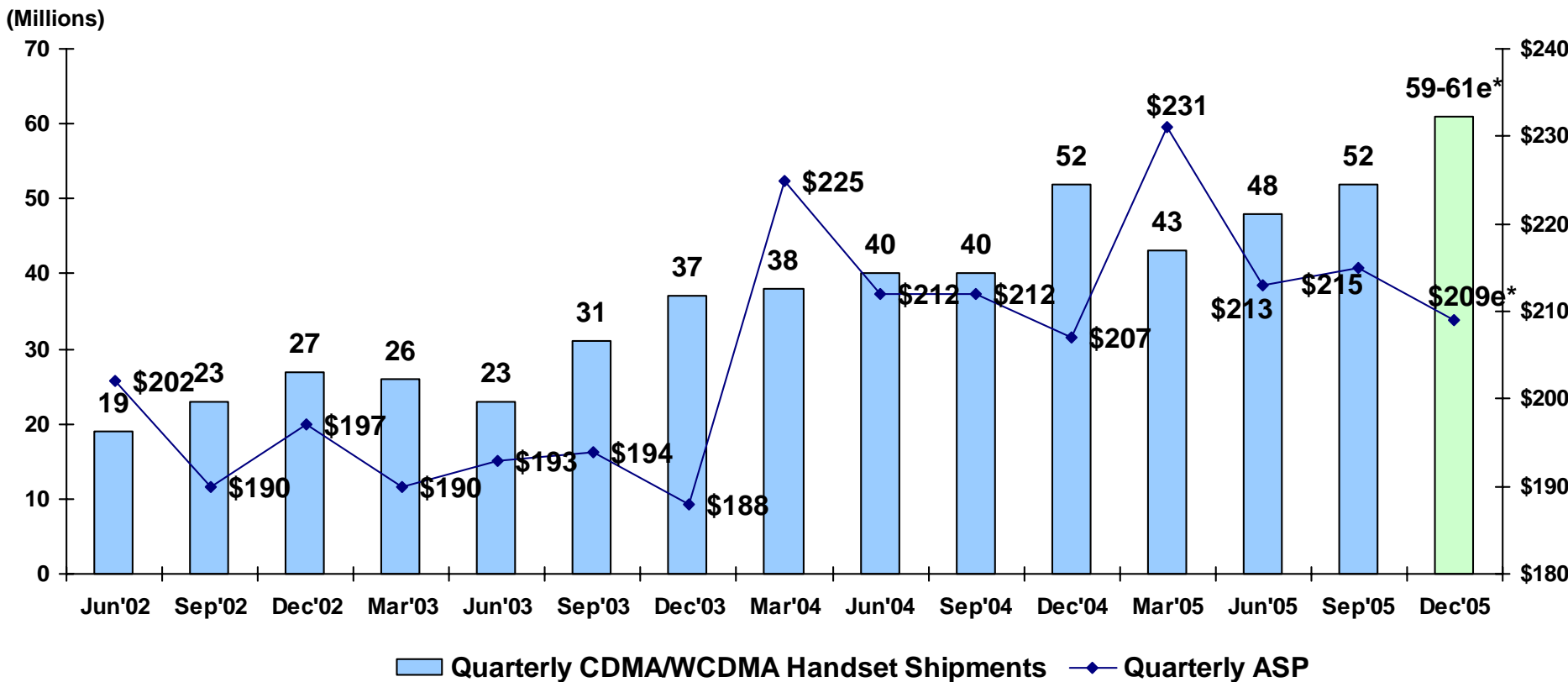
	FY02	FY03				FY04				FY05				FY06	
	<u>Jun'02</u>	<u>Sep'02</u>	<u>Dec'02</u>	<u>Mar'03</u>	<u>Jun'03</u>	<u>Sep'03</u>	<u>Dec'03</u>	<u>Mar'04</u>	<u>Jun'04</u>	<u>Sep'04</u>	<u>Dec'04</u>	<u>Mar'05</u>	<u>Jun'05</u>	<u>Sep'05</u>	<u>Dec'05</u>
Handset shipments	19	23	27	26	23	31	37	38	40	40	52	43	48	52	59-61e*
Calendar year		87				117				170					
Fiscal year	78				99				146				182		
Handset ASP	\$202	\$190	\$197	\$190	\$193	\$194	\$188	\$225	\$212	\$212	\$207	\$231	\$213	\$215	\$209e*
Fiscal year ASP	\$194				\$192				\$205				\$215		\$210e*

-  Quarterly CDMA/WCDMA handset shipments (Millions of units)
-  Quarterly Average Selling Price (ASP)
-  Fiscal Year Average Selling Price (ASP)

Note: Shipments from September to June quarters are reported by licensees in December to September, QUALCOMM's Fiscal Year.

