

This release contains a correction to the forecast description of average selling prices and handset units. A correction notice was issued over PRNewswire on September 17, 2004.

FOR IMMEDIATE RELEASE

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QUALCOMM Increases Financial Guidance for Fourth Quarter and Fiscal 2004

_ Company Reviewing Ongoing Accounting Method for Royalties _

SAN DIEGO — September 17, 2004 — QUALCOMM Incorporated (Nasdaq: QCOM) today updated its financial guidance for the fourth fiscal quarter and the fiscal year ending September 26, 2004.

The following statements are forward looking and actual results may differ materially. Please see the description of certain risk factors in this release and QUALCOMM's reports on file with the Securities and Exchange Commission (SEC) for a more complete description of risks.

All of the share and per share amounts in this release have been adjusted to reflect the two-for-one stock split in the form of a stock dividend that was paid on August 13, 2004 to QUALCOMM stockholders of record on July 23, 2004.

Fourth Quarter Fiscal 2004

Based on the current business outlook, we now anticipate fourth fiscal quarter revenues excluding the QUALCOMM Strategic Initiatives (QSI) segment, will increase 60-62 percent year-over-year and increase approximately 4-5 percent sequentially. We anticipate diluted earnings per share excluding the QSI segment of approximately \$0.28-\$0.30 in the fourth fiscal quarter, compared to our prior estimate of \$0.27-\$0.29 and to \$0.14 in the year ago quarter. We also anticipate that total QUALCOMM revenues in the fourth fiscal quarter will increase by 60-62 percent year-over-year and increase approximately 4-5 percent sequentially. We anticipate total QUALCOMM diluted earnings per share of approximately \$0.28-\$0.30 in the fourth fiscal quarter, compared to our prior estimate of \$0.26-\$0.28, including an estimated \$0.01 loss per share attributable to the QSI segment.

These estimates assume shipments of approximately 38-39 million Mobile Station Modem™ (MSM™) phone chips during the quarter compared to our prior estimate of 36-38 million units. We anticipate approximately 46 million CDMA phone shipments during the quarter at an average selling price of approximately \$210, compared to our prior estimate of 44 million phones and a \$206 average selling price.

Fiscal 2004

Based on the current business outlook, we anticipate that revenues excluding the QSI segment will grow by approximately 33-34 percent year-over-year. We anticipate diluted earnings per share excluding the QSI segment of approximately \$1.09-\$1.10 for fiscal

2004, compared to our prior estimate of \$1.08-\$1.09 and to \$0.71 in fiscal 2003. We also anticipate that total QUALCOMM revenues will grow by approximately 33-34 percent year-over-year. We anticipate total QUALCOMM diluted earnings per share of approximately \$1.08-\$1.09, including an estimated \$0.01 loss per share attributed to the QSI segment for fiscal 2004, compared to our prior estimate of \$1.06-\$1.07, including an estimated \$0.02 loss per share attributed to the QSI segment. We anticipate the CDMA phone market will be approximately 170-176 million units in calendar 2004, as compared to our prior estimate of approximately 161-168 million units. Our forecast of average selling prices for fiscal 2004 remains at approximately \$209.

Due to their nature, certain income and expense items such as realized investment gains or losses and asset impairments cannot be accurately forecast. Accordingly, the Company excludes 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.

The following table summarizes this update for QUALCOMM excluding QSI (MSM phone chip range and phone market units in millions):

Q4 Fiscal 2004	*Revenue		*Diluted EPS		MSM Phone Chips
	Versus Q4 2003	From Q3 2004	Range	Versus Q4 2003	Range
Current Update	60-62%	4-5%	\$0.28-\$0.30	\$0.14	38-39
Last Update (July)	57-65%	2-7%	\$0.27-\$0.29	n/a	36-38
					Phone Market
Fiscal 2004	*Revenue	*Diluted EPS		Calendar Year	Fiscal Year
	Versus Last Year	Range	Versus Last Year	Units	ASPs
Current Update	33-34%	\$1.09-\$1.10	\$0.71	170-176	\$209
Last Update (July)	33-35%	\$1.08-\$1.09	n/a	161-168	\$209

*Excluding QSI

Internal Review of Ongoing Accounting Method for Royalties

Royalties are reported to the Company by its licensees in the quarter after the Company has earned such royalties. Royalties from licensees for which estimates could be reasonably made have, since 1998, been accrued in the quarter when earned and adjusted in the subsequent quarter for the actual royalties reported. The Company has previously noted in its financial reports filed with the SEC that, as the CDMA market further develops and diversifies, its ability to forecast for many or all of its licensees may decrease, and if so, the Company may no longer be able to estimate reliably and may change its accounting policy to record royalties as revenue when they are reported by licensees. Market dynamics are shifting, primarily due to changes in the mix of CDMA2000 and WCDMA products being sold by licensees, changes in licensees market shares and mix of product sales, and the increasing variability in licensees chipset inventories. The Company is currently evaluating its ability to estimate reliably the royalty accrual. If the Company in its ongoing review concludes it does not have this ability for some or all licensees, the Company will cease accruing royalty amounts for

these licensees and record royalty revenues as they are reported. In particular, were the Company to determine that a change in accounting method is warranted effective for the fourth fiscal quarter of 2004 and applied to all licensees for whom estimated royalties are accrued, the change would result in a one-time reduction of the royalty revenues described in the Company's forecast above by approximately \$298 million in the fourth fiscal quarter, representing amounts the Company expected to accrue absent an accounting change. Reported pretax income would be reduced by approximately \$298 million. However, this change would have no effect on operating cash flow in the quarter, nor would it impact the underlying economics of the Company's licensing business. Revenue and earnings that would have been accrued are instead recognized in the next quarter as the royalties are reported. Amounts accrued and adjustments for prior quarters have been disclosed in periodic reports to the SEC on form 10-Q for prior periods.

