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## **Qualcomm Raises Financial Guidance for the Third Fiscal Quarter of 2009**

*Updated Guidance Reflects Increased Demand for High-End Chipsets*

SAN DIEGO — June 11, 2009 — Qualcomm Incorporated (Nasdaq: QCOM), a leading developer and innovator of advanced wireless technologies, products and services, today updated its financial guidance for the third fiscal quarter ending June 28, 2009.

The following statements are forward looking and actual results may differ materially. Please see “Note Regarding Forward-Looking Statements” at the end of this news release for a description of certain risk factors and Qualcomm’s annual and quarterly reports on file with the Securities and Exchange Commission (SEC) for a more complete description of risks that may affect the forward-looking statements.

### **Pro Forma Defined**

Pro forma results and guidance exclude the Qualcomm Strategic Initiatives (QSI) segment, certain estimated share-based compensation, certain tax items related to prior years and acquired in-process research and development (R&D) expense.

### **Third Fiscal Quarter Business Outlook**

The following estimates are based on the current business outlook:

- Revenues: estimated to be \$2.67 to \$2.77 billion compared to our prior guidance range of \$2.40 to \$2.60 billion.
- Operating income: estimated to be \$1.06 to \$1.11 billion pro forma, compared to our prior guidance range of \$800 to \$900 million; and estimated to be \$830 to \$880 million in accordance with generally accepted accounting principles (GAAP), compared to our prior guidance range of \$550 to \$650 million.

- CDMA-based Mobile Station Modem™ (MSM™) shipments: estimated to be 94 to 95 million units compared to our prior guidance range of 87 to 92 million units.
- March quarter CDMA-based device shipments: estimated to be 109 to 111 million CDMA units (CDMA2000® and WCDMA), compared to our prior guidance of range of 107 to 112 million units; the CDMA unit average selling price is now estimated to be approximately \$191, compared to our prior estimate of approximately \$196.

“We are very pleased to raise our fiscal third quarter guidance, reflecting the strong worldwide demand for wireless broadband powered by 3G CDMA,” said Dr. Paul E. Jacobs, chairman and CEO of Qualcomm. “Our increased guidance reflects stronger than expected demand for more data-capable chipsets and increased licensing revenues driven in part by advanced 3G network upgrades. While some chipset demand for developing markets has shifted to the fourth fiscal quarter and demand remains generally strong, due to the current economic environment we remain cautious and currently project a modest sequential decrease in chipset shipments.”

The financial crisis has had, and may continue to have, an impact on the value of our marketable securities and net investment income (loss). While we do not forecast impairments, we do have unrealized losses on marketable securities that could be recognized in the third quarter of fiscal 2009 and future periods if market conditions do not improve. Given the market volatility and the significant judgments involved, accurately forecasting other-than-temporary impairments associated with our marketable securities is extremely difficult and actual results could vary materially. As a result, while we are providing revenue, operating income and our other standard guidance, we are not providing earnings per share guidance.

Moreover, our outlook does not include provisions for the consequences of injunctions, damages, or fines related to any pending legal matters. In addition, due to their nature, certain income and expense items, such as realized investment gains or losses, gains and losses on certain derivative instruments or asset impairments, cannot be accurately forecast. Accordingly, we exclude forecasts of such items from our business outlook, and actual results may vary materially from the business outlook if we incur any such income or expense items.

The following table summarizes GAAP and pro forma guidance for the third fiscal quarter of 2009 based on the current business outlook. The pro forma business outlook provided below is presented consistent with the presentation of pro forma results elsewhere herein.

The following estimates are approximations and are based on the current business outlook:

**Qualcomm's Business Outlook Summary**

<b>THIRD FISCAL QUARTER</b>			
	<b>Q3'08 Results (2)</b>	<b>Prior Guidance Q3'09 Estimates (3)</b>	<b>Current Guidance Q3'09 Estimates (3)</b>
<b>Pro Forma</b>			
Revenues	\$2.76B	\$2.40B - \$2.60B	\$2.67B - \$2.77B
Year-over-year change		decrease 6% - 13%	decrease 3% - even
Operating income	\$1.06B	\$0.80B - \$0.90B	\$1.06B - \$1.11B
Year-over-year change		decrease 15% - 25%	even - increase 5%
<b>GAAP</b>			
Revenues	\$2.76B	\$2.40B - \$2.60B	\$2.67B - \$2.77B
Year-over-year change		decrease 6% - 13%	decrease 3% - even
Operating income	\$0.82B	\$0.55B - \$0.65B	\$0.83B - \$0.88B
Year-over-year change		decrease 21% - 33%	increase 1% - 7%
Operating income (loss) attributable to QSI	(\$0.08B)	(\$0.10B)	(\$0.08B)
Operating income (loss) attributable to estimated share-based compensation	(\$0.14B)	(\$0.15B)	(\$0.15B)
Operating income (loss) attributable to in-process R&D	(\$0.01B)	n/a	n/a
<b>Metrics</b>			
MSM shipments	approx. 86M	approx. 87M - 92M	approx. 94M - 95M
CDMA/WCDMA devices shipped (1)	approx. 107M*	approx. 107M - 112M*	approx. 109M - 111M*
CDMA/WCDMA device wholesale average selling price (1)	approx. \$226*	approx. \$196*	approx. \$191*
*Shipments in March quarter, reported in June quarter			