*Guidance as of January 25, 2006

Quarterly CDMA/WCDMA Handset Shipments and ASP Trend

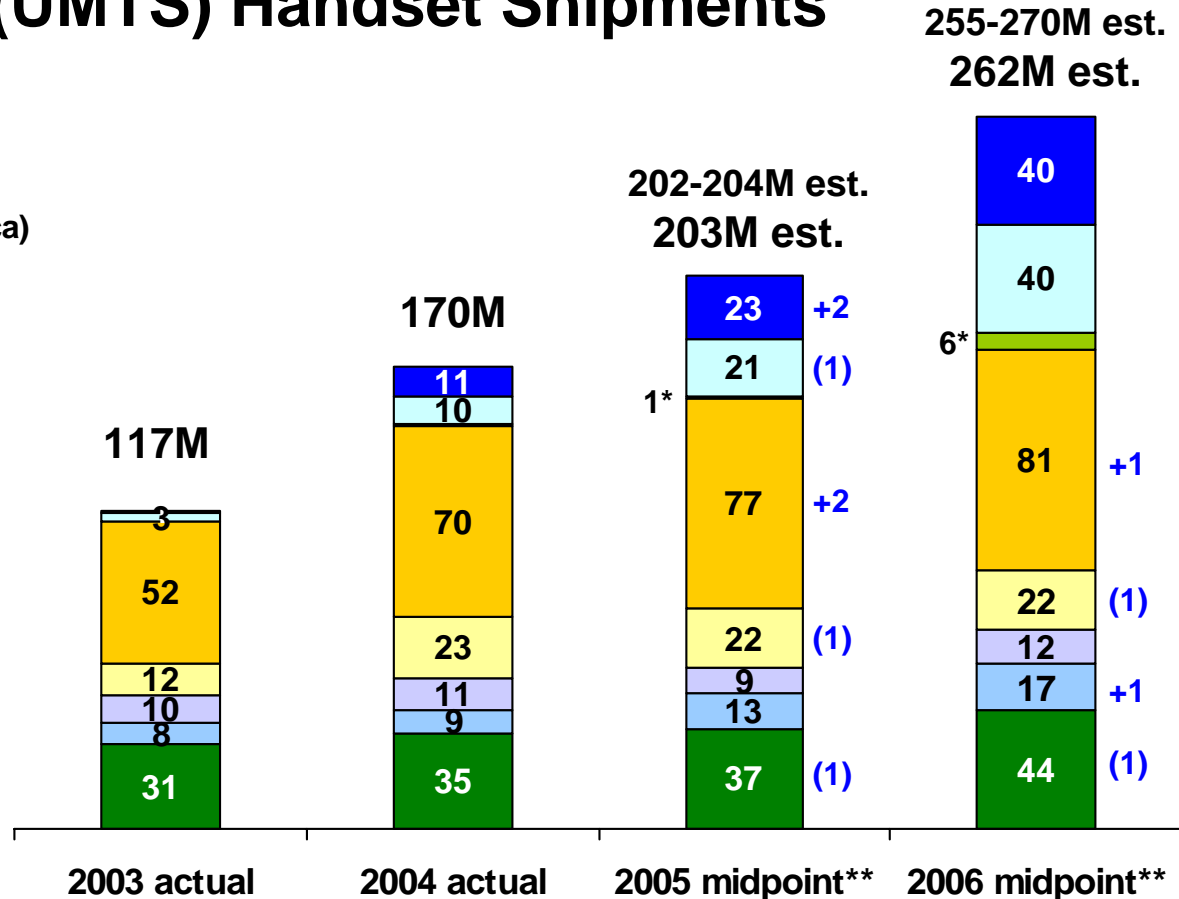


*Shipments from September to June quarters are reported by licensees in December to September, QUALCOMM's Fiscal Year. Guidance as of January 25, 2006

CDMA and WCDMA (UMTS) Handset Shipments

Calendar Year (*Millions*)

- WCDMA Europe
- WCDMA Asia
- WCDMA ROW (Includes North America)
- CDMA US/Canada
- CDMA Americas
- CDMA China
- CDMA India
- CDMA Korea, Japan, SEA, ROW



	2003 actual	2004 actual	2005 midpoint**	2006 midpoint**
CDMA	113M	148M	158M est.	176M est.
WCDMA	4M	22M	45M est.	86M est.

