



# Q4 FY08 Earnings

November 6, 2008



## 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 industry trends, anticipated future results and product availability, potential market size, market shares, and other factors which inherently involve risks and uncertainties, including the rate of development, deployment and commercial acceptance of CDMA- and OFDMA- based networks and technology and fluctuations in the demand for CDMA- and OFDMA- based products, services or applications.

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 includes 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 included at the end of this presentation.

# Qualcomm Reports Q4 and FY08 Earnings

*(November 6, 2008)*

## Q4 FY08 Financial Results

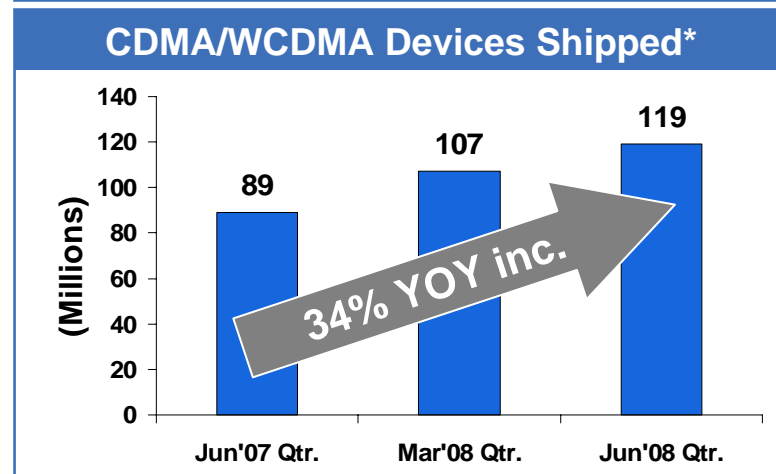
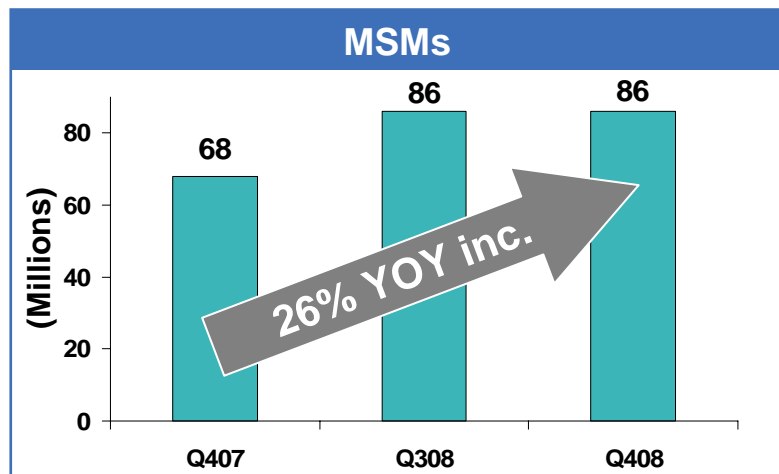
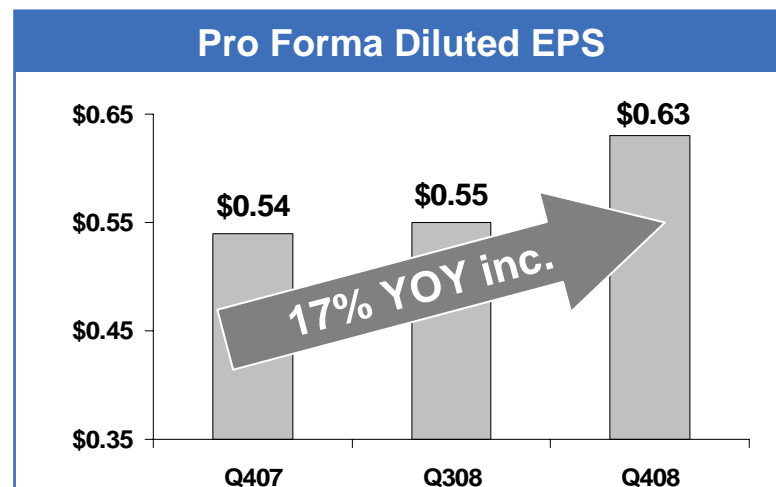
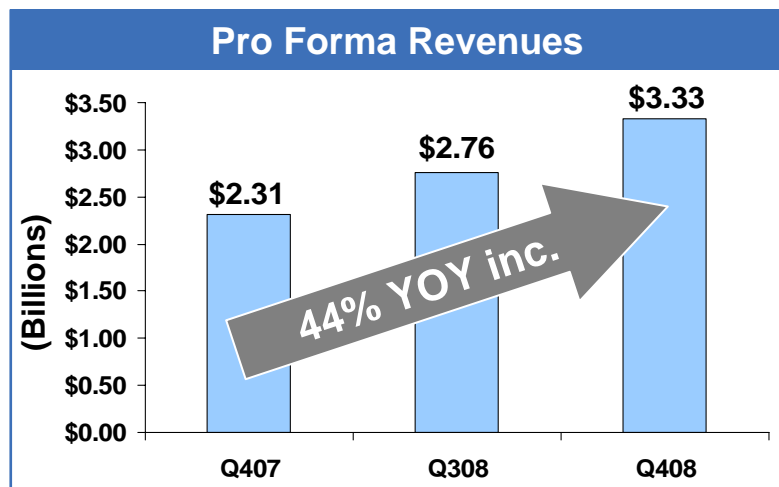
- Pro forma revenues of \$3.3 billion, up 44% year-over-year
- Pro forma diluted EPS of \$0.63, up 17% year-over-year
  - Includes \$560 million in revenues, or \$0.20 diluted EPS, in Q4'08\* as a result of new license and settlement agreements with Nokia
  - Includes \$327 million in other-than-temporary impairments of marketable securities, or \$0.14 negative impact to Q4'08 diluted EPS, related to the impact of the recent disruption in the financial markets on our marketable securities portfolio
- ~86 million MSM chip shipments, up 26% year-over-year
- ~119 estimated CDMA-based device shipments, up 34% year-over-year
  - Estimated \$216 average selling price

## FY08 Financial Results

- Pro forma revenues of \$11.1 billion, up 25% year-over-year
- Pro forma diluted EPS of \$2.25, up 12% year-over-year
- Operating cash flow of \$3.56 billion, 32% of revenues
- Return of capital to stockholders: \$2.65 billion including
  - \$982 million of cash dividends, or \$0.60 per share
  - \$1.67 billion to repurchase 43 million shares.

