

Third Quarter Fiscal 2009 Earnings

JULY 22, 2009



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.

Disclaimer

Nothing in these materials is an offer to sell any of the components or devices referenced herein. Certain components for use in the U.S. are available only through licensed suppliers. Some components are not available for use in the U.S.

Qualcomm Reports Q3 FY09 Earnings



- Strong quarter as the worldwide migration to 3G-enabled products and services remains strong
- Q3 revenues were at the high end of prior guidance and operating income exceeded prior guidance
- Results reflect record quarter of MSM shipments, strong licensing and royalty revenues with healthy end market demand in the March quarter and 5% year-over-year reduction in combined R&D and SG&A expenses

Qualcomm Reports Q3 FY09 Earnings

(July 22, 2009)

Pro Forma Results

- Revenues of **\$2.74 billion**, *down 1% year-over-year*
- Operating income of **\$1.12 billion**, *up 6% year-over-year*
- Diluted earnings per share of **\$0.54**, *down 2% year-over-year*

Operating Results

- ~**94 million MSM chip shipments**, *up 9% year-over-year*
- ~**111 million CDMA-based device shipments**, *up 4% year-over-year*
- ~**\$191 ASP** of CDMA-based device shipments, *down 15% year-over-year*
- Operating cash flow of **\$1.09 billion**, *up 47% year-over-year*

Return of Capital to Stockholders

- Cash dividends paid of **\$282 million**, or **\$0.17 per share**

Third Quarter Results Comparison

Qualcomm Pro Forma*	Q3'09 Prior Guidance**	Q3'09 Results
Revenues	\$2.67 - \$2.77B	\$2.74B
Operating Income	\$1.06 - \$1.11B	\$1.12B
MSM Shipments	94 - 95M	94M
CDMA/WCDMA devices shipped (Dec Qtr) ⁽¹⁾	109M - 111M	111M
CDMA/WCDMA device ASP (Dec Qtr) ⁽¹⁾	~\$191	~\$191

Results meet or exceed prior guidance

*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.

** As of June 11, 2009

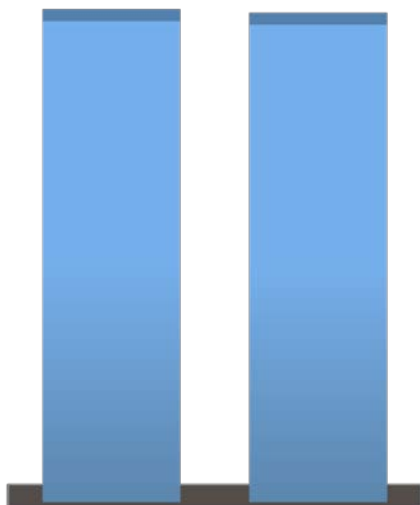
(1) Shipments in Mar. quarter, reported in the June quarter. CDMA/WCDMA device shipments and average selling prices are for estimated worldwide device shipments, including shipments not reported to Qualcomm.

Third Fiscal Quarter Results

(Reported July 22, 2009)

Pro Forma Revenues

\$2.76B \$2.74B

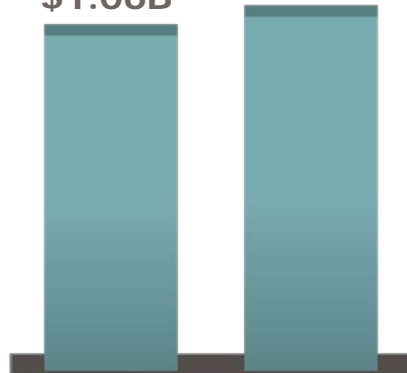


Q3'08

Q3'09

Pro Forma Operating Income

\$1.06B \$1.12B

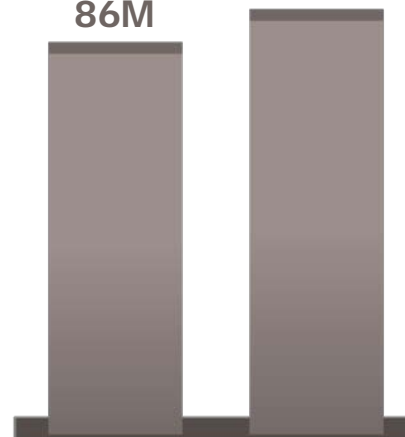


Q3'08

Q3'09

MSMs

86M 94M

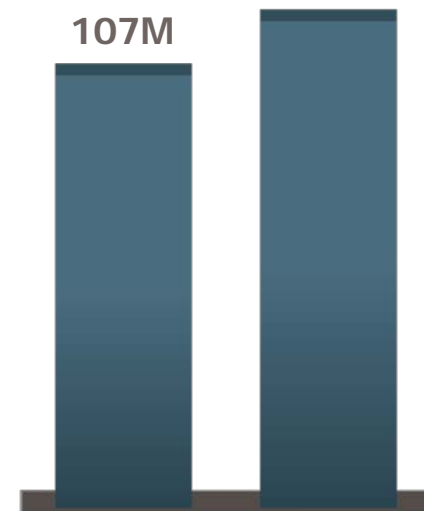


Q3'08

Q3'09

CDMA/WCDMA Devices Shipped*

107M 111M



Mar'08 Qtr

Mar'09 Qtr

*Royalties are recognized when reported, generally one quarter following shipment. CDMA/WCDMA device shipments 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)

- 175+ CDMA licensees; 105+ licensed for WCDMA/TD-SCDMA;
- 8 royalty-bearing OFDM/OFDMA single mode subscriber and infrastructure licensees

Qualcomm CDMA Technologies (QCT)

- Record ~94 million MSM chips shipped
- Record quarterly revenue and operating profit
- Announced the addition of the following new products to our roadmap:
 - A new Snapdragon 8650A chipset utilizing 45nm technology scheduled for sampling before the end of 2009. Offers significant performance improvements including a 1.3 GHz processor and enhanced multimedia and 2D/3D graphics
 - Early-access release of Java™ Platform Standard Edition 6 ported to our Snapdragon ARM-based processor, which optimizes Java application performance and power management for Snapdragon-powered smartbooks
 - N-Stream wireless LAN WCN1320 chip, the industry's first dual-band 802.11n standards-based WLAN solution with 4x4 MIMO technology
 - Single-chip 802.11n wireless LAN solution for handsets and mobile devices sampling in the second quarter, expected to be in volume production by Q4'09

Business Segment Highlights, (cont.)

Qualcomm Wireless & Internet (QWI)

- Qualcomm Internet Services (QIS)
 - Announced Plaza Retail which will allow application retailers (i.e. mobile operators) to present subscribers with a uniform and easy shopping experience on any capable device
- Qualcomm Enterprise Services (QES)
 - Announced a new Mobile Computing Platform 200 Series (MCP 200) for the European transportation and logistics market
 - Announced an agreement for Telenor Connexion to provide international wireless communication services for Machine-to-Machine (M2M) and telematics applications to QES Europe
- Firethorn
 - Announced enhancements to our mobile banking and payments application with PCI compliance, to adhere to the industry's most rigorous benchmark for secure credit card transactions

Business Segment Highlights, (cont.)

