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**QUALCOMM Announces Third Quarter Results
Pro Forma Earnings Per Share \$.27**

- Record Pro Forma Net Income Up 40 Percent from Third Quarter of Fiscal 1999 -

SAN DIEGO – July 19, 2000 - QUALCOMM Incorporated (NASDAQ: QCOM) today reported pro forma revenues (see note below) of \$714 million for the third quarter of fiscal 2000, an increase of 11 percent compared to \$645 million in the year ago period. Pro forma earnings per share were \$.27 in the third quarter of fiscal 2000 compared to \$.22 per share in the third quarter of fiscal 1999, an increase of 23 percent. Pro forma earnings before taxes were \$352 million, a 47 percent increase, compared to \$239 million in the third quarter of fiscal 1999. Pro forma net income was \$218 million, an increase of 40 percent, compared to \$156 million in the third quarter of fiscal 1999.

For the first nine months of fiscal 2000, pro forma earnings per share were \$.80, pro forma earnings before taxes were \$1 billion, and pro forma net income was \$635 million. This represents an increase of 45 percent in pro forma earnings per share, 80 percent increase in pro forma earnings before taxes and 72 percent increase in pro forma net income, compared to the first nine months of fiscal 1999.

“Our profitability continued to improve with an increase of 23 percent earnings per share over the third quarter of last fiscal year and a record \$1 billion in pro forma earnings

Note: Pro forma results for the current period exclude \$64 million in ongoing amortization of acquisition-related goodwill and other intangible assets and \$7 million in employer payroll taxes on employee non-qualified stock option exercises. Pro forma results for the prior year period exclude the results of exited businesses and related charges, one-time gains and other non-recurring items. Pro forma earnings exclude the above mentioned items and, therefore, differ from reported earnings which are presented in accordance with generally accepted accounting principles.

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before taxes for the first nine months of fiscal 2000,” said Dr. Irwin M. Jacobs, chairman and CEO of QUALCOMM Incorporated. “Our chip business met its third quarter goal of shipping a record number of MSM phone chips, while aggressively preparing for and investing in new areas of growth including third generation (cdma2000 and WCDMA) and HDR products. Our technology licensing business signed numerous license agreements during the quarter and we’re seeing momentum build in requests for both new license agreements and 3G extensions by existing licensees. We’re particularly excited about supporting a new group of licensees - companies that are focused on creating wireless data devices and applications to maximize the inherent benefits of CDMA and enable wireless Internet access.”

Pro forma operating expenses (research and development and selling, general and administrative) for the third quarter of fiscal 2000 increased to 21 percent of revenues, compared to 19 percent of revenues during the year ago period. The increase in research and development expenses were primarily associated with new product initiatives including HDR development (now being standardized under the name 1xEV), software applications that run on QUALCOMM phone chips and an enhanced position location technology embedded in QUALCOMM chipsets.

The Company currently estimates its pro forma annual effective income tax rate to be 38 percent for fiscal 2000, compared to 35 percent for fiscal 1999.

Reported revenues for the third quarter of fiscal 2000 were \$714 million, compared to \$1 billion in the year ago period. The decrease in reported revenues was attributable to the sale of the subscriber business in February of 2000. Reported earnings per share were \$.19 in the third quarter of fiscal 2000, compared to \$.09 per share in the year ago period. Reported earnings before taxes and net income were \$281 million and \$155 million in the third quarter of fiscal 2000 compared to \$91 million and \$59 million, respectively, in the year ago period.