# Fourth Fiscal Quarter Results

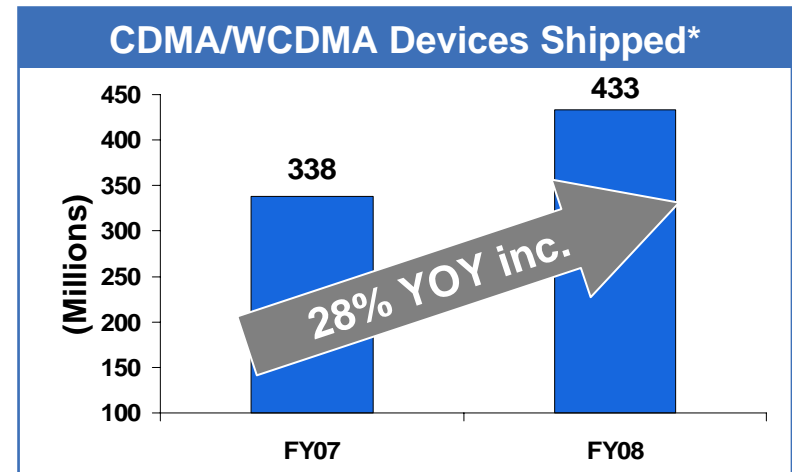
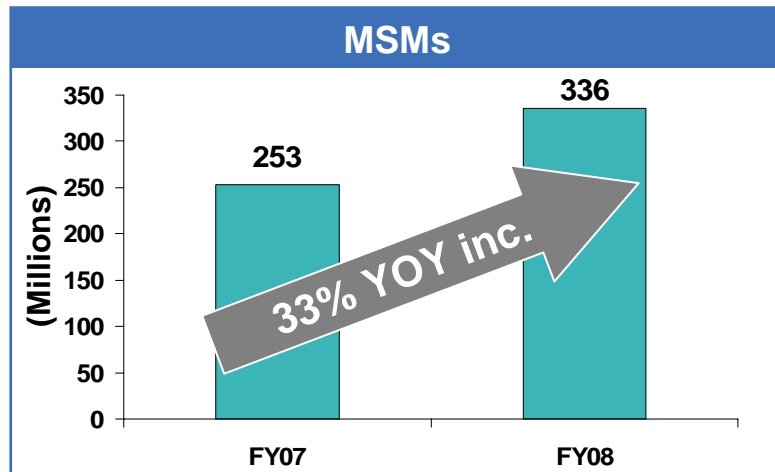
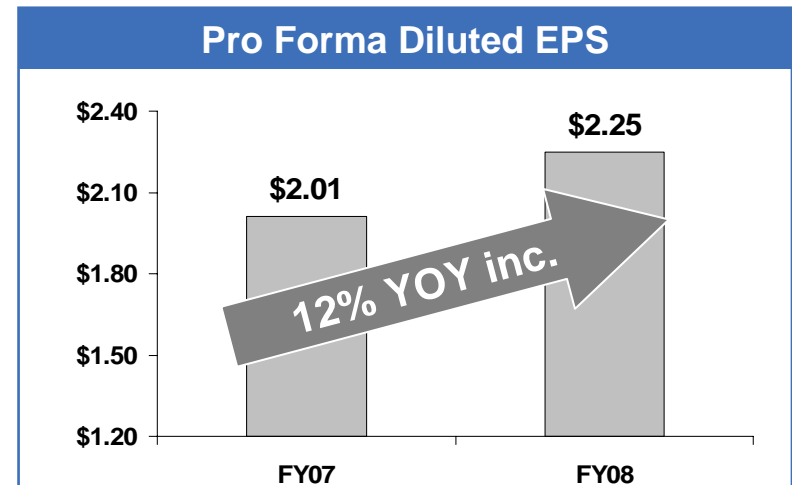
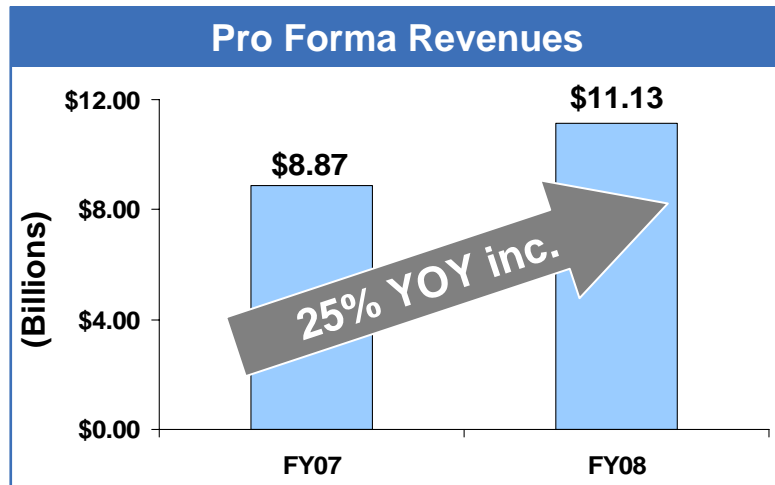
(November 6, 2008)



\*Royalties are recognized when reported, generally one quarter following shipment. CDMA/WCDMA devices shipped are derived from reports provided by our licensees/manufacturers during the year and our own estimates of unreported activity.

# Fiscal 2008 Results

(November 6, 2008)



\*Royalties are recognized when reported, generally one quarter following shipment. CDMA/WCDMA devices shipped are derived from reports provided by our licensees/manufacturers during the year and our own estimates of unreported activity.

## Business Segment Highlights

### Qualcomm Technology Licensing (QTL)

- We entered into new license and settlement agreements with Nokia Corporation/Nokia Inc. (Nokia) that cover GSM/GPRS/EDGE, CDMA2000, WCDMA (including HSPA), TD-SCDMA, OFDMA (including LTE, UMB and WiMAX) and other products and resolve all pending litigation between the parties.
- 155+ CDMA licensees; 95+ licensed for WCDMA/TD-SCDMA; 8 royalty-bearing OFDM/OFDMA single mode subscriber and infrastructure licensees

### Qualcomm CDMA Technologies (QCT)

- ~86 million MSMs shipped
- Completed the world's first data call using High-Speed Packet Access Plus (HSPA+) with our MDM8200™ product
- Our MSM7201A chipset enabled the first Android-powered mobile phone-the T-Mobile G1 (HTC)
- Gobi™ global mobile Internet technology was certified for use by AT&T

## Business Segment Highlights, *(cont.)*

### Qualcomm Wireless & Internet (QWI)

- **Qualcomm Enterprise Services (QES)**

- Announced alliances with commercial truck OEMs Navistar (U.S.) and Iveco (Europe) to deliver wireless fleet management services
- Hosted the 2008 Smart Services Leadership Summit with over 230 industry experts, academics, and analysts across diverse industries

- **Firethorn**

- Announced agreements with Fifth Third Processing Solutions to bring mobile banking services to its 2,880 financial institutions and Fundtech Ltd. to add mobile connectivity to Fundtech's CASHplus cash management system
- Announced the availability of Firethorn's mobile banking application for iPhone marketed in partnership with AT&T; consumers can securely and efficiently manage their finances through any Firethorn financial institution partner

## Business Segment Highlights, *(cont.)*

### Reconciling Items



MediaFLO™

#### • MediaFLO Technologies

- Demonstrated advanced mobile broadcast capabilities at IBC 2008, including interactivity applications and new concept devices
- Elected to the governing board of the Broadcast Mobile Convergence Forum (bmcoforum), the leading worldwide industry association for mobile broadcasting services

#### • Qualcomm MEMS Technologies (QMT)



- Hisense handset, which incorporates our mirasol display, is now available in China
- Revealed two design specifications for Consumer Electronics Products: the Freestyle Audio waterproof MP3 player and Skullcandy Headset, which both feature our color mirasol™ display

## Qualcomm Strategic Initiatives (QSI)

#### • MediaFLO USA



- Expanded news coverage now includes three standalone full-time 24/7 news channels: CNBC, MSNBC, and FOX News
- Now carrying over 200 hours of live full-length college football games
- NBC and AT&T recently provided an exclusive mobile 2008 Summer Olympics channel, which ran for 16 days on AT&T



# Qualcomm Guidance

*(November 6, 2008)*

## Q1 and FY09 Guidance

- Reflects slower end-market device growth than previously anticipated and a significant contraction in channel inventory
- While we are estimating strong growth for 3G CDMA, the current macroeconomic conditions and potential for further economic slowdown creates an uncertain business environment for the next several quarters
- The financial disruption has, and may continue to have, an impact on the value of our marketable securities portfolio & net investment income\*

## Calendar Year Device Guidance

- We estimate strong growth for CDMA-based devices in calendar year 2009 driven by a shift to emerging markets
- This is strong growth, but is meaningfully less than we would have forecasted just a few weeks ago

## Our Balance Sheet Remains Strong

- Our business operations continues to generate strong cash flow
- We are well positioned to navigate through these uncertain times and will continue to focus on our long-term strategic objectives

\*While we do not forecast impairments, our net unrealized losses on marketable securities have increased to \$1.26 billion at October 31, 2008, and portions of that amount could be impaired in future periods if market conditions do not improve.

# First Quarter Fiscal 2009 Guidance

(as of November 6, 2008)

QUALCOMM PRO FORMA*	Q1'08 RESULTS	CURRENT GUIDANCE Q1'09 ESTIMATES <sup>(2)</sup>
Revenues	\$2.44B	\$2.3B - \$2.5B
Diluted earnings per share (EPS)	\$0.52	\$0.46 - \$0.50
<b>TOTAL QUALCOMM (GAAP)</b>		
Revenues	\$2.44B	\$2.3B - \$2.5B
Diluted earnings per share (EPS)	\$0.46	\$0.35 - \$0.39
Diluted EPS attributable to QSI	(\$0.01)	(\$0.04)
Diluted EPS attributable to estimated share-based compensation	(\$0.05)	(\$0.07)
<b>METRICS</b>		
MSM Shipments	approx. 79M	approx. 60M - 65M
CDMA/WCDMA devices shipped <sup>(1)</sup>	approx. 95M	approx. 121M - 126M
CDMA/WCDMA device wholesale average selling price <sup>(1)</sup>	approx. \$211	approx. \$205

\*Pro forma results exclude the QSI segment, certain estimated share-based compensation, certain tax items related to prior years and in-process R&D expense.

<sup>(1)</sup> Shipments in Sep. quarter, reported in Dec. quarter. CDMA/WCDMA device shipments and average selling prices are for estimated worldwide device shipments, including shipments not reported to Qualcomm.

<sup>(2)</sup> While we do not forecast impairments, our net unrealized losses on marketable securities have increased to \$1.26 billion at October 31, 2008, and portions of that amount could be impaired in future periods if market conditions do not improve.

