

## CONSOLIDATED BALANCE SHEETS

(In millions, except share amounts)

### ASSETS:

	June 28, 2003	September 28, 2002
Current assets:		
Cash and cash equivalents.....	\$3,507	\$2,252
Short-term investments.....	1,038	2,085
Accounts receivable, less allowances of \$49 and \$51, respectively....	568	565
Inventories.....	38	45
Deferred tax assets.....	176	166
Other current assets.....	219	275
Total current assets.....	5,546	5,388
Property, plant, and equipment, net.....	639	621
Goodwill.....	85	85
Acquired intangible assets.....	27	34
Other assets.....	144	170
Total assets.....	<u>\$6,441</u>	<u>\$6,298</u>

### LIABILITIES AND SHAREHOLDERS' EQUITY:

Current liabilities:		
Accounts payable.....	\$880	\$911
Accrued expenses.....	838	747
Current debt.....	307	--
Total current liabilities.....	2,025	1,658
Long-term debt.....	--	316
Deferred tax liabilities and other non-current liabilities.....	218	229
Total liabilities.....	<u>2,243</u>	<u>2,203</u>
Commitments and contingencies		
Shareholders' equity:		
Common stock, no par value; 900,000,000 shares authorized; 366,992,631 and 358,958,989 shares issued and outstanding, respectively.....	1,935	1,826
Deferred stock compensation.....	(68)	(7)
Retained earnings.....	2,350	2,325
Accumulated other comprehensive income (loss).....	(19)	(49)
Total shareholders' equity.....	4,198	4,095
Total liabilities and shareholders' equity.....	<u>\$6,441</u>	<u>\$6,298</u>

## CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except share and per share amounts)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	June 28, 2003	June 29, 2002	June 28, 2003	June 29, 2002
Net sales.....	\$1,545	\$1,429	\$4,492	\$4,299
Cost of sales.....	<u>1,117</u>	<u>1,038</u>	<u>3,240</u>	<u>3,077</u>
Gross margin.....	<u>428</u>	<u>391</u>	<u>1,252</u>	<u>1,222</u>
Operating expenses:				
Research and development.....	120	106	360	330
Selling, general, and administrative.....	299	272	898	831
Restructuring costs.....	<u>--</u>	<u>--</u>	<u>26</u>	<u>24</u>
Total operating expenses.....	<u>419</u>	<u>378</u>	<u>1,284</u>	<u>1,185</u>
Operating income.....	9	13	(32)	37
Gains on non-current investments, net .....	2	--	2	23
Interest and other income, net .....	<u>15</u>	<u>26</u>	<u>67</u>	<u>87</u>
Total interest and other income, net.....	<u>17</u>	<u>26</u>	<u>69</u>	<u>110</u>
Income before provision for income taxes.....	26	39	37	147
Provision for income taxes.....	<u>7</u>	<u>7</u>	<u>10</u>	<u>37</u>
Income before accounting change.....	19	32	27	110
Cumulative effect of accounting change, net of income taxes of \$1.....	<u>--</u>	<u>--</u>	<u>(2)</u>	<u>--</u>
Net income.....	<u>\$ 19</u>	<u>\$ 32</u>	<u>\$ 25</u>	<u>\$ 110</u>
Earnings per common share before accounting change:				
Basic.....	\$0.05	\$0.09	\$0.07	\$ 0.31
Diluted.....	\$0.05	\$0.09	\$0.07	\$ 0.30
Earnings per common share after accounting change:				
Basic.....	\$0.05	\$0.09	\$0.07	\$ 0.31
Diluted.....	\$0.05	\$0.09	\$0.07	\$ 0.30
Shares used in computing earnings per share (in thousands):				
Basic.....	360,793	356,370	360,113	353,800
Diluted.....	363,777	366,882	362,421	363,438