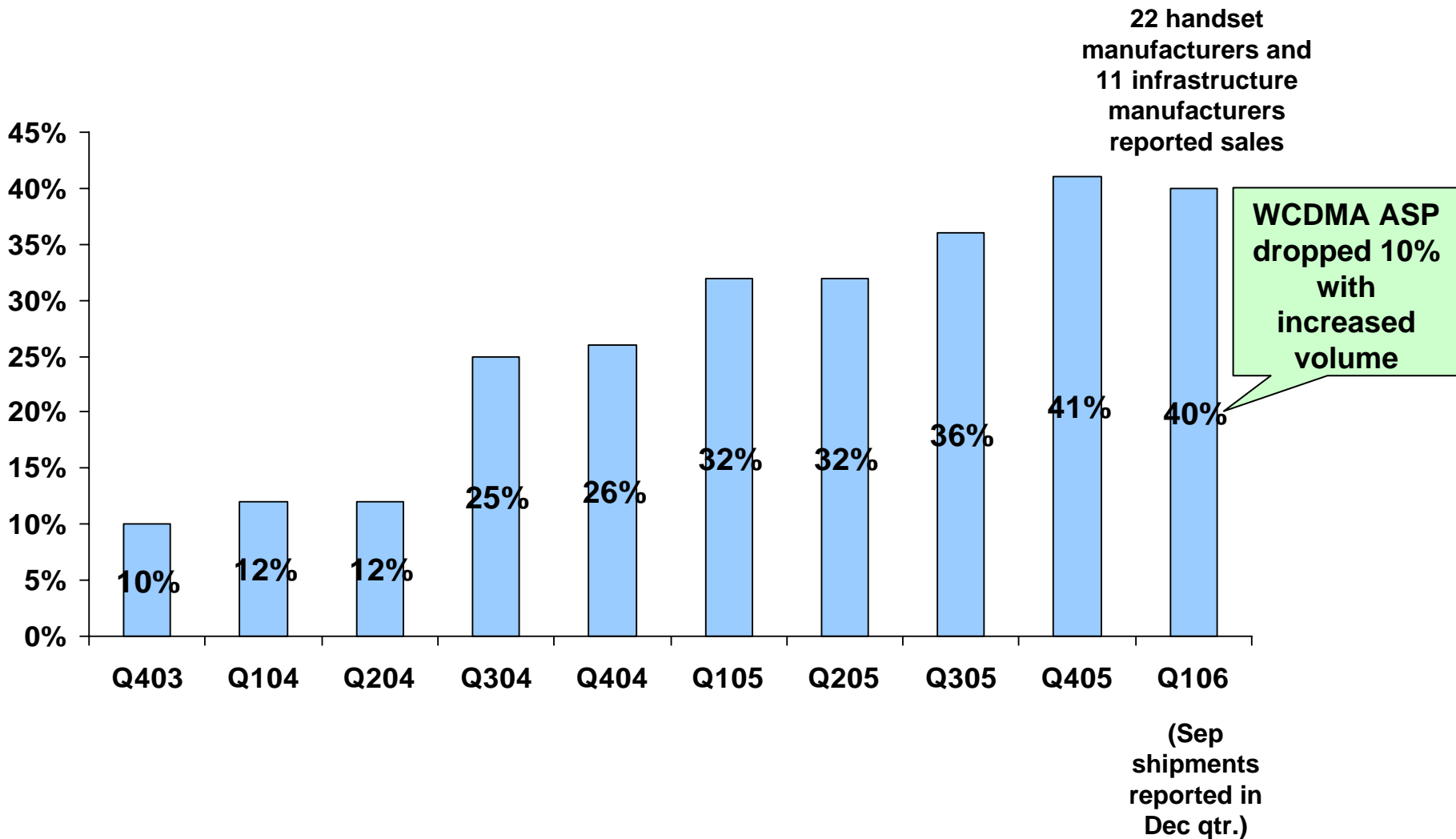
Note: Regional handset shipment estimates are midpoint estimates and include data devices, telematics, security devices and some quantity of channel inventory.

*WCDMA ROW includes North America

**Guidance as of January 25, 2006

[Change from prior guidance](#)

Percentage of Reported Royalties From WCDMA Products



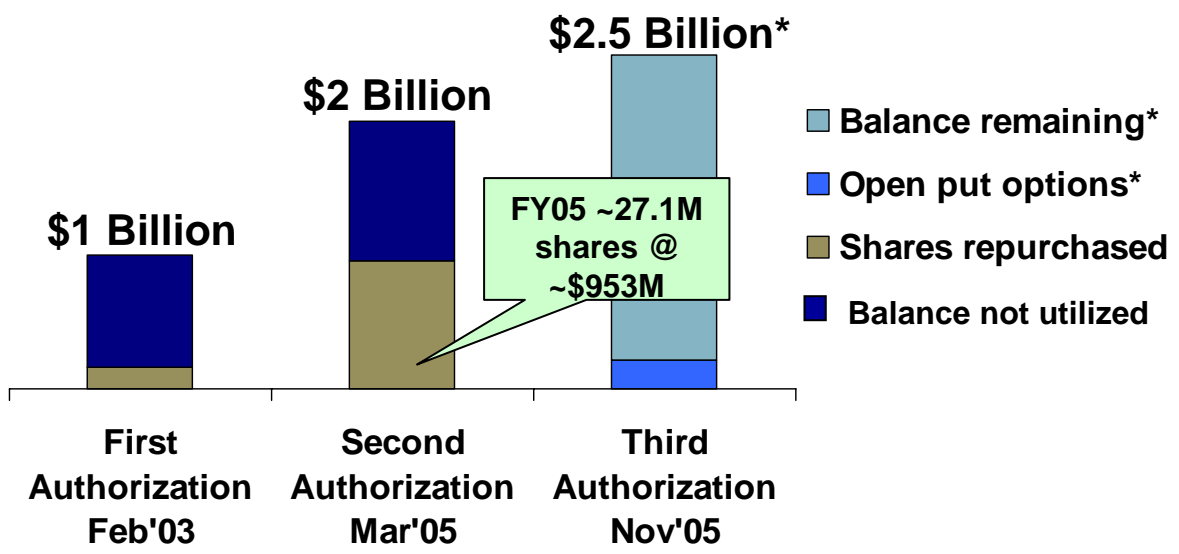
Balance Sheet

(\$Billions)	<u>Dec</u> <u>2004</u>	<u>Dec</u> <u>2005</u>
Cash & Marketable Securities	\$8.0B	\$9.4B
Receivables, Inventory	\$0.8	\$0.9
Fixed Assets & Goodwill	\$1.3	\$1.7
Deferred Tax Assets & Other	\$1.5	\$1.4
Total Assets	\$11.6	\$13.4
Total Liabilities	\$1.3	\$1.4
Stockholder Equity	\$10.3	\$12.0
Total Liabilities & Stockholder Equity	\$11.6B	\$13.4B