# Fiscal 2009 Guidance

(as of November 6, 2008)

QUALCOMM PRO FORMA*	FY 2008 RESULTS	CURRENT GUIDANCE FY 2009 ESTIMATES <sup>(2)</sup>
Revenues	\$11.13B	\$10.2B - \$10.8B
Diluted earnings per share (EPS)	\$2.25	\$2.00 - \$2.10
<b>TOTAL QUALCOMM (GAAP)</b>		
Revenues	\$11.14B	\$10.2B - \$10.8B
Diluted earnings per share (EPS)	\$1.90	\$1.61 - \$1.71
Diluted EPS attributable to QSI	(\$0.12)	(\$0.14)
Diluted EPS attributable to estimated share-based compensation	(\$0.22)	(\$0.25)
Diluted EPS attributable to in-process R&D	(\$0.01)	n/a
<b>METRICS</b>		
Fiscal year CDMA/WCDMA device wholesale average selling price <sup>(1)</sup>	approx. \$219	approx. \$195

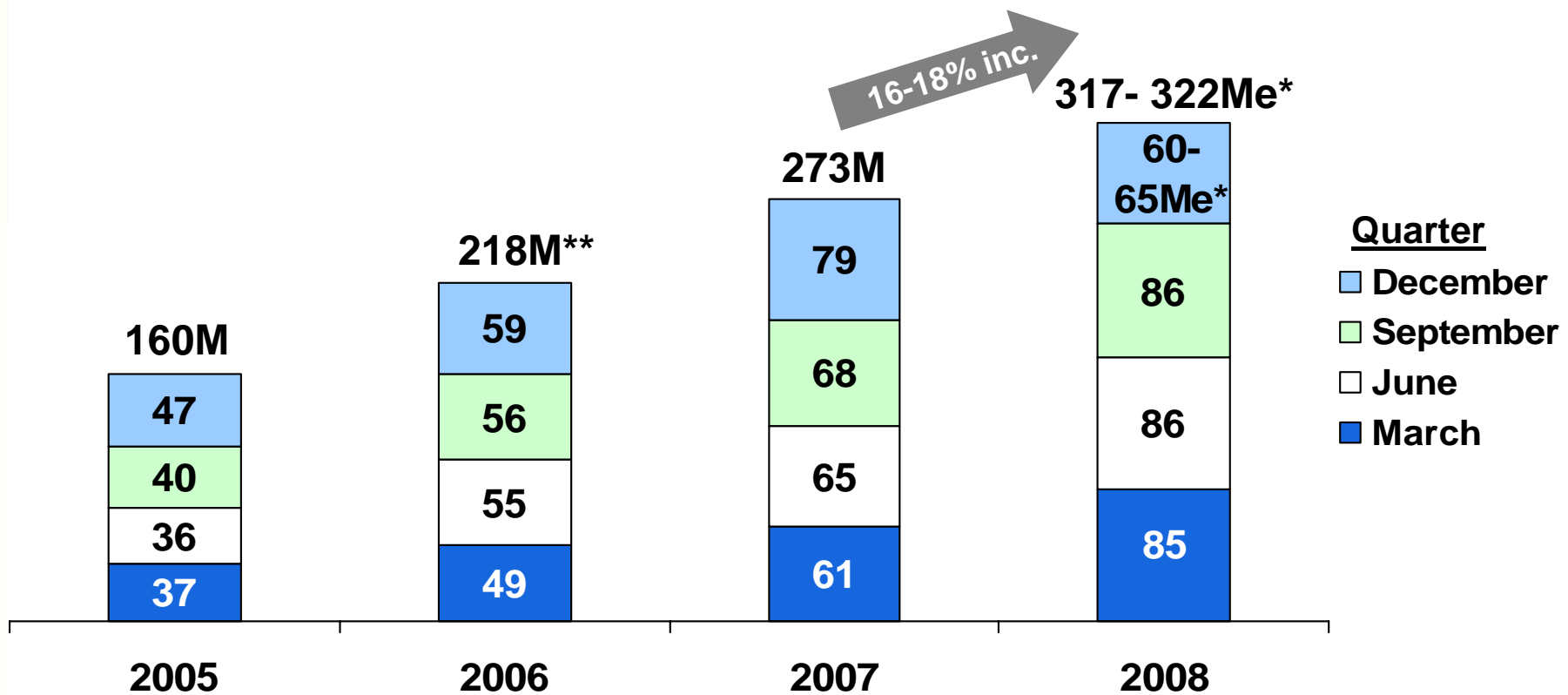
\*Pro forma results exclude the QSI segment, certain estimated share-based compensation, certain tax items related to prior years and in-process R&D expense.

<sup>(1)</sup> Shipments in Sept. to June quarters, reported in Dec. to Sept. quarters. CDMA/WCDMA device shipments and average selling prices are for estimated worldwide device shipments, including shipments not reported to Qualcomm.

<sup>(2)</sup> While we do not forecast impairments, our net unrealized losses on marketable securities have increased to \$1.26 billion at October 31, 2008, and portions of that amount could be impaired in future periods if market conditions do not improve.

# CDMA and WCDMA (UMTS) Qualcomm MSM Shipments

(Calendar Year, Millions)

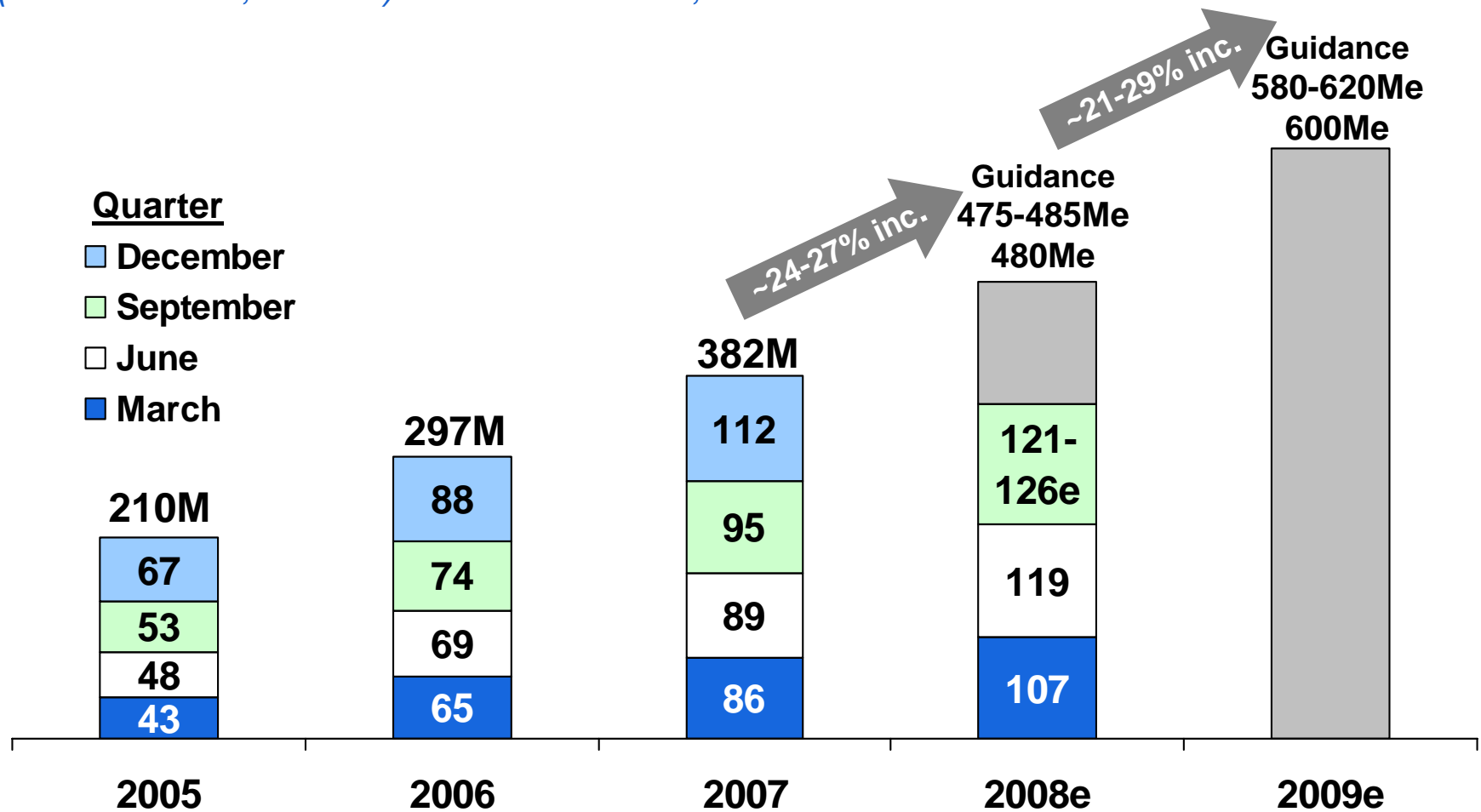


\*Guidance as of November 6, 2008.