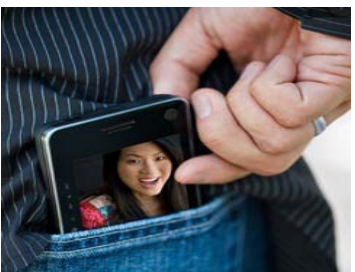
Reconciling Items

- MediaFLO Technologies (MFT)
 - Qualcomm and ProTelevision Technologies enter into FLO license agreement
 - FLO Forum adopts FLO-enabled device testing & certification process specification
 - FLO Forum publishes updated minimum performance specifications for FLO transmitters, FLO devices and the FLO air interface
- Qualcomm MEMS Technologies (QMT)
 - Commenced operations of a dedicated color mirasol display fabrication plant in Taiwan in collaboration with Foxlink

Qualcomm Strategic Initiatives (QSI)

- FLO TV
 - Expands service as DTV transition frees spectrum - top 100 markets with national coverage reaching 200 million+ potential consumers by end of 2009
 - Research shows viewers are spending an average of 25+ minutes per day watching television on their phones
 - Viewership from the 1st day of 2009 Men's College Basketball was a 48% increase in the average minutes per user vs. month before
 - Average FLO TV subscriber spent 40 minutes+ watching the Michael Jackson Memorial coverage , one of the biggest viewing days on record

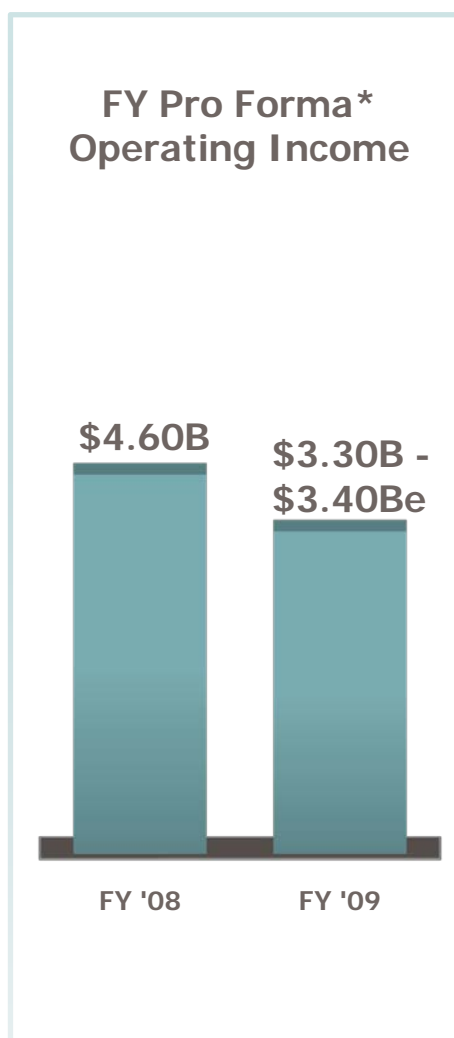
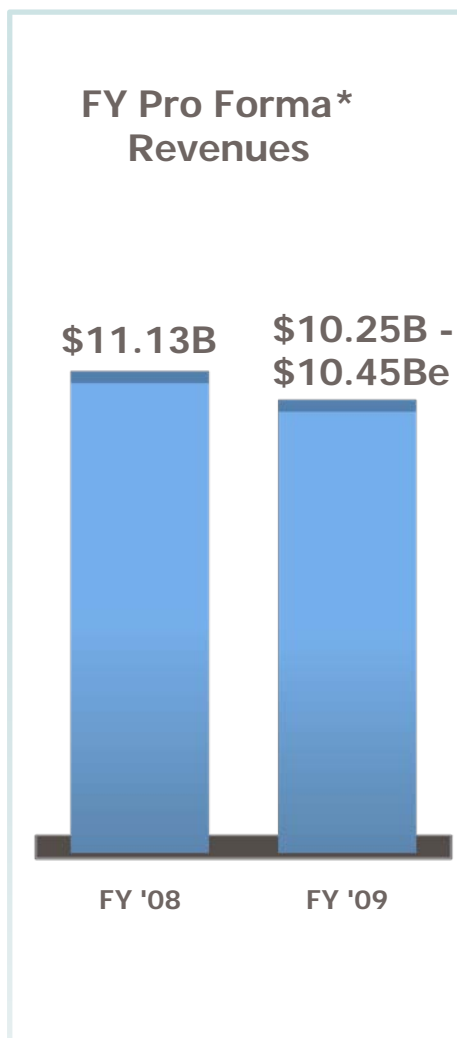
Qualcomm Guidance (as of July 22, 2009)



- Raising fiscal 2009 revenue and operating income estimates given the strong underlying fundamentals of our business
- Despite the global economic uncertainty, we anticipate another strong quarter for our chipset shipments in fiscal Q4'09
- We believe the CDMA inventory channel has largely stabilized, yet remains near historically low levels consistent with our prior forecast

Fiscal 2009 Guidance

(As of July 22, 2009)



- Raising revenue and operating guidance
- Flat year-over-year growth in pro forma combined SG&A and R&D expenses
 - Significant R&D increase offset by SG&A reductions

Fiscal 2009 Guidance Comparison

(As of July 22, 2009)

Qualcomm Pro Forma*	2009 Prior Guidance	2009 Current Guidance
Revenues (FY)	\$9.85B - \$10.25B	\$10.25B - \$10.45B
Operating Income (FY)	\$2.95B - \$3.15B	\$3.30B - \$3.40B
CDMA/WCDMA device ASP ⁽¹⁾ (FY)	~\$199	~\$199
CDMA/WCDMA device shipments (CY)	~565M midpoint	~565M midpoint

Raising Revenue and Operating Income Guidance

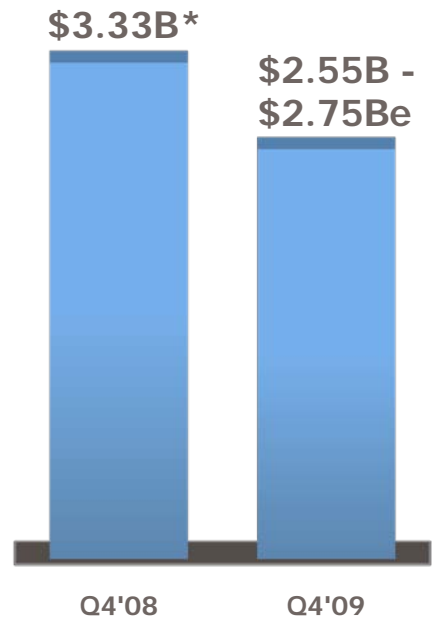
*Pro forma results exclude the QSI segment, certain estimated share-based compensation, certain tax items related to prior years and in-process R&D expense.

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

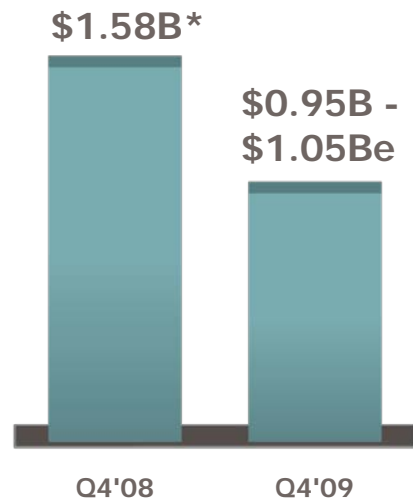
Fourth Fiscal Quarter Guidance

(As of July 22, 2009)