Strength & flexibility to support strong growth and shareholder returns

Announced New \$2.5 Billion Stock Repurchase Program in Q1'06

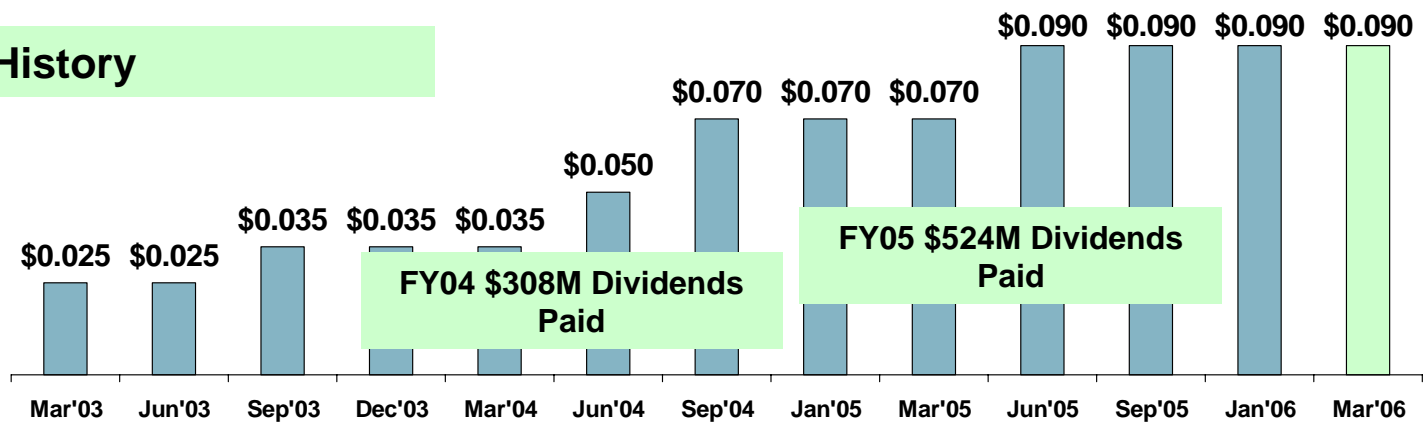
Stock Repurchase Programs



Put Options

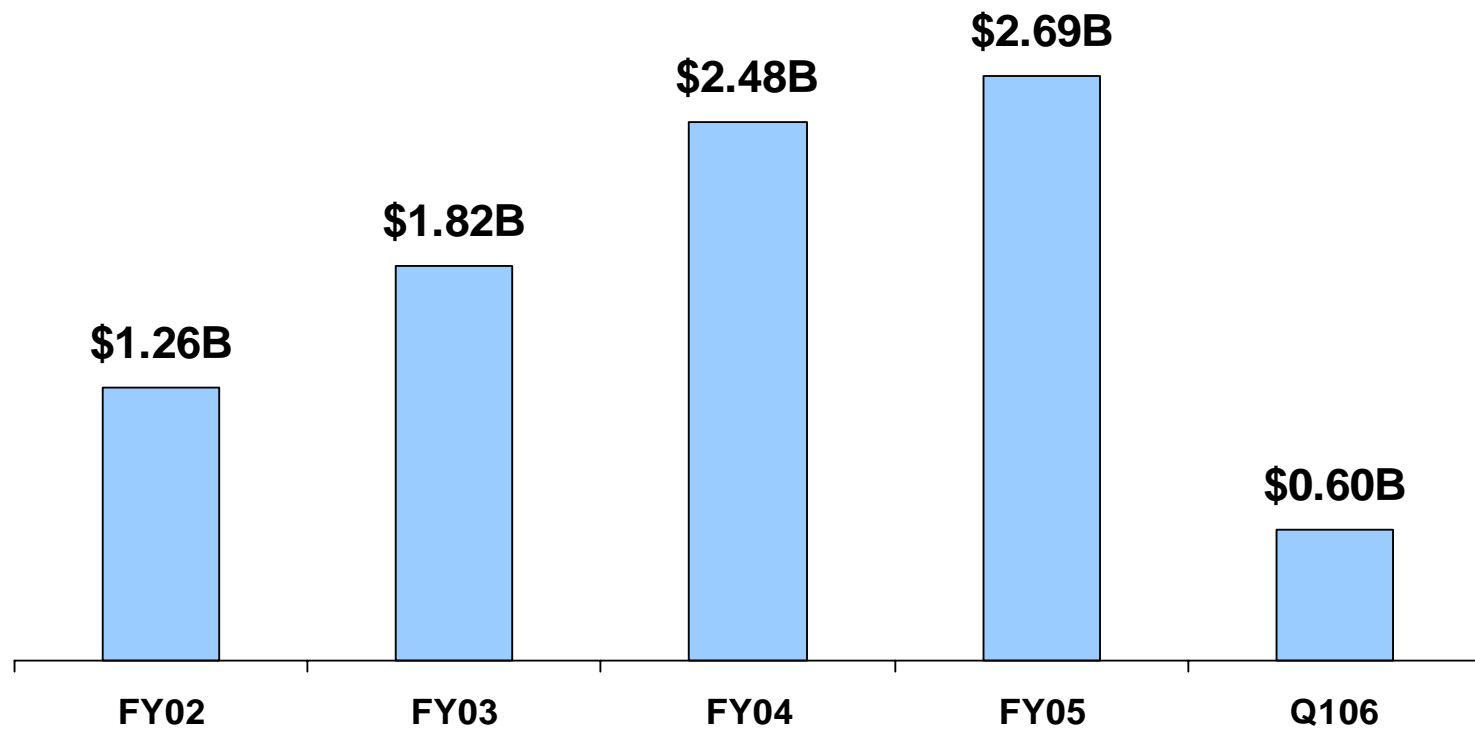
- Additional shares repurchased and net price lowered
- One outstanding put option for 5.8M shares for \$216M

