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Q1 FY05 Guidance Update December 21, 2004

QUALCOMM Incorporated is a leading developer and supplier of digital wireless communications products and services and is the innovator of CDMA, a technology that has become the world standard for the wireless communications industry.

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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 potential market size, market shares, and other factors which inherently involve risks and uncertainties.

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/index.html>

Guidance As of December 21, 2004

	Prior Qtr Q4'04 Sep 2004 <u>Results</u>	Q1'05 Dec 2004 Sequential Guidance	
		<u>As of Nov. 3, 2004</u>	<u>As of Dec. 21, 2004</u>
3G MSM phone chips			
CDMA2000 1X, 1xEV-DO, WCDMA	39M	38 - 39M est.	39M est. high-end
CDMA/WCDMA handsets shipped	40M** (Jun qtr*)	41M est. (Sep qtr*)	40M est. (Sep qtr*)
CDMA/WCDMA handset ASP	\$212** (Jun qtr*)	\$213 est. (Sep qtr*)	\$212 est. (Sep qtr*)
QUALCOMM Excluding QSI			
New method revenues	\$1,371M	\$1.3B - \$1.4B est.	\$1.4B est. high-end
New method EPS	\$0.29	\$0.24 - \$0.26 est.	\$0.26 - \$0.27 est.
Total QUALCOMM			
GAAP revenues	\$1,118M	Inc. 15 - 26% est.	\$1.4B est. high-end
GAAP EPS	\$0.23	\$0.23 - \$0.25 est.	\$0.26 - \$0.27 est.

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

**June quarter shipments and ASP adjusted due to corrected licensee report submitted by licensee.

Please refer to <http://www.qualcomm.com/ir/index.html> for current and prior period reconciliations

Reconciliations

QUALCOMM Incorporated
A Comparison of the "Prior Method" of Estimating Royalties and the "New Method" of Estimating Royalties
(\$ in millions)

	Q 404
Prior Method of Estimating Royalties	
Estimate of estimated licensees for prior period	\$ 253
Royalties reported by estimated licensees for prior period	<u>255</u>
Prior period variance included in reporting period	2
Other royalties reported in reporting period	99
Estimate for estimated licensees for current period	<u>-</u>
Total QTL royalty revenues from external licensees	101
Intercompany revenue	36
License revenue	<u>14</u>
Total QTL revenue including prospective change to new method in Q4 '04	\$ 151
New Method of Estimating Royalties	
Total royalties reported by external licensees (a)	\$ 354
Intercompany revenue	36
License revenue	<u>14</u>
Total QTL Revenue using new method	\$ 404
Difference between the estimation methods	<u>\$ (253)</u>
<hr/>	
Total QCOM revenues as reported under GAAP	\$ 1,118
Less: Difference between the estimation methods	<u>(253)</u>
Total QCOM revenues using new method	1,371
Total QCOM revenues, and QCOM revenues excluding QSI using new method	\$ 1,371
TOTAL QCOM net income as reported under GAAP	\$ 393
Less: Net income attributed to difference between the estimation methods (b)	<u>(154)</u>
Total QCOM net income using new method	547
Less: QSI net income (loss)	57
QCOM net income excluding QSI using new method	\$ 490
QCOM diluted EPS as reported under GAAP	\$ 0.23
EPS attributed to difference between the methods	\$ (0.09)
Total QCOM diluted EPS using new method	\$ 0.32
EPS attributed to QSI	\$ 0.03
QCOM diluted EPS excluding QSI using new method	\$ 0.29
Shares previously used for diluted EPS	n/a
Adjusted for stock split	1,692

Reconciliations continued

All EPS amounts have been adjusted to reflect the 2:1 stock split that was effected during the fourth quarter of fiscal 2004.

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.

(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 that will be recognized under GAAP due to the effect of the accounting change on these periods.

(b) QTL's rounded effective tax rate is 39% in fiscal 2004.

Sums may not equal totals due to rounding.

Revenues and earnings excluding the QSI segment, including 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.

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Thank You