FCC Lower 700 MHz Band Auction #49 **Final**

Acumen Technologies, Inc.

Bidding Credit 35% | *Small:* ☐ | *Very Small:* ☐ | *Entrep.:* ☒

License	*Blk*	*Market Name*	*Population*	*Gross*	*Net*
WZ-CMA710-C		Wisconsin 3 - Vilas	142,982	$17,000	$11,050
Num Lic.		1	*Total Bid:*	$17,000	$11,050

Adams Telcom, Inc.

Bidding Credit 25% | *Small:* ☐ | *Very Small:* ☒ | *Entrep.:* ☐

License	*Blk*	*Market Name*	*Population*	*Gross*	*Net*
WZ-CMA396-C		Illinois 3 - Mercer	198,214	$122,000	$91,500
WZ-CMA397-C		Illinois 4 - Adams	217,323	$147,000	$110,250
Num Lic.		2	*Total Bid:*	$269,000	$201,750

AGRI-VALLEY COMMUNICATI

Bidding Credit 15% | *Small:* ☒ | *Very Small:* ☐ | *Entrep.:* ☐

License	*Blk*	*Market Name*	*Population*	*Gross*	*Net*
WZ-CMA078-C		Lansing-East Lansing, MI	509,246	$279,000	$237,150
WZ-CMA476-C		Michigan 5 - Manistee	169,410	$123,000	$104,550
Num Lic.		2	*Total Bid:*	$402,000	$341,700

Aloha Partners II, L.P.

Bidding Credit 35% | *Small:* ☐ | *Very Small:* ☐ | *Entrep.:* ☒

License	*Blk*	*Market Name*	*Population*	*Gross*	*Net*
WZ-CMA034-C		Rochester, NY	1,037,831	$862,000	$560,300
WZ-CMA048-C		Toledo, OH-MI	805,133	$586,000	$380,900
WZ-CMA052-C		Akron, OH	694,960	$346,000	$224,900
WZ-CMA053-C		Syracuse, NY	650,154	$536,000	$348,400
WZ-CMA054-C		Gary-Hammond-East Chi	631,362	$155,000	$100,750
WZ-CMA066-C		Youngstown-Warren, OH	482,671	$90,000	$58,500
WZ-CMA068-C		Flint, MI	507,828	$181,000	$117,650
WZ-CMA085-C		Johnson City-Kingsport, T	480,091	$101,000	$65,650
WZ-CMA087-C		Canton, OH	406,934	$101,000	$65,650
WZ-CMA091-C		San Juan-Caguas, PR	2,176,135	$471,000	$306,150
WZ-CMA100-C		Shreveport, LA	392,302	$229,000	$148,850
WZ-CMA112-C		Corpus Christi, TX	380,783	$251,000	$163,150
WZ-CMA128-C		McAllen-Edinburg-Missio	569,463	$293,000	$190,450
WZ-CMA129-C		South Bend-Mishawaka, I	310,687	$86,000	$55,900
WZ-CMA136-C		Lorain-Elyria, OH	284,664	$81,000	$52,650
WZ-CMA145-C		Hamilton-Middletown, OH	332,807	$73,000	$47,450
WZ-CMA147-C		Ponce, PR	264,919	$59,000	$38,350
WZ-CMA162-C		Brownsville-Harlingen, TX	335,227	$163,000	$105,950
WZ-CMA165-C		Fort Smith AR-OK	255,399	$256,000	$166,400
WZ-CMA180-C		Springfield, OH	183,632	$81,000	$52,650
WZ-CMA183-C		Asheville, NC	225,965	$39,000	$25,350
WZ-CMA185-C		Terre Haute, IN	170,943	$75,000	$48,750
WZ-CMA193-C		Benton Harbor, MI	162,453	$41,000	$26,650
WZ-CMA199-C		Steubenville-Weirton, OH	132,008	$21,000	$13,650

FCC Lower 700 MHz Band Auction #49 **Final**

Aloha Partners II, L.P. *Cont.* *Bidding Credit* 35% *Small:* ☐ *Very Small:* ☐ *Entrep.:* X

License	*Blk*	*Market Name*	*Population*	*Gross*	*Net*
WZ-CMA203-C		Lynchburg, VA	161,946	$49,000	$31,850
WZ-CMA204-C		Aguadilla, PR	190,868	$24,000	$15,600
WZ-CMA207-C		Jackson, MI	158,422	$97,000	$63,050
WZ-CMA220-C		Abilene, TX	160,245	$111,000	$72,150
WZ-CMA227-C		Anderson, SC	165,740	$34,000	$22,100
WZ-CMA233-C		Wichita Falls, TX	142,670	$103,000	$66,950
WZ-CMA235-C		Petersburg-Hopewell, VA	130,571	$16,000	$10,400
WZ-CMA257-C		Hagerstown, MD	131,923	$30,000	$19,500
WZ-CMA262-C		Danville, VA	110,156	$15,000	$9,750
WZ-CMA269-C		Cumberland, MD-WV	102,008	$16,000	$10,400
WZ-CMA279-C		Lewiston-Auburn, ME	103,793	$25,000	$16,250
WZ-CMA282-C		Bloomington, IN	120,563	$50,000	$32,500
WZ-CMA287-C		Bryan-College Station, T	152,415	$76,000	$49,400
WZ-CMA291-C		Pine Bluff, AR	84,278	$54,000	$35,100
WZ-CMA292-C		Sherman-Denison, TX	110,595	$120,000	$78,000
WZ-CMA305-C		Alton-Granite City, IL	21,668	$13,000	$8,450
WZ-CMA316-C		Alaska 2 - Bethel	165,292	$22,000	$14,300
WZ-CMA320-C		Arizona 3 - Navajo	166,893	$81,000	$52,650
WZ-CMA324-C		Arkansas 1 - Madison	82,156	$38,000	$24,700
WZ-CMA327-C		Arkansas 4 - Clay	214,681	$128,000	$83,200
WZ-CMA328-C		Arkansas 5 - Cross	118,883	$47,000	$30,550
WZ-CMA329-C		Arkansas 6 - Cleburne	109,491	$47,000	$30,550
WZ-CMA331-C		Arkansas 8 - Franklin	74,034	$36,000	$23,400
WZ-CMA332-C		Arkansas 9 - Polk	70,834	$18,000	$11,700
WZ-CMA333-C		Arkansas 10 - Garland	167,641	$67,000	$43,550
WZ-CMA334-C		Arkansas 11 - Hempstea	67,704	$34,000	$22,100
WZ-CMA335-C		Arkansas 12 - Ouachita	188,216	$91,000	$59,150
WZ-CMA377-C		Georgia 7 - Hancock	139,606	$45,000	$29,250
WZ-CMA378-C		Georgia 8 - Warren	166,601	$48,000	$31,200
WZ-CMA395-C		Illinois 2 - Bureau	257,863	$181,000	$117,650
WZ-CMA403-C		Indiana 1 - Newton	217,293	$29,000	$18,850
WZ-CMA407-C		Indiana 5 - Warren	126,683	$15,000	$9,750
WZ-CMA408-C		Indiana 6 - Randolph	220,355	$29,000	$18,850
WZ-CMA411-C		Indiana 9 - Decatur	147,985	$91,000	$59,150
WZ-CMA443-C		Kentucky 1 - Fulton	193,495	$23,000	$14,950
WZ-CMA467-C		Maryland 1 - Garrett	29,846	$4,600	$2,990
WZ-CMA469-C		Maryland 3 - Frederick	195,277	$49,000	$31,850
WZ-CMA548-C		New Hampshire 1 - Coos	229,137	$96,000	$62,400
WZ-CMA565-C		North Carolina 1 - Cherok	200,333	$48,000	$31,200
WZ-CMA586-C		Ohio 2 - Sandusky	259,513	$311,000	$202,150
WZ-CMA587-C		Ohio 3 - Ashtabula	102,728	$16,000	$10,400
WZ-CMA588-C		Ohio 4 - Mercer	229,057	$249,000	$161,850
WZ-CMA590-C		Ohio 6 - Morrow	471,304	$122,000	$79,300
WZ-CMA591-C		Ohio 7 - Tuscarawas	261,385	$40,000	$26,000

FCC Lower 700 MHz Band Auction #49 **Final**

Aloha Partners II, L.P. *Cont.* *Bidding Credit* 35% *Small:* ☐ *Very Small:* ☐ *Entrep.:* X

License	Blk	Market Name	Population	Gross	Net
WZ-CMA592-C		Ohio 8 - Clinton	179,466	$30,000	$19,500
WZ-CMA593-C		Ohio 9 - Ross	243,945	$44,000	$28,600
WZ-CMA594-C		Ohio 10 - Perry	175,317	$29,000	$18,850
WZ-CMA595-C		Ohio 11 - Columbiana	112,075	$19,000	$12,350
WZ-CMA601-C		Oklahoma 6 - Seminole	223,407	$257,000	$167,050
WZ-CMA604-C		Oklahoma 9 - Garvin	209,569	$82,000	$53,300
WZ-CMA605-C		Oklahoma 10 - Haskell	83,895	$12,000	$7,800
WZ-CMA625-C		South Carolina 1 - Ocone	66,215	$22,000	$14,300
WZ-CMA631-C		South Carolina 7 - Calhou	158,114	$41,000	$26,650
WZ-CMA643-C		Tennessee 1 - Lake	317,877	$51,000	$33,150
WZ-CMA645-C		Tennessee 3 - Macon	366,706	$61,000	$39,650
WZ-CMA646-C		Tennessee 4 - Hamblen	290,725	$45,000	$29,250
WZ-CMA647-C		Tennessee 5 - Fayette	369,630	$58,000	$37,700
WZ-CMA649-C		Tennessee 7 - Bledsoe	282,930	$39,000	$25,350
WZ-CMA651-C		Tennessee 9 - Maury	69,498	$17,000	$11,050
WZ-CMA685-C		Virginia 5 - Bath	62,590	$18,000	$11,700
WZ-CMA688-C		Virginia 8 - Amelia	91,070	$11,000	$7,150
WZ-CMA689-C		Virginia 9 - Greensville	92,114	$13,000	$8,450
WZ-CMA724-C		Puerto Rico 2 - Adjuntas	285,531	$34,000	$22,100
WZ-CMA725-C		Puerto Rico 3 - Ciales	126,274	$18,000	$11,700
WZ-CMA726-C		Puerto Rico 4 - Aibonito	270,223	$32,000	$20,800
Num Lic.	89	*Total Bid:*		$8,948,600	$5,816,590

American Samoa Telecommuni *Bidding Credit* - *Small:* ☐ *Very Small:* ☐ *Entrep.:* ☐

License	Blk	Market Name	Population	Gross	Net
WZ-CMA733-C		American Samoa	57,291	$6,900	$6,900
Num Lic.	1	*Total Bid:*		$6,900	$6,900

Banks Broadcasting, Inc. *Bidding Credit* 25% *Small:* ☐ *Very Small:* X *Entrep.:* ☐

License	Blk	Market Name	Population	Gross	Net
WZ-CMA190-C		Boise City, ID	300,904	$341,000	$255,750
WZ-CMA389-C		Idaho 2 - Idaho	72,374	$62,000	$46,500
WZ-CMA391-C		Idaho 4 - Elmore	171,215	$166,000	$124,500
WZ-CMA392-C		Idaho 5 - Butte	165,296	$115,000	$86,250
Num Lic.	4	*Total Bid:*		$684,000	$513,000

Bluegrass Cellular, Inc. *Bidding Credit* - *Small:* ☐ *Very Small:* ☐ *Entrep.:* ☐

License	Blk	Market Name	Population	Gross	Net
WZ-CMA293-C		Owensboro, KY	91,545	$25,000	$25,000
Num Lic.	1	*Total Bid:*		$25,000	$25,000

FCC Lower 700 MHz Band Auction #49 **Final**

BPS Telephone Company *Cont.* *Bidding Credit* 15% *Small:* X *Very Small:* ☐ *Entrep.:* ☐

License	*Blk*	*Market Name*	*Population*	*Gross*	*Net*

BPS Telephone Company *Bidding Credit* 15% *Small:* X *Very Small:* ☐ *Entrep.:* ☐

License	*Blk*	*Market Name*	*Population*	*Gross*	*Net*
WZ-CMA163-C		Springfield, MO	294,676	$151,000	$128,350
WZ-CMA516-C		Missouri 13 - Washington	96,827	$81,000	$68,850
WZ-CMA519-C		Missouri 16 - Laclede	104,516	$33,000	$28,050
WZ-CMA520-C		Missouri 17 - Shannon	55,504	$37,000	$31,450
WZ-CMA521-C		Missouri 18 - Perry	123,913	$51,000	$43,350
Num Lic.	5	*Total Bid:*		$353,000	$300,050

CAPITOL BROADCASTING CO *Bidding Credit* - *Small:* ☐ *Very Small:* ☐ *Entrep.:* ☐

License	*Blk*	*Market Name*	*Population*	*Gross*	*Net*
WZ-CMA258-C		Jacksonville, NC	150,355	$23,000	$23,000
WZ-CMA569-C		North Carolina 5 - Anson	134,659	$27,000	$27,000
WZ-CMA573-C		North Carolina 9 - Camde	120,566	$16,000	$16,000
WZ-CMA578-C		North Carolina 14 - Pitt	258,014	$35,000	$35,000
Num Lic.	4	*Total Bid:*		$101,000	$101,000

