

QUALCOMM Incorporated
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Three Months Ended				Twelve
	September 26,	June 27,	March 28,	December 28,	Months Ended
	2004	2004	2004	2003 *	September 26,
					2004
Operating Activities:					
Income from continuing operations	\$ 387	\$ 486	\$ 441	\$ 411	\$ 1,725
Depreciation and amortization	43	40	40	40	163
Net realized gains on marketable securities and other investments	(56)	(16)	(11)	(5)	(88)
Change in fair values of derivative investments	1	(7)	(1)	-	(7)
Other-than-temporary losses on marketable securities and other investments	11	-	-	1	12
Equity in losses of investees	18	18	20	16	72
Non-cash income tax expense	(77)	158	157	181	419
Other non-cash charges and (credits)	7	22	13	(7)	35
Increase (decrease) in cash resulting from changes in:					
Accounts receivable, net	339	(294)	60	(198)	(93)
Inventories, net	(45)	(12)	(11)	18	(50)
Other assets	(1)	12	26	14	51
Trade accounts payable	45	24	59	23	151
Payroll, benefits and other liabilities	90	67	(10)	1	148
Unearned revenue	8	(36)	(6)	(23)	(57)
Net cash provided by operating activities	<u>770</u>	<u>462</u>	<u>777</u>	<u>472</u>	<u>2,481</u>
Investing Activities:					
Capital expenditures	(139)	(76)	(54)	(63)	(332)
Purchases of available-for-sale securities	(2,597)	(2,250)	(1,933)	(1,592)	(8,372)
Proceeds from sale of available-for-sale securities	925	2,058	1,267	776	5,026
Purchases of held-to-maturity securities	21	(205)	-	-	(184)
Maturities of held-to-maturity securities	207	60	25	109	401
Issuance of finance receivables	(1)	-	-	-	(1)
Collection of finance receivables	1	1	-	194	196
Issuance of notes receivable	(2)	(5)	(13)	(17)	(37)
Collection of notes receivable	-	38	-	-	38
Other investments and acquisitions	(4)	(16)	(6)	(44)	(70)
Other items, net	2	7	-	-	9
Net cash used by investing activities	<u>(1,587)</u>	<u>(388)</u>	<u>(714)</u>	<u>(637)</u>	<u>(3,326)</u>
Financing Activities:					
Proceeds from issuance of common stock	129	69	100	32	330
Proceeds from put options	-	-	5	-	5
Dividends paid	(114)	(81)	(57)	(56)	(308)
Net cash provided (used) by financing activities	<u>15</u>	<u>(12)</u>	<u>48</u>	<u>(24)</u>	<u>27</u>
Net cash provided (used) by discontinued operations	<u>7</u>	<u>-</u>	<u>39</u>	<u>(59)</u>	<u>(13)</u>
Effect of exchange rate changes on cash	<u>-</u>	<u>-</u>	<u>1</u>	<u>(1)</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents	<u>(795)</u>	<u>62</u>	<u>151</u>	<u>(249)</u>	<u>(831)</u>
Cash and cash equivalents at beginning of period	<u>2,009</u>	<u>1,947</u>	<u>1,796</u>	<u>2,045</u>	<u>2,045</u>
Cash and cash equivalents at end of period	<u>\$ 1,214</u>	<u>\$ 2,009</u>	<u>\$ 1,947</u>	<u>\$ 1,796</u>	<u>\$ 1,214</u>

* As adjusted to present cash flows related to the Vesper Operating Companies, TowerCo and SMP licenses as discontinued operations.