\*\*Sum of quarterly amounts do not equal total due to rounding.

# CDMA and WCDMA (UMTS) Device Shipment Estimates

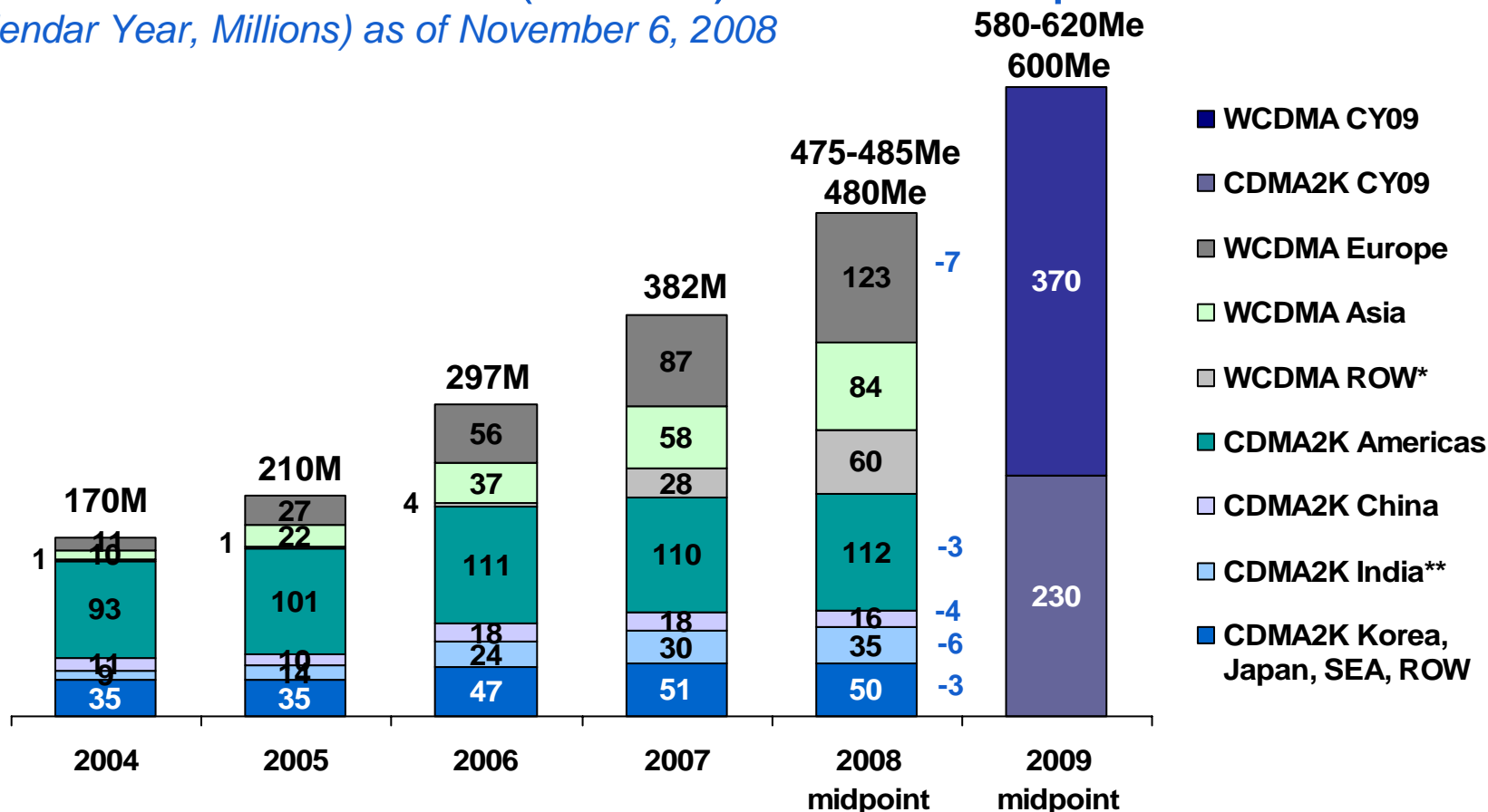
(Calendar Year, Millions) as of November 6, 2008



Note: Totals may not match sum of quarters due to rounding. CDMA/WCDMA device shipments and average selling prices are for estimated worldwide device shipments, including shipments not reported to Qualcomm.

# CDMA and WCDMA (UMTS) Device Shipment Estimates

(Calendar Year, Millions) as of November 6, 2008



WCDMA	22M	50M	97M	173M	267M est.	370M est.
CDMA	148M	160M	200M	209M	213M est.	230M est.
<b>Total</b>	<b>170M</b>	<b>210M</b>	<b>297M</b>	<b>382M</b>	<b>480M est.</b>	<b>600M est.</b>

### Change from prior guidance

Note: Regional device shipments are Qualcomm estimates and include handsets, data devices, telematics, security devices and some quantity of channel inventory. CDMA/WCDMA device shipments are for estimated worldwide device shipments, including shipments not reported to Qualcomm.

\*WCDMA ROW includes North America

\*\*CDMA2K India includes SAARC

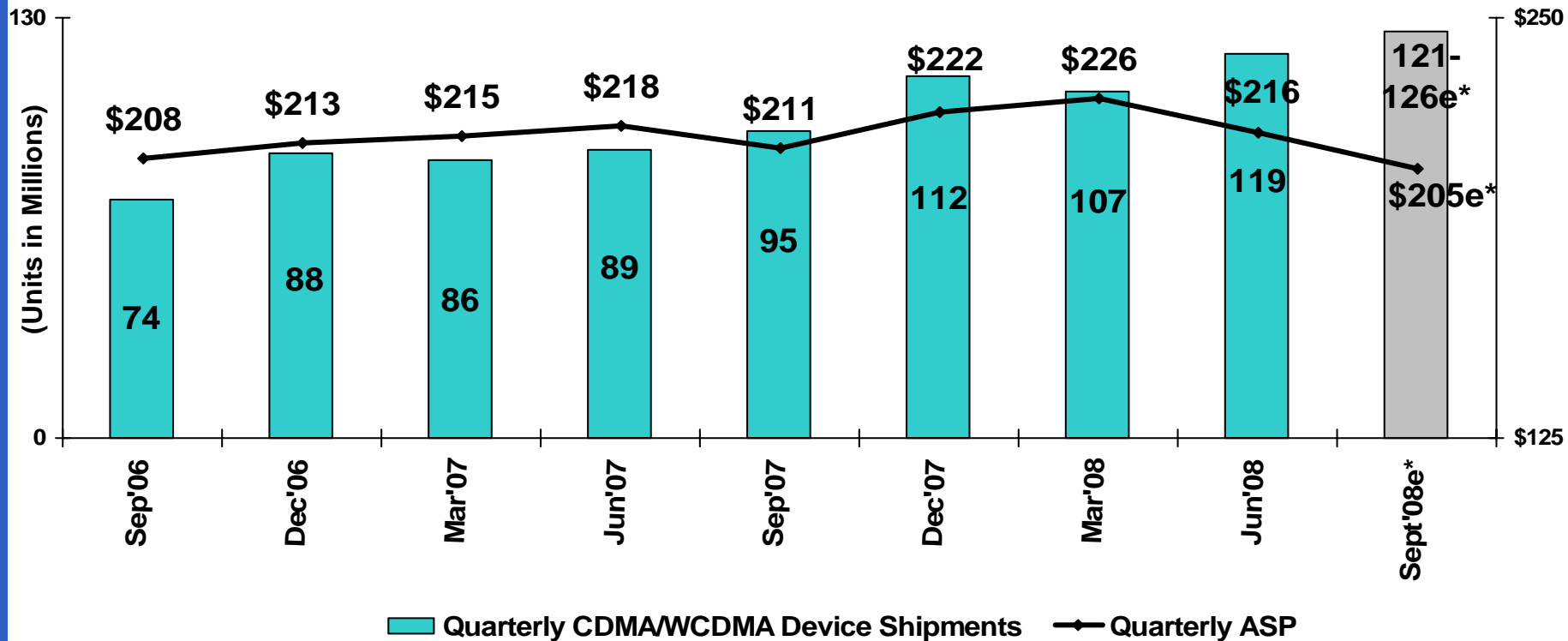
## Quarterly CDMA/WCDMA Device Shipments & ASP Trend

	FY07				FY08				FY09
	Sep '06	Dec '06	Mar '07	Jun '07	Sep '07	Dec '07	Mar '08	Jun '08	Sep '08
<b>Device shipments</b>	74	88	86	89	95	112	107	119	121-126e*
<b>Calendar year</b>		297				382			
<b>Fiscal year</b>				338				433	
<b>Device ASP</b>	\$208	\$213	\$215	\$218	\$211	\$222	\$226	\$216	\$205e*
<b>Fiscal year ASP</b>				\$214				\$219	\$195e*

- Quarterly CDMA/WCDMA device shipments (Millions of units)
- Quarterly Average Selling Price (ASP)
- Fiscal Year Average Selling Price (ASP)

Note: Shipments from September to June quarters are reported by licensees in December to September, Qualcomm's Fiscal Year. Reflects adjustments made as a result of the completion of licensee audits. CDMA/WCDMA device shipments and average selling prices are for estimated worldwide device shipments, including shipments not reported to Qualcomm.