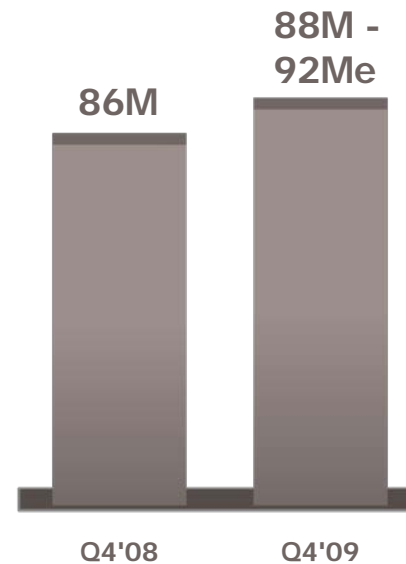
Pro Forma Revenues



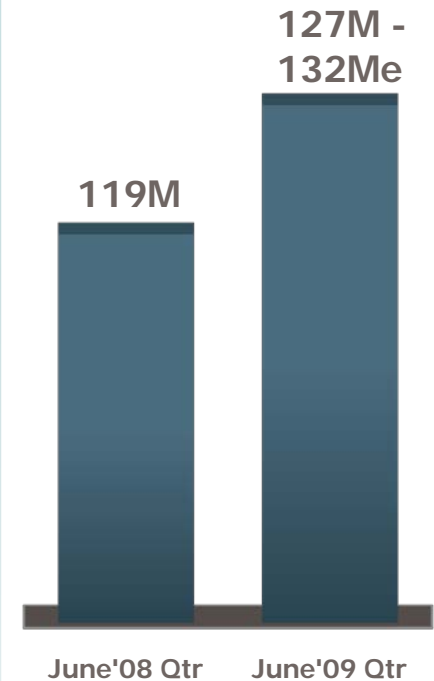
Pro Forma Operating Income



MSMs



CDMA/WCDMA Devices Shipped**

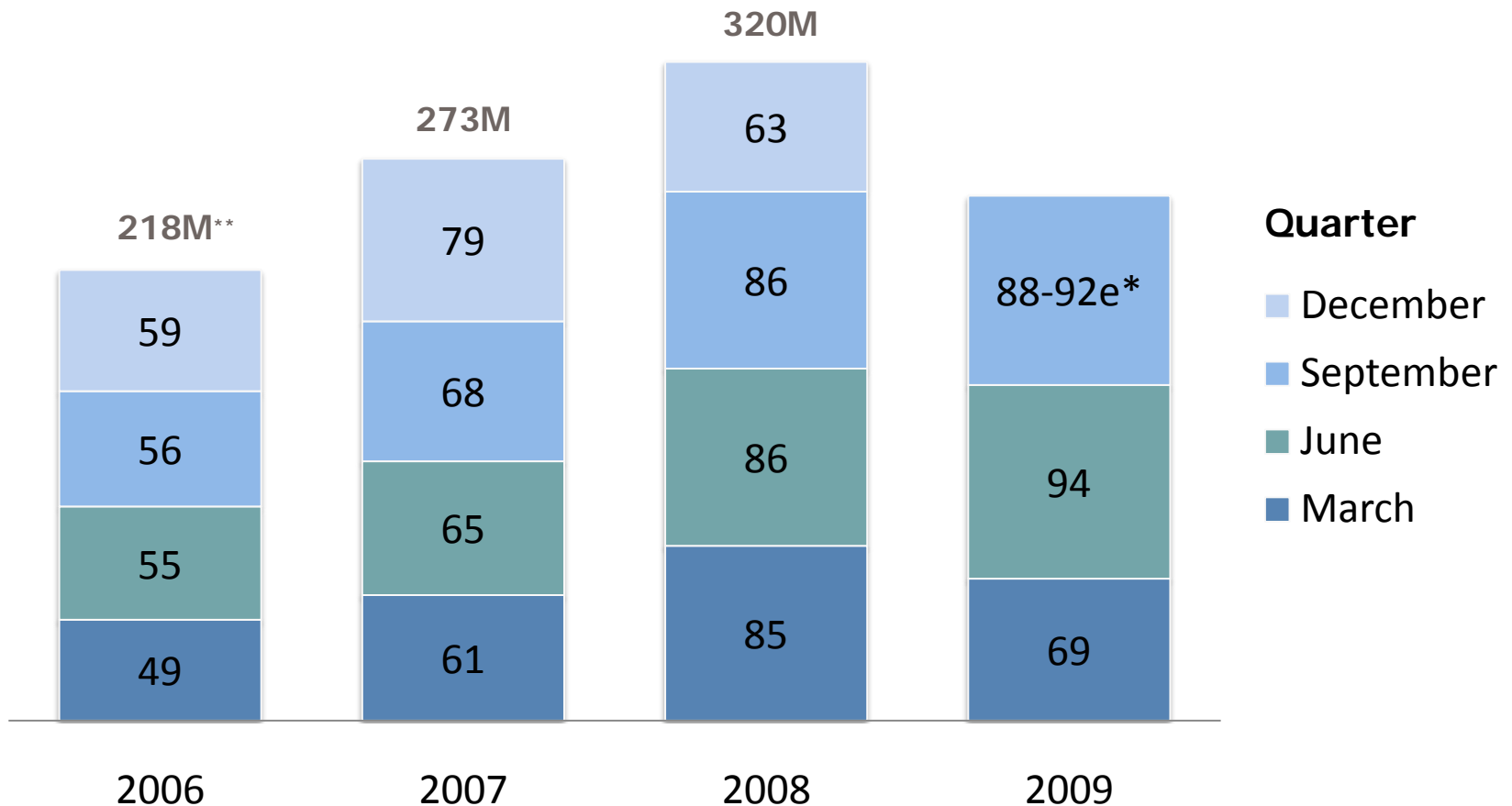


*Q4'08 results included \$560 million in revenues, or \$0.20 diluted EPS, as a result of the execution of the license and settlement agreements with Nokia.

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

Qualcomm CDMA and WCDMA(UMTS) MSM Shipments

(Calendar Year, Millions)