Cavalier Group, LLC *Bidding Credit* 35% *Small:* ☐ *Very Small:* ☐ *Entrep.:* X

License	*Blk*	*Market Name*	*Population*	*Gross*	*Net*
WZ-CMA025-C		Buffalo, NY	1,170,111	$639,000	$415,350
WZ-CMA056-C		Northeast Pennsylvania,	671,232	$187,000	$121,550
WZ-CMA058-C		Allentown-Bethlehem, PA	740,395	$213,000	$138,450
WZ-CMA084-C		Harrisburg, PA	509,074	$293,000	$190,450
WZ-CMA099-C		York, PA	473,043	$278,000	$180,700
WZ-CMA103-C		Peoria, IL	347,387	$95,000	$61,750
WZ-CMA122-C		Binghamton, NY	294,558	$52,000	$33,800
WZ-CMA130-C		Erie, PA	280,843	$79,000	$51,350
WZ-CMA143-C		Johnstown, PA	232,621	$37,000	$24,050
WZ-CMA178-C		Wheeling, WV-OH	153,172	$28,000	$18,200
WZ-CMA238-C		Sharon, PA	120,293	$24,000	$15,600
WZ-CMA303-C		Aurora-Elgin, IL	54,544	$19,000	$12,350
WZ-CMA309-C		Alabama 3 - Lamar	135,766	$57,000	$37,050
WZ-CMA310-C		Alabama 4 - Bibb	145,301	$74,000	$48,100
WZ-CMA314-C		Alabama 8 - Lee	196,259	$89,000	$57,850
WZ-CMA379-C		Georgia 9 - Marion	124,063	$26,000	$16,900
WZ-CMA381-C		Georgia 11 - Toombs	162,419	$30,000	$19,500
WZ-CMA383-C		Georgia 13 - Early	157,068	$23,000	$14,950
WZ-CMA384-C		Georgia 14 - Worth	268,480	$50,000	$32,500
WZ-CMA394-C		Illinois 1 - Jo Davie	324,658	$117,000	$76,050
WZ-CMA422-C		Iowa 11 - Hardin	113,903	$24,000	$15,600
WZ-CMA495-C		Mississippi 3 - Bolivar	160,230	$24,000	$15,600

FCC Lower 700 MHz Band Auction #49 **Final**

Cavalier Group, LLC *Cont.* *Bidding Credit* 35% *Small:* ☐ *Very Small:* ☐ *Entrep.:* X

License	Blk	Market Name	Population	Gross	Net
WZ-CMA497-C		Mississippi 5 - Washingto	160,830	$24,000	$15,600
WZ-CMA498-C		Mississippi 6 - Montgome	189,098	$30,000	$19,500
WZ-CMA499-C		Mississippi 7 - Leake	188,499	$30,000	$19,500
WZ-CMA500-C		Mississippi 8 - Claiborne	160,376	$24,000	$15,600
WZ-CMA501-C		Mississippi 9 - Copiah	124,367	$20,000	$13,000
WZ-CMA502-C		Mississippi 10 - Smith	157,867	$24,000	$15,600
WZ-CMA549-C		New Hampshire 2 - Carro	236,216	$67,000	$43,550
WZ-CMA562-C		New York 4 - Yates	355,651	$52,000	$33,800
WZ-CMA568-C		North Carolina 4 - Hender	372,614	$47,000	$30,550
WZ-CMA612-C		Pennsylvania 1 - Crawfor	196,740	$56,000	$36,400
WZ-CMA613-C		Pennsylvania 2 - McKean	87,022	$24,000	$15,600
WZ-CMA614-C		Pennsylvania 3 - Potter	97,367	$28,000	$18,200
WZ-CMA615-C		Pennsylvania 4 - Bradford	97,397	$19,000	$12,350
WZ-CMA617-C		Pennsylvania 6 - Lawrenc	382,883	$74,000	$48,100
WZ-CMA618-C		Pennsylvania 7 - Jefferso	218,919	$48,000	$31,200
WZ-CMA619-C		Pennsylvania 8 - Union	406,449	$100,000	$65,000
WZ-CMA620-C		Pennsylvania 9 - Greene	189,316	$30,000	$19,500
WZ-CMA621-C		Pennsylvania 10 - Bedfor	193,558	$30,000	$19,500
WZ-CMA622-C		Pennsylvania 11 - Huntin	114,893	$19,000	$12,350
WZ-CMA626-C		South Carolina 2 - Lauren	251,847	$49,000	$31,850
WZ-CMA627-C		South Carolina 3 - Chero	139,940	$17,000	$11,050
WZ-CMA628-C		South Carolina 4 - Cheste	222,349	$27,000	$17,550
Num Lic.	44	*Total Bid:*		$3,297,000	$2,143,050

Corr Wireless Communication *Bidding Credit* 15% *Small:* X *Very Small:* ☐ *Entrep.:* ☐

License	Blk	Market Name	Population	Gross	Net
WZ-CMA120-C		Huntsville, AL	424,607	$153,000	$130,050
WZ-CMA249-C		Anniston, AL	112,249	$36,000	$30,600
WZ-CMA272-C		Gadsden, AL	103,459	$34,000	$28,900
Num Lic.	3	*Total Bid:*		$223,000	$189,550

D&E Investments, Inc. *Bidding Credit* - *Small:* ☐ *Very Small:* ☐ *Entrep.:* ☐

License	Blk	Market Name	Population	Gross	Net
WZ-CMA105-C		Lancaster, PA	470,658	$327,000	$327,000
WZ-CMA118-C		Reading, PA	373,638	$282,000	$282,000
WZ-CMA225-C		Altoona, PA	129,144	$71,000	$71,000
WZ-CMA251-C		Williamsport, PA	120,044	$64,000	$64,000
WZ-CMA259-C		State College, PA	135,758	$84,000	$84,000
Num Lic.	5	*Total Bid:*		$828,000	$828,000

FCC Lower 700 MHz Band Auction #49 **Final**

DataCom Wireless, L.L.C. *Cont.* *Bidding Credit* 35% *Small:* ☐ *Very Small:* ☐ *Entrep.:* X

License	*Blk*	*Market Name*	*Population*	*Gross*	*Net*

DataCom Wireless, L.L.C. *Bidding Credit* 35% *Small:* ☐ *Very Small:* ☐ *Entrep.:* X

License	*Blk*	*Market Name*	*Population*	*Gross*	*Net*
WZ-CMA686-C		Virginia 6 - Highland	234,162	$28,000	$18,200
WZ-CMA687-C		Virginia 7 - Buckingham	94,187	$21,000	$13,650
WZ-CMA690-C		Virginia 10 - Frederick	247,404	$92,000	$59,800
WZ-CMA691-C		Virginia 11 - Madison	300,410	$73,000	$47,450
Num Lic.	4	*Total Bid:*		$214,000	$139,100

David M. Gates *Bidding Credit* 35% *Small:* ☐ *Very Small:* ☐ *Entrep.:* X

License	*Blk*	*Market Name*	*Population*	*Gross*	*Net*
WZ-CMA140-C		Charleston, WV	251,662	$51,000	$33,150
WZ-CMA701-C		West Virginia 1 - Mason	76,985	$9,700	$6,305
WZ-CMA702-C		West Virginia 2 - Wetzel	76,624	$9,700	$6,305
WZ-CMA703-C		West Virginia 3 - Monong	268,096	$34,000	$22,100
WZ-CMA704-C		West Virginia 4 - Grant	185,405	$26,000	$16,900
WZ-CMA705-C		West Virginia 5 - Tucker	129,431	$19,000	$12,350
WZ-CMA707-C		West Virginia 7 - Raleigh	251,814	$41,000	$26,650
Num Lic.	7	*Total Bid:*		$190,400	$123,760

Delta Media Corporation *Bidding Credit* 35% *Small:* ☐ *Very Small:* ☐ *Entrep.:* X

License	*Blk*	*Market Name*	*Population*	*Gross*	*Net*
WZ-CMA219-C		Monroe, LA	147,250	$82,000	$53,300
WZ-CMA454-C		Louisiana 1 - Claiborne	113,312	$61,000	$39,650
WZ-CMA455-C		Louisiana 2 - Morehouse	115,346	$61,000	$39,650
WZ-CMA457-C		Louisiana 4 - Caldwell	72,903	$44,000	$28,600
Num Lic.	4	*Total Bid:*		$248,000	$161,200

FCC *Bidding Credit* - *Small:* ☐ *Very Small:* ☐ *Entrep.:* ☐

License	*Blk*	*Market Name*	*Population*	*Gross*	*Net*
WZ-CMA169-C		Mayaguez, PR	227,412	-	-
WZ-CMA202-C		Arecibo, PR	199,750	-	-
WZ-CMA723-C		Puerto Rico 1 - Rincon	14,767	-	-
WZ-CMA727-C		Puerto Rico 5 - Ceiba	41,757	-	-
WZ-CMA729-C		Puerto Rico 7 - Culebra	1,868	-	-
Num Lic.	5	*Total Bid:*		-	-

Grand River Communications, *Bidding Credit* 15% *Small:* X *Very Small:* ☐ *Entrep.:* ☐

License	*Blk*	*Market Name*	*Population*	*Gross*	*Net*
WZ-CMA296-C		Iowa City, IA	111,006	$22,000	$18,700

FCC Lower 700 MHz Band Auction #49 **Final**

Grand River Communicati *Cont.*

Bidding Credit 15% | *Small:* X | *Very Small:* | *Entrep.:*

License	*Blk*	*Market Name*	*Population*	*Gross*	*Net*
WZ-CMA415-C		Iowa 4 - Muscatine	154,644	$26,000	$22,100
WZ-CMA416-C		Iowa 5 - Jackson	108,853	$22,000	$18,700
WZ-CMA417-C		Iowa 6 - Iowa	158,156	$32,000	$27,200
Num Lic.	4	*Total Bid:*		$102,000	$86,700

Kennebec Telephone Company

Bidding Credit 35% | *Small:* | *Very Small:* | *Entrep.:* X

License	*Blk*	*Market Name*	*Population*	*Gross*	*Net*
WZ-CMA253-C		Sioux City, IA-NE	124,130	$65,000	$42,250
WZ-CMA583-C		North Dakota 4 - McKenzi	61,696	$23,000	$14,950
Num Lic.	2	*Total Bid:*		$88,000	$57,200

KM Communications, Inc.

Bidding Credit 15% | *Small:* X | *Very Small:* | *Entrep.:*

License	*Blk*	*Market Name*	*Population*	*Gross*	*Net*
WZ-CMA201-C		Waterloo-Cedar Falls, IA	151,337	$127,000	$107,950
WZ-CMA424-C		Iowa 13 - Mitchell	66,106	$92,000	$78,200
WZ-CMA734-C		Northern Mariana Islands	69,221	$60,000	$51,000
Num Lic.	3	*Total Bid:*		$279,000	$237,150

Lima Directional Paging Co., In

Bidding Credit 25% | *Small:* | *Very Small:* X | *Entrep.:*

License	*Blk*	*Market Name*	*Population*	*Gross*	*Net*
WZ-CMA158-C		Lima, OH	219,469	$277,000	$207,750
WZ-CMA231-C		Mansfield, OH	128,852	$57,000	$42,750
WZ-CMA589-C		Ohio 5 - Hancock	239,331	$351,000	$263,250
Num Lic.	3	*Total Bid:*		$685,000	$513,750

LIN Television Corporation

Bidding Credit - | *Small:* | *Very Small:* | *Entrep.:*

License	*Blk*	*Market Name*	*Population*	*Gross*	*Net*
WZ-CMA064-C		Grand Rapids, MI	812,649	$447,000	$447,000
WZ-CMA096-C		Fort Wayne, IN	464,066	$179,000	$179,000
WZ-CMA132-C		Kalamazoo, MI	314,866	$82,000	$82,000
WZ-CMA177-C		Battle Creek, MI	194,740	$126,000	$126,000
WZ-CMA181-C		Muskegon, MI	197,073	$266,000	$266,000
WZ-CMA194-C		Waco, TX	213,517	$140,000	$140,000
WZ-CMA223-C		Elkhart-Goshen, IN	182,791	$91,000	$91,000
WZ-CMA236-C		Muncie, IN	118,769	$45,000	$45,000
WZ-CMA247-C		Lafayette, IN	148,955	$55,000	$55,000
WZ-CMA404-C		Indiana 2 - Kosciusko	188,455	$167,000	$167,000
WZ-CMA479-C		Michigan 8 - Allegan	105,665	$22,000	$22,000
WZ-CMA480-C		Michigan 9 - Cass	304,730	$225,000	$225,000
WZ-CMA585-C		Ohio 1 - Williams	128,191	$135,000	$135,000

FCC Lower 700 MHz Band Auction #49 **Final**

LIN Television Corporatio *Cont.* *Bidding Credit* - Small: ☐ Very Small: ☐ Entrep.: ☐

License	Blk	Market Name	Population	Gross	Net
Num Lic.	13	*Total Bid:*		$1,980,000	$1,980,000

Lynch 3G Comminications Cor *Bidding Credit* - Small: ☐ Very Small: ☐ Entrep.: ☐

License	Blk	Market Name	Population	Gross	Net
WZ-CMA286-C		Dubuque, IA	89,143	$128,000	$128,000
WZ-CMA472-C		Michigan 1 - Gogebic	202,821	$68,000	$68,000
WZ-CMA553-C		New Mexico 1 - San Juan	285,363	$192,000	$192,000
WZ-CMA561-C		New York 3 - Chautauqu	476,152	$232,000	$232,000
Num Lic.	4	*Total Bid:*		$620,000	$620,000

McBride Spectrum Partners II, *Bidding Credit* 35% Small: ☐ Very Small: ☐ Entrep.: ☒

License	Blk	Market Name	Population	Gross	Net
WZ-CMA273-C		Kankakee, IL	103,833	$39,000	$25,350
Num Lic.	1	*Total Bid:*		$39,000	$25,350

Peoples Telephone Cooperativ *Bidding Credit* 15% Small: ☒ Very Small: ☐ Entrep.: ☐

License	Blk	Market Name	Population	Gross	Net
WZ-CMA206-C		Longview-Marshall, TX	173,489	$132,000	$112,200
WZ-CMA237-C		Tyler, TX	174,706	$115,000	$97,750
WZ-CMA240-C		Texarkana, AR-TX	143,377	$99,000	$84,150
Num Lic.	3	*Total Bid:*		$346,000	$294,100

Pioneer Telephone Cooperativ *Bidding Credit* - Small: ☐ Very Small: ☐ Entrep.: ☐

License	Blk	Market Name	Population	Gross	Net
WZ-CMA600-C		Oklahoma 5 - Roger Mills	60,223	$28,000	$28,000
WZ-CMA602-C		Oklahoma 7 - Beckham	126,544	$64,000	$64,000
WZ-CMA603-C		Oklahoma 8 - Jackson	94,340	$30,000	$30,000
Num Lic.	3	*Total Bid:*		$122,000	$122,000