Dividend History



Note: The Company effected a two-for-one stock split in August 2004. All references to per share data have been adjusted to reflect the stock split.
*As of January 25, 2006

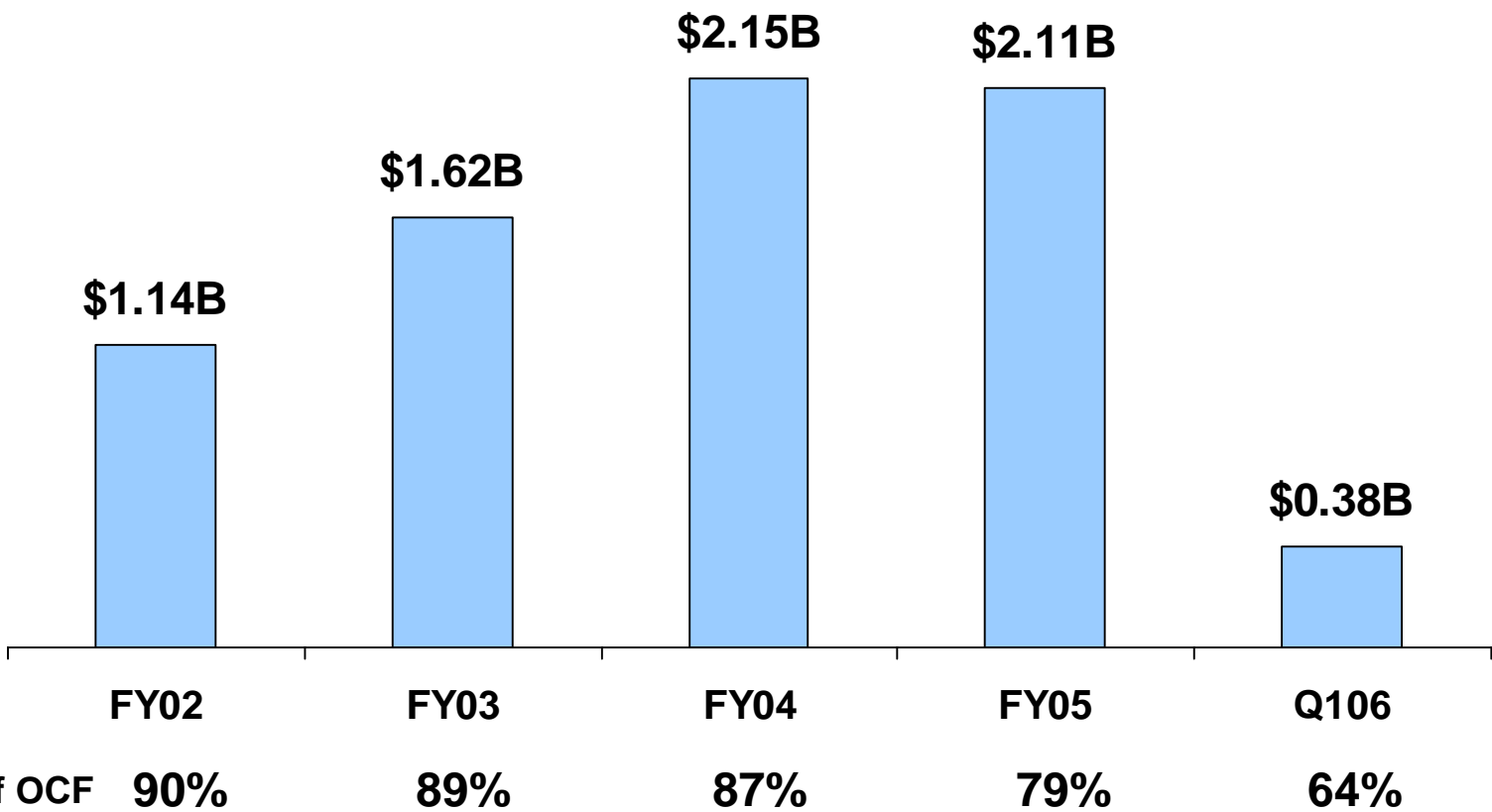
Total QUALCOMM Operating Cash Flow (OCF) Trends (Billions)



OCF as a % of
GAAP revenue

43% 47% 51% 47% 34%

Total QUALCOMM Free Cash Flow* (FCF) Trends (Billions)