Quarter

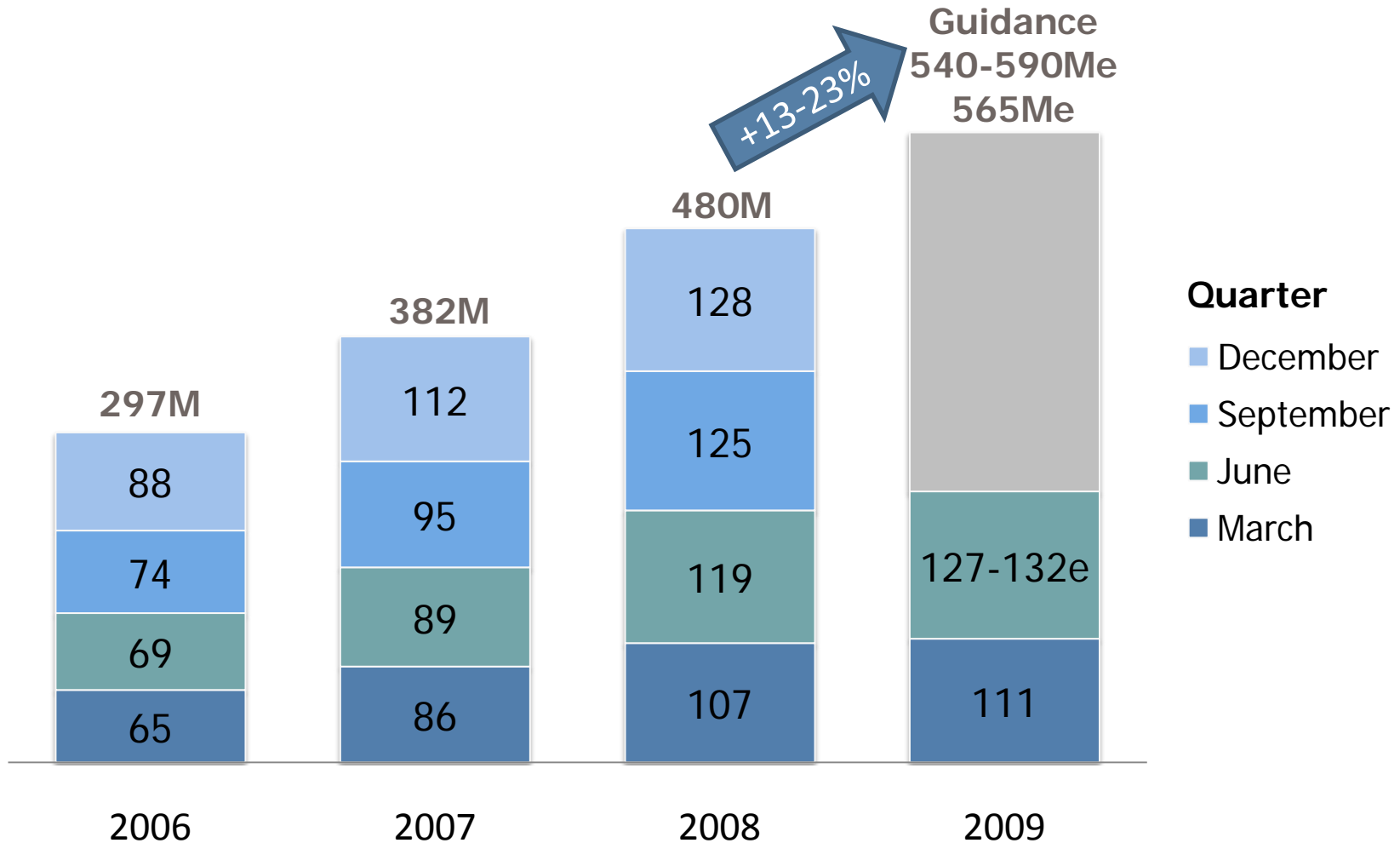
- December
- September
- June
- March

*Guidance as of July 22, 2009

**Sum of quarterly amounts may not equal totals due to rounding

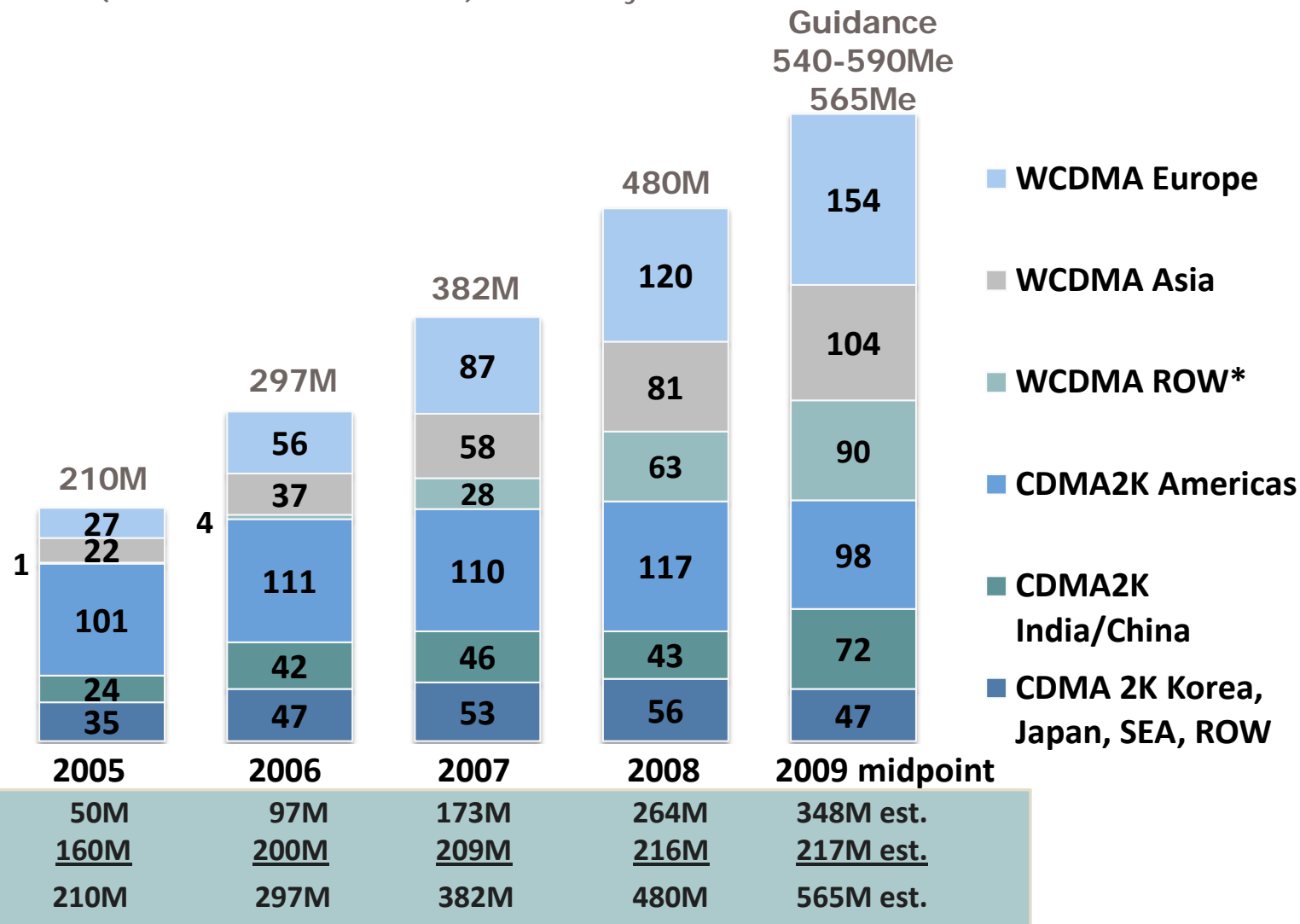
CDMA and WCDMA(UMTS) Device Shipment Estimates

(Calendar Year, Millions) as of July 22, 2009



CDMA and WCDMA(UMTS) Device Shipment Estimates

(Calendar Year, Millions) as of July 22, 2009



*WCDMA ROW includes North America

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

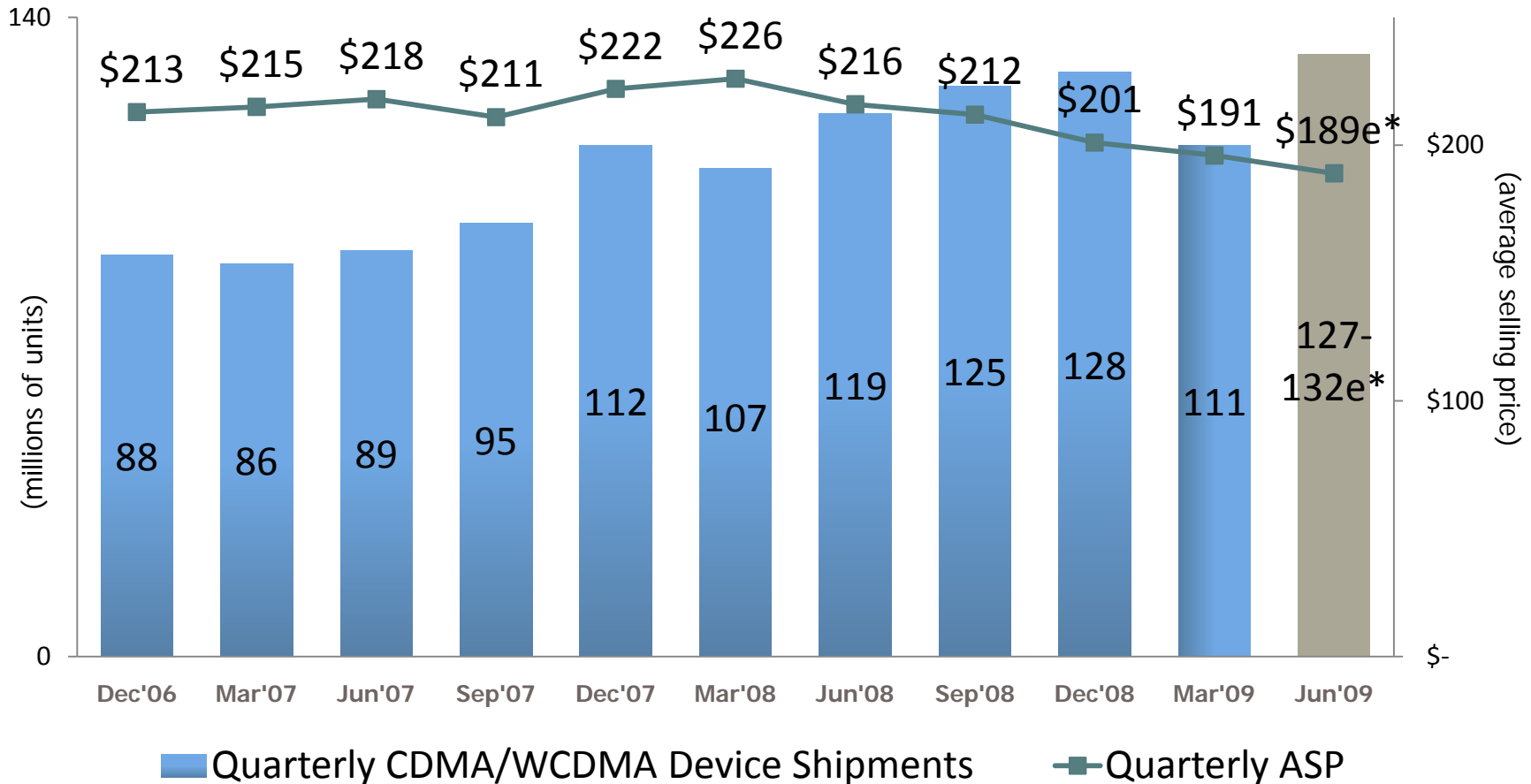
Quarterly Estimated CDMA/WCDMA Device Shipments & ASP Trend