QUALCOMM Incorporated *Bidding Credit* - Small: ☐ Very Small: ☐ Entrep.: ☐

License	Blk	Market Name	Population	Gross	Net
WZ-EAG701-D		Northeast	44,077,625	$8,246,000	$8,246,000
WZ-EAG702-D		Mid-Atlantic	47,079,540	$5,858,000	$5,858,000
WZ-EAG703-D		Southeast	51,610,405	$9,458,000	$9,458,000
WZ-EAG704-D		Great Lakes	44,940,233	$6,629,000	$6,629,000
WZ-EAG705-D		Central / Mountain	49,321,832	$7,845,000	$7,845,000
Num Lic.	5	*Total Bid:*		$38,036,000	$38,036,000

FCC Lower 700 MHz Band Auction #49 **Final**

RED LAKE BAND OF CHI *Cont.* *Bidding Credit* - Small: ☐ Very Small: ☐ Entrep.: ☐

License	Blk	Market Name	Population	Gross	Net

RED LAKE BAND OF CHIPPE *Bidding Credit* - Small: ☐ Very Small: ☐ Entrep.: ☐

License	Blk	Market Name	Population	Gross	Net
WZ-CMA483-C		Minnesota 2 - Lake of the	65,227	$9,800	$9,800
Num Lic.		1	*Total Bid:*	$9,800	$9,800

Red River Rural Telephone Ass *Bidding Credit* 15% Small: ☒ Very Small: ☐ Entrep.: ☐

License	Blk	Market Name	Population	Gross	Net
WZ-CMA486-C		Minnesota 5 - Wilkin	214,745	$51,000	$43,350
Num Lic.		1	*Total Bid:*	$51,000	$43,350

United Telephone Association, *Bidding Credit* 25% Small: ☐ Very Small: ☒ Entrep.: ☐

License	Blk	Market Name	Population	Gross	Net
WZ-CMA200-C		Parkersburg-Marietta, OH	157,110	$23,000	$17,250
WZ-CMA255-C		Odessa, TX	121,123	$90,000	$67,500
WZ-CMA260-C		Lawton, OK	114,996	$70,000	$52,500
WZ-CMA295-C		Midland, TX	116,009	$70,000	$52,500
WZ-CMA325-C		Arkansas 2 - Marion	99,177	$46,000	$34,500
WZ-CMA326-C		Arkansas 3 - Sharp	105,739	$34,000	$25,500
WZ-CMA482-C		Minnesota 1 - Kittson	49,661	$18,000	$13,500
WZ-CMA484-C		Minnesota 3 - Koochichin	58,347	$24,000	$18,000
WZ-CMA485-C		Minnesota 4 - Lake	16,226	$6,000	$4,500
WZ-CMA487-C		Minnesota 6 - Hubbard	274,452	$74,000	$55,500
Num Lic.		10	*Total Bid:*	$455,000	$341,250

Valley Telephone Cooperative, *Bidding Credit* 15% Small: ☒ Very Small: ☐ Entrep.: ☐

License	Blk	Market Name	Population	Gross	Net
WZ-CMA281-C		Laredo, TX	193,117	$152,000	$129,200
WZ-CMA669-C		Texas 18 - Edwards	227,582	$190,000	$161,500
WZ-CMA670-C		Texas 19 - Atascosa	235,315	$189,000	$160,650
Num Lic.		3	*Total Bid:*	$531,000	$451,350

Vermont Telephone Company, *Bidding Credit* 15% Small: ☒ Very Small: ☐ Entrep.: ☐

License	Blk	Market Name	Population	Gross	Net
WZ-CMA044-C		Albany-Schenectady-Tro	844,001	$1,099,000	$934,150
WZ-CMA248-C		Burlington, VT	153,472	$179,000	$152,150
WZ-CMA266-C		Glens Falls, NY	124,345	$65,000	$55,250
WZ-CMA679-C		Vermont 1 - Franklin	217,353	$282,000	$239,700
WZ-CMA680-C		Vermont 2 - Addison	238,002	$291,000	$247,350

FCC Lower 700 MHz Band Auction #49 **Final**

Vermont Telephone Com *Cont.* *Bidding Credit* 15% Small: X Very Small: ☐ Entrep.: ☐

License	Blk	Market Name	Population	Gross	Net
Num Lic.		5	*Total Bid:*	$1,916,000	$1,628,600

Viacel Corporation *Bidding Credit* 35% Small: ☐ Very Small: ☐ Entrep.: X

License	Blk	Market Name	Population	Gross	Net
WZ-CMA055-C		Worchester-Leominster,	750,963	$620,000	$403,000
WZ-CMA728-C		Puerto Rico 6 - Vieques	9,106	$1,400	$910
Num Lic.		2	*Total Bid:*	$621,400	$403,910

WCTA Wireless Inc. *Bidding Credit* 15% Small: X Very Small: ☐ Entrep.: ☐

License	Blk	Market Name	Population	Gross	Net
WZ-CMA425-C		Iowa 14 - Kossuth	106,046	$157,000	$133,450
Num Lic.		1	*Total Bid:*	$157,000	$133,450

Westelcom Network, Inc. *Bidding Credit* 25% Small: ☐ Very Small: X Entrep.: ☐

License	Blk	Market Name	Population	Gross	Net
WZ-CMA559-C		New York 1 - Jefferson	250,613	$121,000	$90,750
WZ-CMA560-C		New York 2 - Franklin	230,331	$135,000	$101,250
Num Lic.		2	*Total Bid:*	$256,000	$192,000

Whidbey Telephone Company *Bidding Credit* 15% Small: X Very Small: ☐ Entrep.: ☐

License	Blk	Market Name	Population	Gross	Net
WZ-CMA152-C		Portland, ME	300,826	$270,000	$229,500
WZ-CMA187-C		Anchorage, AK	260,283	$181,000	$153,850
WZ-CMA224-C		Bangor, ME	144,919	$74,000	$62,900
WZ-CMA463-C		Maine 1 - Oxford	84,222	$38,000	$32,300
WZ-CMA464-C		Maine 2 - Somerset	142,061	$53,000	$45,050
WZ-CMA465-C		Maine 3 - Kennebec	226,628	$115,000	$97,750
WZ-CMA466-C		Maine 4 - Washington	85,732	$37,000	$31,450
Num Lic.		7	*Total Bid:*	$768,000	$652,800

Wireless Network Management *Bidding Credit* 25% Small: ☐ Very Small: X Entrep.: ☐

License	Blk	Market Name	Population	Gross	Net
WZ-CMA426-C		Iowa 15 - Dickinson	84,043	$18,000	$13,500
WZ-CMA427-C		Iowa 16 - Lyon	103,341	$96,000	$72,000
Num Lic.		2	*Total Bid:*	$114,000	$85,500

QUALCOMM INC/DE

FORM 10-K
(Annual Report)

Filed 11/03/10 for the Period Ending 09/26/10

Address	5775 MOREHOUSE DR SAN DIEGO, CA 92121
Telephone	8585871121
CIK	0000804328
Symbol	QCOM
SIC Code	3663 - Radio and Television Broadcasting and Communications Equipment
Industry	Communications Equipment
Sector	Technology
Fiscal Year	09/30

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended September 26, 2010

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____.

Commission file number 0-19528

QUALCOMM Incorporated

(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**95-3685934** **(I.R.S. Employer Identification No.)**
5775 Morehouse Drive **San Diego, California** **(Address of principal executive offices)**	**92121-1714** **(Zip Code)**

Registrant's telephone number, including area code: (858) 587-1121

Securities registered pursuant to section 12(b) of the Act:

Title of Each Class	**Name of Each Exchange on Which Registered**
Common stock, $0.0001 par value	NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☑ NO ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES ☐ NO ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☑ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ☑	Accelerated Filer ☐	Non-Accelerated Filer ☐ (Do not check if a smaller reporting company)	Smaller Reporting Company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☑

Table of Contents

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant at March 28, 2010 was $67,115,795,559. *

The number of shares outstanding of the registrant's common stock was 1,617,713,293 at November 1, 2010.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement to be filed with the Commission pursuant to Regulation 14A in connection with the registrant's 2011 Annual Meeting of Stockholders, to be filed subsequent to the date hereof, are incorporated by reference into Part III of this Report. Such Definitive Proxy Statement will be filed with the Securities and Exchange Commission not later than 120 days after the conclusion of the registrant's fiscal year ended September 26, 2010.

---

* Excludes the Common Stock held by executive officers, directors and stockholders whose ownership exceeds 5% of the Common Stock outstanding at March 28, 2010. This calculation does not reflect a determination that such persons are affiliates for any other purposes.

QUALCOMM INCORPORATED
Form 10-K
For the Fiscal Year Ended September 26, 2010
Index

Table of Contents

TRADEMARKS AND TRADE NAMES

QUALCOMM ®, QCT- ®, MSM™, Snapdragon™, Wireless Reach & Design™, gpsOne ®, Brew ®, MediaFLO ®, FLO™, FLO TV™, QPoint ®, Gobi™, Plaza™, Xiam and QChat ® are trademarks and/or service marks of QUALCOMM Incorporated. QUALCOMM, QUALCOMM Enterprise Services™, QES™, QUALCOMM CDMA Technologies, QCT, QUALCOMM Technology Licensing, QTL, QUALCOMM Wireless & Internet, QUALCOMM Wireless & Internet Group, QWI, QUALCOMM Internet Services, QIS, QUALCOMM Government Technologies, QGOV, QUALCOMM MEMS Technologies, QMT, QUALCOMM Technologies & Ventures, QUALCOMM MediaFLO Technologies, MFT, QUALCOMM Global Trading, QGT, QUALCOMM Strategic Initiatives, QSI, FLO TV and Spike are trade names of QUALCOMM Incorporated. SWAGG™ is a trademark of Firethorn Holdings, LLC. Firethorn ® is a registered trademark of Firethorn Holdings, LLC. Mirasol ® is a registered trademark of QUALCOMM MEMS Technologies, Inc.

cdmaOne™ is a trademark of the CDMA Development Group, Inc. CDMA2000 ® is a registered service mark and certification mark of the Telecommunications Industry Association. Java ® is a registered trademark and service mark of Sun Microsystems, Inc. Windows Mobile ® is a registered trademark of Microsoft Corporation. Web OS ® is a registered trademark of Palm Inc. Linux ® is a registered trademark of Linus Torvalds. Android™ and Google Chrome™ are trademarks of Google Inc. Bluetooth ® is a registered trademark of Bluetooth SIG, Inc. iPhone ® is a registered trademark of Apple, Inc.

All other trademarks, service marks and/or trade names appearing in this document are the property of their respective holders.

Table of Contents

In this document, the words "Qualcomm," "we," "our," "ours" and "us" refer only to QUALCOMM Incorporated and its subsidiaries and not any other person or entity.

PART I

Item 1. Business

This Annual Report (including, but not limited to, the following section regarding Management's Discussion and Analysis of Financial Condition and Results of Operations) contains forward-looking statements regarding our business, financial condition, results of operations and prospects. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" and similar expressions or variations of such words are intended to identify forward-looking statements, but are not the exclusive means of identifying forward-looking statements in this Annual Report. Additionally, statements concerning future matters such as the development of new products, enhancements or technologies, sales levels, expense levels and other statements regarding matters that are not historical are forward-looking statements.

Although forward-looking statements in this Annual Report reflect our good faith judgment, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks and uncertainties and actual results and outcomes may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include without limitation those discussed under the heading "Risk Factors" below, as well as those discussed elsewhere in this Annual Report. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Annual Report. We undertake no obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this Annual Report. Readers are urged to carefully review and consider the various disclosures made in this Annual Report, which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

We incorporated in 1985 under the laws of the state of California. In 1991, we reincorporated in the state of Delaware. We operate and report using a 52-53 week fiscal year ending the last Sunday in September. Our 52-week fiscal years consist of four equal quarters of 13 weeks each, and our 53-week fiscal years consist of three 13-week fiscal quarters and one 14-week fiscal quarter. The financial results for our 53-week fiscal years and our 14-week fiscal quarters will not be exactly comparable to our 52-week fiscal years and our 13-week fiscal quarters. The fiscal years ended September 26, 2010, September 27, 2009 and September 28, 2008 all included 52 weeks.

Overview

In 1989, we publicly introduced the concept that a digital communication technique called CDMA could be commercially successful in cellular wireless communication applications. CDMA stands for Code Division Multiple Access and is one of the main technologies currently used in digital wireless communications networks (also known as wireless networks). CDMA and TDMA (Time Division Multiple Access), of which Global System for Mobile Communications (GSM) is the primary commercial form, are the primary digital technologies currently used to transmit a wireless device user's voice or data over radio waves using a public cellular wireless network. Because we led, and continue to lead, the development and commercialization of CDMA technology, we own significant intellectual property, including patents, patent applications and trade secrets, which applies to all versions of CDMA, portions of which we license to other companies and implement in our own products. The wireless communications industry generally recognizes that a company seeking to develop, manufacture and/or sell products that use CDMA technology will require a patent license from us.

We also continue our leading role in the development and commercialization of Orthogonal Frequency Division Multiplexing Access (OFDMA)-based technologies for which we have substantial intellectual property. Our CDMA licensees' sales of multimode CDMA and OFDMA devices are covered by their existing CDMA license agreements with us. We have begun to license companies to make and sell OFDMA products that do not also implement CDMA, and nine companies have royalty-bearing licenses under our patent portfolio for use in such OFDMA products.

Our Revenues. We generate revenues by licensing portions of our intellectual property to manufacturers of wireless products (such as mobile devices, also known as subscriber units, which include handsets, other consumer devices and modem cards, and the infrastructure required to establish and operate a wireless network). We receive licensing fees and royalties on products sold by our licensees that incorporate our patented technologies. We also sell products and services, which include:

- CDMA-based integrated circuits (also known as chips or chipsets) and Radio Frequency (RF) and Power Management (PM) chips and system software used in mobile devices and in wireless networks;
- Software products and services for content enablement across a wide variety of platforms and devices for the wireless industry;
- Equipment, software and services used by companies, including those in the transportation industry and governments, to wirelessly connect with their assets and workforce;
- Software products and services that enable mobile commerce services;
- Services to wireless operators delivering multimedia content, including live television, in the United States; and
- Software and hardware development services.