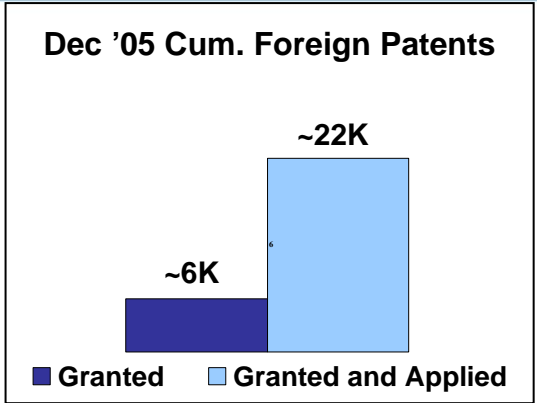
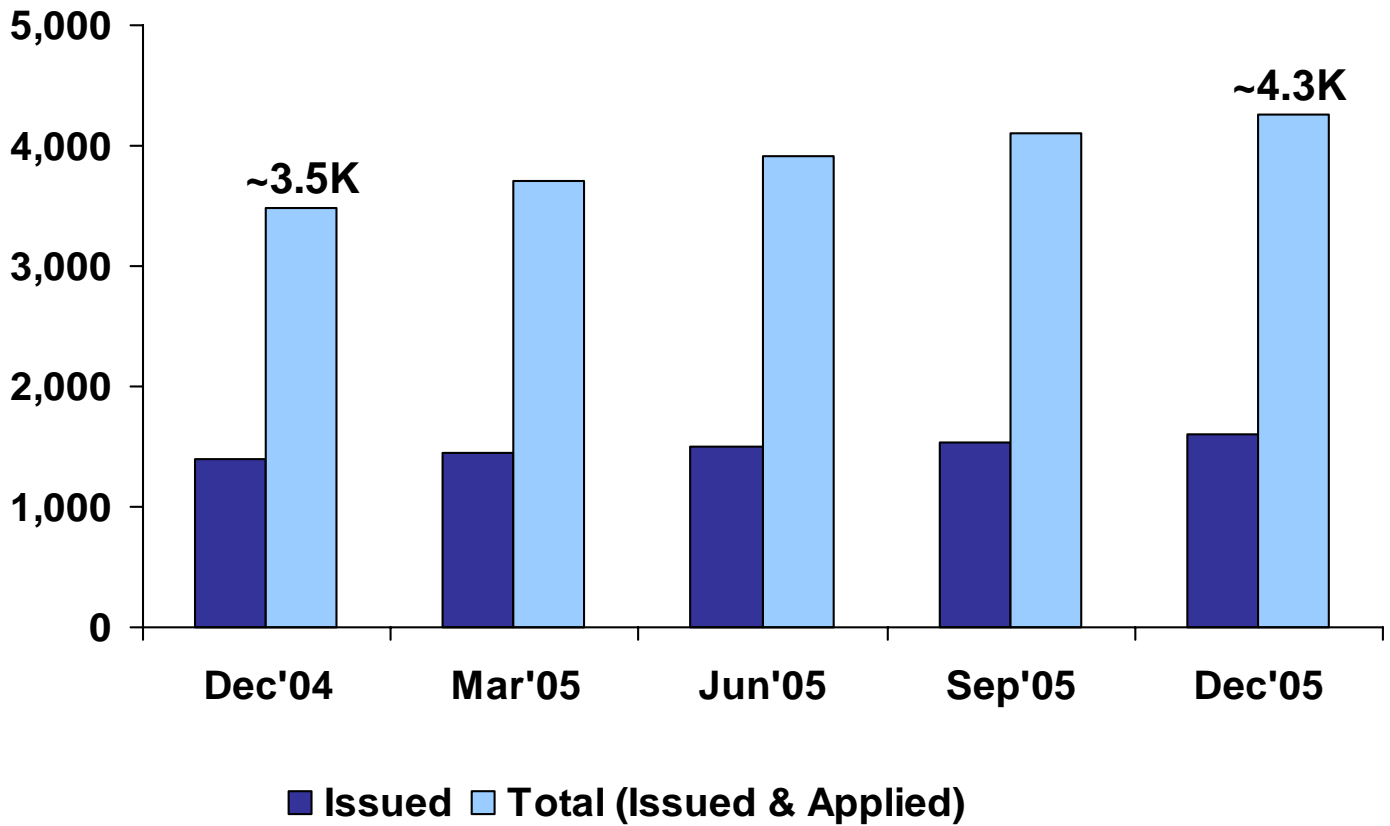


*Free Cash Flow is calculated as cash flow from operations less capital expenditures, both of which are presented in the GAAP statement of cash flows.

QUALCOMM's Unique Patent Position

Patent Portfolio is a Strong Asset Value

Cumulative U.S. Patents (Issued Patents & Filed Applications)
(Excludes non-U.S. filed applications and granted patents)



Reconciliations

Pro Forma Reconciliations

First Quarter - Fiscal Year 2006

Segments	QUALCOMM Pro Forma	Estimated Share-Based Compensation (1)	Tax Adjustment (2)	QSI	Total QUALCOMM (GAAP)
Revenues	\$ 1,741	\$ -	\$ -	\$ -	\$ 1,741
EBT	\$ 906	\$ (122)	\$ -	\$ (48)	\$ 736
Net income (loss)	667	(82)	56	(21)	620
Diluted EPS	\$ 0.39	\$ (0.05)	\$ 0.03	\$ (0.01)	\$ 0.36
Diluted shares used	1,702	1,702	1,702	1,702	1,702

First Quarter - Fiscal Year 2005

Segments	QUALCOMM Pro Forma	QSI	Total QUALCOMM (GAAP)
Revenues	\$ 1,390	\$ -	\$ 1,390
EBT	664	40	704
Net income	474	39	513
Diluted EPS	\$ 0.28	\$ 0.02	\$ 0.30
Diluted shares used	1,704	1,704	1,704

Second Quarter - Fiscal Year 2005

Segments	QUALCOMM Pro Forma	Tax Adjustments (3)	QSI	Total QUALCOMM (GAAP)
Revenues	\$ 1,365	\$ -	\$ -	\$ 1,365
EBT	666	-	(33)	\$ 633
Net income (loss)	487	\$ 55	(10)	\$ 532
Diluted EPS	\$ 0.29	\$ 0.03	\$ (0.01)	\$ 0.31
Diluted shares used	1,704	1,704	1,704	1,704