	FY 2008				FY2009			
(Device shipments in millions of units)	Sep '07	Dec '07	Mar '08	Jun '08	Sep '08	Dec '08	Mar '09	Jun'09
Qtr. Device Shipments	95	112	107	119	125	128	111	127-132Me*
Calendar Year		382				480		
Fiscal Year				433				
Qtr. Device ASP	\$211	\$222	\$226	\$216	\$212	\$201	\$191	\$189e*
Fiscal Year ASP				\$219				\$199e*

Note: Shipments from Sep. to Jun. quarters are reported by licensees in Dec. to Sept., Qualcomm's fiscal year. Reflects adjustments made as a result of the completion of licensee audits. CDMA/WCDMA device shipment and average selling prices (ASP) are for estimated worldwide device shipments, including shipments not reported to Qualcomm.

*Guidance as of July 22, 2009.

Quarterly Estimated CDMA/WCDMA Device Shipments & ASP Trend



*Guidance as of July 22, 2009.

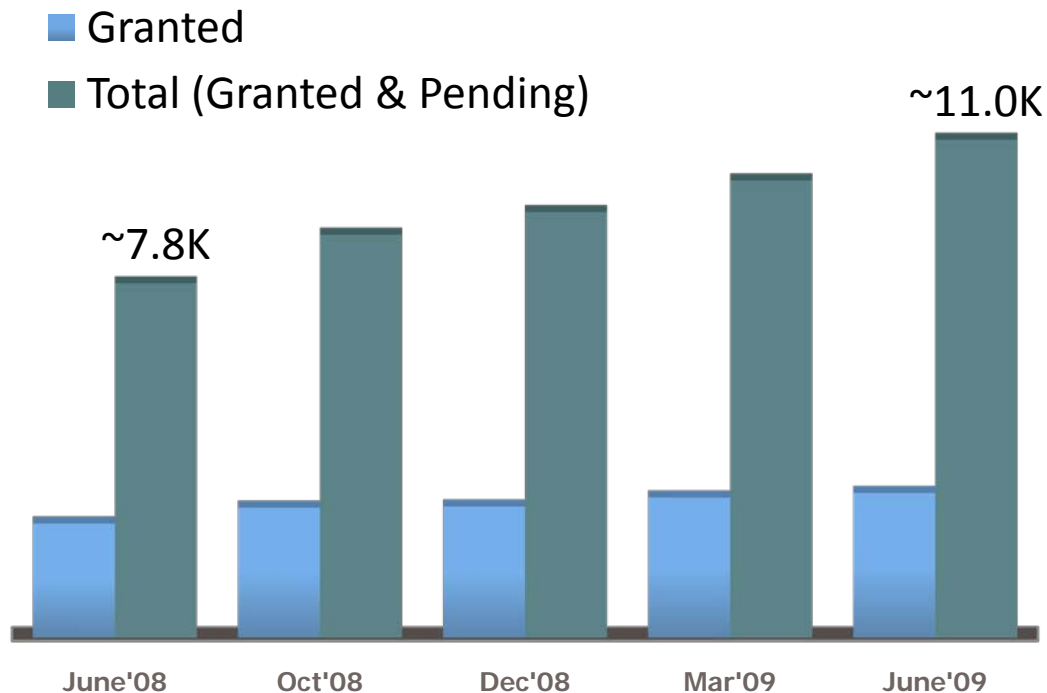
Qualcomm's Unique Patent Position

Patent Position is a Strong Asset Value

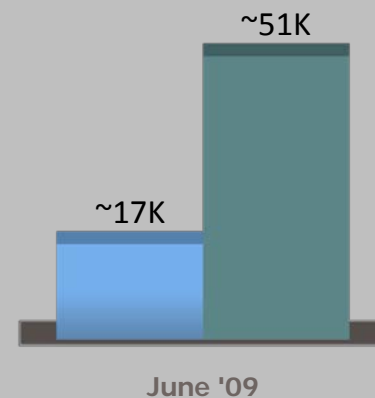
- Industry recognized patent portfolio for all 3G CDMA and 4G OFDMA standards
- Patents essential/applicable to GSM/GPRS/EDGE products

Cumulative U.S. Patents

(Excludes non-U.S. pending and granted patents)



Cumulative Foreign Granted & Pending Patents



Cumulative \$10B Capital Returned to Stockholders**

Share Repurchases*

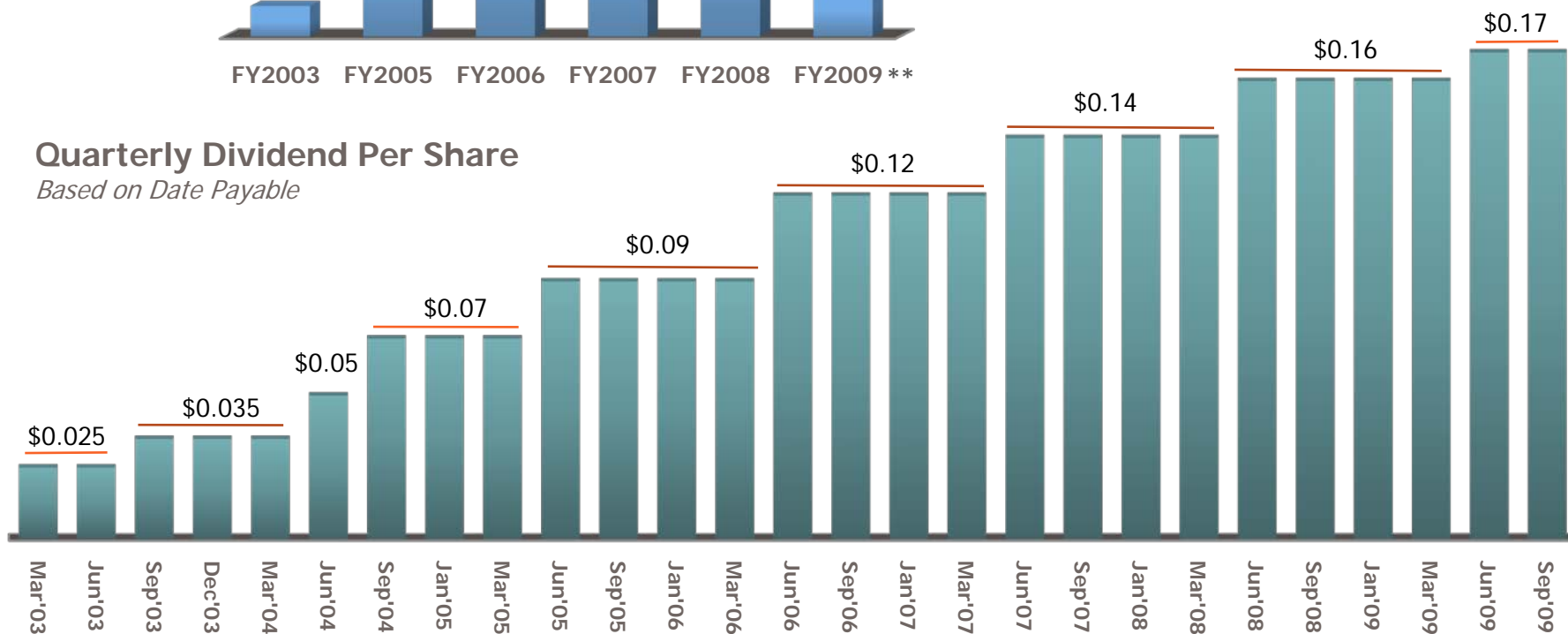
(Billions)