Our Licensing Business. We grant licenses to use portions of our intellectual property portfolio, which includes certain patent rights essential to and/or useful in the manufacture and sale of certain wireless products, and collect license fees and royalties in partial consideration for such licenses.

Our Integrated Circuits Business. We develop and supply CDMA-based integrated circuits and system software for wireless voice and data communications, multimedia functions and global positioning system products. We also design and create multimode and multiband integrated circuits incorporating other wireless standards for roaming in global roaming markets. Our integrated circuit products and system software are used in wireless devices, particularly mobile phones, tablets, laptops, data modules, handheld wireless computers, data cards and infrastructure equipment. The integrated circuits for wireless devices include the baseband Mobile Station Modem (MSM), Mobile Data Modem (MDM), Qualcomm Single Chip (QSC), Qualcomm Snapdragon (QSD), RF, PM and Bluetooth devices, as well as the system software that enables the other device components to interface with the integrated circuit products and is the foundation software enabling manufacturers to develop devices utilizing the functionality within the integrated circuits. These integrated circuits for wireless devices and system software perform voice and data communication, multimedia and global positioning functions, radio conversion between RF and baseband signals, power management and peripheral connectivity. Our infrastructure equipment Cell Site Modem (CSM) integrated circuits and system software perform the core baseband CDMA modem functionality in the wireless operator's base station equipment providing wireless standards-compliant processing of voice and data signals to and from wireless devices. Because of our broad and unique experience in designing and developing CDMA-based products, we not only design the baseband integrated circuit, but the supporting system as well, including the RF devices, PM devices and accompanying software products. This approach enables us to optimize the performance of the wireless device with improved product features, as well as the integration and performance of the network system. Our design of the system allows CDMA systems and devices manufactured by our customers to come to market faster. We provide our integrated circuits and system software, including reference designs and tools, to many of the world's leading wireless device and infrastructure equipment manufacturers. We also provide support to enable our customers to reduce the time required to design their products and bring their products to market faster. We plan to add additional features and capabilities to our integrated circuit products to help our customers reduce the costs and size of their products, to simplify our customers' design processes and to enable more wireless devices and services.

Our Wireless Device Software and Related Services Business. We provide software products and services for the global wireless industry. Our Brew products and services enable wireless operators, device manufacturers and software developers to provide over-the-air and pre-loaded wireless applications and services. Our Plaza products and services enable wireless operators, device manufacturers and publishers to create and distribute mobile content across a variety of platforms and devices. We also offer Xiam wireless content discovery and recommendation products to help wireless operators improve usage and adoption of digital content and services. We also provide QChat, a push to talk product optimized for third generation (3G) networks, as well as QPoint, which enables wireless operators to offer enhanced 911 (E-911) wireless emergency and other location-based applications and services.

Our Asset Tracking and Services Business. We design, manufacture and sell equipment, license software and provide services to our customers to enable them to connect wirelessly with their assets, products and workforce. We offer satellite- and terrestrial-based two-way wireless connectivity and position location services to transportation and logistics fleets and other enterprise companies to enable our customers to track the location and monitor the performance of their assets, and the workflow of their personnel.

Our Mobile Commerce Business . In fiscal 2011, we expect to introduce a new product application trademarked as SWAGG, which will be marketed on a standalone basis directly to consumers. SWAGG's core features include purchase and gift of virtually stored-value gift cards delivered via mobile devices. In addition, we provide a single, secure, certified application embedded on select wireless devices, which enables financial institutions and merchants to deliver branded services to consumers through the wireless devices.

Our FLO TV Business. Our subsidiary, FLO TV Incorporated (FLO TV), currently offers its service in the United States over our nationwide multicast network. We have commenced a restructuring plan under which we expect to exit the current FLO TV service business. Additionally, we continue to evaluate strategic options for the FLO TV business, which include, but are not limited to, operating the FLO TV network under a new wholesale service model; sale to, or joint venture with, a third party; and/or the sale of the spectrum licenses and discontinuance of the operation of the network.

Our MediaFLO Technologies (MFT) division is comprised of the FLO Technology group, which continues to develop our MediaFLO MDS and MediaFLO technology, and the FLO International group, which markets MediaFLO for deployment outside of the United States. The market for mobile TV remains nascent with numerous competing technologies and standards.

Our Display Business. We continue to develop display technology for the full range of consumer-targeted mobile products. Our interferometric modulator (IMOD) display technology, based on a MEMS structure combined with thin film optics and sold under the "mirasol" brand, is expected to provide performance, power consumption and cost benefits as compared to current display technologies.

Wireless Telecommunications Market

Use of wireless telecommunications devices has increased dramatically in the past decade. According to Wireless Intelligence estimates as of November 1, 2010, the number of worldwide mobile connections is expected to reach approximately 5.3 billion by the end of 2010 and almost 7.0 billion in 2014. Growth in the early days of wireless communications was driven by the need to make voice calls in a mobile environment. More recently, increases in demand are primarily driven by the desire to have access to data services in a mobile environment. This is evidenced by the continued transition from 2G to 3G services. According to Wireless Intelligence, in March 2010, the industry reached a significant milestone by surpassing one billion 3G connections. Furthermore, Wireless Intelligence expects the number of global 3G connections to reach approximately 2.8 billion by 2014. There are several drivers for the growth in 3G:

- Consumer awareness and desire for data services;
- Mature 3G networks with high data rates;
- Consumer demand for data centric smartphone devices;
- Emergence of new data devices; and
- Growth in emerging regions.

The last couple of years have witnessed a significant increase in the consumer's awareness and willingness to use mobile data services. Applications such as email, access to the mobile Internet, downloading of videos and social networking are driving the demand for 3G services and more capable phones.

According to the CDMA Development Group (CDG) and the Global mobile Suppliers Association (GSA), approximately 85% of the world's wireless networks now support 3G, a sign that operators are making network investments to address the growing demand for wireless data. Operators are continuing to make network investments by upgrading their networks. According to the GSA, approximately 99% of the global WCDMA operators have upgraded their networks to offer High Speed Packet Access (HSPA) services. With support for higher data rates and increased capacity, networks will evolve to keep up with the growing demand for wireless data.

The emergence of the mobile Internet is helping increase demand for 3G smartphones as the ability to access data is simplified and enhanced when using a smartphone. In the early days of the smartphone, these devices were designed primarily for high end business users. However, innovation and competition are helping to drive a broader set of devices into the market that provide compelling user experiences at consumer acceptable price points, which make such devices more accessible by a larger portion of the subscriber base.

The need to stay connected anywhere, anytime is helping drive demand for data connectivity on notebook and netbook computers with either embedded 3G connectivity or via an external 3G USB modem. New device

categories, such as e-readers, have also emerged over the last couple of years. These new devices take advantage of the capabilities of 3G networks to download digital books, newspapers and magazines anywhere. Other emerging device categories, such as connected media tablets, digital picture frames and machine to machine communication, will help further drive global demand for 3G.

Demand for wireless voice and data services in emerging regions is helping to increase global demand for 3G. Emerging regions still have relatively low penetration rates of wireless telecommunications services. 3G provides an efficient way for operators to offer both voice and data services to address these demands, and since fixed broadband penetration is very low in these regions, 3G presents a cost effective means of providing broadband capabilities to consumers. According to Informa Telecoms & Media, more than 50% of 3G handset shipments will go to emerging regions in 2011.

Wireless Technologies

The significant growth in the use of wireless devices worldwide, such as smartphones, and demand for data services and applications requires constant innovation to further improve the user experience, expand capacity and enable dense deployments of low power nodes, such as femtocells. To meet these requirements, progressive generations of wireless telecommunications technology standards have evolved. The use of wireless standards for mobile communications within individual countries is generally determined by the telecommunication service providers operating in those countries and, in some instances, local government regulations. Such determinations are typically based on economic criteria and the service provider's evaluation of each technology's ability to provide the features and functionality required for its business plan. More than two decades ago, the European Community developed regulations requiring the use of the GSM standard, a TDMA-based, 2G technology. In addition, there are several versions of CDMA technology that have been adopted worldwide as public cellular standards. The first version, known as cdmaOne, is a 2G cellular technology that was first commercially deployed in the mid-1990s. The other subsequent versions of CDMA are referred to as 3G technologies.

Second Generation. Compared to first generation analog systems, 2G digital technology provided for significantly enhanced efficiency within a fixed spectrum resulting in greatly increased voice capacity. 2G technologies also enabled numerous enhanced services, but data services were generally limited to low speed transmission rates. The main 2G digital cellular technologies in use today are called cdmaOne or IS-95A/B, a technology largely developed and patented by us, and GSM, a form of TDMA. Many GSM operators deployed 2G mobile packet data technologies, such as General Packet Radio Service (GPRS) and Enhanced Data Rates for Global Evolution (EDGE) in areas serviced by GSM.

Third Generation. As a result of demand for wireless networks that simultaneously carry both high speed data and voice traffic, the International Telecommunications Union (ITU), a standards setting organization, adopted the 3G standard known as IMT-2000, which encompasses six terrestrial operating radio interfaces, each of which incorporates our intellectual property. Two are TDMA-based, three of them are CDMA-based and the other is OFDMA-based. The three CDMA-based 3G technologies are known commonly throughout the wireless industry as:

- CDMA2000, including 1X (including revisions A through E), 1xEV-DO (EV-DO, or Evolution Data Optimized) including revisions A through C, developed by 3 rd Generation Partnership Project Two (3GPP2);
- Wideband CDMA (WCDMA), also known as Universal Mobile Telecommunications Systems (UMTS), including High Speed Packet Access (HSPA), part of 3 rd Generation Partnership Project (3GPP) Release 5 and 6, and HSPA+, part of 3GPP Release 7, 8, 9 and beyond; and
- CDMA Time Division Duplex (TDD), of which there are currently two versions, Time Division Duplex-CDMA (TD-CDMA) and Time Division-Synchronous CDMA (TD-SCDMA). Both are part of the specifications developed by 3GPP.

Even though the OFDMA technologies are part of the IMT-2000 standard, to differentiate them from the 3G CDMA technologies, the OFDMA technologies are often called fourth generation (4G).

Some of the advantages of 3G CDMA technology over 2G technologies include increased network capacity, improved user experience, compatibility with internet protocols, higher capacity for data and faster access to data (Internet) and higher data throughput rates. CDMA2000 and WCDMA are widely deployed today in wireless networks throughout the world. TD-SCDMA has been deployed in China. EV-DO Release B in the CDMA2000 family was launched in 2010; Release 7 of HSPA+ was launched in 2009; and Release 8 of HSPA+ was launched in 2010.

CDMA2000 (1X, 1xEV-DO, EV-DO Revision A/B) networks are deployed by operators in several markets that support both voice and a wide range of high-speed wireless data services. Enhancements based upon the CDMA2000 Revision E Standard, called 1X Advanced, are being planned for CDMA2000 1X that will further increase voice capacity. Standardization work has been completed on 1xEV-DO Revision C, sometimes called DO-Advanced. Enhancements based upon these updated standards and improved implementations have and will continue to be deployed in our products and wireless networks to increase capacity and data rates.

GSM operators around the world, including those in the European Community and in the United States, have focused primarily on the UMTS Frequency Division Duplexing (FDD) radio interface of the IMT-2000 standard, known as WCDMA, for their network evolution. WCDMA is based on our CDMA technology and incorporates many of our patented inventions (as do all of the CDMA radio interfaces of the IMT-2000 standard). The majority of the world's wireless device and infrastructure manufacturers (more than 115 and including all leading suppliers) have licensed our technology for use in WCDMA products, enabling them to utilize this WCDMA mode of the 3G technology. To enable GSM operators to deploy WCDMA in the 900MHz spectrum band, the European Union permitted IMT-2000 technologies, which include WCDMA, to be deployed in the lower frequency 900 MHz band. This is called UMTS900.

The three ITU 3G CDMA radio interfaces are all based on the core principles of CDMA technology, and our intellectual property rights include a valuable patent portfolio essential to implementation of each of the 3G CDMA alternative standards and patents that are useful for commercially successful product implementations. Generally, we have licensed substantially all of our relevant patents to our CDMA subscriber and infrastructure equipment licensees.

These 3G CDMA versions (CDMA2000, WCDMA, and TD-SCDMA) require separate implementations that are not interchangeable. While the fundamental core technologies are derived from CDMA and, in addition to other features and functionality, are covered by our patents, their specifications each require unique infrastructure products, network design, air interface protocols and management. However, subscriber roaming amongst systems using different air interfaces is made possible through multimode wireless devices.

The various revisions of the 3G CDMA specifications have significantly increased performance capacity and data speeds. It is expected that future revisions of the 3G CDMA specifications will provide further enhancements. Many wireless operators are planning to deploy technology based on OFDMA to complement their existing 3G networks to provide additional capacity for data services when they have access to new, wider spectrum band allocations. 3GPP has adopted a standard specifying an OFDMA system called Long Term Evolution (LTE), and the Institute of Electrical and Electronics Engineers (IEEE) has specified 802.16 (WiMax). The OFDMA technologies that have been standardized will support high data rates in up to 20 megahertz (MHz) channels. Since LTE typically will be overlaid over existing 3G networks, seamless interoperability with 3G has been standardized by 3GPP. WiMax was deployed ahead of LTE and targeted unpaired spectrum using a TDD radio interface. LTE supports both paired spectrum, using the LTE FDD radio interface, and unpaired spectrum, using the LTE TDD radio interface, and will also be able to address many of the unpaired spectrum bands targeted by WiMax. Compared to WiMax, LTE is expected to achieve greater economy of scale through its interoperability with 3G. Certain operators have selected WiMax because of regulatory considerations specific to their networks and spectrum holdings. 3GPP Release 10 of LTE and 802.16m, an upgrade of IEEE 802.16e, have both been approved by the ITU to become what are called IMT-Advanced technologies, commonly referred to as 4G. They will support additional features, higher bandwidths, and higher data rates than the previous versions. HSPA+ continues to evolve in parallel; 3GPP Release 8 of HSPA+ introduces multicarrier operation with 10 MHz of bandwidth that evolves to support up to 20 MHz of bandwidth in Release 10.