(1) CDMA/WCDMA device shipments and average selling prices are for estimated worldwide device shipments, including shipments not reported to Qualcomm.

(2) Our Q3'08 results do not include royalty revenues attributable to Nokia's sales.

(3) 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.

Qualcomm Incorporated ([www.qualcomm.com](http://www.qualcomm.com)) is a leader in developing and delivering innovative digital wireless communications products and services based on CDMA and other advanced technologies. Headquartered in San Diego, Calif., Qualcomm is included in the S&P 100 Index, the S&P 500 Index and is a 2009 FORTUNE 500<sup>®</sup> company. For more information, please visit [www.qualcomm.com](http://www.qualcomm.com).

### Note Regarding Use of Non-GAAP Financial Measures

The Company presents pro forma financial information that is used by management (i) to evaluate, assess and benchmark the Company's operating results on a consistent and comparable basis, (ii) to measure the performance and efficiency of the Company's ongoing core operating businesses, including the Qualcomm CDMA Technologies, Qualcomm Technology Licensing

and Qualcomm Wireless & Internet segments and (iii) to compare the performance and efficiency of these segments against each other and against competitors outside the Company. Pro forma measurements of the following financial data are used by the Company's management: revenues, R&D expenses, SG&A expenses, total operating expenses, operating income, net investment income (loss), income before income taxes, effective tax rate, net income (loss), diluted earnings (loss) per share, operating cash flow and free cash flow. Management is able to assess what it believes is a more meaningful and comparable set of financial performance measures for the Company and its business segments by using pro forma information. As a result, management compensation decisions and the review of executive compensation by the Compensation Committee of the Board of Directors focus primarily on pro forma financial measures applicable to the Company and its business segments.

Pro forma information used by management excludes the QSI segment, certain estimated share-based compensation, certain tax items related to prior years and acquired in-process R&D. The QSI segment is excluded because the Company expects to exit its strategic investments at various times, and the effects of fluctuations in the value of such investments are viewed by management as unrelated to the Company's operational performance. Estimated share-based compensation, other than amounts related to share-based awards granted under a bonus program that may result in the issuance of unrestricted shares of the Company's common stock, is excluded because management views such share-based compensation as unrelated to the Company's operational performance. Moreover, it is generally not an expense that requires or will require cash payment by the Company. Further, share-based compensation related to options is affected by factors that are subject to change, including the Company's stock price, stock market volatility, expected option life, risk-free interest rates and expected dividend payouts in future years. Certain tax items related to prior years are excluded in order to provide a clearer understanding of the Company's ongoing pro forma tax rate and after tax earnings. The Company decided to include the benefit of the retroactive extension of the federal research and development tax credit in pro forma results starting in fiscal 2009 because it recurs with relative frequency and would have been included in the Company's pro forma results for the prior year if it had been reenacted in the prior fiscal year. Acquired in-process R&D is excluded because such expense is viewed by management as unrelated to the operating activities of the Company's ongoing core businesses.

The non-GAAP pro forma financial information presented herein should be considered in addition to, not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. In addition, “pro forma” is not a term defined by GAAP, and, as a result, the Company’s measure of pro forma results might be different than similarly titled measures used by other companies. Reconciliations between GAAP results and pro forma results are presented herein.

**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: the rate of deployment of our technologies in wireless networks and of 3G wireless communications, equipment and services, including CDMA2000 1X, 1xEV-DO, WCDMA, HSPA and OFDMA both domestically and internationally; the current uncertainty of global economic conditions and its potential impact on demand for our products, services or applications and the value of our marketable securities; attacks on our business model, including results of current and future litigation and arbitration proceedings, as well as actions of governmental or quasi-governmental bodies, and the costs we incur in connection therewith, including potentially damaged relationships with customers and operators who may be impacted by the results of these proceedings; our dependence on major customers and licensees; foreign currency fluctuations; strategic loans, investments and transactions the Company has or may pursue; our dependence on third-party manufacturers and suppliers; our ability to maintain and improve operational efficiencies and profitability; the development, deployment and commercial acceptance of the FLO TV™ network and FLO™ technology; as well as the other risks detailed from time-to-time in the Company’s SEC reports.

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