

CONSOLIDATED BALANCE SHEETS

(In millions, except share amounts)

ASSETS:

	September 30, 2000	September 25, 1999
Current assets:		
Cash and cash equivalents.....	\$1,191	\$1,326
Short-term investments.....	2,836	1,900
Accounts receivable, less allowances of \$64 and \$68, respectively.....	953	681
Inventories.....	33	20
Deferred tax assets.....	162	143
Other current assets.....	<u>252</u>	<u>215</u>
Total current assets.....	5,427	4,285
Property, plant, and equipment, net.....	313	318
Non-current debt and equity investments.....	786	339
Other assets.....	<u>277</u>	<u>219</u>
Total assets.....	<u>\$6,803</u>	<u>\$5,161</u>

LIABILITIES AND SHAREHOLDERS' EQUITY:

Current liabilities:		
Accounts payable.....	\$1,157	\$ 812
Accrued expenses.....	<u>776</u>	<u>737</u>
Total current liabilities.....	1,933	1,549
Long-term debt.....	300	300
Deferred tax liabilities.....	<u>463</u>	<u>208</u>
Total liabilities.....	<u>2,696</u>	<u>2,057</u>
Commitments and contingencies		
Shareholders' equity:		
Series A non-voting convertible preferred stock, no par value; 150,000 shares authorized; 75,750 and 150,000 shares issued and outstanding, respectively.....	76	150
Common stock, no par value; 900,000,000 shares authorized; 335,676,889 and 321,598,122 shares issued and outstanding, respectively.....	1,502	1,349
Retained earnings.....	2,285	1,499
Accumulated other comprehensive income (loss).....	<u>244</u>	<u>106</u>
Total shareholders' equity.....	<u>4,107</u>	<u>3,104</u>
Total liabilities and shareholders' equity.....	<u>\$6,803</u>	<u>\$5,161</u>

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except share and per share amounts)

	THREE MONTHS ENDED		TWELVE MONTHS ENDED	
	Sept. 30 , 2000	Sept. 25, 1999	Sept. 30, 2000	Sept. 25, 1999
Net sales.....	\$1,870	\$1,336	\$7,983	\$6,134
Cost of sales.....	<u>1,403</u>	<u>952</u>	<u>5,817</u>	<u>4,438</u>
Gross margin.....	<u>467</u>	<u>384</u>	<u>2,166</u>	<u>1,696</u>
Operating expenses:				
Research and development.....	101	82	380	314
Selling, general, and administrative.....	282	235	1,166	996
Restructuring costs.....	0	18	8	27
Executive Bonus.....	<u>0</u>	<u>0</u>	<u>90</u>	<u>0</u>
Total operating expenses	<u>383</u>	<u>335</u>	<u>1,644</u>	<u>1,337</u>
Operating income.....	84	49	522	359
Gain from sale of investment	83	42	367	230
Interest and other income (expense), net	<u>62</u>	<u>34</u>	<u>203</u>	<u>87</u>
Total interest and other income (expense), net	<u>145</u>	<u>76</u>	<u>570</u>	<u>317</u>
Income before provision for income taxes....	229	125	1,092	676
Provision for income taxes.....	<u>59</u>	<u>14</u>	<u>306</u>	<u>75</u>
Net income.....	<u>\$ 170</u>	<u>\$ 111</u>	<u>\$ 786</u>	<u>\$ 601</u>
Earnings per common share:				
Basic.....	\$0.52	\$0.35	\$ 2.42	\$ 2.10
Diluted.....	\$0.47	\$0.31	\$ 2.18	\$ 1.81
Shares used in computing earnings per share (in thousands):				
Basic.....	326,977	321,138	324,568	286,314
Diluted.....	361,784	353,593	360,324	348,328