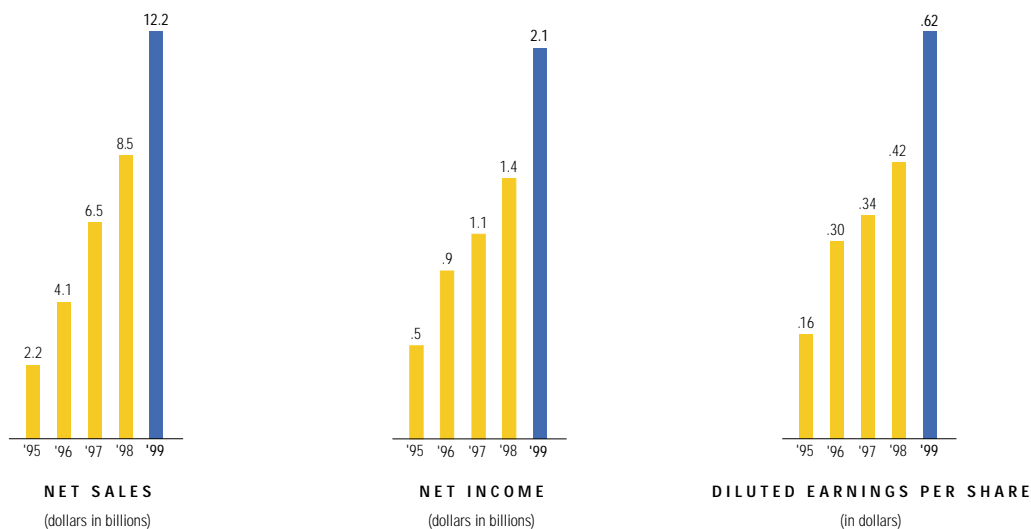




Financial Highlights ⁽¹⁾



Consolidated Statements of Operations Data ⁽¹⁾

(in millions, except per-share amounts)

YEARS ENDED	July 31, 1999	July 25, 1998	July 26, 1997
Net sales	\$12,154	\$8,488	\$6,452
Income before provision for income taxes	\$ 3,316	\$2,311	\$1,891
Net income	\$ 2,096^(a)	\$1,355 ^(b)	\$1,051 ^(c)
Net income per common share (diluted)*	\$ 0.62^(a)	\$ 0.42 ^(b)	\$ 0.34 ^(c)
Shares used in per-share calculation (diluted)*	3,398	3,245	3,128

^(a) Net income and net income per share include purchased research and development expenses of \$471 million and acquisition-related costs of \$16 million. Pro forma net income and diluted net income per share, excluding these nonrecurring items net of tax, would have been \$2,548 and \$0.75, respectively.

^(b) Net income and net income per share include purchased research and development expenses of \$594 million and realized gains on the sale of a minority stock investment of \$5 million. Pro forma net income and diluted net income per share, excluding these nonrecurring items net of tax, would have been \$1,885 and \$0.58, respectively.

^(c) Net income and net income per share include purchased research and development expenses of \$508 million and realized gains on the sale of a minority stock investment of \$152 million. Pro forma net income and diluted net income per share, excluding these nonrecurring items net of tax, would have been \$1,416 and \$0.45, respectively.

* Reflects the two-for-one stock split effective June 1999.

Consolidated Balance Sheets Data ⁽¹⁾

(in millions)

YEARS ENDED	July 31, 1999	July 25, 1998	July 26, 1997
Working capital	\$ 1,612	\$2,033	\$2,015
Total assets	\$14,725	\$8,972	\$5,493
Shareholders' equity	\$11,678	\$7,148	\$4,325

⁽¹⁾ All results have been restated to reflect the acquisition of GeoTel Communications Corporation in a pooling-of-interests transaction.