

The background of the image features a series of parallel, slightly curved diagonal lines in shades of blue and teal, creating a sense of depth and perspective. The lines are more densely packed on the left side and taper off towards the right.

Corporate Information

QUALCOMM Incorporated is a pioneer of CDMA (code division multiple access) digital wireless technology and one of the leading enablers of 3G wireless, as well as other advanced wireless products and services. QUALCOMM leads the industry in the development of CDMA2000® 1X, 1xEV-DO, WCDMA (UMTS) and HSDPA/ HSUPA chipsets and solutions, and has licensed its essential CDMA patent portfolio to more than 140 telecommunications equipment manufacturers worldwide. QUALCOMM's solutions and technologies ultimately enable and benefit consumers, the enterprise, network operators, OEM manufacturers and developers.

Financial Performance

2006 was another year of growth in our global markets and in our financial performance.

Revenue and Gross Margin^{1,2}
\$ in Billions



For QUALCOMM, 2006 was a year of records and achievements of new milestones. Once again, we posted record financial results, further increasing revenues, earnings and operating cash flow. We delivered new products, opened new markets and led the industry with innovations designed to cost-effectively deliver the promises of next-generation wireless.

Footnotes

(1) During fiscal 2004, the company sold its consolidated subsidiaries, the Vesper Operating Companies and TowerCo, and returned personal mobile service (SMP) licenses to Anatel, the telecommunications regulatory agency in Brazil. The results of operations including gains and losses realized on the sales transactions and the SMP licenses, are presented as discontinued operations. As such, Revenue, Gross Margin and Free Cash Flow results presented do not include the results from these discontinued operations.

(2) In the fourth quarter of fiscal 2004, the Company adopted a new method of recording royalties, based solely on reports received from licensees for royalty bearing sales of equipment in the prior quarter. Under the prior method of recording royalties, the Company recorded an estimate of earned royalties for certain licensees in the quarter preceding its receipt of licensee reports. This change was made on a prospective basis in the fourth quarter of fiscal 2004 and as a result, GAAP results for fiscal 2004 reflect only partial economic performance of the Company's licensing business as royalty revenue that would have been recognized in the fourth quarter of fiscal 2004 was recognized in the first quarter of fiscal 2005.

Operator Choices Help Fuel Market Competition

QUALCOMM's strong investment in R&D has led to more than 4,800 U.S. patents and patent applications for CDMA and other technologies. The Company's broad licensing strategy has been a catalyst for industry growth, helping to create new competition while driving down average selling prices for handsets and wireless devices.

The world's leading wireless operators, device manufacturers and content providers are partnering with QUALCOMM to revolutionize the mobile marketplace. With significant investments in research and development, we're creating the wireless technologies that power the mobile experience that consumers want now. And to ensure our partners' success in the wireless broadband evolution, we're innovating the wireless device, service and network landscape with solutions that converge communication, computing and consumer electronics platforms into a seamless mobile broadband experience.

Awards

- > *Institutional Investor's* "America's Most Shareholder-Friendly Companies: 2006"
- > *Fabless Semiconductor Association's* "Best Financially Managed Company"
- > *Forbes* "400 Best Big Companies in America"
- > *BusinessWeek's* "Global 1000"
- > *BusinessWeek's* "IT 100/200"
- > *CIO's* "Top 100 Award"
- > *Financial Times* "List of Most Valuable Global Companies"
- > Forbes 500 Company
- > *FORTUNE* 500® Company
- > *FORTUNE's* "America's Most Admired Companies"
- > *Financial Times* "Top 10 IT Companies"
- > *Information Week's* "Top 500 Technology Companies"
- > NASDAQ 100™ Company
- > S&P 500 Index