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QUALCOMM Increases Financial Guidance for the Fourth Quarter and Fiscal Year Ending September 25, 2005

SAN DIEGO – September 21, 2005 – QUALCOMM Incorporated (NASDAQ: QCOM), a leading developer and innovator of Code Division Multiple Access (CDMA) and other advanced wireless technologies, today increased its financial guidance for the fourth fiscal quarter and fiscal year ended September 25, 2005.

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.

Pro Forma Defined

Consistent with the second and third quarters of 2005, pro forma results exclude the QUALCOMM Strategic Initiatives (QSI) segment and one-time tax benefits related to fiscal 2004 recorded in the second and third quarters of fiscal 2005, and year-over-year changes are calculated as if the "New Method"¹ of recording royalties had been in use in the prior year.

Business Outlook

Based on the current business outlook, we are increasing our revenue and earnings guidance for the fourth fiscal quarter. We now anticipate fourth fiscal quarter revenues for QUALCOMM pro forma to be in the range of approximately \$1.48 - \$1.58 billion, an increase of approximately 8-15 percent year-over-year. We now anticipate fourth fiscal quarter pro forma diluted earnings per share to be approximately \$0.32-\$0.33, an increase of approximately 7-10 percent year-over-year. This estimate is based on the shipment of approximately 40 million MSM phone chips during the quarter compared to 39 million in the year ago quarter. On July 20, 2005, we estimated fourth fiscal quarter

¹ The New Method of recording royalties is based solely on reports received from licensees for royalty bearing sales of equipment in the prior quarter. The Company adopted this New Method during the fourth quarter of fiscal 2004 on a prospective basis. Under the Prior Method of recording royalties, the Company recorded an estimate of earned royalties in the quarter preceding its receipt of licensee reports. Results under the New Method are used herein for comparisons to fiscal 2004 to assist investors with evaluating financial performance on a comparable basis.

pro forma revenues in the range of approximately \$1.43 to \$1.53 billion. We previously anticipated fourth fiscal quarter pro forma diluted earnings per share of approximately \$0.29-\$0.31 and estimated shipments of approximately 38 to 40 million MSM phone chips.

The majority of our licensees have reported royalties in our fourth fiscal quarter for products shipped in the June quarter. Based on these reports we estimate June quarter shipments of approximately 48 million CDMA and WCDMA units at an average selling price of approximately \$213 compared to our prior estimate of approximately 43-45 million units at an average selling price of approximately \$215.

"3G CDMA market momentum is strong," said Dr. Paul E. Jacobs, chief executive officer of QUALCOMM. "We are seeing strength across many geographies in shipments of 3G CDMA handsets. During the June quarter, both CDMA and WCDMA handset shipments increased sequentially in most regions of the world. The increase of 3-4 million handsets, as compared to our prior guidance, is primarily attributable to greater CDMA2000 handset shipments to North America, Latin America, and the rest of the world. We are very pleased with the degree of traction our CDMA2000 1x EV-DO and WCDMA chipset solutions have received from device manufacturers. Consumers continue upgrading devices to take advantage of the many data services and advanced features that are now available on 3G CDMA networks."

Our pro forma earnings estimate for the fourth fiscal quarter includes \$0.02 reduction in earnings per share for \$35 million of additional tax expense for fiscal 2005 related to our decision to repatriate on a one-time basis \$500 million of foreign earnings as provided for under the American Jobs Creation Act of 2004, and \$0.01 increase in earnings per share for \$18 million of investment income related to the expiration of a put option sold in connection with our stock repurchase program which expired in September 2005.

The following table summarizes total QUALCOMM and pro forma results for fiscal 2004 and guidance based on the current business outlook for fiscal 2005. Total QUALCOMM results for fiscal 2004 reflect only partial economic performance of the Company's licensing business in the fourth quarter of fiscal 2004 due to the prospective change to the New Method during that period.

Due to their nature, certain income and expense items such as realized investment gains or losses in QSI and asset impairments cannot be accurately forecast. Accordingly, the Company excludes forecasts of such items from its business outlook, and actual results may vary materially from the business outlook if the Company incurs any such income or expense items.

