

CONSOLIDATED BALANCE SHEETS

(In millions, except share amounts)

ASSETS:

	January 1, 2000	September 25, 1999
Current assets:		
Cash and cash equivalents.....	\$1,586	\$1,326
Short-term investments.....	2,074	1,900
Accounts receivable, less allowances of \$66 and \$68, respectively.....	892	681
Inventories.....	15	20
Deferred tax assets.....	131	143
Other current assets.....	211	215
Total current assets.....	4,909	4,285
Property, plant, and equipment, net.....	318	318
Non-current equity investments.....	2,140	345
Other assets.....	219	213
Total assets.....	<u>\$7,586</u>	<u>\$5,161</u>

LIABILITIES AND SHAREHOLDERS' EQUITY:

Current liabilities:		
Accounts payable.....	\$1,174	\$ 812
Accrued expenses.....	791	737
Total current liabilities.....	1,965	1,549
Long-term debt.....	300	300
Deferred tax liabilities.....	907	208
Total liabilities.....	3,172	2,057
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; 320,000,000 shares authorized; 161,224,400 and 160,799,061 shares issued and outstanding, respectively.....	1,345	1,349
Retained earnings.....	1,682	1,499
Accumulated other comprehensive income (loss).....	1,237	106
Total shareholders' equity.....	4,414	3,104
Total liabilities and shareholders' equity.....	<u>\$7,586</u>	<u>\$5,161</u>

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except share and per share amounts)

THREE MONTHS ENDED (unaudited)

	January 1 2000	December 26 1998
Net sales.....	\$2,343	\$1,710
Cost of sales.....	<u>1,736</u>	<u>1,228</u>
Gross margin.....	<u>607</u>	<u>482</u>
Operating expenses:		
Research and development.....	90	76
Selling, general, and administrative.....	319	279
Special charges:		
Restructuring costs.....	8	--
Executive bonus.....	<u>90</u>	<u>--</u>
Total operating expenses.....	<u>507</u>	<u>355</u>
Operating income.....	<u>100</u>	<u>127</u>
Gain from sales of investment.....	134	32
Interest and other income, net.....	<u>40</u>	<u>10</u>
Total interest and other income, net.....	<u>174</u>	<u>42</u>
Income before provision for income taxes.....	274	169
Provision for income taxes.....	<u>91</u>	<u>17</u>
Net income.....	<u>\$ 183</u>	<u>\$ 152</u>
Earnings per common share:		
Basic.....	\$1.14	\$ 1.12
Diluted.....	\$1.03	\$ 0.95
Shares used in computing earnings per share (in thousands):		
Basic.....	161,039	135,270
Diluted.....	178,417	172,062

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