

Q&A
Response to *Korea Times* Article (Dec. 1, 2005)

Q: The *Korea Times* published an article on Dec. 1, 2005 stating that Samsung, LG and Pantech's obligations to pay royalties to QUALCOMM expire in August of 2006 for sales in Korea and 2008 for exports from Korea. Is this true?

No. These reports are incorrect. Per the contracts we cannot comment on the specific details of our agreements with these vendors; however, the royalty obligations will continue beyond the referenced dates of August 2006 and 2008, and there is no date on which a license under all of QUALCOMM's patents becomes royalty free. In addition, QUALCOMM's patent portfolio continues to grow with thousands of new worldwide filings each year.

Q: The *Korea Times* article stated Korean handset vendors have been paying QUALCOMM 5.75 percent of phone prices in royalties and 5.25 percent for local sales and calling these rates "prohibitively high." Is this true and have QUALCOMM's royalty rates impacted the growth of the wireless industry?

No, in fact, QUALCOMM's licensing program has promoted worldwide competition and rapid growth of CDMA services. We cannot comment on the royalty rates or other specific details of our agreements with the Korean handset manufacturers mentioned in the article.

As part of QUALCOMM's strategy to support worldwide adoption of CDMA technology, the Company licenses other companies to design, manufacture and sell CDMA products. QUALCOMM is very proud of our efforts in supporting the growth of the entire wireless value chain as feature-rich handsets continue to be introduced and handset ASPs continue to drop. QUALCOMM is very pleased that its Korean partners have, by combining QUALCOMM's patented technology with their own developments, joined a number of the Company's other licensees as world class suppliers of CDMA equipment, as well as other technologies, throughout the world. QUALCOMM looks forward to its partners' continued success.

Q: Will QUALCOMM's royalty revenue be reduced as some of QUALCOMM's early patents expire?

No. QUALCOMM has been very active in the standards bodies and in evolving and developing improvements to wireless technology and that is reflected in our portfolio of both essential and non-essential patents. The Company's patent portfolio has grown enormously since we first started licensing and today includes thousands of issued patents around the world. QUALCOMM's extensive patent portfolio includes more than 4,000 United States patents and patent applications for CDMA and other technologies. Further, we have, for the most part, extended our agreements with licensees to include our later patents that apply to the newer standards, such as CDMA2000 1X, 1xEV-DO, WCDMA/UMTS, HSDPA, etc. We are not concerned about early patents expiring.