

Q2 FY06 Earnings Guidance Update

March 7, 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 included at the end of this presentation.

Second Fiscal Quarter 2006 Update – March 7, 2006

- **Stronger than expected handset shipments by licensees during the December quarter**
 - **WCDMA volume strength in Europe**
 - **CDMA2000 volume strength primarily in North America and India**
- **Greater than expected demand for products in our chipset division during the March quarter**
 - **Low-end, voice-centric demand strength**
 - **High-end EV-DO demand strength**
- **Continue to believe CDMA channel inventories are within normal, historical band**
- **Continuing to work closely with our partners to achieve competitive price points for CDMA-based handsets**



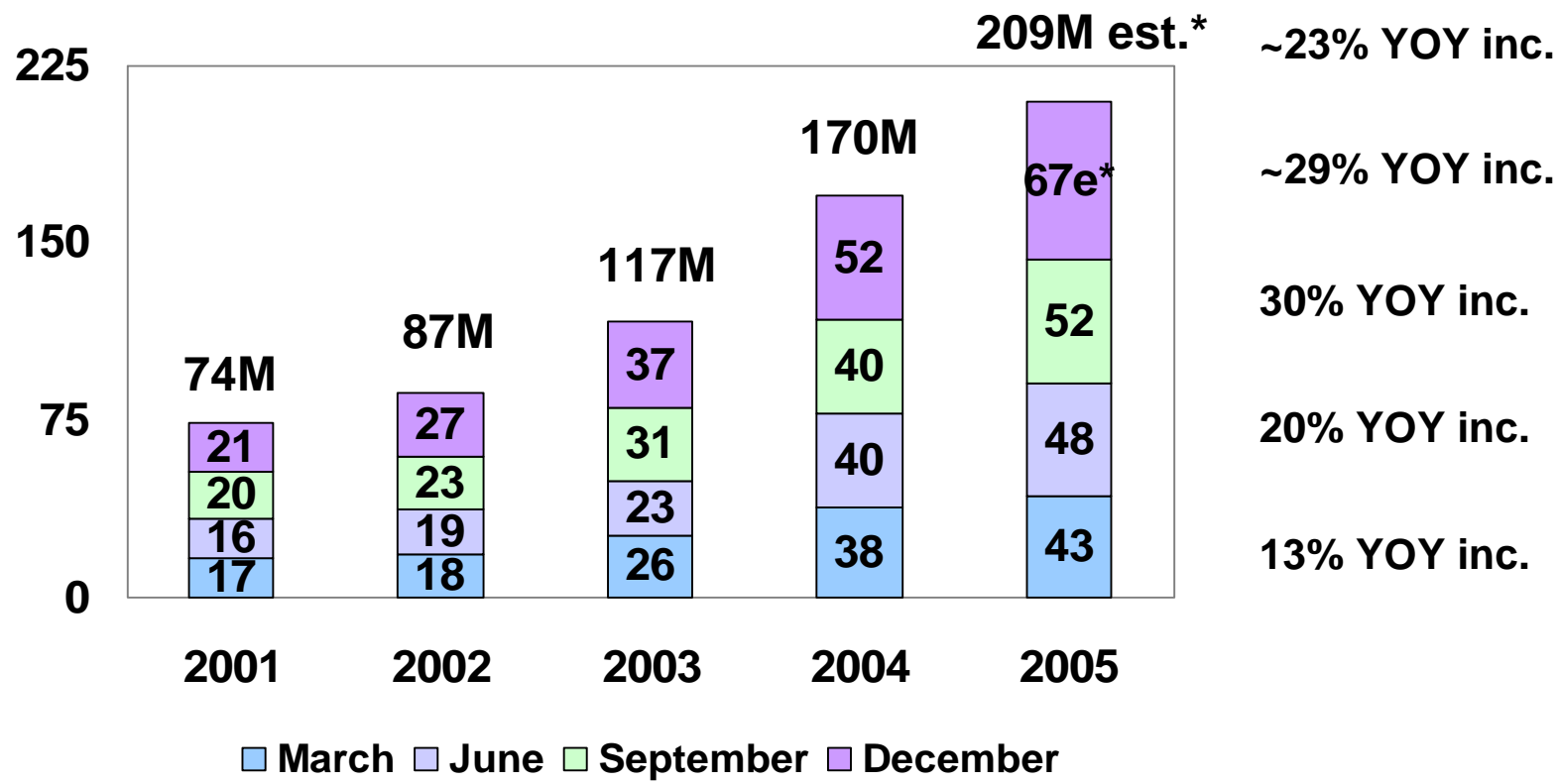
Q206 Guidance Update

	Q106 Dec'05 Results	Q206 Guidance as of Jan 25, 2006	Q206 Guidance as of Mar 7, 2006
3G MSM phone chips - CDMA2000 1X, 1xEV-DO, WCDMA	47M	44 - 46M est.	47 - 48M est.