Cash Flow

QUALCOMM's cash, cash equivalents and investments totaled approximately \$2.3 billion at the end of the third quarter of fiscal 2000. The following table presents selected cash flow information for the third quarter of fiscal 2000 (in millions):

<u>Selected Cash Flow Information</u>	<u>Amount</u>
Earnings before taxes, depreciation, amortization and non-cash charges	\$ 367
Working capital changes	(72)
Additional share capital	23
Net cash inflows	<u>318</u>
Strategic investments and capital expenditures	<u>(263)</u>
Net cash generated	<u>\$ 55</u>

Pro Forma Results of Business Segments

The following tables present pro forma segment information for the third quarter of fiscal 2000 and 1999 (in thousands):

Third Quarter - Fiscal Year 2000

Segments	QCT	QTL	QWS	Reconciling Items (1)	Total QUALCOMM
Revenues	338,132	174,245	167,184	33,960	713,521
Change from prior year	6%	38%	(12%)	N/M	11%
Earnings before taxes	109,573	152,384	65,129	24,653	351,739
% of revenues	32%	87%	39%	N/M	49%
Change from prior year	(15%)	35%	73%	N/M	47%

Third Quarter - Fiscal Year 1999

Segments	QCT	QTL	QWS (2)	Reconciling Items (1)	Total QUALCOMM
Revenues	318,324	126,019	190,464	9,882	644,689
Earnings before taxes	129,496	112,820	37,640	(40,461)	239,495
% of revenues	41%	90%	20%	N/M	37%

(1) Reconciling Items related to revenues consist primarily of other non-reportable segment revenue less inter-segment eliminations. Reconciling Items related to earnings before taxes

consist primarily of non-reportable segment results, unallocated net investment income, distributions on Trust Convertible Preferred Securities (FY99 only), and the elimination of inter-company segment profit.

- (2) QWS segment information for the third quarter of fiscal 1999 excludes \$38 million in revenues and \$30 million in losses before taxes related to the Company's terrestrial CDMA wireless infrastructure business sold to Ericsson in May 1999.

N/M – Not Meaningful

Highlights of Business Segments - Third Quarter Fiscal 2000

QUALCOMM CDMA Technologies (QCT)

- Shipped approximately 15 million Mobile Station Modem (MSM) phone chips to customers worldwide during the third quarter of fiscal 2000, compared to approximately 11 million MSM units shipped during the same period last year.
- According to the Company's most recent royalty reports, QCT's share of the CDMA chip market has increased.
- Recorded a book-to-bill ratio of less than one at the end of the third quarter of fiscal 2000, due to decreased domestic phone sales in South Korea resulting from the elimination of phone subsidies in June 2000. The Company currently estimates a sequential decrease of two to three million MSM units in total in the fourth quarter of fiscal 2000. However, this could improve if other regions, such as Japan, North America, or South America post stronger growth than expected.
- Increased research and development on chipset functionality, product initiatives and software, as well as new HDR products. These investments resulted in earnings before taxes as a percentage of revenues of 32 percent compared to 41 percent in the year ago quarter.
- Achieved a major milestone with cumulative shipments of more than 100 million MSM chipsets and system software to customers worldwide.
- Announced strong worldwide support from fifteen handset manufacturers for the Company's third generation (3G) cdma2000 1x MSM5000 chipset and system software solution.
- Commenced U.S. trials of 3G cdma2000 1x voice and data capabilities, including the verification of the 144 kilobits per second (kbps) data rate using QUALCOMM's

MSM5000 chipset and system software and CSM5000 base station chip and system software.

QUALCOMM Technology Licensing (QTL)

- Reported license, development and royalty fees totaled \$174 million, up 38 percent in the third quarter of 2000, compared to \$126 million for the same period a year ago. License, development and royalty fees from third parties were \$159 million in the third quarter of fiscal 2000.
- Entered into several multi-million dollar, royalty-bearing subscriber and modem equipment license agreements including Cherish Telecom Co., Ltd., First International Computer, Inc., GARMIN Corporation, Novatel Wireless Inc. and Photojet.
- Announced a multi-million dollar expansion of the Sierra Wireless, Inc. license agreement from modem cards only to include complete subscriber units.

QUALCOMM Wireless Systems (QWS)

- Shipped 31 thousand Globalstar phones in the third quarter of fiscal 2000, for a cumulative total of over 71 thousand Globalstar phone shipments since production began in September of 1999.
- Announced an agreement with In-Flight Network LLC and Globalstar to develop low-cost broadband Internet, e-mail, paging, and voice-over-IP applications for commercial airline fleets and their passengers.
- Shipped approximately 14 thousand OmniTRACS units and related products in the third quarter of fiscal 2000 compared to approximately 12 thousand units during the year ago quarter, for a cumulative total of over 350,000 units.
- Commenced beta testing of CDMA-based OmniExpress and GSM-based LinQ. OmniExpress will provide a terrestrial based fleet management solution for the U.S. market and LinQ will serve the European market.
- Signed a joint marketing and technical support agreement with Descartes Systems Group, which will allow routing and other software products to interface with OmniTRACS and OmniExpress.