We have been actively pursuing research and development of OFDMA-based wireless communication technologies. We believe that each of these standards incorporates our patented technologies. We have nine companies with royalty-bearing licenses under our patent portfolio for use in single-mode OFDMA products (i.e., OFDMA products that do not implement CDMA-based standards). Multimode products that implement both OFDMA and CDMA technologies will, in most cases, be licensed under our existing CDMA license agreements.

Our Engineering Resources. We have significant engineering resources, including engineers with substantial expertise in CDMA, OFDMA and a broad range of other technologies. Using these engineering resources, we expect to continue to develop new versions of CDMA, OFDMA and other technologies, develop alternative technologies for certain specialized applications (including multicast), participate in the formulation of new wireless telecommunications standards and technologies and assist in deploying wireless voice and data communications networks around the world.

Investments in New and Existing Products, Services and Technologies. We continue to invest in research and development in a variety of ways in an effort to extend the market for our products and services.

We develop and commercialize 3G CDMA-based technologies and are working on commercializing the OFDMA-based LTE technology. We actively support CDMA-based technologies, products and network operations to grow our royalty revenues and integrated circuit and software revenues. From time to time, we may also make acquisitions to meet certain technology needs, to obtain development resources or to pursue new business opportunities.

We develop on our own, and with our partners, innovations that are integrated into our product portfolio to further expand the market and enhance the value of our products and services. These innovations are expected to enable our customers to improve the performance or value of their existing services, offer these services more affordably and introduce revenue-generating broadband data services ahead of their competition.

We make investments to provide our integrated circuit customers with chipsets that combine multiple wireless technologies for use in consumer devices, including smartphones, consumer electronics and other data devices. Our integrated chipsets often include multiple technologies, including advanced multimode modems, application processors and graphics engines, as well as the tools to connect these diverse pieces of technology. We continue to support multiple mobile client software environments in our multimedia and convergence chipsets, such as Brew Mobile Platform, Java, Windows Mobile, Web OS, Linux, Android and Google Chrome.

We continue to develop our IMOD display technology based on a micro-electro-mechanical-systems (MEMS) structure combined with thin film optics and sell such displays under the "mirasol" brand. Early-stage mirasol displays have been incorporated in a limited number of consumer devices. IMOD display technologies may be included in the full range of consumer-targeted mobile products and are expected to provide performance, power consumption and cost benefits as compared to current display technologies. In June 2009, we commenced operations of a dedicated mirasol display fabrication plant in Taiwan. Operation of this plant is outsourced to Cheng Uei Precision Industry Co., Ltd. (also known as Foxlink), a developer and manufacturer of communications devices, computers and consumer electronics.

We continue to develop our MediaFLO MDS and Orthogonal Frequency Division Multiplexing (OFDM)-based MediaFLO technology, including development to extend the MDS operability to multiple air interfaces, to optimize the low-cost data offload and delivery of multimedia content to multiple wireless subscribers simultaneously, otherwise known as multicasting.

We make strategic investments in early-stage and other companies that we believe open new markets for our technology, support the design and introduction of new products and services and/or possess unique capabilities or technology. To the extent that such investments become liquid and meet our strategic objectives, we intend to make regular periodic sales of our interests in these investments that are recognized in investment income.

Operating Segments

Consolidated revenues from international customers and licensees as a percentage of total revenues were 95%, 94% and 91% in fiscal 2010, 2009 and 2008, respectively. During fiscal 2010, 29%, 27%, 12% and 9% of our revenues were from customers and licensees based in China, South Korea, Taiwan and Japan, respectively, as compared to 23%, 35%, 8% and 11% during fiscal 2009, respectively, and 21%, 35%, 5% and 14% during fiscal 2008, respectively. Revenues from two customers, LG Electronics and Samsung Electronics, constituted a significant portion (each more than 10%) of consolidated revenues in fiscal 2010, 2009 and 2008.

Qualcomm CDMA Technologies Segment (QCT). QCT is a leading developer and supplier of CDMA-based integrated circuits and system software for wireless voice and data communications, multimedia functions and global positioning system products. QCT's integrated circuit products and system software are used in wireless devices, particularly mobile phones, laptops, data modules, handheld wireless computers, data cards and infrastructure equipment. These products provide customers with advanced wireless technology, enhanced component integration and interoperability and reduced time-to-market. QCT markets and sells products in the United States and internationally through a global sales force. QCT products are sold to many of the world's leading wireless device and infrastructure equipment manufacturers. In fiscal 2010, QCT shipped approximately 399 million MSM integrated circuits for CDMA wireless devices worldwide, as compared to approximately 317 million and 336 million in fiscal 2009 and 2008, respectively. QCT revenues comprised 61%, 59% and 60% of total consolidated revenues in fiscal 2010, 2009 and 2008, respectively.

QCT utilizes a fabless production business model, which means that we do not own or operate foundries for the production of silicon wafers from which our integrated circuits are made. Integrated circuits are die cut from silicon wafers that have completed the assembly and final test manufacturing processes. Die cut from silicon wafers are the

essential components of all of our integrated circuits and a significant portion of the total integrated circuit cost. We rely on independent third-party suppliers to perform the manufacturing and assembly, and most of the testing, of our integrated circuits. Our suppliers are also responsible for the procurement of most of the raw materials used in the production of our integrated circuits. The majority of our integrated circuits are purchased using a two-stage manufacturing business model, in which we purchase die from semiconductor manufacturing foundries and contract with separate third-party manufacturers for back-end assembly and test services. We refer to this two-stage manufacturing business model as Integrated Fabless Manufacturing (IFM). We also employ a turnkey model in which our foundry suppliers are responsible for delivering fully assembled and tested integrated circuits. Our fabless model provides us the flexibility to select suppliers that offer advanced process technologies to manufacture, assemble and test our integrated circuits at a competitive price.

Globalfoundries, IBM, Samsung Electronics Co., Ltd., Taiwan Semiconductor Manufacturing Company, Ltd. and United Microelectronics Corporation are the primary foundry suppliers for our family of baseband integrated circuits. Freescale Semiconductor, Inc., Globalfoundries, IBM, Semiconductor Manufacturing International Corporation, Taiwan Semiconductor Manufacturing Company, Ltd. and United Microelectronics Corporation are the primary foundry suppliers for our family of analog, RF and PM integrated circuits. Advanced Semiconductor Engineering Inc., Amkor Technology Inc. and STATSChipPAC Ltd. are the primary back-end semiconductor assembly and test suppliers under our IFM model.

QCT offers a broad portfolio of products, including both wireless device and infrastructure integrated circuits, in support of CDMA2000 1X and 1xEV-DO, as well as the EV-DO Revision A and EV-DO Revision B evolutions of CDMA 2000 technology. Leveraging our expertise in CDMA, we have also developed integrated circuits for manufacturers and wireless operators deploying the WCDMA version of 3G. More than 60 device manufacturers have selected our WCDMA products that support GSM/GPRS, WCDMA, HSDPA, HSUPA and HSPA+ for their devices. We have not commercially sold a CSM integrated circuit product for WCDMA base station equipment. Recently, QCT also began shipping multimode products for the LTE standard, which offer seamless backward compatibility to existing 3G technologies.

Our gpsOne position location technology is in more than 500 million gpsOne enabled devices sold worldwide. Compatible with all major air interfaces, our gpsOne technology is the industry's only fully-integrated wireless baseband and assisted global positioning system product and has enabled network operators to cost-effectively meet the FCC's E-911 mandate as well as offer a wide range of services leveraging location data.

Our integrated circuit products span a broad range of market tiers, from entry-level solutions for emerging markets up to the very high-end device tier. Our chipsets integrate unique combinations of features, such as multi-megapixel cameras, videotelephony, streaming multimedia, audio, 3D graphics, advanced position-location capabilities through integrated gpsOne technology and peripheral connectivity, to enable a wide range of devices.

The Snapdragon family of chipset products is designed to enable our customers to develop computing-centric devices that also offer a full range of wireless connectivity capabilities. Integrating the baseband and a custom Qualcomm designed low-power high-performance microprocessor into a single chip or package, the Snapdragon platform expands Qualcomm's reach beyond the traditional wireless market by targeting not only the very high-end smartphone market but also the smartbook and tablet categories of consumer products and other types of consumer electronics.

Gobi modules are designed to deliver embedded mobile wireless connectivity to notebook and netbook computers. Supporting numerous air interfaces, Gobi modules also feature global positioning system capabilities to allow notebook manufacturers to more easily offer greater connectivity with their products. Gobi modules have also been used in e-readers, routers and other products that benefit from 3G connectivity.

QCT also offers chipsets for WLAN and Bluetooth, complementary connectivity technologies to its core 3G products. For WLAN, QCT offers the WCN1312 chip for handsets and other mobile devices. QCT's Bluetooth chips support Bluetooth connectivity for handsets and headsets.

The market in which our QCT segment operates is intensely competitive. QCT competes worldwide with a number of United States and international designers and manufacturers of semiconductors. As a result of global expansion by foreign and domestic competitors, technological changes and the potential for further industry consolidation, we anticipate the market to remain very competitive. We believe that the principal competitive factors for our products may include performance, level of integration, quality, compliance with industry standards, price, time-to-market, system cost, design and engineering capabilities, new product innovation and customer support. We also compete in both single- and dual-mode environments against alternative wireless communications technologies including, but not limited to, GSM/GPRS/EDGE, TDMA, TD-SCDMA and WiMax.

QCT's current competitors include, but are not limited to, major companies such as Broadcom, Freescale, Fujitsu, Icera, Intel (through their recently announced agreement to acquire Infineon's Wireless Solutions business), Marvell Technology, Mediatek, nVidia, Renesas Electronics, ST-Ericsson (a joint venture between Ericsson Mobile Platforms and ST-NXP Wireless), Texas Instruments and VIA Telecom, as well as major telecommunications equipment companies such as Ericsson, Matsushita, Motorola and Samsung, who design at least some of their own integrated circuits and software for certain products. QCT also faces competition from some early-stage companies. Our competitors may devote significantly greater amounts of their financial, technical and other resources to market competitive telecommunications systems or to develop and adopt competitive digital cellular technologies, and those efforts may materially and adversely affect QCT. Moreover, competitors may offer more attractive product pricing or financing terms than we do as a means of gaining access to the wireless telecommunications market or customers.

Qualcomm Technology Licensing Segment (QTL). QTL grants licenses or otherwise provides rights to use portions of our intellectual property portfolio, which includes certain patent rights essential to and/or useful in the manufacture and sale of certain wireless products, including, without limitation, products implementing cdmaOne, CDMA2000, WCDMA, CDMA TDD (including TD-SCDMA), GSM/GPRS/EDGE and/or OFDMA (e.g., LTE, WiMax) standards and their derivatives. QTL receives license fees as well as ongoing royalties based on worldwide sales by licensees of products incorporating or using our intellectual property. License fees are fixed amounts paid in one or more installments. Ongoing royalties are generally based upon a percentage of the wholesale (i.e., licensee's) selling price of licensed products, net of certain permissible deductions (e.g., certain shipping costs, packing costs, VAT, etc.). Revenues generated from royalties are subject to quarterly and annual fluctuations. QTL revenues comprised 33%, 35% and 33% of total consolidated revenues in fiscal 2010, 2009 and 2008, respectively.

As part of our strategy to expand the marketplace and generate new and ongoing licensing revenues, significant resources are allocated to develop leading-edge technology for the telecommunications industry. In addition to licensing manufacturers of subscriber and network equipment, we have made our essential CDMA and OFDMA patents available to competitors of our QCT segment. We have entered into such agreements with QCT competitors, including Broadcom, Fujitsu, Icera, Infineon (Intel recently announced an agreement to acquire Infineon's Wireless Solutions business), Mediatek, NEC, Renesas Electronics, Texas Instruments and VIA Telecom. These agreements generally permit the manufacture of CDMA-based and/or OFDMA-based integrated circuits and/or baseband software for use on such integrated circuits. In exchange for these rights, we receive rights that allow us to use certain intellectual property rights of these companies for specified purposes. In every case, these agreements do not allow such integrated circuit suppliers to pass through rights under Qualcomm's patents to their customers for use in wireless devices manufactured or sold by such suppliers' customers, and such customers' sales of CDMA-, WCDMA- and OFDMA-based cellular devices into which such suppliers' integrated circuits are incorporated require separate licensing arrangements with us in order to use our patented technologies.

We face competition in the development of intellectual property for future generations of digital wireless communications technology and services. On a worldwide basis, we currently compete primarily with the GSM/GPRS/EDGE digital wireless telecommunications technologies. GSM has been utilized extensively in Europe, much of Asia other than Japan and South Korea, and certain other countries. To date, GSM has been more widely adopted than CDMA, however, CDMA technologies have been adopted for all 3G wireless systems. In addition, most GSM operators have deployed GPRS, a packet data technology, as a 2G bridge technology, and a number of GSM operators have deployed or are expected to deploy EDGE, while considering the use of 3G WCDMA for their system. A limited number of wireless operators have commercially deployed and other wireless operators have started testing OFDMA technology (e.g., LTE, WiMax), a multi-carrier transmission technique not based on CDMA technology, which divides the available spectrum into many carriers, with each carrier being modulated at a low data rate relative to the combined rate for all carriers. According to Global mobile Suppliers Association, in its October 2010 reports, 113 operators have committed to deploy LTE networks, an OFDMA-based technology. We have invested in both the acquisition and the development of OFDMA technology and intellectual property. We expect that upon the deployment of OFDMA-based networks, the products implementing such technologies generally will be multimode and will also implement CDMA-based technologies. The licenses granted under our existing CDMA license agreements generally cover multimode CDMA/OFDMA devices, and our licensees are obligated to pay royalties under their agreements for such devices. Further, nine companies have royalty-bearing licenses under our patent portfolio for use in OFDMA products (that do not implement any CDMA-based standards).

