

**FOR IMMEDIATE RELEASE**

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**QUALCOMM Updates Financial Guidance for the First Fiscal Quarter of 2007**

SAN DIEGO — December 21, 2006 — QUALCOMM Incorporated (Nasdaq: QCOM) today updated its financial guidance for the first fiscal quarter ending December 31, 2006.

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

**First Fiscal Quarter Business Outlook**

Based on the current business outlook, we now anticipate first fiscal quarter QUALCOMM pro forma revenues to be at the high end of our prior guidance of approximately \$1.98 to \$2.08 billion. This estimate is based on the shipment of approximately 58 to 59 million Mobile Station Modem™ (MSM™) chips during the quarter as compared to our prior estimate of 55 to 58 million. We shipped approximately 47 million MSM chips in the year ago quarter.

We are deferring current period revenue for which we have not received payment associated with Pantech Group of South Korea due to its debt restructuring consideration. Additionally, our legal expenses in the quarter have increased above our prior expectations as we continue to vigorously defend the legal attacks on our business model. As a result, we now anticipate first fiscal quarter

QUALCOMM pro forma diluted earnings per share to be approximately \$0.41 to \$0.42, compared to \$0.39 in the year ago quarter. We previously anticipated first fiscal quarter QUALCOMM pro forma diluted earnings per share of approximately \$0.42 to \$0.44.

The majority of our licensees have reported royalties in our first fiscal quarter for products shipped in the September quarter. Based on these reports and an estimate of licensees yet to report, we anticipate September quarter shipments of approximately 75 to 76 million CDMA units (CDMA2000® and WCDMA) at an average selling price of approximately \$210 compared to our prior estimate of approximately 74 to 76 million units at an average selling price of approximately \$209. Approximately 52 million CDMA units were shipped in the year ago quarter.

“Our updated guidance reflects stronger than expected new orders for our 1xEV-DO chipsets,” said Dr. Paul E. Jacobs, chief executive officer of QUALCOMM. “The CDMA market, CDMA2000 and WCDMA, continues to grow at a rapid pace as evidenced by the strong handset shipments reported by our licensees. Operators are taking advantage of the high-speed data capability enabled by their CDMA-based networks to introduce new and innovative applications and services that leverage that capability.”

The following table summarizes total QUALCOMM (GAAP) and QUALCOMM pro forma guidance for the first 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:

<b>Business Outlook Summary</b>			
<b>FIRST FISCAL QUARTER</b>			
	<b>Q1'06 Results</b>	<b>Prior Guidance Q1'07 Estimates</b>	<b>Current Guidance Q1'07 Estimates</b>
<b>QUALCOMM Pro Forma</b>			
Revenues	\$1.74B	\$1.98B - \$2.08B	High end of prior revenue guidance
Year-over-year change		increase 14% - 19%	
Diluted earnings per share (EPS)	\$0.39	\$0.42- \$0.44	\$0.41- \$0.42
Year-over-year change		increase 8% - 13%	increase 5% - 8%
<b>Total QUALCOMM (GAAP)</b>			
Revenues	\$1.74B	\$1.98B - \$2.08B	High end of prior revenue guidance
Year-over-year change		increase 14% - 19%	
Diluted earnings per share (EPS)	\$0.36	\$0.35- \$0.37	\$0.35- \$0.36
Year-over-year change		decrease 3% - increase 3%	decrease 3% - even
Diluted EPS attributable to QSI	(\$0.01)	(\$0.02)	(\$0.01)
Diluted EPS attributable to estimated share-based compensation	(\$0.05)	(\$0.05)	(\$0.05)
EPS attributable to tax items related to prior years	\$0.03	n/a	n/a
<b>Metrics</b>			
MSM Shipments	approx. 47M	approx. 55M - 58M	approx. 58M - 59M
CDMA/WCDMA handset units shipped	approx. 52M*	approx. 74M - 76M*	approx. 75M - 76M*
CDMA/WCDMA handset unit wholesale average selling price	approx. \$215*	approx. \$209*	approx. \$210*
*Based on shipments in Sept. quarter, reported in Dec. quarter			

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 2006 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.

Pro forma information used by management excludes the QUALCOMM Strategic Initiatives (QSI) segment, 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 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.

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.

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 guidance and QUALCOMM pro forma results and guidance 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; 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; developments in current and future litigation; 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)

**First Quarter - Fiscal Year 2006**

Segments	QCT	QTL	QWI	Reconciling Items (1)	QUALCOMM Pro Forma	Estimated Share-Based Compensation (2)	Tax Items (3)	QSI (4)	Total QUALCOMM (GAAP)
Revenues	\$ 1,033	\$ 564	\$ 166	\$ (22)	\$ 1,741	\$ -	\$ -	\$ -	\$ 1,741
EBT	300	517	17	72	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

- (1) 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 corporate expenses, charges that are not allocated to the segments for management reporting purposes, unallocated net investment income, nonreportable segment results, interest expense and the elimination of intercompany profit.
- (2) 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.
- (3) During the first quarter of fiscal 2006, the Company recorded a \$56 million tax benefit, or \$0.03 diluted earnings 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 adjustment attributable to prior years.
- (4) 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).