Twelve Months - Fiscal Year 2005

Segments	QUALCOMM Pro Forma	Tax Adjustments (3)(4)	QSI	Total QUALCOMM (GAAP)
Revenues	\$ 5,673	\$ -	\$ -	\$ 5,673
EBT	\$ 2,799	\$ -	\$ 10	\$ 2,809
Net income	\$ 1,970	\$ 71	\$ 102	\$ 2,143
Diluted EPS	\$ 1.16	\$ 0.04	\$ 0.06	\$ 1.26
Diluted shares used	1,694	1,694	1,694	1,694

Pro Forma Reconciliations - Continued

- (1) During the first quarter of fiscal 2006, the Company adopted the fair value recognition provisions of FAS 123R using a modified prospective application. Under this method, prior periods are not revised for comparative purposes. Share-based compensation is included in operating expenses as part of employee-related costs but is not allocated to our segments as these estimated costs are not considered relevant by management in evaluating segment performance.
- (2) During the first quarter of fiscal 2006, the Company recorded a \$56 million tax benefit, or \$0.03 per share, related to the expected impact of prior year tax audits completed during the quarter. For fiscal 2006 pro forma presentation, results have been adjusted to exclude this tax benefit attributable to prior years.
- (3) During the second quarter of fiscal 2005, the Company decreased its estimate of R&D costs allocable to the Company's foreign operations under an intercompany cost sharing agreement. Due to this change in estimate, the effective tax rate in the second quarter for total QUALCOMM (GAAP) included a \$55 million benefit, or \$0.03 diluted earnings per share, related to fiscal 2004. For fiscal 2005 pro forma presentation, results have been adjusted to exclude the tax benefit attributable to fiscal 2004.
- (4) 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.

Business Outlook Summary (As of January 25, 2006)

SECOND QUARTER	
	Current Guidance Q2'06 Estimates
QUALCOMM Pro Forma	
Revenues	\$1.63B - \$1.73B
Year-over-year change	increase 19% - 27%
Diluted earnings per share (EPS)	\$0.35- \$0.37
Year-over-year change	increase 21% - 28%
Total QUALCOMM (GAAP)	
Revenues	\$1.63B - \$1.73B
Year-over-year change	increase 19% - 27%
Diluted earnings per share (EPS)	\$0.28- \$0.30
Year-over-year change	decrease 3% - 10%
Diluted EPS attributable to in-process R&D	(\$0.01)
Diluted EPS attributable to QSI	(\$0.01)
Diluted EPS attributable to estimated share-based compensation	(\$0.05)
EPS attributable to tax benefit related to prior years	n/a

Business Outlook Summary (as of January 25, 2006) Continued

FISCAL YEAR	
	Current Guidance FY 2006 Estimates
QUALCOMM Pro Forma	
Revenues	\$6.7B - \$7.1B
Year-over-year change	increase 18% - 25%
Diluted earnings per share (EPS)	\$1.43 - \$1.47
Year-over-year change	increase 23% - 27%
Total QUALCOMM (GAAP)	
Revenues	\$6.7B - \$7.1B
Year-over-year change	increase 18% - 25%
Diluted earnings per share (EPS) (1)	\$1.19 - \$1.23
Year-over-year change	decrease 2% - 6%
Diluted EPS attributable to in-process R&D	(\$0.01)
Diluted EPS attributable to QSI	(\$0.06)
Diluted EPS attributable to estimated share-based compensation	(\$0.20)
Diluted EPS attributable to tax benefit related to prior years	\$0.03

Q1 FY06 Earnings

January 25, 2006

QUALCOMM Incorporated Reconciliation of Pro Forma Results to GAAP Results for 2004 Periods for Comparative Purposes



	<u>Year ended</u> <u>September 26,</u> <u>2004</u>
(in millions, except per share data)	
Prior Method of Recording Royalties	
Estimate of estimated licensees for prior period	\$ 151
Royalties reported by estimated licensees for prior period	208
Prior period variance included in reporting period	<u>57</u>
Other royalties reported in reporting period	1,084
Estimate for estimated licensees for current period	<u>-</u>
Total QTL royalty revenues from external licensees	1,141
Intercompany revenue	132
License revenue	<u>59</u>
Total QTL GAAP revenue (including prospective change to New Method in Q4 '04)	\$ 1,331
New Method of Recording Royalties	
Total royalties reported by external licensees (a)	\$ 1,292
Intercompany revenue	132
License revenue	<u>59</u>
Total QTL revenue using New Method	\$ 1,483
Difference between the methods	<u>\$ (151)</u>
Total QCOM revenues as reported under GAAP	\$ 4,880
Less: Difference between the royalty methods	<u>(151)</u>
Total QCOM revenues using New Method	5,031
Total QCOM revenues and QCOM pro forma revenues	\$ 5,031
TOTAL QCOM net income as reported under GAAP	\$ 1,720
Less: Net income attributed to difference between the royalty methods (b)	<u>(92)</u>
Total QCOM net income using New Method	1,812
Less: QSI net income (loss) (c)	12
QCOM pro forma net income (c)	\$ 1,800
QCOM diluted EPS as reported under GAAP	\$ 1.03
EPS attributed to difference between the royalty methods	\$ (0.06)
Total QCOM diluted EPS using New Method	\$ 1.08
EPS attributed to QSI (c)	\$ 0.01
QCOM pro forma diluted EPS (c)	\$ 1.07
Shares used for diluted EPS	1,675

QUALCOMM Incorporated
Reconciliation of Pro Forma Results to GAAP Results
for 2004 Periods for Comparative Purposes

- (a) Represents royalty revenue that would have been reported during the period if the "New Method" had been adopted retroactively. Does not represent royalty revenue recognized under GAAP in these periods.
- (b) QTL's rounded effective tax rate was 39% in fiscal 2004 .
- (c) During the first quarter of 2005, the Company reorganized its MediaFLO USA business into the QSI segment. The operating expenses related to the MediaFLO USA business were included in reconciling items through the end of fiscal 2004. Prior period segment information has been adjusted to conform to the new segment presentation.