"The 3G CDMA market continues to grow at a rapid pace," said Dr. Irwin Mark Jacobs, Chairman and CEO of QUALCOMM. "Data services and advanced features, including multi-player games, positioning, photo messaging, music and video downloads, are proving very popular where offered, increasing average revenue per subscriber and driving phone upgrades. QUALCOMM continues to increase its research and development activities and to provide leadership in the development and adoption of new services and device evolution. We expect continued strong cash flow from operations in the quarter, yielding a total cash and marketable securities balance at fiscal year end of approximately \$7.6 billion."

QUALCOMM Incorporated (www.qualcomm.com) is a leader in developing and delivering innovative digital wireless communications products and services based on the Company's CDMA digital technology. Headquartered in San Diego, California, QUALCOMM is included in the S&P 500 Index and is a 2003 FORTUNE 500[®] company traded on The Nasdaq Stock Market[®] under the ticker symbol QCOM.

Note Regarding Use of Non-GAAP Financial Measures

The Company presents financial information excluding the QUALCOMM Strategic Initiatives (QSI) segment to facilitate evaluation by management, investors and analysts of its ongoing core operating businesses, including QUALCOMM CDMA Technologies (QCT), QUALCOMM Technology Licensing (QTL) and QUALCOMM Wireless & Internet (QWI). QSI results relate to strategic investments for which the Company has exit strategies of varying durations. Management believes that the information excluding QSI presents a more representative measure of the operating and liquidity performance of the Company because it excludes the effect of fluctuations in the value of investments that are unrelated to the Company's operational performance. The financial information excluding QSI should be considered in addition, not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. Reconciliations between total QUALCOMM results and results excluding QSI are presented on the Company's web site at <http://www.qualcomm.com>.

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: any change in the accounting method for accounting for royalties; the rate of development, deployment and commercial acceptance of CDMA based networks and CDMA based technology, including CDMA2000 1X, CDMA2000 1xEV-DO and WCDMA, 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; dependence on third party manufacturers and suppliers; our ability to maintain and improve operational efficiencies and profitability; developments in current and future litigation as well as other risks detailed from time to time in the Company's SEC reports.

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Reconciliation of Non-GAAP Financial Measures Related to Prior Periods

The following tables, which present segment information, have been adjusted to reflect the SnapTrack reorganization (Note 1) and discontinued operations (Note 3) (dollars in millions, except per share data):

Third Quarter - Fiscal Year 2004

Segments	QCT(1)	QTL	QWI(1)	Reconciling Items (2)	QUALCOMM excluding QSI	QSI	Total QUALCOMM
Revenues	790	436	150	(35)	1,341	-	1,341
Net income					483	3	486
Diluted earnings per common share (4)					0.29	0.00	0.29

Fourth Quarter - Fiscal Year 2003

Segments	QCT(1) *	QTL	QWI(1) *	Reconciling Items (2) *	QUALCOMM excluding QSI	QSI * (3)	Total QUALCOMM *
Revenues	501	242	148	(21)	870	1	871
Net income (loss)					236	55	291
Diluted earnings (loss) per common share (4)					0.14	0.03	0.18

Twelve Months - Fiscal Year 2003

Segments	QCT(1) *	QTL	QWI(1) *	Reconciling Items (2) *	QUALCOMM excluding QSI	QSI * (3)	Total QUALCOMM *
Revenues	2,406	1,000	511	(71)	3,846	2	3,848
Net income (loss)					1,161	(334)	827
Diluted net earnings (loss) per common share (4)					0.71	(0.20)	0.51

- (1) During the second quarter of fiscal 2004, the Company reorganized its wholly-owned subsidiary, SnapTrack, Inc. (SnapTrack), a developer of wireless position location technology. The Company previously presented all of the revenues and operating results of SnapTrack in the QCT segment. As a result of the reorganization of SnapTrack, revenues and operating results related to SnapTrack's server software business (software for location-based services and applications) became part of the QIS division in the QWI segment. Revenues and operating results related to SnapTrack's client business (the gpsOne™ technology that is embedded within the integrated circuit products) remain with the QCT segment. Prior period segment information has been adjusted to conform to the new segment presentation.
- (2) Reconciling items related to revenues consist primarily of other non-reportable 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, non-reportable segment results, interest expense and the elimination of intercompany profit.
- (3) During fiscal 2004, the Company sold its consolidated subsidiaries, the Vesper Operating Companies and TowerCo, and returned personal mobile service (SMP) licenses to Anatel, the telecommunications regulatory agency in Brazil. The results of operations of the Vesper Operating Companies and TowerCo, including gains and losses realized on the sales transactions and the SMP licenses, are presented as discontinued operations. The Company's statements of operations and cash flows for all prior periods have been adjusted to present the discontinued operations.
- (4) The sum of the earnings per share amounts may not equal total earnings per share due to rounding.

* As adjusted as described in the notes above.

N/M – Not Meaningful

Revenues and earnings excluding the QSI segment, including for forward looking periods, are calculated as total QUALCOMM revenues and earnings less revenues and earnings attributed to the QSI segment. No other adjustments are made.

To view the Q4 FY04 Updated Guidance, please visit:

http://www.qualcomm.com/ir/ppt/q404guidance_financials.pdf