CDMA/WCDMA handsets shipped	52M (Sep'05*)	59 - 61M (Dec'05*) est.	67M (Dec'05*) est.
CDMA/WCDMA handset ASP	\$215 (Sep'05*)	\$209 (Dec'05*) est.	\$209 (Dec'05*) est.
QUALCOMM Pro Forma**			
Revenues	\$1.74B	\$1.63 - \$1.73B est.	\$1.75 - \$1.82B est.
Operating Expense (R&D and SG&A)	\$441M	10 - 13% increase seq. est.	Not provided
EPS	\$0.39	\$0.35 - \$0.37 est.	\$0.40 - \$0.41 est.
Total QUALCOMM			
GAAP Revenues	\$1.74B	\$1.63 - \$1.73B est.	\$1.75 - \$1.82B est.
GAAP EPS	\$0.36	\$0.28 - \$0.30 est.	\$0.33 - \$0.34 est.
Includes QSI EPS	(\$0.01)	(\$0.01) est.	(\$0.01) est.
Includes share-based compensation EPS	(\$0.05)	(\$0.05) est.	(\$0.05) est.
Includes tax benefits related to prior yrs	\$0.03	n/a	n/a
Includes in-process R&D	n/a	(\$0.01) est.	(\$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.

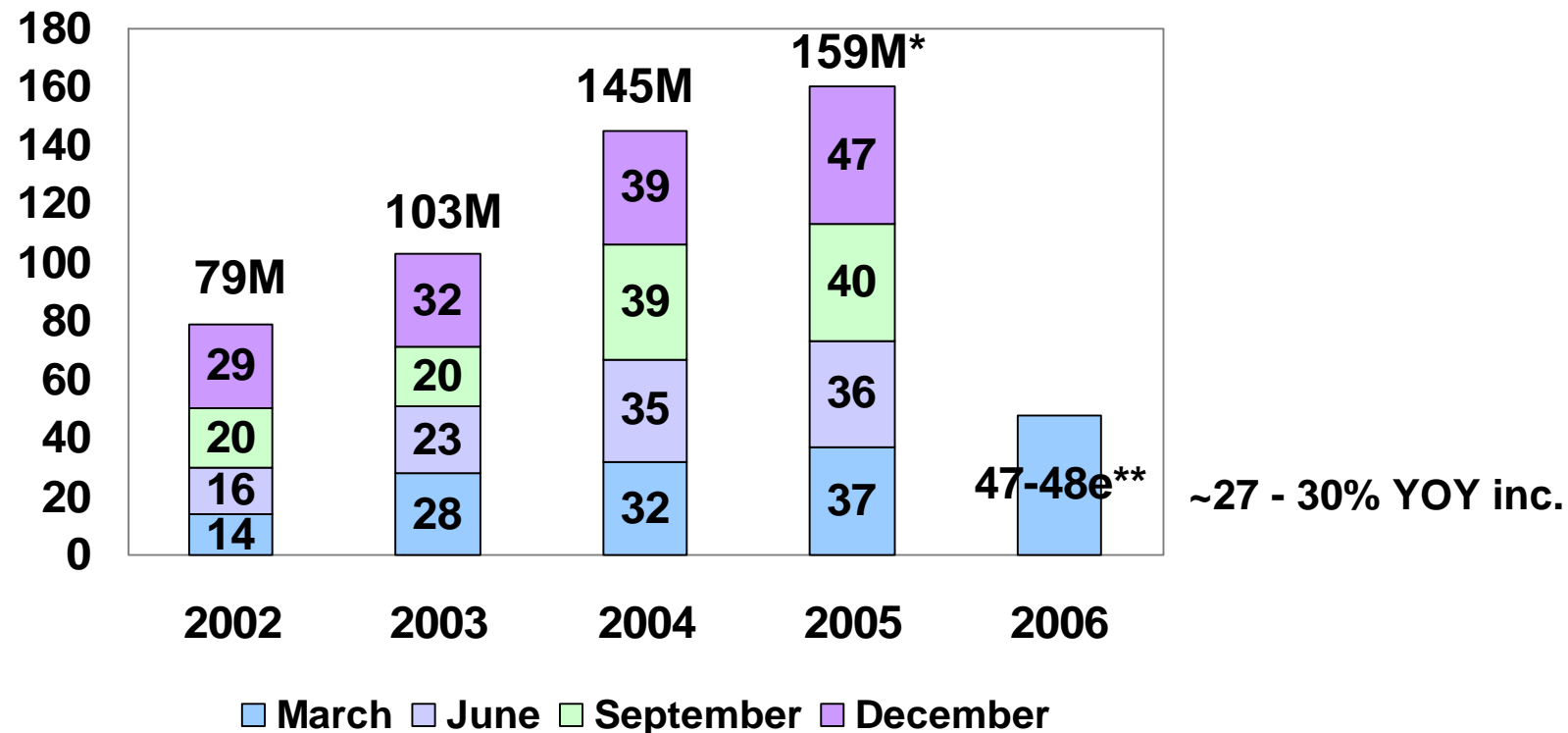
**Worldwide CDMA and WCDMA
 Phone Shipments
 by Calendar Quarter (Millions)**