- Completed the delivery and commercial sale of a full Network Operations Center to QUALCOMM's Chinese partner SST. OmniTRACS production units are now operational in China.

Other Developments

- Received a \$125 million "Auction Discount Voucher" (ADV) from the Federal Communications Commission (FCC) for use in any FCC spectrum auction, for one or more licenses over a period of up to three years. The Company is currently exploring opportunities to participate in these auctions on its own or through a partnership or consortium with other parties or to sell the ADV to a third party.
- Announced a joint venture with Technicolor Digital Cinema, Inc., which will provide open, end-to-end distribution technology and support services for the delivery of digital cinema to theaters worldwide.
- Exceeded 1 million downloads of Eudora 4.3 and 700 thousand active users for Eudora 4.3 in Sponsored mode; surpassed the 200 million impressions-delivered to Eudora customers; and Eudora was voted "Best Email Software" from *PC World* in its "Best Products of 2000" picks.

QUALCOMM Incorporated (www.qualcomm.com) is a leader in developing and delivering innovative digital wireless communications products and services based on the Company's CDMA digital technology. The Company's major businesses include CDMA integrated circuits and system software solutions for wireless voice and data communications products and services; technology licensing; and satellite-based systems including OmniTRACS[®] and portions of the Globalstar[™] system. Headquartered in San Diego, Calif., QUALCOMM is included in the S&P 500 Index and is a 1999 FORTUNE 500[®] company traded on the NASDAQ under the ticker symbol QCOM.

Except for 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 component shortages; risks associated with chip inventory and order levels; risks associated with the Company's ability to execute

additional 3G licenses; risks associated with the ability to sustain or improve operational efficiency and profitability; risks relating to the success of the Globalstar business; risks that the rate of growth in the CDMA subscriber population will decrease; risks associated with strategic investments, acquisitions or divestitures the Company may pursue; risks associated with the scale-up, acceptance and operations of CDMA systems, including HDR technology; risks associated with the development, deployment, and commercial acceptance of evolving CDMA technology standards; risks associated with developments in current or future litigation; risks associated with customer receivables and performance guarantees; risks associated with timing and receipt of license fees and royalties; and risks associated with international business activities, as well as the other risks detailed from time to time in the Company's SEC reports.

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QUALCOMM Incorporated
PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)
(Unaudited)

	Three Months Ended				%
	June 25, 2000 Reported	Adjustment	June 25, 2000 Pro Forma	June 27, 1999 Pro Forma	
Revenues	\$ 713,521	\$ -	\$ 713,521	\$ 644,689	11%
Operating expenses:					
Cost of revenues	274,952	(2,477)	272,475	282,247	(3%)
Research and development	80,933	(2,909)	78,024	58,944	32%
Selling, general and administrative	76,696	(1,573)	75,123	61,095	23%
Amortization of goodwill and other acquisition-related intangible assets	63,506	(63,506)	-	-	
Total operating expenses	496,087	(70,465)	425,622	402,286	6%
Operating income	217,434	70,465	287,899	242,403	19%
Interest expense	(608)	-	(608)	(1,844)	(67%)
Investment income, net	64,448	-	64,448	8,630	647%
Distributions on Trust Convertible Preferred Securities of subsidiary trust	-	-	-	(9,694)	(100%)
Income before income taxes	281,274	70,465	351,739	239,495	47%
Income tax expense	(126,573)	(7,088)	(133,661)	(83,823)	59%
Net income	\$ 154,701	\$ 63,377	\$ 218,078	\$ 155,672	40%
Net earnings per common share:					
Basic	\$ 0.21				
Diluted	\$ 0.19		\$ 0.27	\$ 0.22	23%
Shares used in per share calculations:					
Basic	741,735				
Diluted	805,507		805,507	751,532	

