

CONSOLIDATED BALANCE SHEETS

(In millions, except share amounts)

ASSETS:

	December 29, 2001	September 29, 2001
Current assets:		
Cash and cash equivalents.....	\$1,946	\$2,310
Short-term investments.....	2,421	2,026
Accounts receivable, less allowances of \$53 and \$51, respectively.....	498	466
Inventories.....	23	11
Deferred tax assets.....	171	169
Other current assets.....	<u>213</u>	<u>161</u>
Total current assets.....	5,272	5,143
Property, plant, and equipment, net.....	573	564
Non-current equity investments.....	101	128
Other assets.....	<u>176</u>	<u>186</u>
Total assets.....	\$6,122	\$6,021

LIABILITIES AND SHAREHOLDERS' EQUITY:

Current liabilities:		
Accounts payable.....	\$ 830	\$ 801
Accrued expenses.....	<u>749</u>	<u>717</u>
Total current liabilities.....	1,579	1,518
Long-term liabilities.....	315	317
Deferred tax liabilities.....	<u>262</u>	<u>266</u>
Total liabilities.....	<u>2,156</u>	<u>2,101</u>
Commitments and contingencies		
Shareholders' equity:		
Common stock, no par value; 900,000,000 shares authorized; 352,459,287 and 350,921,661 shares issued and outstanding, respectively.....	1,706	1,693
Acquisition-related unearned stock compensation.....	(10)	(11)
Retained earnings.....	2,298	2,260
Accumulated other comprehensive income (loss).....	<u>(28)</u>	<u>(22)</u>
Total shareholders' equity.....	<u>3,966</u>	<u>3,920</u>
Total liabilities and shareholders' equity.....	\$6,122	\$6,021

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except share and per share amounts)

THREE MONTHS ENDED (unaudited)

	December 29, 2001	December 30, 2000
Net sales.....	\$1,375	\$1,007
Cost of sales.....	<u>953</u>	<u>1,028</u>
Gross margin.....	<u>422</u>	<u>(21)</u>
Operating expenses:		
Research and development.....	113	102
Selling, general, and administrative.....	289	297
Special charges:		
Restructuring costs.....	<u>24</u>	<u>--</u>
Total operating expenses.....	<u>426</u>	<u>399</u>
Operating loss.....	<u>(4)</u>	<u>(420)</u>
Gain on non-current investments, net.....	23	71
Unrealized loss on convertible securities.....	--	(13)
Interest and other income (expense), net.....	<u>34</u>	<u>67</u>
Total interest and other income (expense), net.....	<u>57</u>	<u>125</u>
Income (loss) before provision for (benefit from) income taxes.....	53	(295)
Provision for (benefit from) income taxes.....	<u>15</u>	<u>(88)</u>
Income (loss) before accounting change	\$ 38	\$ (207)
Cumulative effect of accounting change, net of income taxes of \$5.....	<u>--</u>	<u>12</u>
Net income (loss).....	\$ 38	\$ (195)
Earnings (loss) per common share before accounting change:		
Basic.....	\$0.11	\$(0.61)
Diluted.....	\$0.11	\$(0.61)
Earnings (loss) per common share after accounting change:		
Basic.....	\$0.11	\$(0.58)
Diluted.....	\$0.11	\$(0.58)
Shares used in computing earnings (loss) per share (in thousands):		
Basic.....	351,330	337,170
Diluted.....	357,509	337,170