Qualcomm Wireless & Internet Segment (QWI). QWI revenues comprised 6%, 6% and 7% of total consolidated revenues in fiscal 2010, 2009 and 2008, respectively. The four divisions aggregated into QWI are:

Qualcomm Internet Services (QIS). The QIS division offers a set of software products and content enablement services to support and accelerate the growth and advancement of the wireless data market. QIS offers Brew products and services for wireless applications development, device configuration, application distribution and billing and payment. Brew services are offered by operators worldwide, reaching a base of more than 250 million devices. In addition, QIS offers Plaza products and services that enable mobile shopping experiences across various

platforms and devices. Plaza services are being provided to TIM Brazil, an operator with 40 million subscribers, in support of their TIM AppShop offering and América Móvil, a service provider with 18 operator properties in Latin America and a subscriber base of more than 210 million. Plaza currently supports Telcel Mexico's widget solution and will soon expand services across additional América Móvil operators in Latin America. We also offer Xiam wireless content discovery and recommendation products to help wireless operators improve usage and adoption of digital content and services by presenting relevant and targeted offers to customers across all digital channels. This recommendations technology is offered as a standalone product, as well as integrated as part of our core product offerings (Brew and Plaza), to help wireless operators spur wireless data growth. The QChat product enables one-to-one (private) and one-to-many (group) push-to-talk calls over 3G networks. The technology also allows over-the-air upgrades of mobile device software, management of group membership by subscribers and ad-hoc creation of chat groups. QChat uses Voice over Internet Protocol (VoIP) technologies, thereby sending voice information in digital form over IP-based data networks in discrete packets rather than the traditional circuit-switched protocols of the public switched telephone network. The QPoint product enables wireless operators to offer enhanced 911 (E-911) wireless emergency and other location-based applications and services.

The QIS division develops and sells business-to-business products and services to companies worldwide, through a sales and marketing team headquartered in San Diego, California with offices worldwide. The QIS sales and marketing strategy is to enter into agreements with companies in target markets by providing comprehensive technology and services that combine wireless Internet, data and voice capabilities. We have numerous current and emerging competitors for each of our products and services whose relative degree of success in the markets they serve may adversely impact our margins and market share. Competing offerings to the Brew and Plaza products include device manufacturer application and widget stores, such as Apple's App Store for the iPhone platform, operator-focused application and widget retailing and content distribution solutions and direct-to-consumer mobile storefronts. Additionally, specialized software and service providers may offer key components of a complete mobile content retailing product to operators or device manufacturers seeking to build their own branded offerings internally. Our Xiam content discovery and recommendations product faces competition from a small number of wireless operator-focused product providers and from emerging Web-based content recommendations engines. Additionally, some larger software providers and device manufacturers may attempt to build competing recommendations solutions internally. Our QChat product competes with numerous push-to-talk services including iDEN, which is used principally in the United States and Latin America. The push-to-talk services market is nascent outside of the United States with several competing standards- and non-standards-based technologies.

Qualcomm Enterprise Services (QES). The QES division provides equipment, software and services to enable companies to wirelessly connect with their assets and workforce. QES offers satellite- and terrestrial-based two-way wireless connectivity and position location services to transportation and logistics fleets and other enterprise companies that permit customers to track the location and monitor performance of their assets, communicate with their personnel and collect data. The QES division markets and sells products through a sales force, partnerships and distributors based in the United States, Europe, Latin America, Asia and Canada. Through September 2010, we have shipped approximately 1,423,000 satellite- and terrestrial-based mobile information units. Wireless transmissions and position tracking for satellite-based systems are provided by using leased transponders on commercially available geostationary Earth orbit satellites. The terrestrial-based systems use wireless digital and analog terrestrial networks for messaging transmission and the global positioning system constellation for position tracking. We generate revenues from sales of network products and terminals, and information and location-based service and license fees.

In the United States and Mexico, we manufacture mobile communications equipment, sell related software packages and provide ongoing messaging and maintenance services. Message transmissions for operations in the United States are formatted and processed at our Network Management and Data Center in San Diego, California, with a fully-redundant backup Network Management and Data Center located in Las Vegas, Nevada.

Existing competitors of our QES division offering alternatives to our products are aggressively pricing their products and services and could continue to do so in the future. In our domestic markets, we face over ten key competitors to our satellite- and terrestrial-based mobile fleet management and asset tracking products and services. Internationally, we face several key competitors in Europe and Mexico. These competitors are offering new value-added products and services similar in many cases to our existing or developing technologies. Emergence of new competitors, particularly those offering low-cost terrestrial-based products and current, as well as future, satellite-based systems, may impact margins and intensify competition in new markets. Similarly, some original equipment manufacturers (OEMs) of trucks and truck components are beginning to offer built-in, on-board communications and position location reporting systems that may impact our margins and intensify competition in our current and

new markets. We are currently in discussions with some trucking manufacturers about using our products as their embedded solution.

Qualcomm Government Technologies (QGOV). The QGOV division provides development, hardware and analytical expertise involving wireless communications technologies to United States government (USG) agencies. QGOV adapts, integrates and ships CDMA2000 1X and EV-DO deployable base stations to the USG. QGOV also developed and launched a Brew-based application providing encryption on mobile devices. Based on the percentage of QGOV revenues to our total consolidated revenues, the USG is not a major customer.

Firethorn. In fiscal 2011, Firethorn expects to introduce a new product application trademarked as SWAGG, which will be marketed on a standalone basis directly to consumers. SWAGG's core features include access to merchant loyalty accounts and plastic gift card balances; purchase and gift of virtually stored-value gift cards delivered via mobile devices; and access to relevant and targeted offers from participating merchants. Distribution of SWAGG will initially be limited to certain smartphones, and content will be sourced from merchants, primarily through open platforms. In addition, Firethorn provides a single, secure, certified application embedded on select wireless devices, which enables financial institutions and merchants to deliver branded services to consumers through the wireless devices.

Qualcomm Strategic Initiatives Segment (QSI). QSI consists of our strategic investment activities, including FLO TV Incorporated, our wholly-owned wireless multimedia operator subsidiary. As part of our strategic investment activities, we intend to pursue various exit strategies at some point in the future.

Strategic Investments. We make strategic investments in early-stage and other companies and in wireless spectrum, such as the BWA spectrum recently won in the auction in India, that we believe will open new markets for CDMA- and OFDMA-based technologies, support the design and introduction of new CDMA and OFDMA products and services for wireless voice and internet data communications or possess unique capabilities or technology.

FLO TV. Our FLO TV subsidiary currently operates a nationwide multicast network in the United States based on our MediaFLO MDS and MediaFLO technology, which leverages the Forward Link Only (FLO) air interface standard. FLO TV's network uses the 700 MHz spectrum for which we hold licenses nationwide. We have commenced a restructuring plan under which we expect to exit the current FLO TV service business. Additionally, we continue to evaluate strategic options for the FLO TV business, which include, but are not limited to, operating the FLO TV network under a new wholesale service model; sale to, or joint venture with, a third party; and/or the sale of the spectrum licenses and the discontinuance of the operation of the network.

We continue to develop our MediaFLO technology to enable FLO TV and potentially other international wireless operators to optimize the low cost delivery of multimedia content to multiple wireless subscribers simultaneously. Our efforts to sell this technology internationally are being conducted by a nonreportable segment (MFT), and not by QSI, as we do not intend to pursue an exit strategy from the MFT business. Our MediaFLO technology is designed specifically to bring broadcast quality video to mobile devices efficiently and cost effectively. The MediaFLO technology operates on a dedicated broadcast network and is complementary to wireless operators currently operating on CDMA2000 1xEV-DO, WCDMA or GSM networks.

We face indirect competition to our FLO TV products and services from wireless delivery of streaming and downloadable video content via wireless operators, OEMs and other providers of mobile video content, as well as from internet video content accessed through the mobile web browser.

Other Businesses.

Qualcomm MEMS Technologies (QMT). We continue to develop display technology for the full range of consumer-targeted mobile products. QMT's IMOD display technology, based on a MEMS structure combined with thin film optics and sold under the "mirasol" brand, is expected to provide performance, power consumption and cost benefits as compared to current display technologies. With the inclusion of color displays in all types of wireless devices, including models at the low end of the market, the cost of the display has become an even more significant factor in the overall cost of the device. An IMOD display should cost less to manufacture than a comparable liquid crystal display because it requires fewer components and processing steps, thus supporting advanced multimedia capabilities on all tiers of mobile devices.

MediaFLO Technologies (MFT). MFT is comprised of the FLO Technology group, which continues to develop our MediaFLO technology, and the FLO International group, which markets MediaFLO for deployment outside of the United States. Global market awareness of MediaFLO technology has been increasing through a number of successful trials in the United Kingdom, Taiwan, Hong Kong and Malaysia.

In addition, we are pursuing international opportunities to market and deploy MediaFLO technology worldwide. The FLO air interface is an open, globally-recognized technology standardized by the Telecommunications Industry Association and the European Telecommunications Standards Institute. It is also recommended by the International Telecommunication Union's Radiocommunication Sector for the broadcasting of multimedia and data applications.

Research and Development

The wireless telecommunications industry is characterized by rapid technological change, requiring a continuous effort to enhance existing products and develop new products and technologies. Our research and development team has a demonstrated track record of innovation in wireless communications technologies. Our research and development expenditures in fiscal 2010, 2009 and 2008 totaled approximately $2.5 billion, $2.4 billion and $2.3 billion, respectively, and as a result, continue to expand our intellectual property portfolio. Research and development expenditures were primarily related to the development of integrated circuit products, next generation CDMA and OFDMA technologies and other initiatives to support the acceleration of advanced wireless products and services, including lower cost devices, the integration of wireless with consumer electronics and computing, the convergence of multiband, multimode, multinetwork products and technologies, third-party operating systems and services platforms. The technologies supporting these initiatives may include CDMA2000 1X, 1xEV-DO, EV-DO Revision A, EV-DO Revision B, 1x Advanced, WCDMA, HSDPA, HSUPA, HSPA+ and LTE. Research and development expenditures were also incurred related to the development of our MediaFLO technology, MediaFLO MDS, mirasol display products using MEMS technology, Brew products and mobile commerce applications.

We have research and development centers in various locations throughout the world that support our global development activities and ongoing efforts to advance CDMA, OFDMA and a broad range of other technologies. We continue to use our substantial engineering resources and expertise to develop new technologies, applications and services and make them available to licensees to help grow the wireless telecommunications market and generate new or expanded licensing opportunities. In addition to internally sponsored research and development, we perform contract research and development for various government agencies and commercial contractors.

Sales and Marketing

Sales and marketing activities of our operating segments are discussed under Operating Segments in Item 1. Other marketing activities include public relations, web-marketing, participation in technical conferences and trade shows, development of business cases and white papers, competitive analyses, market intelligence and other marketing programs, such as cooperative marketing with our customers. Corporate Marketing provides company information on our Internet site and through other media regarding our products, strategies and technology to industry analysts and for publications.

Competition

Competition to our operating segments is discussed under Operating Segments in Item 1. Competition in the wireless industry throughout the world continues to increase at a rapid pace as consumers, businesses and governments realize the market potential of wireless telecommunications products and services. We have facilitated competition in the wireless market by licensing and enabling a large number of manufacturers. Although we have attained a significant position in the industry, many of our current and potential competitors may have advantages over us, which include, among others: motivation by our customers in certain circumstances to find alternate suppliers or choose alternate technologies; and government support of other technologies (e.g., GSM). In addition, our competitors may have established more extensive relationships with indigenous distribution and original equipment manufacturer companies in developing territories (e.g., China). These relationships may affect customers' decisions to purchase products or license technology from us. Accordingly, new competitors or alliances among competitors could emerge and rapidly acquire significant market share to our detriment.

We may face competition throughout the world with new technologies and services introduced in the future as additional competitors enter the marketplace for products based on 3G standards, OFDMA-based technologies or other wireless technologies. Although we intend to continue to develop improvements to existing technologies, as well as potential new technologies, there may be a continuing competitive threat from companies introducing alternative versions of wireless technologies. It is also possible that the price we charge for our products and services may continue to decline as competition continues to intensify.

Patents, Trademarks and Trade Secrets

We rely on a combination of patents, copyrights, trade secrets, trademarks and proprietary information to maintain and enhance our competitive position. We have an extensive portfolio of United States and foreign patents, and we continue to pursue patent applications around the world. Our patents have broad coverage in many countries, including China, Japan, South Korea, Europe, Brazil, India, Taiwan and elsewhere. A substantial portion of our

patents and patent applications relate to digital wireless communications technologies, including patents that are essential or may be relevant to CDMA2000, WCDMA (UMTS), TD-SCDMA, TD-CDMA and OFDMA products.

Standards bodies have been informed that we hold patents that might be essential for all 3G standards that are based on CDMA. We have committed to such standards bodies that we will offer to license our essential patents for these CDMA standards on a fair and reasonable basis free from unfair discrimination. We have also informed standards bodies that we hold patents that might be essential for certain standards that are based on OFDMA technology (e.g., 802.16e, 802.16m and LTE (including FDD and TDD versions)).

Since our founding in 1985, we have focused heavily on technology development and innovation. These efforts have resulted in a leading intellectual property portfolio related to, among other things, wireless technology. Because all commercially deployed forms of CDMA and their derivatives require the use of our patents, our patent portfolio is the most widely and extensively licensed portfolio in the industry with over 185 licensees. Over the years a number of companies have challenged our patent position but at this time most, if not all, companies recognize that any company seeking to develop, manufacture and/or sell products that use CDMA technologies will require a license or other rights to use our patents.

As part of our strategy to generate licensing revenues that continue to support our research and development investments and support worldwide adoption of our CDMA technology, we provide rights to design, manufacture and sell products utilizing certain portions of our intellectual property to other companies, including those companies listed on our Internet site (www.qualcomm.com).

