

CONSOLIDATED BALANCE SHEETS

(In millions, except share amounts)

ASSETS:

	December 30, 2000	September 30, 2000
Current assets:		
Cash and cash equivalents.....	\$1,737	\$1,191
Short-term investments.....	2,328	2,836
Accounts receivable, less allowances of \$61 and \$64, respectively.....	441	953
Inventories.....	21	33
Deferred tax assets.....	231	162
Other current assets.....	<u>168</u>	<u>252</u>
Total current assets.....	4,926	5,427
Property, plant, and equipment, net.....	325	313
Non-current equity investments.....	447	786
Other assets.....	<u>288</u>	<u>277</u>
Total assets.....	<u>\$5,986</u>	<u>\$6,803</u>

LIABILITIES AND SHAREHOLDERS' EQUITY:

Current liabilities:		
Accounts payable.....	\$ 637	\$ 1,157
Accrued expenses.....	<u>1,000</u>	<u>776</u>
Total current liabilities.....	1,637	1,933
Long-term liabilities.....	311	300
Deferred tax liabilities.....	<u>326</u>	<u>463</u>
Total liabilities.....	<u>2,274</u>	<u>2,696</u>
Commitments and contingencies		
Shareholders' equity:		
Series A non-voting convertible preferred stock, no par value; 150,000 shares authorized, 3,300 and 75,750 issued and outstanding, respectively.....	3	76
Common stock, no par value; 900,000,000 shares authorized; 345,307,408 and 335,676,889 shares issued and outstanding, respectively.....	1,578	1,502
Retained earnings.....	2,090	2,285
Accumulated other comprehensive income.....	<u>41</u>	<u>244</u>
Total shareholders' equity.....	<u>3,712</u>	<u>4,107</u>
Total liabilities and shareholders' equity.....	<u>\$5,986</u>	<u>\$6,803</u>

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except share and per share amounts)

THREE MONTHS ENDED (unaudited)

	December 30, 2000	January 1, 2000
Net sales.....	\$1,007	\$2,343
Cost of sales.....	<u>1,028</u>	<u>1,736</u>
Gross margin.....	<u>(21)</u>	<u>607</u>
Operating expenses:		
Research and development.....	102	90
Selling, general, and administrative.....	297	319
Special charges:		
Restructuring costs.....	--	8
Executive bonus.....	<u>--</u>	<u>90</u>
Total operating expenses.....	<u>399</u>	<u>507</u>
Operating income (loss).....	<u>(420)</u>	<u>100</u>
Gain from sales of investments.....	71	134
Unrealized loss on investment in convertible securities..	(13)	--
Interest and other income, net.....	<u>67</u>	<u>40</u>
Total interest and other income, net.....	<u>125</u>	<u>174</u>
Income (loss) before provision for income taxes.....	(295)	274
Provision for (benefit from) income taxes.....	<u>(88)</u>	<u>91</u>
Income (loss) before accounting change	\$ (207)	\$ 183
Cumulative effect of accounting change, net of income taxes of \$5.....	<u>12</u>	<u>--</u>
Net income (loss).....	<u>\$ (195)</u>	<u>\$ 183</u>
Earnings (loss) per common share before accounting change:		
Basic.....	\$(0.61)	\$ 0.57
Diluted.....	\$(0.61)	\$ 0.51
Earnings (loss) per common share after accounting change:		
Basic.....	\$(0.58)	\$ 0.57
Diluted.....	\$(0.58)	\$ 0.51
Shares used in computing earnings (loss) per share (in thousands):		
Basic.....	337,170	322,077
Diluted.....	337,170	356,834