

QUALCOMM Incorporated
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

| | <u>Three Months Ended</u> | | | <u>Nine</u> |
|---|---------------------------|------------------|---------------------|---------------------|
| | <u>June 25,</u> | <u>March 26,</u> | <u>December 25,</u> | <u>Months Ended</u> |
| | <u>2006</u> | <u>2006</u> | <u>2005</u> | <u>June 25,</u> |
| | | | | <u>2006</u> |
| Operating Activities: | | | | |
| Net Income | \$ 643 | \$ 593 | \$ 620 | \$ 1,856 |
| Non-cash items: | | | | |
| Depreciation and amortization | 69 | 63 | 58 | 190 |
| Net realized gains on marketable securities and other investments | (34) | (40) | (20) | (94) |
| Share-based compensation expense | 126 | 120 | 122 | 368 |
| Incremental tax benefits from stock options exercised | (103) | (172) | (101) | (376) |
| Non-cash income tax expense | 155 | 116 | 104 | 375 |
| Other non-cash charges, net | 21 | 22 | 4 | 47 |
| Increase (decrease) in cash resulting from changes in: | | | | |
| Accounts receivable, net | (126) | 157 | (171) | (140) |
| Inventories | (42) | (21) | (18) | (81) |
| Other assets | 4 | 5 | 16 | 25 |
| Trade accounts payable | 34 | 19 | 87 | 140 |
| Payroll, benefits and other liabilities | 45 | 21 | (86) | (20) |
| Unearned revenue | 24 | 6 | (19) | 11 |
| Net cash provided by operating activities | <u>816</u> | <u>889</u> | <u>596</u> | <u>2,301</u> |
| Investing Activities: | | | | |
| Capital expenditures | (182) | (161) | (213) | (556) |
| Purchases of available-for-sale securities | (3,548) | (2,744) | (3,318) | (9,610) |
| Proceeds from sale of available-for-sale securities | 3,473 | 2,283 | 2,160 | 7,916 |
| Other investments and acquisitions, net of cash acquired | (120) | (264) | (6) | (390) |
| Other items, net | 34 | 41 | 4 | 79 |
| Net cash used by investing activities | <u>(343)</u> | <u>(845)</u> | <u>(1,373)</u> | <u>(2,561)</u> |
| Financing Activities: | | | | |
| Proceeds from issuance of common stock | 155 | 287 | 181 | 623 |
| Incremental tax benefits from stock options exercised | 103 | 172 | 101 | 376 |
| Dividends paid | (202) | (298) | - | (500) |
| Repurchase and retirement of common stock | (1,165) | - | - | (1,165) |
| Other items, net | 11 | - | - | 11 |
| Net cash (used) provided by financing activities | <u>(1,098)</u> | <u>161</u> | <u>282</u> | <u>(655)</u> |
| Effect of exchange rate changes on cash | 1 | (3) | 2 | - |
| Net (decrease) increase in cash and cash equivalents | <u>(624)</u> | <u>202</u> | <u>(493)</u> | <u>(915)</u> |
| Cash and cash equivalents at beginning of period | <u>1,779</u> | <u>1,577</u> | <u>2,070</u> | <u>2,070</u> |
| Cash and cash equivalents at end of period | <u>\$ 1,155</u> | <u>\$ 1,779</u> | <u>\$ 1,577</u> | <u>\$ 1,155</u> |