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

Business Outlook Summary

FOURTH QUARTER			
	Prior Year Q4'04 Results	Prior Guidance Q4'05 Estimates	Current Guidance Q4'05 Estimates
QUALCOMM Pro Forma			
Revenues	\$1.4B	\$1.43B - \$1.53B	\$1.48B - \$1.58B
Year-over-year change		increase 4% - 12%	increase 8% - 15%
Diluted earnings per share (EPS)	\$0.30	\$0.29- \$0.31	\$0.32- \$0.33
Year-over-year change		decrease 3% - increase 3%	increase 7% - 10%
Total QUALCOMM			
Revenues	\$1.1B	\$1.43B - \$1.53B	\$1.48B - \$1.58B
Year-over-year change		increase 28% - 37%	increase 32% - 41%
Diluted earnings per share (EPS)	\$0.23	\$0.28- \$0.30	\$0.32- \$0.33
Year-over-year change		increase 22% - 30%	increase 39% - 43%
EPS attributable to QSI	\$0.03	(\$0.01)	\$0.00
Metrics			
MSM Shipments	approx. 39M	38M - 40M	40M
CDMA/WCDMA handset units shipped (Jun Qtr)	approx. 40M	43M - 45M	48M
CDMA/WCDMA handset unit wholesale average selling price (Jun Qtr)	approx. \$212	\$215	\$213

FISCAL YEAR			
	Prior Year FY 2004 Results	Prior Guidance FY 2005 Estimates	Current Guidance FY 2005 Estimates
QUALCOMM Pro Forma			
Revenues	\$5.0B	\$5.55B - \$5.65B	\$5.6B - \$5.7B
Year-over-year change		increase 10% - 12%	increase 11% - 13%
Diluted earnings per share (EPS)	\$1.07	\$1.13 - \$1.15	\$1.16 - \$1.17
Year-over-year change		increase 6% - 7%	increase 8% - 9%
Total QUALCOMM			
Revenues	\$4.9B	\$5.55B - \$5.65B	\$5.6B - \$5.7B
Year-over-year change		increase 14% - 16%	increase 15% - 17%
Diluted earnings per share (EPS)	\$1.03	\$1.22 - \$1.24	\$1.26 - \$1.27
Year-over-year change		increase 18% - 20%	increase 22% - 23%
EPS attributable to QSI	\$0.01	\$0.05	\$0.06
EPS attributable to tax benefits related to 2004		\$0.04	\$0.04
Metrics			
Fiscal year* CDMA/WCDMA handset unit wholesale average selling price	approx. \$205	\$215	\$215
*Shipments in Sep. to June quarters, reported Dec. to Sep.			

Sums may not equal totals due to rounding

QUALCOMM Incorporated (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 500 Index and is a 2005 FORTUNE 500[®] company traded on The Nasdaq Stock Market[®] under the ticker symbol QCOM.

Note Regarding Use of Non-GAAP Financial Measures

Pro forma financial measurements are used by management to evaluate, assess and benchmark the Company's operating results, and the Company believes that pro forma reporting represents relevant and useful information that is widely used by analysts, investors, and other interested parties in our industry. The Company presents pro forma financial information excluding the QUALCOMM Strategic Initiatives (QSI) segment to facilitate evaluation of its ongoing core operating businesses, including QUALCOMM CDMA Technologies (QCT), QUALCOMM Technology Licensing (QTL) and QUALCOMM Wireless & Internet (QWI). QSI results relate to strategic investments for which the Company has exit strategies of varying durations.

Management believes that the information excluding QSI presents a more representative view of the operating and liquidity performance of the Company because it excludes the effect of fluctuations in value of investments that are unrelated to the Company's operational performance.

The Company presents year-over-year comparisons of pro forma financial results as though the New Method of recording royalties had been in effect for prior periods to facilitate evaluation by management, investors and analysts of the results for these periods on a comparable basis to the Company's current guidance. The Company believes that this presentation is useful in evaluating performance on a consistent and comparable basis.

