

CONSOLIDATED BALANCE SHEETS

(In millions, except share amounts)

ASSETS:

	April 1, 2000	September 25, 1999
Current assets:		
Cash and cash equivalents.....	\$1,662	\$1,326
Short-term investments.....	1,947	1,900
Accounts receivable, less allowances of \$64 and \$68, respectively.....	940	681
Inventories.....	10	20
Deferred tax assets.....	131	143
Other current assets.....	<u>222</u>	<u>215</u>
Total current assets.....	4,912	4,285
Property, plant, and equipment, net.....	314	318
Non-current debt and equity investments.....	1,544	345
Other assets.....	<u>237</u>	<u>213</u>
Total assets.....	<u>\$7,007</u>	<u>\$5,161</u>

LIABILITIES AND SHAREHOLDERS' EQUITY:

Current liabilities:		
Accounts payable.....	\$1,111	\$ 812
Accrued expenses.....	<u>742</u>	<u>737</u>
Total current liabilities.....	1,853	1,549
Long-term debt.....	300	300
Deferred tax liabilities.....	<u>639</u>	<u>208</u>
Total liabilities.....	<u>2,792</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; 320,000,000 shares authorized; 162,679,893 and 160,799,061 shares issued and outstanding, respectively.....	1,419	1,349
Retained earnings.....	1,915	1,499
Accumulated other comprehensive income (loss).....	<u>731</u>	<u>106</u>
Total shareholders' equity.....	<u>4,215</u>	<u>3,104</u>
Total liabilities and shareholders' equity.....	<u>\$7,007</u>	<u>\$5,161</u>

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except share and per share amounts)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	April 1, 2000	March 27, 1999	April 1, 2000	March 27, 1999
Net sales.....	\$1,945	\$1,530	\$4,288	\$3,240
Cost of sales.....	<u>1,396</u>	<u>1,127</u>	<u>3,132</u>	<u>2,355</u>
Gross margin.....	<u>549</u>	<u>403</u>	<u>1,156</u>	<u>885</u>
Operating expenses:				
Research and development.....	92	76	182	152
Selling, general, and administrative.....	287	239	606	518
Restructuring costs.....	0	9	8	9
Executive Bonus.....	<u>0</u>	<u>0</u>	<u>90</u>	<u>0</u>
Total operating expenses	<u>379</u>	<u>324</u>	<u>886</u>	<u>679</u>
Operating income.....	170	79	270	206
Gain from sale of investment	100	55	234	87
Interest and other income (expense), net	<u>49</u>	<u>19</u>	<u>89</u>	<u>29</u>
Total interest and other income (expense), net	<u>149</u>	<u>74</u>	<u>323</u>	<u>116</u>
Income before provision for income taxes....	319	153	593	322
Provision for income taxes.....	<u>86</u>	<u>18</u>	<u>177</u>	<u>35</u>
Net income.....	<u>\$ 233</u>	<u>\$ 135</u>	<u>\$ 416</u>	<u>\$ 287</u>
Earnings per common share:				
Basic.....	\$1.44	\$0.99	\$ 2.57	\$ 2.11
Diluted.....	\$1.28	\$0.84	\$ 2.32	\$ 1.79
Shares used in computing earnings per share (in thousands):				
Basic.....	162,172	136,371	161,597	135,820
Diluted.....	181,993	173,204	179,626	172,619