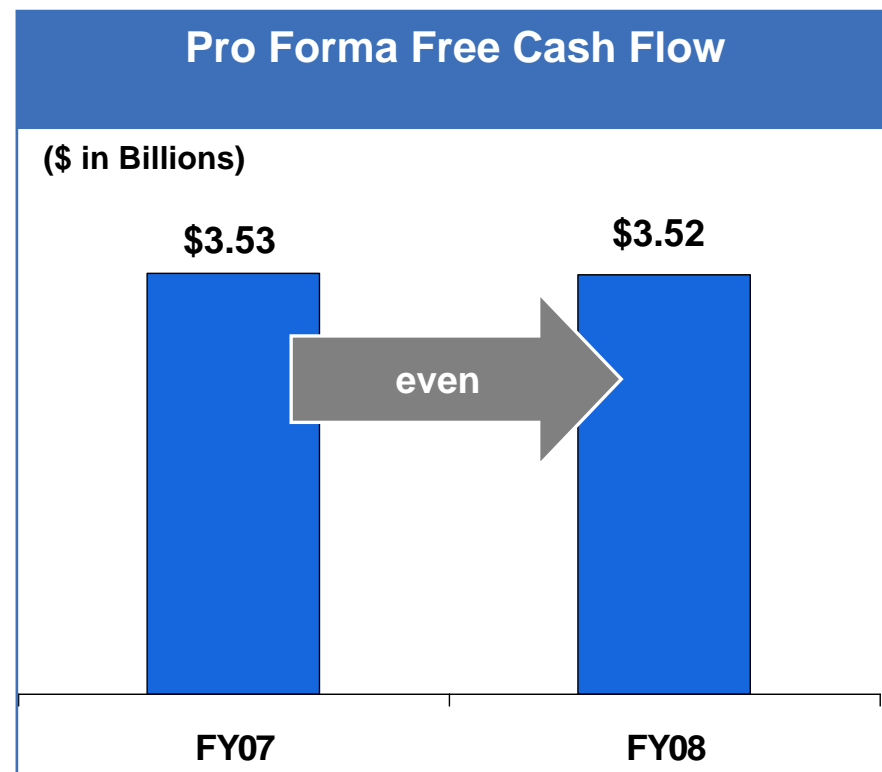
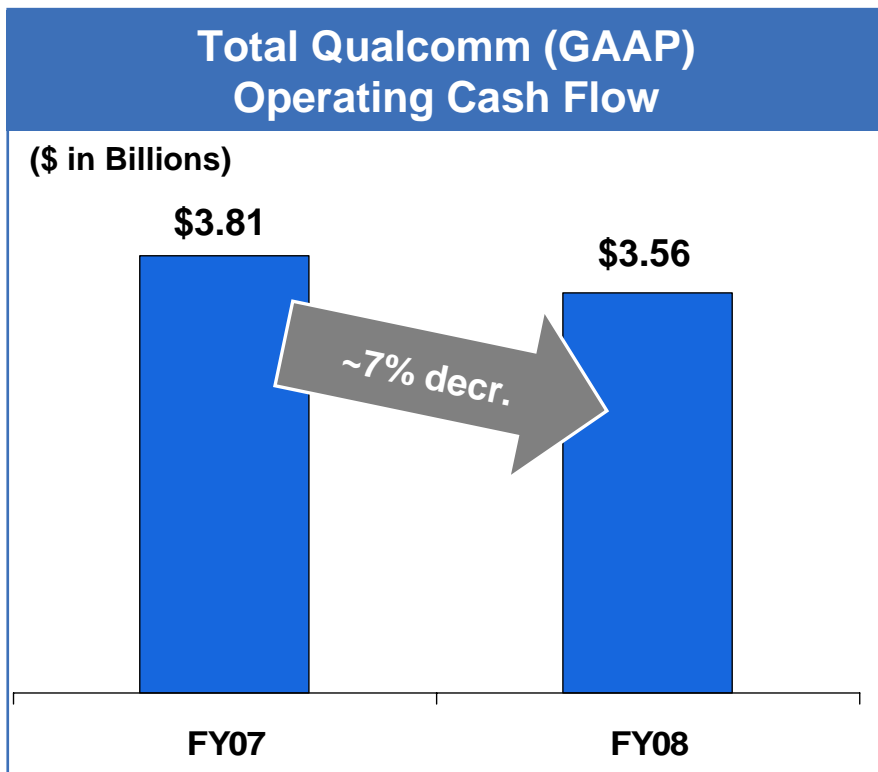
# Quarterly CDMA/WCDMA Device Shipments & ASP Trend



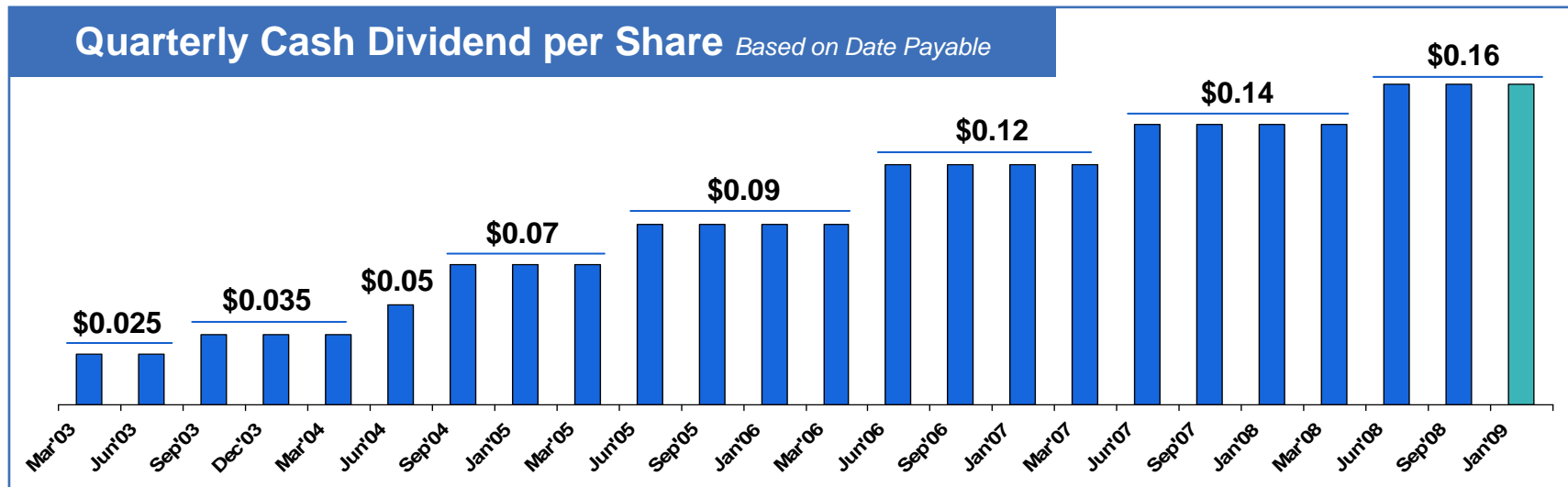
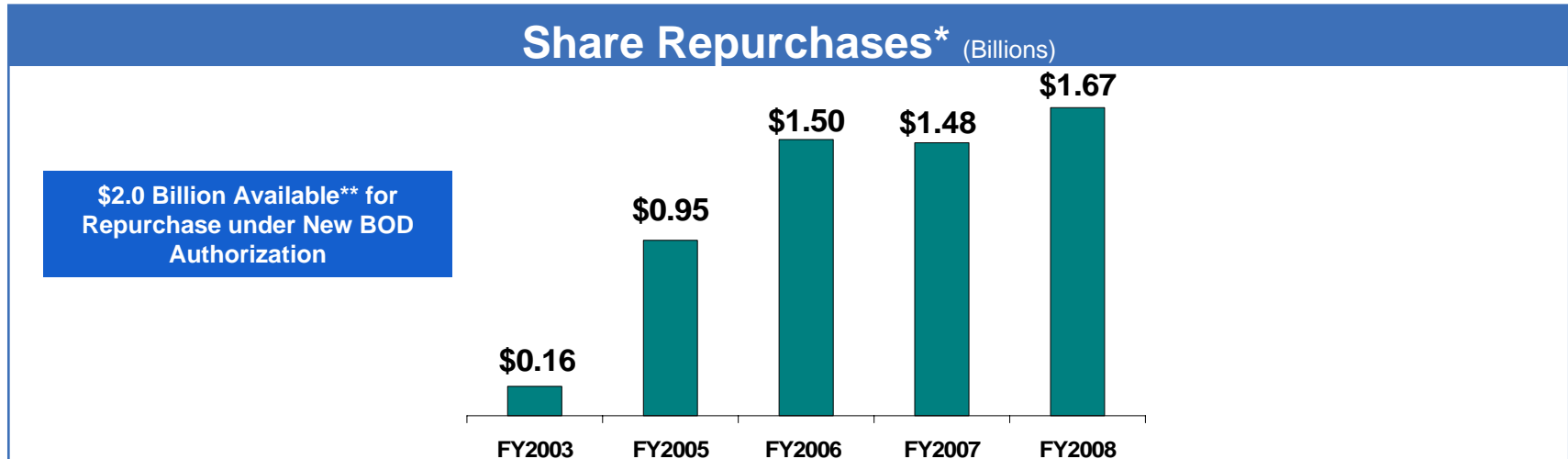
Note: Shipments from September to June quarters are reported by licensees in December to September, Qualcomm's Fiscal Year. Reflects adjustments made as a result of the completion of licensee audits. CDMA/WCDMA device shipments and average selling prices are for estimated worldwide device shipments, including shipments not reported to Qualcomm.