QUALCOMM Incorporated
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)
(Unaudited)
ASSETS

	June 25, 2000	September 26, 1999
Current assets:		
Cash and cash equivalents	\$ 712,709	\$ 660,016
Marketable securities	849,882	954,415
Accounts receivable, net	672,649	883,640
Finance receivables	54,167	26,377
Inventories, net	73,949	257,941
Other current assets	253,087	195,849
Total current assets	2,616,443	2,978,238
Property, plant and equipment, net	437,631	555,991
Marketable securities	705,771	70,495
Finance receivables, net	784,066	548,482
Goodwill, net	883,197	1,833
Deferred income taxes	515,855	123,788
Other assets	428,632	256,123
Total assets	\$ 6,371,595	\$ 4,534,950

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable and accrued liabilities	\$ 432,697	\$ 708,307
Unearned revenue	83,919	56,070
Bank lines of credit	-	112,000
Total current liabilities	516,616	876,377
Other liabilities	35,082	75,667
Total liabilities	551,698	952,044
 Minority interest in consolidated subsidiaries	 46,354	 51,596
 Company-obligated mandatorily redeemable Trust Convertible Preferred Securities of a subsidiary trust holding solely debt securities of the Company	 -	 659,555
Stockholders' equity:		
Preferred stock, \$0.0001 par value	-	-
Common stock, \$0.0001 par value	74	65
Paid-in capital	5,080,375	2,587,899
Retained earnings	732,415	200,879
Accumulated other comprehensive (loss) income	(39,321)	82,912
Total stockholders' equity	5,773,543	2,871,755
Total liabilities and stockholders' equity	\$ 6,371,595	\$ 4,534,950

Restated September 26, 1999 Stockholders' Equity for stock split on December 30, 1999.

QUALCOMM Incorporated
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)
(Unaudited)

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>June 25, 2000</u>	<u>June 27, 1999</u>	<u>June 25, 2000</u>	<u>June 27, 1999</u>
Revenues	\$ 713,521	\$1,004,066	\$ 2,561,335	\$ 2,877,684
Operating expenses:				
Cost of revenues	274,952	597,667	1,274,096	1,863,832
Research and development	80,933	93,719	254,490	296,653
Selling, general and administrative	76,696	104,808	275,870	329,762
Amortization of goodwill and other acquisition-related intangible assets	63,506	148	84,114	752
Purchased in-process technology	-	-	60,030	-
Other	-	109,345	63,589	205,169
Total operating expenses	<u>496,087</u>	<u>905,687</u>	<u>2,012,189</u>	<u>2,696,168</u>
Operating income	217,434	98,379	549,146	181,516
Interest expense	(608)	(2,704)	(4,494)	(11,478)
Investment income, net	64,448	4,708	434,444	8,595
Distributions on Trust Convertible				
Preferred Securities of subsidiary trust	-	(9,694)	(13,039)	(29,397)
Other	-	-	(3,265)	(52,531)
Income before income taxes	<u>281,274</u>	<u>90,689</u>	<u>962,792</u>	<u>96,705</u>
Income tax expense	<u>(126,573)</u>	<u>(31,741)</u>	<u>(431,256)</u>	<u>(31,847)</u>
Net income	<u>\$ 154,701</u>	<u>\$ 58,948</u>	<u>\$ 531,536</u>	<u>\$ 64,858</u>
Net earnings per common share:				
Basic	<u>\$ 0.21</u>	<u>\$ 0.10</u>	<u>\$ 0.75</u>	<u>\$ 0.11</u>
Diluted	<u>\$ 0.19</u>	<u>\$ 0.09</u>	<u>\$ 0.67</u>	<u>\$ 0.11</u>
Shares used in per share calculations:				
Basic	<u>741,735</u>	<u>601,159</u>	<u>707,713</u>	<u>581,798</u>
Diluted	<u>805,507</u>	<u>751,532</u>	<u>799,241</u>	<u>617,023</u>