

CONSOLIDATED BALANCE SHEETS

(In millions, except share amounts)

ASSETS:

	July 1, 2000	September 25, 1999
Current assets:		
Cash and cash equivalents.....	\$1,344	\$1,326
Short-term investments.....	2,482	1,900
Accounts receivable, less allowances of \$63 and \$68, respectively.....	967	681
Inventories.....	5	20
Deferred tax assets.....	162	143
Other current assets.....	<u>197</u>	<u>215</u>
Total current assets.....	5,157	4,285
Property, plant, and equipment, net.....	314	318
Non-current debt and equity investments.....	1,236	339
Other assets.....	<u>225</u>	<u>219</u>
Total assets.....	<u>\$6,932</u>	<u>\$5,161</u>

LIABILITIES AND SHAREHOLDERS' EQUITY:

Current liabilities:		
Accounts payable.....	\$1,040	\$ 812
Accrued expenses.....	<u>833</u>	<u>737</u>
Total current liabilities.....	1,873	1,549
Long-term debt.....	300	300
Deferred tax liabilities.....	<u>583</u>	<u>208</u>
Total liabilities.....	<u>2,756</u>	<u>2,057</u>
Commitments and contingencies		
Shareholders' equity:		
Series A non-voting convertible preferred stock, no par value; 150,000 shares authorized, issued and outstanding.....	150	150
Common stock, no par value; 900,000,000 shares authorized; 324,826,267 and 321,598,122 shares issued and outstanding, respectively.....	1,376	1,349
Retained earnings.....	2,115	1,499
Accumulated other comprehensive income (loss).....	<u>535</u>	<u>106</u>
Total shareholders' equity.....	<u>4,176</u>	<u>3,104</u>
Total liabilities and shareholders' equity.....	<u>\$6,932</u>	<u>\$5,161</u>

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except share and per share amounts)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	July 1, 2000	June 26, 1999	July 1, 2000	June 26, 1999
Net sales.....	\$1,825	\$1,558	\$6,113	\$4,798
Cost of sales.....	<u>1,282</u>	<u>1,131</u>	<u>4,414</u>	<u>3,486</u>
Gross margin.....	<u>543</u>	<u>427</u>	<u>1,699</u>	<u>1,312</u>
Operating expenses:				
Research and development.....	97	80	279	232
Selling, general, and administrative.....	278	243	884	761
Restructuring costs.....	0	0	8	9
Executive Bonus.....	<u>0</u>	<u>0</u>	<u>90</u>	<u>0</u>
Total operating expenses	<u>375</u>	<u>323</u>	<u>1,261</u>	<u>1,002</u>
Operating income.....	168	104	438	310
Gain from sale of investment	50	101	284	188
Interest and other income (expense), net	<u>52</u>	<u>24</u>	<u>141</u>	<u>53</u>
Total interest and other income (expense), net	<u>102</u>	<u>125</u>	<u>425</u>	<u>241</u>
Income before provision for income taxes....	270	229	863	551
Provision for income taxes.....	<u>70</u>	<u>26</u>	<u>247</u>	<u>61</u>
Net income.....	<u>\$ 200</u>	<u>\$ 203</u>	<u>\$ 616</u>	<u>\$ 490</u>
Earnings per common share:				
Basic.....	\$0.62	\$0.70	\$ 1.90	\$ 1.77
Diluted.....	\$0.55	\$0.60	\$ 1.71	\$ 1.49
Shares used in computing earnings per share (in thousands):				
Basic.....	325,040	288,107	323,770	277,141
Diluted.....	361,817	349,300	359,928	346,660