# Qualcomm Business Model Continues to Generate Strong Cash Flow



# Cumulative \$9.2B Capital Returned to Stockholders\*\*



Note: The Company effected a two-for-one stock split in August 2004. All references to per share data have been adjusted to reflect the stock split.

\*Gross repurchases.

\*\*As of September 28, 2008

# Financial Strength

(\$ Billions)	<u>FY07</u>	<u>FY08</u>
<b>Domestic</b>	<b>\$6.3</b>	<b>\$4.5</b>
<b>Offshore</b>	<b>\$5.5</b>	<b>\$6.8</b>
<b>Cash &amp; Marketable Securities</b>	<b>\$11.8</b>	<b>\$11.3</b>

**Cash resources  
and operating  
flexibility**

<b>Total Assets</b>	<b>\$18.5</b>	<b>\$24.6</b>
<b>Stockholders' Equity</b>	<b>\$15.8</b>	<b>\$17.9</b>
<b>Debt*</b>	<b>\$0.1</b>	<b>\$0.1</b>

**Solid balance sheet**

<b>EBITDA</b>	<b>\$3.5</b>	<b>\$3.8</b>
<b>Pro Forma Free Cash Flow</b>	<b>\$3.5</b>	<b>\$3.5</b>

**Cash flow to support  
future growth**

\*Debt consists of capital lease obligations

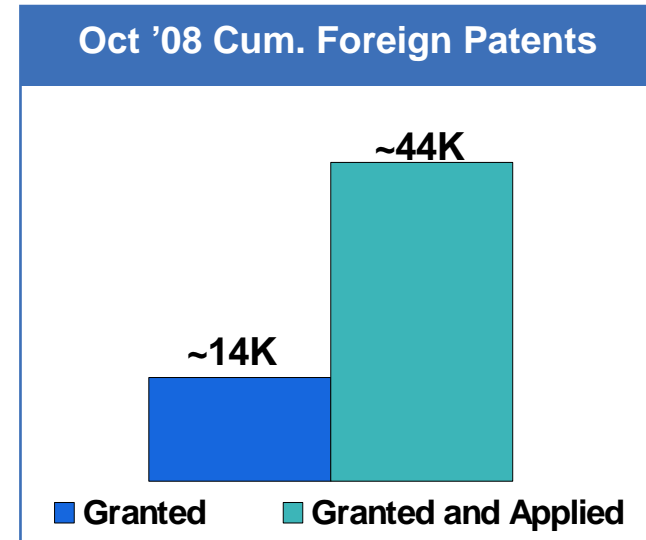
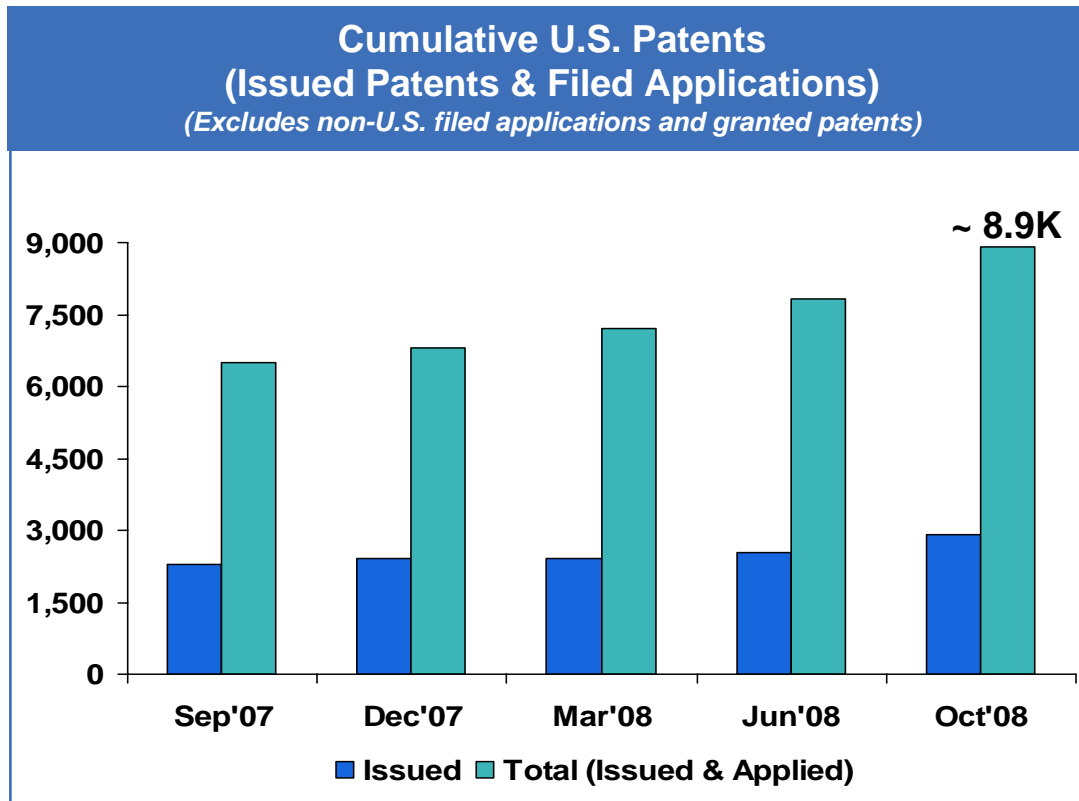
## Balance Sheets

<i>(\$ Billions)</i>	Sep '07	Sep '08
<b>Cash &amp; Marketable Securities</b>	<b>\$11.8</b>	<b>\$11.3</b>
<b>Receivables &amp; Inventory</b>	<b>\$1.2</b>	<b>\$4.6</b>
<b>Fixed Assets, Goodwill &amp; Other Intangible Assets</b>	<b>\$3.1</b>	<b>\$6.8</b>
<b>Deferred Tax Assets &amp; Other</b>	<b>\$2.4</b>	<b>\$1.9</b>
<b>Total Assets</b>	<b>\$18.5</b>	<b>\$24.6</b>
<b>Total Liabilities</b>	<b>\$2.7</b>	<b>\$6.7</b>
<b>Stockholders' Equity</b>	<b>\$15.8</b>	<b>\$17.9</b>
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>\$18.5</b>	<b>\$24.6</b>

**Strength & Flexibility to Support Strong Growth & Shareholder Returns**

# Qualcomm's Unique Patent Position

*Patent Portfolio is a Strong Asset Value*



***We have cumulatively filed over 1,700 U.S. patents and 8,100 foreign patents relating to OFDMA***



Reconciliations.