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

*Guidance as of March 7, 2006

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



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 March 7, 2006

Quarterly CDMA and WCDMA Handset Shipments and ASP Trend

	FY02	FY03				FY04				FY05				FY06	
	Jun'02	Sep'02	Dec'02	Mar'03	Jun'03	Sep'03	Dec'03	Mar'04	Jun'04	Sep'04	Dec'04	Mar'05	Jun'05	Sep'05	Dec'05
Handset shipments	19	23	27	26	23	31	37	38	40	40	52	43	48	52	67e*
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 and WCDMA handset shipments (Millions of units)

 Quarterly Average Selling Price (ASP)

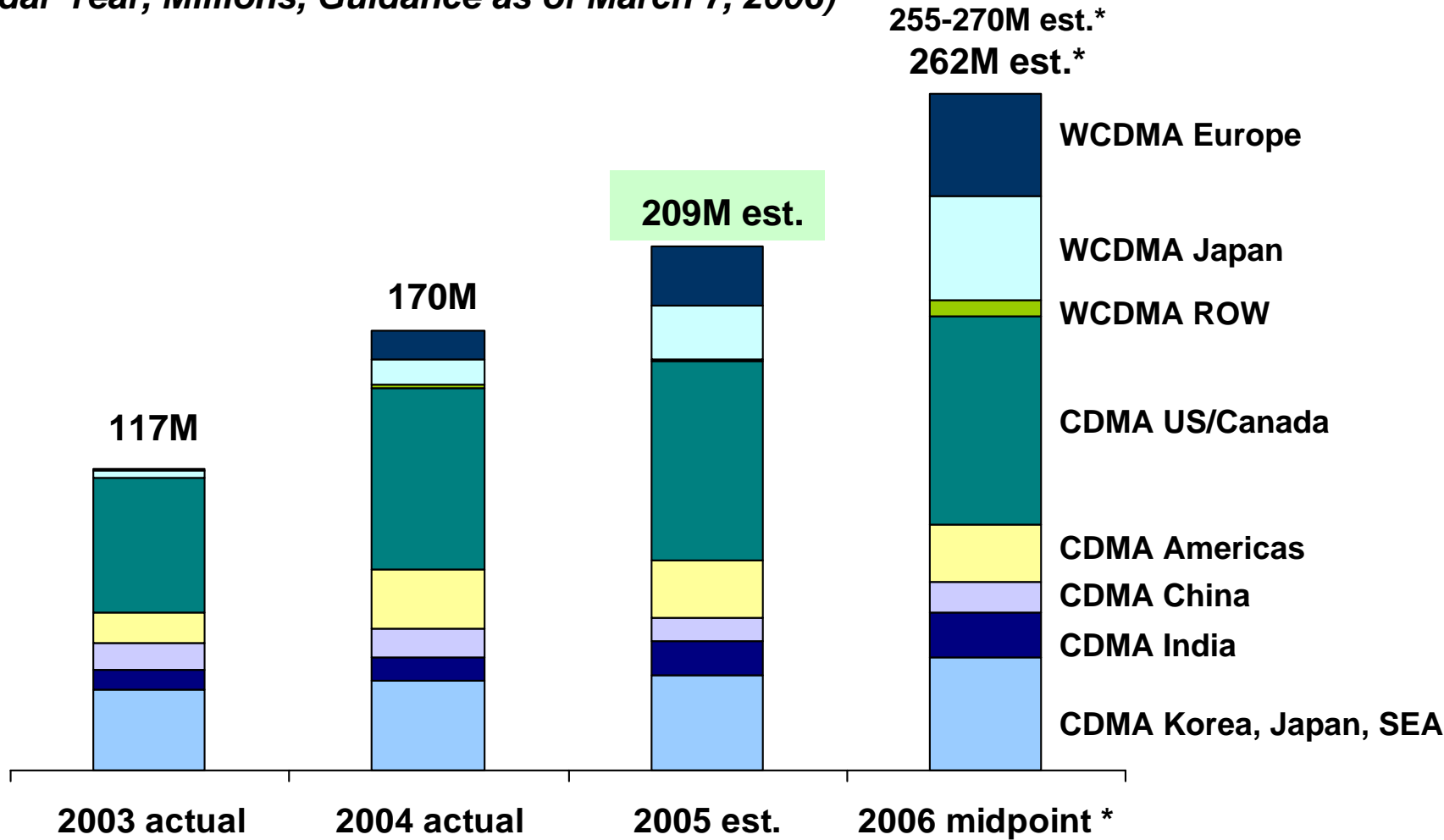
 Fiscal Year Average Selling Price (ASP)

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

*Guidance as of March 7, 2006

**Guidance as of January 25, 2006

Regional Growth of CDMA and WCDMA Handset Shipments
(Calendar Year, Millions, Guidance as of March 7, 2006)



CDMA	113M	148M	160M est.	176M est.*
WCDMA	4M	22M	49M est.	86M est.*

*Guidance as of January 25, 2006

Reconciliations

Q2 FY06 Earnings Guidance Update

March 7, 2006



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

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 March 7, 2006)	
SECOND QUARTER	
	Current Guidance Q2'06 Estimates
<i>QUALCOMM Pro Forma</i>	
Revenues	\$1.75B - \$1.82B
Year-over-year change	increase 28% - 33%
Diluted earnings per share (EPS)	\$0.40- \$0.41
Year-over-year change	increase 38% - 41%
<i>Total QUALCOMM (GAAP)</i>	
Revenues	\$1.75B - \$1.82B
Year-over-year change	increase 28% - 33%
Diluted earnings per share (EPS)	\$0.33- \$0.34
Year-over-year change	increase 6% - 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

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

	<u>Q1 FY2006</u>	<u>Fiscal Q2 - 2006 Guidance*</u>
QUALCOMM Pro Forma	\$ 441	Increase 10 - 13% sequentially (est.) ⁽¹⁾
QSI Segment	\$ 28	not provided
Total QUALCOMM excluding share-based compensation under SFAS 123R	<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><u>\$ 579</u></u>	Increase 12 - 15% sequentially (est.) ⁽³⁾

(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.

*Guidance as of Jan 25, 2005

Thank you