QTL revenues as reported under GAAP and using the New Method are presented to illustrate the difference between the Prior Method used for royalties prior to the fourth quarter of fiscal 2004 and the New Method implemented starting in the fourth quarter of fiscal 2004.

**RECONCILIATION OF NON-GAAP CASH FLOW METRICS
TO GAAP EQUIVALENTS**

Reconciliation of Operating Cash Flow to Free Cash Flow

	FY 2002	FY 2003	FY 2004	FY2005	Q1'06
Net cash provided by operations* (OCF)	\$ 1,263	\$ 1,824	\$ 2,481	\$ 2,686	\$ 596
less capital expenditures	(127)	(202)	(332)	(576)	(213)
Free Cash Flow (FCF)	\$ 1,136	\$ 1,622	\$ 2,149	\$ 2,110	\$ 383
FCF/OCF	90%	89%	87%	79%	64%

Cash Flow/Revenue

	FY 2002	FY 2003	FY 2004	FY2005	Q1'06
OCF	\$ 1,263	\$ 1,824	\$ 2,481	\$ 2,686	\$ 596
Revenue	\$ 2,915	\$ 3,847	\$ 4,880	\$ 5,673	\$ 1,741
OCF/Revenue	43%	47%	51%	47%	34%

*As reported in the GAAP Statement of Cash Flows, as adjusted for discontinued operations

**Refer to reconciliation of FCF to OCF (GAAP equivalent) presented above.

**Reconciliation of Pro forma to Total QUALCOMM
Operating Expenses (defined as SG&A and R&D)**
(\$ in millions)

	<u>Fiscal 2004 Results</u>	<u>Fiscal 2005 Results</u>	<u>Fiscal 2006 Guidance*</u>
QUALCOMM Pro Forma	\$ 1,246	\$ 1,573	Increase 22 - 27% sequentially (est.) ⁽¹⁾
QSI segment	\$ 21	\$ 69	not provided
Total QUALCOMM excluding share-based compensation under SFAS 123R	<u>\$ 1,267</u>	<u>\$ 1,642</u>	Increase 27 - 32% sequentially (est.) ⁽²⁾
Share-based compensation allocated to SG&A & R&D	-	-	not provided
Total QUALCOMM (GAAP)	<u><u>\$ 1,267</u></u>	<u><u>\$ 1,642</u></u>	Increase 55 - 60% sequentially (est.) ⁽³⁾

(1) QUALCOMM pro forma guidance for fiscal 2006 excludes expenses related to the QSI segment, share-based compensation and in-process R&D expense related to two acquisitions completed in Q2'06.

(2) Total QUALCOMM excluding share-based compensations under SFAS 123R guidance includes in-process R&D expense related to two acquisitions completed in Q2, which is being excluded from Pro Forma.

(3) Fiscal 2006 total QUALCOMM (GAAP) operating expense guidance includes an estimate of the share-based compensation expense and estimated allocation to SG&A and R&D related to the Company's adoption of SFAS 123R during the first quarter of fiscal 2006.

Fiscal 2004 and 2005 results for total QUALCOMM (GAAP) do not include any share based compensation expense under SFAS 123R.

**Reconciliation of Pro forma to Total QUALCOMM
Operating Expenses (defined as SG&A and R&D)**
(\$ in millions)

	Q1 FY2005		Q4 FY2005		Q1 FY2006	Fiscal Q2 - 2006 Guidance*
QUALCOMM Pro Forma	\$ 362	\$	\$ 423	\$	\$ 441	Increase 10 - 13% sequentially (est.) ⁽¹⁾
QSI Segment	\$ 14	\$	\$ 26	\$	\$ 28	not provided
Total QUALCOMM excluding share-based compensation under SFAS 123R	<u>\$ 376</u>	\$	<u>\$ 449</u>	\$	<u>\$ 469</u>	Increase 15 - 18% sequentially (est.) ⁽²⁾
Share-based compensation allocated to SG&A & R&D	\$ -	\$	\$ -	\$	\$ 110	not provided
Total QUALCOMM (GAAP)	<u>\$ 376</u>	\$	<u>\$ 449</u>	\$	<u>\$ 579</u>	Increase 12 - 15% sequentially (est.) ⁽³⁾
GAAP sequential increase					29%	

(1) QUALCOMM pro forma guidance for Q2 FY06 exclude expenses related to the QSI segment, share-based compensation and in-process R&D expense related to 2 acquisitions completed in Q2'06.

(2) 'Total QUALCOMM excluding share-based compensation under SFAS 123R' guidance includes in-process R&D expense related to 2 acquisitions completed in Q2'06, which is being excluded from Pro Forma.

(3) Q2'06 total QUALCOMM (GAAP) operating expense guidance includes an estimate of the share-based compensation expense and estimated allocation to SG&A and R&D related to the Company's adoption of SFAS 123R during the first quarter of fiscal 2006.

Q1 FY2005 and Q4 FY 2005 results for total QUALCOMM (GAAP) do not include any share based compensation expense under SFAS 123R.

*Guidance as of Jan 25, 2005

Thank you