QUALCOMM®

# Pro forma reconciliations

## Fourth Quarter - Fiscal Year 2008

Segments	Qualcomm Pro Forma (1)	Estimated Share-Based Compensation (2)	QSI (4)	Total Qualcomm (GAAP) (1)
Revenues	\$ 3,329	\$ -	\$ 5	\$ 3,334
Change from prior year	44%		400%	45%
Change from prior quarter	21%		25%	21%
EBT	\$ 1,357	\$ (146)	\$ (104)	\$ 1,107
Change from prior year	20%	(25%)	(63%)	17%
Change from prior quarter	22%	(5%)	(27%)	26%
EBT as a % of revenues	41%	N/M	N/M	33%
Net income (loss)	\$ 1,058	\$ (98)	\$ (82)	\$ 878
Change from prior year	16%	(27%)	(141%)	(22%)
Change from prior quarter	16%	(4%)	(37%)	17%
Diluted EPS	\$ 0.63	\$ (0.06)	\$ (0.05)	\$ 0.52
Change from prior year	17%	(20%)	(150%)	(22%)
Change from prior quarter	15%	0%	(25%)	16%
Diluted shares used	1,678	1,678	1,678	1,678

## Third Quarter - Fiscal Year 2008

Segments	Qualcomm Pro Forma	Estimated Share-Based Compensation (2)	In-Process R&D	QSI (3)	Total Qualcomm (GAAP)
Revenues	\$ 2,758	\$ -	\$ -	\$ 4	\$ 2,762
EBT	1,116	(139)	(13)	(82)	882
Net income (loss)	915	(94)	(13)	(60)	748
Diluted EPS	\$ 0.55	\$ (0.06)	\$ (0.01)	\$ (0.04)	\$ 0.45
Diluted shares used	1,654	1,654	1,654	1,654	1,654

## Fourth Quarter - Fiscal Year 2007

Segments	Qualcomm Pro Forma	Estimated Share-Based Compensation (2)	Tax Items (4)	QSI (3)	Total Qualcomm (GAAP)
Revenues	\$ 2,305	\$ -	\$ -	\$ 1	\$ 2,306
EBT	1,129	(117)	-	(64)	948
Net income (loss)	911	(77)	331	(34)	1,131
Diluted EPS	\$ 0.54	\$ (0.05)	\$ 0.20	\$ (0.02)	\$ 0.67
Diluted shares used	1,689	1,689	1,689	1,689	1,689

## First Quarter - Fiscal Year 2008

Segments	Qualcomm Pro Forma	Estimated Share-Based Compensation (2)	In-Process R&D	QSI (3)	Total Qualcomm (GAAP)
Revenues	\$ 2,439	\$ -	\$ -	\$ 1	\$ 2,440
EBT	1,111	(124)	(2)	(55)	930
Net income (loss)	872	(84)	(1)	(20)	767
Diluted EPS	\$ 0.52	\$ (0.05)	\$ -	\$ (0.01)	\$ 0.46
Diluted shares used	1,664	1,664	1,664	1,664	1,664

## Pro forma reconciliations, (cont.)

### Twelve Months - Fiscal Year 2008

Segments	Qualcomm Pro Forma	Estimated Share-Based Compensation (2)	In-Process R&D	QSI	Total Qualcomm (GAAP)
<b>Revenues</b>	\$ 11,130	\$ -	\$ -	\$ 12	\$ 11,142
<i>Change from prior year</i>	25%			N/M	26%
<b>EBT</b>	\$ 4,684	\$ (540)	\$ (14)	\$ (304)	\$ 3,826
<i>Change from prior year</i>	7%	(11%)	(40%)	(27%)	6%
<b>EBT as a % of revenues</b>	42%	N/M	N/M	N/M	34%
<b>Net income (loss)</b>	\$ 3,740	\$ (365)	\$ (13)	\$ (202)	\$ 3,160
<i>Change from prior year</i>	10%	(14%)	(44%)	(47%)	(4%)
<b>Diluted EPS</b>	\$ 2.25	\$ (0.22)	\$ (0.01)	\$ (0.12)	\$ 1.90
<i>Change from prior year</i>	12%	(16%)	0%	(50%)	(3%)
<b>Diluted shares used</b>	1,660	1,660	1,660	1,660	1,660

### Twelve Months - Fiscal Year 2007

Segments	Qualcomm Pro Forma	Estimated Share-Based Compensation (2)	Tax Items (3)	In-Process R&D	QSI	Total Qualcomm (GAAP)
<b>Revenues</b>	\$ 8,870	\$ -	\$ -	\$ -	\$ 1	\$ 8,871
<b>EBT</b>	4,363	(487)	-	(10)	(240)	3,626
<b>Net income (loss)</b>	3,406	(321)	364	(9)	(137)	3,303
<b>Diluted EPS</b>	\$ 2.01	\$ (0.19)	\$ 0.22	\$ (0.01)	\$ (0.08)	\$ 1.95
<b>Diluted shares used</b>	1,693	1,693	1,693	1,693	1,693	1,693

- (1) Includes \$327 million in other-than-temporary impairments of marketable securities, or \$0.15 negative GAAP impact and \$0.14 negative impact on diluted EPS after tax, related to the impact of the recent disruption in the financial markets on our marketable securities portfolio.
- (2) Certain share-based compensation is included in operating expenses as part of employee-related costs but is not allocated to the Company's segments as such costs are not considered relevant by management in evaluating segment performance.
- (3) 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 items column and the tax provisions related to estimated share-based compensation and in-process R&D from the tax provision for total Qualcomm (GAAP).
- (4) During the fourth quarter of fiscal 2007, the Company recorded a \$331 million tax benefit, or \$0.20 diluted earnings per share, related to tax expense recorded in prior years resulting from the completion of tax audits during the fourth fiscal quarter. The fiscal 2007 Qualcomm pro forma results excluded this tax benefit attributable to prior years.

N/M – Not Meaningful

Sums may not equal totals due to rounding.



## Business Outlook Summary *(as of Nov. 6, 2008)*

<b>FIRST FISCAL QUARTER</b>		
	<b>Q1'08 Results (1)</b>	<b>Current Guidance Q1'09 Estimates (2)</b>
<b>Qualcomm Pro Forma</b>		
Revenues	\$2.44B	\$2.3B - \$2.5B
Year-over-year change		decrease 6% - increase 3%
Diluted earnings per share (EPS)	\$0.52	\$0.46 - \$0.50
Year-over-year change		decrease 4% - 12%
<b>Total Qualcomm (GAAP)</b>		
Revenues	\$2.44B	\$2.3B - \$2.5B
Year-over-year change		decrease 6% - increase 2%
Diluted earnings per share (EPS)	\$0.46	\$0.35 - \$0.39
Year-over-year change		decrease 15% - 24%
Diluted EPS attributable to QSI	(\$0.01)	(\$0.04)
Diluted EPS attributable to estimated share-based compensation	(\$0.05)	(\$0.07)

(1) Our Q1'08 results do not include royalty revenues attributable to Nokia's sales after April 9, 2007.

(2) While we do not forecast impairments, our net unrealized losses on marketable securities have increased to \$1.26 billion at October 31, 2008, and portions of that amount could be impaired in future periods if market conditions do not improve.

Sums may not equal totals due to rounding.

## Business Outlook Summary *(as of Nov. 6, 2008)*

<b>FISCAL YEAR</b>		
	<b>FY 2008 Results</b>	<b>Current Guidance FY 2009 Estimates (1)</b>
<b>Qualcomm Pro Forma</b>		
Revenues	\$11.13B	\$10.2B - \$10.8B
Year-over-year change		decrease 3% - 8%
Diluted earnings per share (EPS)	\$2.25	\$2.00 - \$2.10
Year-over-year change		decrease 7% - 11%
Effective income tax rate	20%	approx. 20%
<b>Total Qualcomm (GAAP)</b>		
Revenues	\$11.14B	\$10.2B - \$10.8B
Year-over-year change		decrease 3% - 8%
Diluted earnings per share (EPS)	\$1.90	\$1.61 - \$1.71
Year-over-year change		decrease 10% - 15%
Diluted EPS attributable to QSI	(\$0.12)	(\$0.14)
Diluted EPS attributable to estimated share-based compensation	(\$0.22)	(\$0.25)
Diluted EPS attributable to in-process R&D	(\$0.01)	n/a
Effective income tax rate	17%	approx. 15%

- (1) While we do not forecast impairments, our net unrealized losses on marketable securities have increased to \$1.26 billion at October 31, 2008, and portions of that amount could be impaired in future periods if market conditions do not improve.