In all cases, we have licensed or otherwise provided rights to use our patented technologies to interested companies on terms that are fair, reasonable and free from unfair discrimination. Unlike some other companies in our industry that hold back certain key technologies, we offer interested companies essentially our entire patent portfolio for use in cellular devices and cell site infrastructure equipment. Our strategy to broadly make available our patented technologies has been a catalyst for industry growth, helping to enable a wide range of companies offering a broad array of wireless products and features while driving down average and low-end selling prices for 3G handsets and other wireless devices. By licensing or otherwise providing rights to a wide range of equipment manufacturers, encouraging innovative applications, supporting equipment manufacturers with a total chipset and software solution, and focusing on improving the efficiency of the airlink for wireless operators, we have helped 3G CDMA evolve, grow and reduce device pricing all at a faster pace than the second generation technologies that preceded it (e.g., GSM).

Under our subscriber, infrastructure and test equipment license agreements, licensees are generally required to pay us a license fee as well as ongoing royalties based on a percentage of the wholesale (i.e., licensee's) selling price, net of certain permissible deductions (e.g., certain shipping costs, packing costs, VAT, etc.), of each licensed product and/or a fixed per unit amount. License fees are paid in one or more installments, while royalties generally are payable based on ongoing sales throughout the life of the licensed patents. Our licensing terms are reasonable and fair to the companies that benefit from our intellectual property and provide significant incentives for others to invest in CDMA (including WCDMA) applications, as evidenced by the significant growth in the CDMA portion of the wireless industry and the number of CDMA participants. Our license agreements generally provide us rights to use certain of our licensees' technology and intellectual property rights to manufacture and sell certain components (e.g., Application-Specific Integrated Circuits) and related software, subscriber units and/or infrastructure equipment. In most cases, our use of our licensees' technology and intellectual property does not require us to pay ongoing royalties based on the sale of our products. However, under some of the licenses, if we incorporate certain of the licensed technology or intellectual property into certain products, we are obligated to pay royalties on the sale of such products.

Corporate Responsibility

At Qualcomm, we realize we have a significant role to play as we strive to better both our local and global communities through ethical business practices, socially empowering technology applications, educational and environmental programs and employee diversity and volunteerism.

- *Community Involvement.* We are dedicated to developing and strengthening communities worldwide and believe that involvement with community organizations is an important avenue for our employees to develop as professionals and as citizens.
- *Diversity.* We strongly believe in fostering an inclusive work environment globally and are committed to advancing opportunities for all employees and encouraging diversity through the workforce.

- *Environmental Health and Safety.* We take a proactive approach to programs and techniques that contribute to a better environment for our local communities as well as our employees.
- *Corporate Sustainability.* We are committed to energy efficiency, renewable energy and sustainable best practices to reduce our carbon footprint.
- *Wireless Reach.* We believe access to advanced wireless voice and data services improves people's lives. Qualcomm's Wireless Reach initiative supports programs and solutions that bring the benefits of connectivity to underserved communities globally. By working with partners, Wireless Reach projects create new ways for people to communicate, learn, access health care, sustain the environment and reach global markets.

Employees

At September 26, 2010, we employed approximately 17,500 full-time, part-time and temporary employees. During fiscal 2010, the number of employees increased by approximately 1,400 primarily due to increases in engineering resources.

Available Information

Our Internet address is www.qualcomm.com. There we make available, free of charge, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission (SEC). We also make available on our Internet site public financial information for which a report is not required to be filed with or furnished to the SEC. Our SEC reports and other financial information can be accessed through the investor relations section of our Internet site. The information found on our Internet site is not part of this or any other report we file with or furnish to the SEC.

The public may read and copy any materials that we file with the SEC at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at (202) 551-8090. The SEC also maintains electronic versions of our reports on its website at www.sec.gov.

Executive Officers

Our executive officers (and their ages at September 26, 2010) are as follows:

Paul E. Jacobs, age 47, has served as Chairman of the Board of Directors since March 2009, as a director since June 2005 and as Chief Executive Officer since July 2005. He served as Group President of the Qualcomm Wireless & Internet (QWI) Group from July 2001 to June 2005. In addition, he served as Executive Vice President from February 2000 to June 2005. Dr. Jacobs has been a director of A123 Systems, Inc., a lithium-ion battery developer and manufacturer, since November 2002. Dr. Jacobs holds a B.S. degree in Electrical Engineering and Computer Science, an M.S. degree in Electrical Engineering and a Ph.D. degree in Electrical Engineering and Computer Science from the University of California, Berkeley. Dr. Paul Jacobs is the son of Dr. Irwin Mark Jacobs, a director of the Company.

Steven R. Altman, age 49, has served as President since July 2005. He served as Executive Vice President from November 1997 to June 2005 and as President of Qualcomm Technology Licensing (QTL) from September 1995 to April 2005. Mr. Altman served as a director of Amylin Pharmaceuticals, Inc. from March 2006 to April 2010. Mr. Altman holds a B.S. degree in Political Science and Administration from Northern Arizona University and a J.D. from the University of San Diego.

Derek K. Aberle, age 40, has served as Executive Vice President and as President of QTL since September 2008. From October 2006 to September 2008, he served as Senior Vice President and as General Manager of QTL. Mr. Aberle joined Qualcomm in December 2000 and prior to October 2006 held positions ranging from Legal Counsel to Vice President and General Manager of QTL. Mr. Aberle holds a B.A. degree in Business Economics from the University of California, Santa Barbara and a J.D. from the University of San Diego.

Andrew M. Gilbert, age 47, has served as Executive Vice President and President of Qualcomm Europe since September 2010. He served as Executive Vice President and President of Qualcomm Internet Services (QIS) and Qualcomm Europe from May 2009 to September 2010, Executive Vice President and President of QIS, MediaFLO Technologies (MFT) and Qualcomm Europe from January 2008 to May 2009, as Senior Vice President and President of Qualcomm Europe from November 2006 to January 2008 and as President of Qualcomm Europe from February 2006 to November 2006. Mr. Gilbert joined Qualcomm in January 2006 as Vice President of Qualcomm

Europe. Prior to joining Qualcomm, he served as Vice President and General Manager of Flarion Technologies' European, Middle Eastern and African regions from May 2002 to January 2006.

Margaret "Peggy" L. Johnson, age 48, has served as Executive Vice President of the Americas and India since January 2008 and as Executive Vice President since December 2006. She served as President of MFT from December 2005 to January 2008 and as President of QIS from July 2001 to January 2008. She served as Senior Vice President and General Manager of QIS from September 2000 to July 2001. Ms. Johnson holds a B.S. degree in Electrical Engineering from San Diego State University.

William E. Keitel, age 57, has served as Executive Vice President since December 2003 and as Chief Financial Officer since February 2002. He previously served as Senior Vice President and as Corporate Controller from May 1999 to February 2002. Mr. Keitel holds a B.A. degree in Business Administration from the University of Wisconsin and an M.B.A. from Arizona State University.

James P. Lederer, age 50, has served as Executive Vice President and General Manager of Qualcomm CDMA Technologies (QCT) since May 2009. He served as Executive Vice President, QCT Business Planning and Finance from May 2008 to May 2009, Senior Vice President, QCT Finance from April 2005 to April 2008, Vice President, Finance from July 2001 to April 2005 and Senior Director, Finance from October 2000 to July 2001. Mr. Lederer joined Qualcomm in 1997 as Senior Manager, Corporate Finance. Mr. Lederer holds a B.S. degree in Business Administration (Finance/MIS) and an M.B.A. from the State University of New York at Buffalo.

Steven M. Mollenkopf, age 41, has served as Executive Vice President and Group President since September 2010. He served as Executive Vice President and President of QCT from August 2008 to September 2010, as Executive Vice President, QCT Product Management from May 2008 to July 2008, as Senior Vice President, Engineering and Product Management from July 2006 to May 2008 and as Vice President, Engineering from April 2002 to July 2006. Mr. Mollenkopf joined Qualcomm in 1994 as an engineer and throughout his tenure at Qualcomm held several other technical and leadership roles. Mr. Mollenkopf holds a B.S. degree in Electrical Engineering from Virginia Tech and an M.S. degree in Electrical Engineering from the University of Michigan.

Roberto Padovani, age 56, has served as Executive Vice President and Chief Technology Officer since November 2001. He previously served as Executive Vice President from July 2001 to November 2001 in Corporate Research and Development and as Senior Vice President from July 1996 to July 2001. Dr. Padovani holds a Laureate degree from the University of Padova, Italy and M.S. and Ph.D. degrees from the University of Massachusetts, Amherst, all in Electrical and Computer Engineering.

Donald J. Rosenberg, age 59, has served as Executive Vice President, General Counsel and Corporate Secretary since October 2007. He served as Senior Vice President, General Counsel and Corporate Secretary for Apple Computer, Inc. from December 2006 to October 2007. From May 1975 to November 2006, Mr. Rosenberg held numerous positions at IBM Corporation, including Senior Vice President and General Counsel. Mr. Rosenberg holds a B.S. degree in Mathematics from the State University of New York at Stony Brook and a J.D. from St. John's University School of Law.

Daniel L. Sullivan, age 59, has served as Executive Vice President of Human Resources since August 2001. He previously served as Senior Vice President of Human Resources from February 1996 to July 2001. Dr. Sullivan holds a B.S. degree in Communication from Illinois State University, an M.A. degree in Communication from West Virginia University and a Ph.D. in Organization Communication from the University of Nebraska.

Jing Wang, age 48, has served as Executive Vice President of Asia Pacific, Middle East and Africa since January 2008. He previously served as Chairman, Qualcomm Asia Pacific from August 2006 to January 2008 and as Chairman, Qualcomm Greater China from March 2003 to August 2006. Mr. Wang joined Qualcomm as Senior Vice President in February 2001. Mr. Wang holds a B.A. degree in Literature from Anhui University, an LL.M from the People's University of China, Department of Law, and an LL.M from the University of Virginia School Of Law.

Item 1A. Risk Factors

You should consider each of the following factors as well as the other information in this Annual Report in evaluating our business and our prospects. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business operations. If any of the following risks actually occur, our business and financial results could be harmed. In that case, the trading price of our common stock could decline. You should also refer to the other information set forth in this Annual Report, including our financial statements and the related notes.

Risks Related to Our Businesses

Our revenues are dependent on the commercial deployment of our CDMA- and OFDMA-based technologies and upgrades of 3G and 3G/4G multimode wireless communications equipment, products and services based on our technologies.

We develop, patent and commercialize CDMA- and OFDMA-based technologies. Our revenues are dependent upon the commercial deployment of our technologies and upgrades of 3G and 3G/4G multimode wireless communications equipment, products and services based on our technologies. Our business may be harmed, and our investments in these technologies may not provide us an adequate return if:

- wireless operators delay 3G and/or 3G/4G multimode deployments, expansions or upgrades;
- LTE, an OFDMA-based wireless standard, is not widely deployed or commercial deployment is delayed; or
- wireless operators deploy other technologies.

Our business is dependent on our ability to increase our market share and to continue to drive the adoption of our products and services into 3G, 3G/4G multimode and 4G wireless device markets. We are also dependent on the success of our customers, licensees and CDMA- and OFDMA-based wireless operators, as well as the timing of their deployment of new services. Our licensees and CDMA- or OFDMA-based wireless operators may incur lower gross margins on products or services based on our technologies than on products using alternative technologies as a result of greater competition or other factors. If commercial deployment of our technologies and upgrades to 3G, 3G/4G multimode or 4G wireless communications equipment, products and services based on our technologies do not continue or are delayed, our revenues could be negatively impacted, and our business could suffer.

Our revenues can be impacted by the deployment of other technologies in place of CDMA- and/or OFDMA-based technologies or by the need to extend certain existing license agreements to cover additional later patents.

Although we own a very strong portfolio of issued and pending patents related to GSM, GPRS, EDGE, OFDM, OFDMA and/or Multiple Input, Multiple Output (MIMO) technologies, our patent portfolio licensing program in these areas is less established and might not be as successful in generating licensing income as our CDMA portfolio licensing program. Many wireless operators are investigating or have selected LTE (or to a lesser extent WiMax) as next-generation technologies for deployment in existing or future spectrum bands as complementary to their existing CDMA-based networks. Although we believe that our patented technology is essential and useful to implementation of the LTE and WiMax industry standards and have granted royalty-bearing licenses to nine companies to make and sell products implementing those standards but not implementing 3G standards, we might not achieve the same royalty revenues on such LTE or WiMax products as on CDMA-based or multimode CDMA/OFDMA-based products.

The licenses granted to and from us under a number of our license agreements include only patents that are either filed or issued prior to a certain date and, in a small number of agreements, royalties are payable on those patents for a specified time period. As a result, there are agreements with some licensees where later patents are not licensed by or to us under our license agreements. In order to license any such later patents, we will need to extend or modify our license agreements or enter into new license agreements with such licensees. We might not be able to modify such license agreements in the future to license any such later patents or extend such date(s) to incorporate later patents without affecting the material terms and conditions of our license agreements with such licensees, and such modifications may impact our revenues.

Global economic conditions that impact the wireless communications industry could negatively affect the demand for our products and our customers' products, which may negatively affect our revenues.

Despite the recent improvements in market conditions, a future decline in global economic conditions, particularly in geographic regions with high customer concentrations, could have adverse, wide-ranging effects on demand for our products and for the products of our customers, particularly wireless communications equipment manufacturers or others in the wireless industry, such as wireless operators. Other unexpected negative events may have adverse effects on the economy, on demand for wireless device products or on wireless device inventories at equipment manufacturers and wireless operators. In addition, our direct and indirect customers' ability to purchase or pay for our products and services, obtain financing and upgrade wireless networks could be adversely affected by economic conditions, leading to cancellation or delay of orders for our products.

Our industry is subject to competition in an environment of rapid technological change that could result in decreased demand for our products and the products of our customers and licensees, declining average selling

prices for our licensees' products and our products and/or new specifications or requirements placed upon our products, each of which could negatively affect our revenues and operating results.

Our industry is subject to rapid technological change, and we must make substantial investments in new products, services and technologies to compete successfully. New technological innovations generally require a substantial investment before they are commercially viable. We intend to continue to make substantial investments in developing new products and technologies, and it is possible that our development efforts will not be successful and that our new technologies will not result in meaningful revenues. Our products, services and technologies face significant competition, and we cannot assure you that the revenues generated or the timing of their deployment, which may be dependent on the actions of others, will meet our expectations. Competition in the telecommunications market is affected by various factors that include, among others: evolving industry standards, evolving methods of transmission for wireless voice and data communications; value-added features that drive replacement rates and selling prices; scalability and the ability of the system technology to meet customers' immediate and future network requirements.