\$1.7 Billion Available for Repurchase under Current BOD Authorization**

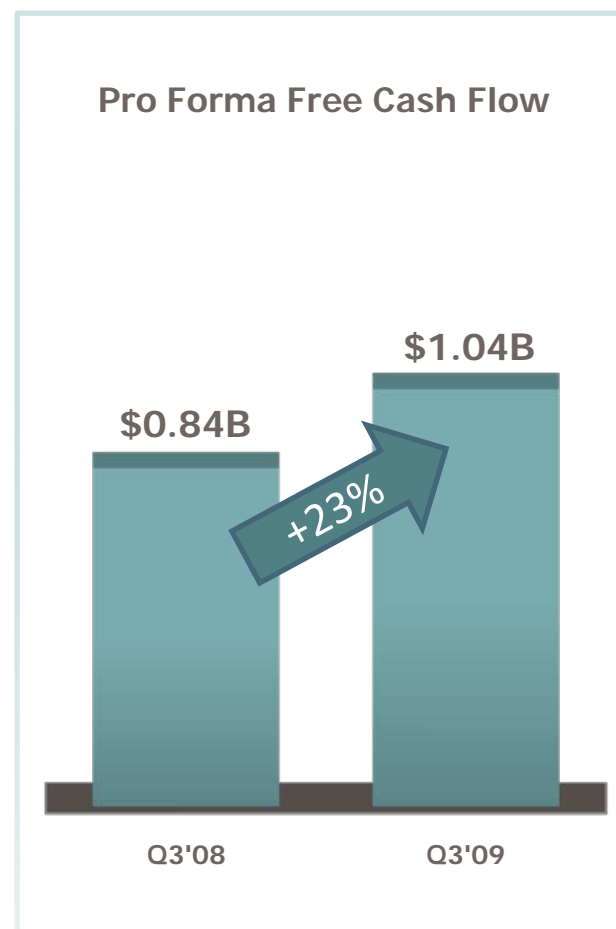
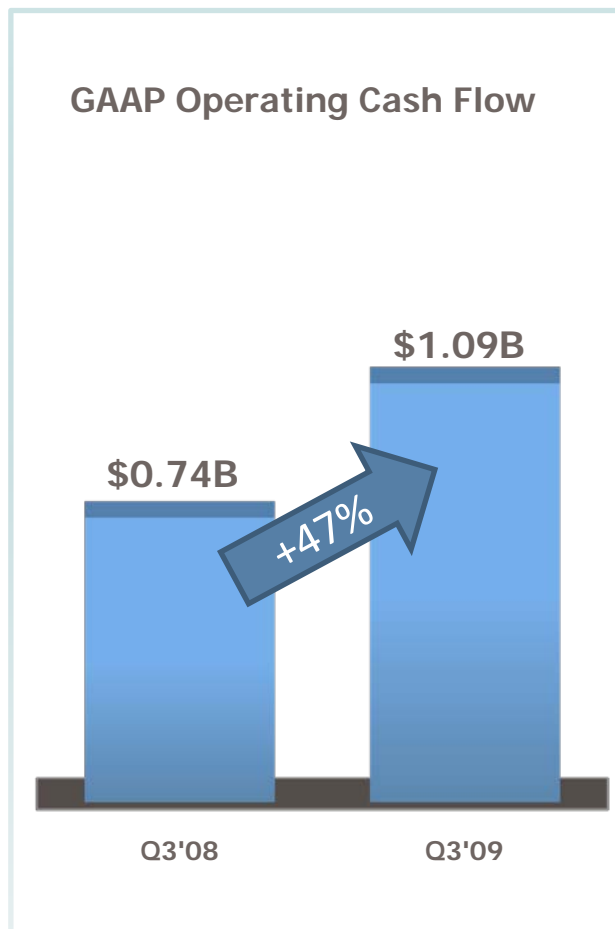
Quarterly Dividend Per Share

Based on Date Payable



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 June 28, 2009

Qualcomm Business Model Continues to Generate Strong Cash Flow



Financial Strength

(\$ in Billions)	June 2008	June 2009	
Domestic	\$4.5	\$7.0	Cash Resources and Operating Flexibility
Offshore	<u>\$6.7</u>	<u>\$8.7</u>	
Total Cash & Marketable Securities	\$11.2	\$15.7	
Total Assets	\$19.6	\$25.7	Solid Balance Sheet
Stockholders' Equity	\$16.8	\$18.7	
Debt*	\$0.1	\$0.2	
EBITDA (Q3)	\$0.9	\$1.0	Cash Flow to Support Future Growth
Pro Forma Free Cash Flows (Q3)	\$0.8	\$1.0	

*Capital leases

Balance Sheet

(\$ in Billions)	June 2008	June 2009
Cash & Marketable Securities	\$11.2	\$15.7
Receivables & Inventory	\$1.5	\$1.3
Fixed Assets, Goodwill & Other Intangible Assets	\$4.7	\$7.0
Deferred Tax Assets & Other	\$2.2	\$1.7
Total Assets	\$19.6	\$25.7
Total Liabilities	\$2.8	\$7.0
Stockholders' Equity	\$16.8	\$18.7
Total Liabilities & Stockholders' Equity	\$19.6	\$25.7

Strength & Flexibility to Support Strong Growth & Stockholder Returns

Reconciliations

Pro Forma Results

(in millions except per share data)

Third Quarter - Fiscal Year 2009

Segments	Pro Forma	Estimated Share-Based Compensation (1)	QSI (2)	GAAP
Revenues	\$ 2,744	\$ -	\$ 9	\$ 2,753
<i>Change from prior quarter</i>	<i>12%</i>		<i>13%</i>	<i>12%</i>
Operating income (loss)	\$ 1,122	\$ (151)	\$ (77)	\$ 894
<i>Change from prior quarter</i>	<i>424%</i>	<i>(8%)</i>	<i>1%</i>	<i>N/M</i>
EBT	\$ 1,201	\$ (151)	\$ (66)	\$ 984
<i>Change from prior quarter</i>	<i>N/M</i>	<i>(8%)</i>	<i>35%</i>	<i>N/M</i>
Net (loss) income	\$ 903	\$ (127)	\$ (39)	\$ 737
<i>Change from prior quarter</i>	<i>N/M</i>	<i>12%</i>	<i>30%</i>	<i>N/M</i>
Diluted EPS	\$ 0.54	\$ (0.08)	\$ (0.02)	\$ 0.44
<i>Change from prior quarter</i>	<i>N/M</i>	<i>11%</i>	<i>33%</i>	<i>N/M</i>
Diluted shares used	1,675	1,675	1,675	1,675

Second Quarter - Fiscal Year 2009

Segments	Pro Forma (3)	Estimated Share-Based Compensation (1)	Tax Items (4)	In-Process R&D	QSI (2)	GAAP (3)
Revenues	\$ 2,447	\$ -	\$ -	\$ -	\$ 8	\$ 2,455
Operating income (loss)	214	(140)	-	(6)	(78)	(10)
EBT	147	(140)	-	(6)	(102)	(101)
Net (loss) income	(46)	(145)	(36)	(6)	(56)	(289)
Diluted EPS	\$ (0.03)	\$ (0.09)	\$ (0.02)	\$ -	\$ (0.03)	\$ (0.18)
Diluted shares used	1,651	1,651	1,651	1,651	1,651	1,651