Sums may not equal totals due to rounding.

**Qualcomm Incorporated**  
**Reconciliation of Pro Forma Free Cash Flows to**  
**Total Qualcomm (GAAP) net cash provided by operating activities**  
**and other supplemental disclosures**  
(In millions)  
(Unaudited)

**Twelve Months Ended September 28, 2008**

	<b>Qualcomm Pro Forma</b>	<b>Estimated Share-Based Compensation</b>	<b>In-Process R&amp;D</b>	<b>QSI</b>	<b>Total Qualcomm (GAAP)</b>
<b>Net cash provided (used) by operating activities</b>	\$ 4,243	\$ (408) (a)	\$ (14)	\$ (263)	\$ 3,558
Less: capital expenditures	(725)	-	-	(672)	(1,397)
<b>Free cash flow</b>	<u>\$ 3,518</u>	<u>\$ (408)</u>	<u>\$ (14)</u>	<u>\$ (935)</u>	<u>\$ 2,161</u>

**Twelve Months Ended September 30, 2007**

	<b>Qualcomm Pro Forma</b>	<b>Estimated Share-Based Compensation</b>	<b>In-Process R&amp;D</b>	<b>QSI</b>	<b>Total Qualcomm (GAAP)</b>
<b>Net cash provided (used) by operating activities</b>	\$ 4,252	\$ (240) (a)	\$ (10)	\$ (191)	\$ 3,811
Less: capital expenditures	(726)	-	-	(92)	(818)
<b>Free cash flow</b>	<u>\$ 3,526</u>	<u>\$ (240)</u>	<u>\$ (10)</u>	<u>\$ (283)</u>	<u>\$ 2,993</u>

(a) Incremental tax benefits from stock options exercised during the period.

**Qualcomm Incorporated**  
**Reconciliation of EBITDA to Net Income**  
(In millions)  
(Unaudited)

	<b>Fiscal Year 2007</b>	<b>Fiscal Year 2008</b>
	<u>          </u>	<u>          </u>
<b>Net Income</b>	\$ 3,303	\$ 3,160
Plus: Income tax expense	323	666
Plus: Depreciation and amortization	383	456
Less: Interest income, net	(547)	(469)
<b>EBITDA</b>	<u>\$ 3,462</u>	<u>\$ 3,813</u>

*EBITDA is defined as Earnings Before Interest, Taxes, Depreciation and Amortization*

**Reconciliation of certain Pro forma measures  
to Total Qualcomm (GAAP)  
(\$ in millions)**

<b>Fiscal 2008</b>					
	Qualcomm pro forma <sup>(1)</sup>	Estimated share- based compensation	In-Process R&D	QSI	<b>Total Qualcomm (GAAP)</b>
Research and development	1,926	250	14	91	2,281
Selling, general and administrative	1,345	251	-	121	1,717
Total operating expenses <sup>(2)</sup>	3,271	501	14	212	3,998
Operating income (loss)	4,604	(540)	(14)	(320)	3,730
Investment income, net	80 <sup>(3)</sup>	-	-	16	96 <sup>(4)</sup>

<b>Fiscal 2007</b>					
	Qualcomm pro forma <sup>(1)</sup>	Estimated share- based compensation	In-Process R&D	QSI	<b>Total Qualcomm (GAAP)</b>
Research and development	1,530	221	10	68	1,829
Selling, general and administrative	1,138	227	-	113	1,478
Total operating expenses <sup>(2)</sup>	2,668	448	10	181	3,307
Operating income (loss)	3,630	(487)	(10)	(250)	2,883
Investment income, net	733	-	-	10	743

	Qualcomm pro forma <sup>(1)</sup>	Estimated share- based compensation	In-Process R&D	QSI	<b>Total Qualcomm (GAAP)</b>
<b>Y-o-Y growth percentages:</b>					
Research and development	26%				25%
Operating expenses	23%				21%
Operating income	27%				29%

<sup>(1)</sup> Qualcomm pro forma results exclude certain estimated share-based compensation, certain tax items related to prior years, acquired in-process R&D and the QSI segment.

<sup>(2)</sup> Operating Expenses defined as research and development and selling, general and administrative expenses.

<sup>(3)</sup> Pro forma net investment income included \$502 million in other-than-temporary impairments, offset by \$582 million of other net investment income.

<sup>(4)</sup> Total Qualcomm (GAAP) net investment income included \$535 million of other-than-temporary impairments, offset by \$631 million in other net investment income.

## Reconciliation of Pro Forma to Total Qualcomm (GAAP)

(\$ in millions)

	Operating Expenses (defined as SG&A and R&D)	
	Fiscal 2008 Results	Fiscal 2009 Guidance*
Qualcomm pro forma <sup>(1)</sup>	\$ 3,271	Increase approximately 10% sequentially (est.)
QSI	212	not provided
In-process R&D	14	N/A
<b>Total Qualcomm excluding certain share-based compensation</b>	<u>\$ 3,497</u>	Increase approximately 10% sequentially (est.)
Share-based compensation	501	
<b>Total Qualcomm (GAAP)</b>	<u><u>\$ 3,998</u></u>	Increase approximately 11% sequentially (est.) <sup>(2)</sup>

(1) Qualcomm pro forma guidance for fiscal 2009 excludes expenses related to the QSI segment, in-process R&D and certain share-based compensation.

(2) FY09 total Qualcomm (GAAP) operating expense guidance includes an estimate of the share-based compensation expense allocated to SG&A and R&D.

\* Guidance as of November 6, 2008

**Reconciliation of Pro Forma to Total Qualcomm (GAAP)**  
**Operating Expenses (defined as SG&A and R&D)**  
(\$ in millions)

	<b>Q4 FY2008</b>	<b>Fiscal Q1 - 2009 Guidance*</b>
<b>Qualcomm pro forma</b>	\$ 874	Increase approximately 1% sequentially (est.) <sup>(1)</sup>
<b>QSI</b>	67	not provided
<b>Total Qualcomm excluding certain share-based compensation</b>	<u>\$ 941</u>	Increase approximately 1% sequentially (est.)
<b>Share-based compensation allocated to SG&amp;A &amp; R&amp;D</b>	136	
<b>Total Qualcomm (GAAP)</b>	<u><u>\$ 1,077</u></u>	Increase approximately 2% sequentially (est.) <sup>(2)</sup>

(1) Qualcomm pro forma guidance for Q1 FY09 excludes expenses related to the QSI segment and certain share-based compensation.

(2) Q1 FY09 total Qualcomm (GAAP) operating expense guidance includes an estimate of the share-based compensation expense allocated to SG&A and R&D.

\* Guidance as of November 6, 2008

**Reconciliation of Pro forma to Total Qualcomm (GAAP)  
Operating Income (Loss)**  
(\$ in millions)

	<u>Fiscal 2008 Results</u>	<u>Fiscal 2009 Guidance*</u>	<u>Decrease</u>
<b>Qualcomm pro forma <sup>(1)</sup></b>	\$ 4,604	\$3,700 - \$3,900	Decrease 15% - 20%
<b>Share-based compensation</b>	(540)	(650)	
<b>QSI</b>	(320)	(450)	
<b>In-process R&amp;D</b>	(14)	Not provided	
<b>Total Qualcomm (GAAP)</b>	<u>\$ 3,730</u>	<u>\$2,600 - \$2,800</u>	Decrease 25% - 30%

\* Guidance as of November 6, 2008

<sup>(1)</sup> Qualcomm pro forma results exclude the QSI segment, certain estimated share-based compensation, certain tax items related to prior years and acquired in-process R&D.



**Reconciliation of Pro forma to Total Qualcomm (GAAP)  
 Operating Income (Loss)  
 (\$ in millions)**

	<u>Q1'FY08 Results</u>	<u>Q1'FY09 Guidance*</u>	<u>Decrease</u>
<b>Qualcomm pro forma <sup>(1)</sup></b>	\$ 948	\$800 - \$900	Decrease 5% - 16%
<b>Share-based compensation</b>	(124)	(150)	
<b>QSI</b>	(65)	(100)	
<b>In-process R&amp;D</b>	(2)	Not provided	
<b>Total Qualcomm (GAAP)</b>	<u>\$ 757</u>	<u>\$550 - \$650</u>	Decrease 14% - 27%

\* Guidance as of November 6, 2008

<sup>(1)</sup> Qualcomm pro forma results exclude the QSI segment, certain estimated share-based compensation, certain tax items related to prior years and acquired in-process R&D.



Thank you.