The Company presents pro forma results for fiscal 2005 excluding one-time tax benefits related to fiscal 2004 to provide management, as well as investors, a clearer understanding of its ongoing tax rate and after tax earnings. The Company believes that this presentation is useful in evaluating performance on a consistent and comparable basis.

The non-GAAP pro forma financial information presented herein should be considered in addition, 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 total QUALCOMM results and QUALCOMM 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 development, deployment and commercial acceptance of CDMA based networks and CDMA based technology, including CDMA2000 1X, 1xEV-DO and WCDMA, both domestically and internationally; our dependence on major customers and licensees; fluctuations in the demand for CDMA based products, services or applications; 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; developments in current and future litigation, as well as the other risks detailed from time-to-time in the Company's SEC reports.

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QUALCOMM Incorporated
Reconciliation of Pro Forma Results to GAAP Results
for 2004 Periods for Comparative Purposes

(in millions, except per share data)	<u>Three months ended</u> <u>September 26,</u> <u>2004</u>	<u>Year ended</u> <u>September 26,</u> <u>2004</u>
Prior Method of Recording Royalties		
Estimate of estimated licensees for prior period	\$ 253	\$ 151
Royalties reported by estimated licensees for prior period	255	208
Prior period variance included in reporting period	2	57
Other royalties reported in reporting period	99	1,084
Estimate for estimated licensees for current period	-	-
Total QTL royalty revenues from external licensees	101	1,141
Intercompany revenue	36	132
License revenue	14	59
Total QTL revenue using Prior Method		
Total QTL revenue including prospective change to New Method in Q4 '04	\$ 151	\$ 1,331
New Method of Recording Royalties		
Total royalties reported by external licensees (a)	\$ 354	\$ 1,292
Intercompany revenue	36	132
License revenue	14	59
Total QTL revenue using New Method	\$ 404	\$ 1,483
Difference between the methods	\$ (253)	\$ (151)
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QTL earnings before tax using Prior Method		
QTL earnings before tax including prospective change to New Method in Q4'04	\$ 111	\$ 1,195
Less: Difference between the royalty methods	\$ (253)	\$ (151)
QTL earnings before tax using New Method	\$ 364	\$ 1,346
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Total QCOM revenues as reported under GAAP	\$ 1,118	\$ 4,880
Less: Difference between the royalty methods	(253)	(151)
Total QCOM revenues using New Method	1,371	5,031
Total QCOM revenues and QCOM pro forma revenues	\$ 1,371	\$ 5,031
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TOTAL QCOM earnings from continuing operations before taxes as reported under GAAP	\$ 431	\$ 2,313
Less: earnings from continuing operations before taxes attributed to difference between the royalty methods	\$ (253)	\$ (151)
Total QCOM earnings from continuing operations before taxes using New Method	\$ 684	\$ 2,464
Less: QSI earnings from continuing operations before taxes (c)	\$ 11	\$ (31)
QCOM pro forma earnings from continuing operations before taxes (c)	\$ 673	\$ 2,495
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TOTAL QCOM net income as reported under GAAP	\$ 393	\$ 1,720
Less: Net income attributed to difference between the royalty methods (b)	(154)	(92)
Total QCOM net income using New Method	547	1,812
Less: QSI net income (loss) (c)	48	12
QCOM pro forma net income (c)	\$ 499	\$ 1,800
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QCOM diluted EPS as reported under GAAP	\$ 0.23	\$ 1.03
EPS attributed to difference between the royalty methods	\$ (0.09)	\$ (0.06)
Total QCOM diluted EPS using New Method	\$ 0.32	\$ 1.08
EPS attributed to QSI (c)	\$ 0.03	\$ 0.01
QCOM pro forma diluted EPS (c)	\$ 0.30	\$ 1.07
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Shares used for calculating diluted EPS	1,692	1,675

(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 recognized under GAAP in these periods.

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

(c) During the first quarter of 2005, the Company reorganized its MediaFLO USA business into the QSI segment. The operating expenses related to the MediaFLO™ USA business were included in reconciling items through the end of fiscal 2004. Prior period segment information has been adjusted to conform to the new segment presentation.

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.

Sums may not equal totals due to rounding.