Third Quarter - Fiscal Year 2008

Segments	Pro Forma	Estimated Share-Based Compensation (1)	In-Process R&D	QSI (2)	GAAP
Revenues	\$ 2,758	\$ -	\$ -	\$ 4	\$ 2,762
Operating income (loss)	1,060	(139)	(13)	(84)	824
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

Pro Forma Results (continued)

(in millions, except per share data)

Fourth Quarter - Fiscal Year 2008

Segments	Pro Forma	Estimated Share-Based Compensation (1)	QSI (2)	GAAP
Revenues	\$ 3,329	\$ -	\$ 5	\$ 3,334
Operating income (loss)	1,578	(146)	(97)	1,335
EBT	1,357	(146)	(104)	1,107
Net income (loss)	1,058	(98)	(82)	878
Diluted EPS	\$ 0.63	\$ (0.06)	\$ (0.05)	\$ 0.52
Diluted shares used	1,678	1,678	1,678	1,678

Twelve Months - Fiscal Year 2008

	Pro Forma	Estimated Share-Based Compensation (1)	In-Process R&D	QSI	GAAP
Revenues	\$ 11,130	\$ -	\$ -	\$ 12	\$ 11,142
Operating income (loss)	4,604	(540)	(14)	(320)	3,730
Net income (loss)	3,740	(365)	(13)	(202)	3,160
Diluted EPS	\$ 2.25	\$ (0.22)	\$ (0.01)	\$ (0.12)	\$ 1.90
Diluted shares used	1,660	1,660	1,660	1,660	1,660

(1) 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.

(2) 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 pro forma tax provision, the tax items column and the tax provisions related to estimated share-based compensation and in-process R&D from the GAAP tax provision.

(3) The second quarter of fiscal 2009 included a \$748 million litigation settlement charge related to a settlement and patent agreement with Broadcom.

(4) During the second quarter of fiscal 2009, the Company recorded a tax expense related to the adjustment of net deferred tax assets that were recorded in prior years to reflect the future impact of California budget legislation enacted on February 20, 2009.

N/M – Not Meaningful

Sums may not equal totals due to rounding.

Pro Forma Results and Effective Tax Rate, Excluding Certain Items

Reconciliation of Effective Income Tax Rates (In millions, except per share data) (Unaudited)

Three months Ended March 29, 2009

	Pro Forma Excluding the Impact of Litigation Settlement and Certain Investment Loss, Net*	Certain Investment Loss, Net*	Pro Forma Excluding the Impact of Litigation Settlement	Litigation Settlement	Pro Forma	Estimated Share-Based Compensation	Tax Items	In-Process R&D	QSI	GAAP
Income (loss) before income taxes	\$ 1,094	\$ (199)	\$ 895	\$ (748)	\$ 147	(140)	-	(6)	(102)	(101)
Income tax (expense) benefit	(259)	35	(224)	31	(193)	(5)	(36)	-	46	(188)
Net income (loss)	<u>\$ 835</u>	<u>\$ (164)</u>	<u>\$ 671</u>	<u>\$ (717)</u>	<u>\$ (46)</u>	<u>\$ (145)</u>	<u>\$ (36)</u>	<u>\$ (6)</u>	<u>\$ (56)</u>	<u>\$ (289)</u>
Effective income tax rate	24%		25%		131%					-186%
Earnings (loss) per common share:										
Diluted	<u>\$ 0.51</u>	<u>\$ (0.10)</u>	<u>\$ 0.41</u>	<u>\$ (0.43)</u>	<u>\$ (0.03)</u>	<u>\$ (0.09)</u>	<u>\$ (0.02)</u>	<u>\$ (0.00)</u>	<u>\$ (0.03)</u>	<u>\$ (0.18)</u>
Shares used in per share calculations:										
Diluted	<u>1,651</u>	<u>1,651</u>	<u>1,651</u>	<u>1,651</u>	<u>1,651</u>	<u>1,651</u>	<u>1,651</u>	<u>1,651</u>	<u>1,651</u>	<u>1,651</u>

Three months Ended March 29, 2009

	GAAP Excluding the Impact of Litigation Settlement and Certain Investment Loss, Net*	Certain Investment Loss, Net*	GAAP Excluding the Impact of Litigation Settlement	Litigation Settlement	GAAP
Income (loss) before income taxes	\$ 856	\$ (209)	\$ 647	\$ (748)	\$ (101)
Income tax (expense) benefit	(231)	12	(219)	31	(188)
Net income (loss)	<u>\$ 625</u>	<u>\$ (197)</u>	<u>\$ 428</u>	<u>\$ (717)</u>	<u>\$ (289)</u>
Effective income tax rate	27%		34%		-186%
Earnings (loss) per common share:					
Diluted	<u>\$ 0.38</u>	<u>\$ (0.12)</u>	<u>\$ 0.26</u>	<u>\$ (0.43)</u>	<u>\$ (0.18)</u>
Shares used in per share calculations:					
Diluted	<u>1,651</u>	<u>1,651</u>	<u>1,651</u>	<u>1,651</u>	<u>1,651</u>

* Certain investment income, net, includes other-than-temporary impairment losses and realized gains/losses on marketable securities.

Pro Forma Results and Effective Tax Rate, Excluding Certain Items, (continued)

Reconciliation of Effective Income Tax Rates (In millions, except per share data) (Unaudited)

	Three months Ended June 28, 2009					
	Pro Forma Excluding Certain Investment Loss, Net*	Certain Investment Loss, Net*	Pro Forma	Estimated Share-Based Compensation	OSI	GAAP
Income (loss) before income taxes	\$ 1,240	\$ (39)	\$ 1,201	(151)	(66)	984
Income tax (expense) benefit	(267)	(31)	(298)	24	27	(247)
Net income (loss)	<u>\$ 973</u>	<u>\$ (70)</u>	<u>\$ 903</u>	<u>\$ (127)</u>	<u>\$ (39)</u>	<u>\$ 737</u>
Effective income tax rate	22%		25%			25%
Earnings (loss) per common share:						
Diluted	<u>\$ 0.58</u>	<u>\$ (0.04)</u>	<u>\$ 0.54</u>	<u>\$ (0.08)</u>	<u>\$ (0.02)</u>	<u>\$ 0.44</u>
Shares used in per share calculations:						
Diluted	<u>1,675</u>	<u>1,675</u>	<u>1,675</u>	<u>1,675</u>	<u>1,675</u>	<u>1,675</u>

	Three months Ended June 28, 2009		
	GAAP Excluding Certain Investment Loss, Net*	Certain Investment Loss, Net*	GAAP
Income (loss) before income taxes	\$ 1,010	\$ (26)	\$ 984
Income tax (expense) benefit	(225)	(22)	(247)
Net income (loss)	<u>\$ 785</u>	<u>\$ (48)</u>	<u>\$ 737</u>
Effective income tax rate	22%		25%
Earnings (loss) per common share:			
Diluted	<u>\$ 0.47</u>	<u>\$ (0.03)</u>	<u>\$ 0.44</u>
Shares used in per share calculations:			
Diluted	<u>1,675</u>	<u>1,675</u>	<u>1,675</u>

* Certain investment income, net, includes other-than-temporary impairment losses and realized gains/losses on marketable securities.