Our future success will depend on, among other factors, our ability to:

- continue to keep pace with technological developments;
- drive adoption of our integrated circuit products across a broad spectrum of wireless devices sold by our customers and licensees;
- develop and introduce new products, services, technologies and enhancements on a timely basis;
- effectively develop and commercialize turnkey, integrated product offerings that incorporate our integrated circuits, software, user interface and applications;
- become a preferred partner for operating system platforms, such as Android and Windows Mobile;
- focus our services businesses on key platforms that create standalone value or contribute to the success of our other businesses; and
- succeed in significant foreign markets, such as China, India and Europe.

Companies that promote non-CDMA technologies (e.g., GSM, WiMax) and companies that design CDMA-based integrated circuits are generally competitors or potential competitors. Examples (some of whom are strategic partners of ours in other areas) include Broadcom, Freescale, Fujitsu, Icera, Infineon, Intel, Marvell Technology, Mediatek, nVidia, Renesas Electronics, ST-Ericsson (a joint venture between Ericsson Mobile Platforms and ST-NXP Wireless), Texas Instruments and VIA Telecom. Many of these current and potential competitors have advantages over us that include, among others: motivation by our customers in certain circumstances to find alternate suppliers; government support of other technologies; and more extensive relationships with indigenous distribution and original equipment manufacturer (OEM) companies in developing territories (e.g., China).

In addition to the foregoing, we have seen, and believe we will continue to see, an increase in customers requesting that we develop products, including chipsets and associated software, that will incorporate "open source" software elements and operate in an "open source" environment, which may offer accessibility to a portion of a product's source code and may expose related intellectual property to adverse licensing conditions. Developing open source products, with regard to adequately protecting the intellectual property rights upon which our licensing business depends, may prove burdensome under certain circumstances, thereby placing us at a competitive disadvantage for new product designs.

Competition may reduce average selling prices for our chipset products and the products of our customers and licensees. Reductions in the average selling prices of our licensees' products, unless offset by an increase in volumes, generally result in reduced royalties payable to us. We anticipate that additional competitors will enter our markets as a result of growth opportunities in wireless telecommunications, the trend toward global expansion by foreign and domestic competitors, technological and public policy changes and relatively low barriers to entry in selected segments of the industry.

We derive a significant portion of our consolidated revenues from a small number of customers and licensees. If revenues derived from these customers or licensees decrease, our operating results could be negatively affected.

Our QCT segment derives a significant portion of revenues from a small number of customers. The loss of any one of our QCT segment's significant customers or the delay, even if only temporary, or cancellation of significant orders from any of these customers would reduce our revenues in the period of the deferral or cancellation and harm our ability to achieve or sustain expected levels of operating results. Accordingly, unless and until our QCT segment

diversifies and expands its customer base, our future success will largely depend upon the timing and size of any future purchase orders from these customers.

Although we have more than 185 licensees, our QTL segment derives a significant portion of royalty revenues from a limited number of licensees. Our future success depends upon the ability of our licensees to develop, introduce and deliver high-volume products that achieve and sustain market acceptance. We have little or no control over the sales efforts of our licensees, and our licensees might not be successful. Reductions in the average selling price of wireless communications devices sold by our major licensees, without a sufficient increase in the volumes of such devices sold, could have a material adverse effect on our revenues.

Efforts by some telecommunications equipment manufacturers to avoid paying fair and reasonable royalties for the use of our intellectual property may create uncertainty about our future business prospects, may require the investment of substantial management time and financial resources, and may result in legal decisions and/or actions by foreign governments, Standards Development Organizations (SDOs) or other industry groups that harm our business.

A small number of companies have initiated various strategies in an attempt to renegotiate, mitigate and/or eliminate their need to pay royalties to us for the use of our intellectual property in order to negatively affect our business model and that of our other licensees. These strategies have included (i) litigation, often alleging infringement of patents held by such companies, patent misuse, patent exhaustion and patent and license unenforceability, or some form of unfair competition, (ii) taking positions contrary to our understanding of their contracts with us, (iii) appeals to governmental authorities, (iv) collective action, including working with carriers, standards bodies, other like-minded companies and other organizations, on both formal and informal bases, to adopt intellectual property policies and practices that could have the effect of limiting returns on intellectual property innovations, and (v) lobbying with governmental regulators and elected officials for the purpose of seeking the imposition of some form of compulsory licensing and/or to weaken a patent holder's ability to enforce its rights or obtain a fair return for such rights. Some companies have proposed significant changes to existing intellectual property policies for implementation by SDOs and other industry organizations, some of which would require a maximum aggregate intellectual property royalty rate for the use of all essential patents owned by all of the member companies to be applied to the selling price of any product implementing the relevant standard. They have further proposed that such maximum aggregate royalty rate be apportioned to each member company with essential patents based upon the number of essential patents held by such company. A number of these strategies are purportedly based on interpretations of the policies of certain standards development organizations concerning the licensing of patents that are or may be essential to industry standards and our alleged failure to abide by these policies. There is a risk that relevant courts or governmental agencies will interpret those policies in a manner adverse to our interests. If such proposals and strategies are successful in the future, our business model would be harmed, either by artificially limiting our return on investment with respect to new technologies or forcing us to work outside of the SDOs or such other industry groups to promote our new technologies, and our results of operations could be negatively impacted. As well, the legal and other costs associated with defending our position have been and continue to be significant. We assume that such challenges regardless of their merits will continue into the foreseeable future and may require the investment of substantial management time and financial resources to explain and defend our position.

The enforcement and protection of our intellectual property rights may be expensive, could fail to prevent misappropriation or unauthorized use of our proprietary intellectual property rights or could result in the loss of our ability to enforce one or more patents.

We rely primarily on patent, copyright, trademark and trade secret laws, as well as nondisclosure and confidentiality agreements and other methods, to protect our proprietary information, technologies and processes, including our patent portfolio. Policing unauthorized use of our products and technologies is difficult and time consuming. We cannot be certain that the steps we have taken, or may take in the future, will prevent the misappropriation or unauthorized use of our proprietary information and technologies, particularly in foreign countries where the laws may not protect our proprietary intellectual property rights as fully or as readily as United States laws. We cannot be certain that the laws and policies of any country, including the United States, or the practices of any of the standards bodies, foreign or domestic, with respect to intellectual property enforcement or licensing, issuance of spectrum licenses or the adoption of standards, will not be changed in a way detrimental to our licensing program or to the sale or use of our products or technology. We may have difficulty in protecting or enforcing our intellectual property rights and/or contracts in a particular foreign jurisdiction, including: challenges to our licensing practices under such jurisdictions' competition laws; adoption of mandatory licensing provisions by foreign jurisdictions (either with controlled/regulated royalties or royalty free); and challenges pending before

foreign competition agencies to the pricing and integration of additional features and functionality into our wireless chipset products.

A substantial portion of our patents and patent applications relate to our wireless communications technology and much of the remainder of our patents and patent applications relate to our other technologies and products. We may need to litigate to enforce our intellectual property rights, protect our trade secrets or determine the validity and scope of proprietary rights of others. As a result of any such litigation, we could lose our ability to enforce one or more patents or incur substantial unexpected operating costs. Any action we take to enforce our intellectual property rights could be costly and could absorb significant management time and attention, which, in turn, could negatively impact our operating results.

Claims by other companies that we infringe their intellectual property or that patents on which we rely are invalid could adversely affect our business.

From time to time, companies have asserted, and may again assert, patent, copyright and other intellectual property rights against our products or products using our technologies or other technologies used in our industry. These claims have resulted and may again result in our involvement in litigation. We may not prevail in such litigation given the complex technical issues and inherent uncertainties in intellectual property litigation. If any of our products were found to infringe on another company's intellectual property rights, we could be subject to an injunction or required to redesign our products, which could be costly, or to license such rights and/or pay damages or other compensation to such other company. If we were unable to redesign our products, license such intellectual property rights used in our products or otherwise distribute our products through a licensed supplier, we could be prohibited from making and selling such products. In any potential dispute involving other companies' patents or other intellectual property, our chipset foundries and customers could also become the targets of litigation. We are contingently liable under certain product sales, services, license and other agreements to indemnify certain customers against certain types of liability and/or damages arising from qualifying claims of patent infringement by products or services sold or provided by us. Reimbursements under indemnification arrangements could have a material adverse effect on our results of operations. Furthermore, any such litigation could severely disrupt the supply of our products and the business of our chipset customers and their wireless operator customers, which in turn could hurt our relationships with our chipset customers and wireless operators and could result in a decline in our chipset sales and/or a reduction in our licensees' sales to wireless operators, causing a corresponding decline in our chipset and/or licensing revenues. Any claims, regardless of their merit, could be time consuming to address, result in costly litigation, divert the efforts of our technical and management personnel or cause product release or shipment delays, any of which could have a material adverse effect upon our operating results.

We expect that we will continue to be involved in litigation and may have to appear in front of administrative bodies (such as the U.S. International Trade Commission) to defend against patent assertions against our products by companies, some of whom are attempting to gain competitive advantage or leverage in licensing negotiations. We may not be successful in such proceedings, and if we are not, the range of possible outcomes includes everything from a royalty payment to an injunction on the sale of certain of our chipsets (and on the sale of our customers' devices using our chipsets) and the imposition of royalty payments that might make purchases of our chipsets less economical for our customers. A negative outcome in any such proceeding could severely disrupt the business of our chipset customers and their wireless operator customers, which in turn could hurt our relationships with our chipset customers and wireless operators and could result in a decline in our share of worldwide chipset sales and/or a reduction in our licensees' sales to wireless operators, causing a corresponding decline in our chipset and/or licensing revenues.

A number of other companies have claimed to own patents essential to various CDMA standards, GSM standards and OFDMA standards or implementations of OFDM and OFDMA systems. If we or other product manufacturers are required to obtain additional licenses and/or pay royalties to one or more patent holders, this could have a material adverse effect on the commercial implementation of our CDMA, GSM, OFDMA or multimode products and technologies, demand for our licensees' products and our profitability.

Other companies or entities also have commenced, and may again commence, actions seeking to establish the invalidity of our patents. In the event that one or more of our patents are challenged, a court may invalidate the patent(s) or determine that the patent(s) is not enforceable, which could harm our competitive position. If our key patents are invalidated, or if the scope of the claims in any of these patents is limited by court decision, we could be prevented from licensing the invalidated or limited portion of such patents. Such adverse decisions could negatively impact our revenues. Even if such a patent challenge is not successful, it could be expensive and time consuming to address, divert management attention from our business and harm our reputation.

Our earnings and stock price are subject to substantial quarterly and annual fluctuations and to market downturns.

The stock market in general, and the stock prices of technology-based and wireless communications companies in particular, have experienced volatility that often has been unrelated to the operating performance of any specific public company. The market price of our common stock has fluctuated in the past and is likely to fluctuate in the future as well. Factors that may have a significant impact on the market price of our stock include, among others:

- announcements concerning us or our competitors, including the selection of wireless communications technology by wireless operators and the timing of the roll-out of those systems;
- international developments, such as technology mandates, political developments or changes in economic policies;
- changes in recommendations of securities analysts;
- proprietary rights or product or patent litigation against us or against our customers or licensees;
- strategic transactions, such as spin-offs, acquisitions and divestitures;
- unexpected and/or significant changes in the average selling price of our licensees' products and our products;
- unresolved disputes with licensees that result in non-payment and/or non-recognition of royalty revenues that may be owed to us; or
- rumors or allegations regarding our financial disclosures or practices.

In the past, securities class action litigation often has been brought against a company following periods of volatility in the market price of its securities. Due to changes in the potential volatility of our stock price, we may be the target of securities litigation in the future. Securities litigation could result in substantial uninsured costs and divert management's attention and resources.

Any prolonged financial or economic crisis may result in a downturn in demand for our products or technology; the insolvency of key suppliers resulting in product delays; delays in reporting and/or payments from our licensees and/or customers; and counterparty failures negatively impacting our treasury operations.

Financial market volatility has impacted, and could continue to impact, the value and performance of our marketable securities. Net investment income could vary depending on the gains or losses realized on the sale or exchange of securities, impairment charges related to marketable securities and other investments, changes in interest rates and changes in fair values of derivative instruments. Our cash equivalent and marketable securities investments represent significant assets that may be subject to fluctuating or even negative returns depending upon interest rate movements and financial market conditions in fixed income and equity securities.

These factors affecting our future earnings are difficult to forecast and could harm our quarterly and/or annual operating results. If our earnings fail to meet the financial guidance we provide to investors, or the expectations of investment analysts or investors in any period, securities class action litigation could be brought against us and/or the market price of our common stock could decline.

We depend upon a limited number of third-party suppliers to manufacture and test component parts, subassemblies and finished goods for our products. If these third-party suppliers do not allocate adequate manufacturing and test capacity in their facilities to produce products on our behalf, or if there are any disruptions in the operations of, or a loss of, any of these third parties, it could harm our ability to meet our delivery obligations to our customers, reduce our revenues, increase our cost of sales and harm our business.

Our ability to meet customer demand depends, in part, on our ability to obtain timely and adequate delivery of parts and components from our suppliers. A reduction or interruption in our product supply source, an inability of our suppliers to react to shifts in product demand or an increase in component prices could have a material adverse effect on our business or profitability. The loss of a significant supplier or the inability of a supplier to meet performance and quality specifications or delivery schedules could harm our ability to meet our delivery obligations to our customers and negatively impact our revenues and business operations. In the event of a loss of, or a decision to change, a supplier, qualifying a new foundry supplier and commencing volume production or testing could involve delay and expense, resulting in possible loss of customers.

While our goal is to establish alternate suppliers for technologies that we consider critical, we rely on sole- or limited-source suppliers for some products, subjecting us to significant risks, including: possible shortages of manufacturing capacity; poor product performance; and reduced control over delivery schedules, manufacturing