Pro Forma Cash Flows

(In millions)

(Unaudited)

Three Months Ended June 28, 2009

	Pro Forma	Estimated		Tax Items	In-Process R&D	QSI	GAAP
		Share-Based Compensation					
Net cash provided (used) by operating activities	\$ 1,157	\$ (22)	(a)	\$ -	\$ -	\$ (48)	\$ 1,087
Less: capital expenditures	(118)	-		-	-	(31)	(149)
Free cash flow	<u>\$ 1,039</u>	<u>\$ (22)</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ (79)</u>	<u>\$ 938</u>

Nine Months Ended June 28, 2009

	Pro Forma	Estimated		Tax Items	In-Process R&D	QSI	GAAP
		Share-Based Compensation					
Net cash provided (used) by operating activities	\$ 6,145	\$ (54)	(a)	\$ -	\$ -	\$ (240)	\$ 5,851
Less: capital expenditures	(533)	-		-	-	(84)	(617)
Free cash flow	<u>\$ 5,612</u>	<u>\$ (54)</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ (324)</u>	<u>\$ 5,234</u>

Three Months Ended June 29, 2008

	Pro Forma	Estimated		In-Process R&D	QSI	GAAP
		Share-Based Compensation				
Net cash provided (used) by operating activities	\$ 1,020	\$ (209)	(a)	\$ (13)	\$ (59)	\$ 739
Less: capital expenditures	(176)	-		-	(379)	(555)
Free cash flow	<u>\$ 844</u>	<u>\$ (209)</u>		<u>\$ (13)</u>	<u>\$ (438)</u>	<u>\$ 184</u>

Nine Months Ended June 29, 2008

	Pro Forma	Estimated		In-Process R&D	QSI	GAAP
		Share-Based Compensation				
Net cash provided (used) by operating activities	\$ 3,090	\$ (310)	(a)	\$ (14)	\$ (199)	\$ 2,567
Less: capital expenditures	(368)	-		-	(615)	(983)
Free cash flow	<u>\$ 2,722</u>	<u>\$ (310)</u>		<u>\$ (14)</u>	<u>\$ (814)</u>	<u>\$ 1,584</u>

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

EBITDA

Reconciliation of EBITDA to Net Income (Loss)
(In millions)
(Unaudited)

	Three Months Ended	
	June 29, 2008	June 28, 2009
Net income	\$ 748	\$ 737
Plus: Income tax expense	134	247
Plus: Depreciation and amortization	117	154
Less: Interest income, net	(104)	(124)
EBITDA	<u>\$ 895</u>	<u>\$ 1,014</u>

EBITDA is defined as (Earnings (Loss) Before Interest, Taxes, Depreciation and Amortization)

Pro Forma Combined SG&A and R&D Expenses

(\$ in millions)

Three Months Ended June 28, 2009				
	Pro Forma ⁽¹⁾	Estimated Share- Based Compensation	QSI	GAAP
Research and development	\$ 523	\$ 72	\$ 23	\$ 618
Selling, general and administrative	285	68	24	377
Total combined R&D and SG&A expenses	<u>\$ 808</u>	<u>\$ 140</u>	<u>\$ 47</u>	<u>\$ 995</u>
R&D change compared to prior year	6%			4%
SG&A change compared to prior year	(20%)			(17%)
Combined R&D and SG&A change compared to prior year	(5%)			(5%)

Three Months Ended June 29, 2008					
	Pro Forma ⁽¹⁾	Estimated Share- Based Compensation	In-Process R&D	QSI	GAAP
Research and development	\$ 495	\$ 64	\$ 13	\$ 24	\$ 596
Selling, general and administrative	357	65	-	31	453
Total combined R&D and SG&A expenses	<u>\$ 852</u>	<u>\$ 129</u>	<u>\$ 13</u>	<u>\$ 55</u>	<u>\$ 1,049</u>

⁽¹⁾ 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.

Business Outlook (as of July 22, 2009)

FISCAL YEAR		
	FY 2008 Results	Current Guidance FY 2009 Estimates (1)
Pro Forma		
Revenues	\$11.13B	\$10.25B - \$10.45B
Year-over-year change		decrease 6% - 8%
Operating income	\$4.60B	\$3.30B - \$3.40B
Year-over-year change		decrease 26% - 28%
GAAP		
Revenues	\$11.14B	\$10.25B - \$10.45B
Year-over-year change		decrease 6% - 8%
Operating income	\$3.73B	\$2.34B - \$2.44B
Year-over-year change		decrease 35% - 37%
Operating income (loss) attributable to QSI	(\$0.32B)	(\$0.35B)
Operating income (loss) attributable to estimated share-based compensation	(\$0.54B)	(\$0.60B)
Operating income (loss) attributable to in-process R&D	(\$0.01B)	(\$0.01B)

(1) While we do not forecast impairments, we do have unrealized losses on marketable securities that could be recognized in future periods if market conditions do not improve.

Sums may not equal totals due to rounding.

Business Outlook (as of July 22, 2009)

FOURTH FISCAL QUARTER		
	Q4'08 Results (1)	Current Guidance Q4'09 Estimates (2)
Pro Forma		
Revenues	\$3.33B	\$2.55B - \$2.75B
Year-over-year change		decrease 17% - 23%
Operating income	\$1.58B	\$0.95B - \$1.05B
Year-over-year change		decrease 33% - 40%
GAAP		
Revenues	\$3.33B	\$2.55B - \$2.75B
Year-over-year change		decrease 18% - 24%
Operating income	\$1.34B	\$0.70B - \$0.80B
Year-over-year change		decrease 40% - 48%
Operating income (loss) attributable to QSI	(\$0.10B)	(\$0.10B)
Operating income (loss) attributable to estimated share-based compensation	(\$0.15B)	(\$0.15B)

(1) The fourth quarter of fiscal 2008 results included \$560 million in revenues, or \$0.20 diluted EPS, as a result of the execution of the license and settlement agreements with Nokia.

(2) While we do not forecast impairments, we do have unrealized losses on marketable securities that could be recognized in future periods if market conditions do not improve.

Sums may not equal totals due to rounding.

FY'09 Estimated Effective Tax Rates

Fiscal 2009 Estimated Effective Tax Rates (Unaudited)

Estimated GAAP FY 2009 effective tax rate	33%
Estimated Pro Forma FY 2009 effective tax rate	29%
Estimated Pro Forma excluding the impact of litigation settlement FY 2009 effective tax rate	25%
Estimated Pro Forma excluding the impact of litigation settlement and certain investment loss, net* FY 2009 effective tax rate	21%

* Certain investment income, net, includes other-than-temporary impairment losses and realized gains/losses on marketable securities.

Q4 Pro Forma Combined R&D and SG&A Guidance

	(\$ in millions)	
	Q3 FY2009	Fiscal Q4 - 2009 Guidance*
Pro forma combined R&D and SG&A expenses ⁽¹⁾	\$ 808	Increase approx. 4% sequentially (est.)
QSI	47	not provided
Total combined R&D and SG&A expenses excluding certain share-based compensation	\$ 855	Increase approx. 5% sequentially (est.)
Share-based compensation allocated to SG&A & R&D	140	
Total GAAP combined R&D and SG&A expenses ⁽²⁾	\$ 995	Increase approx. 5% sequentially (est.)

(1) Pro forma combined R&D and SG&A expenses guidance for Q4 FY09 excludes expenses related to the QSI segment, in-process R&D, certain tax items related to prior years and certain share-based compensation.

(2) Q4 FY09 total GAAP combined R&D and SG&A expenses guidance includes an estimate of the share-based compensation expense allocated to R&D and SG&A.

* Guidance as of July 22, 2009

FY09 Combined R&D and SG&A Guidance

	(\$ in millions)	
	Fiscal 2008 Results	Fiscal 2009 Guidance*
Pro forma combined R&D and SG&A expenses ⁽¹⁾	\$ 3,271	Approximately even sequentially (est.)
QSI	212	not provided
In-process R&D	14	not provided
Total combined R&D and SG&A expenses excluding certain share-based compensation	\$ 3,497	Approximately even sequentially (est.)
Share-based compensation allocated to SG&A & R&D	501	
Total GAAP combined R&D and SG&A expenses ⁽²⁾	\$ 3,998	Increase approx. 1% sequentially (est.)

(1) Pro forma combined R&D and SG&A expenses guidance for fiscal 2009 excludes expenses related to the QSI segment, in-process R&D, certain tax items related to prior years and certain share-based compensation.

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

* Guidance as of July 22, 2009

Thank You