

# Consolidated statements of cash flows

Three years ended December 25, 1999



<i>(In millions)</i>	1999	1998	1997
<b>Cash and cash equivalents, beginning of year</b>	<b>\$ 2,038</b>	<b>\$ 4,102</b>	<b>\$ 4,165</b>
Cash flows provided by (used for) operating activities:			
Net income	7,314	6,068	6,945
Adjustments to reconcile net income to net cash provided by (used for) operating activities:			
Depreciation	3,186	2,807	2,192
Amortization of goodwill and other acquisition-related intangibles	411	56	-
Purchased in-process research and development	392	165	-
Gains on sales of marketable strategic equity securities	(883)	(185)	(106)
Net loss on retirements of property, plant and equipment	193	282	130
Deferred taxes	(219)	77	6
Changes in assets and liabilities:			
Accounts receivable	153	(38)	285
Inventories	169	167	(404)
Accounts payable	79	(180)	438
Accrued compensation and benefits	127	17	140
Income taxes payable	726	(211)	179
Tax benefit from employee stock plans	506	415	224
Other assets and liabilities	(819)	(249)	(21)
Total adjustments	4,021	3,123	3,063
<b>Net cash provided by operating activities</b>	<b>11,335</b>	<b>9,191</b>	<b>10,008</b>
Cash flows provided by (used for) investing activities:			
Additions to property, plant and equipment	(3,403)	(3,557)	(4,501)
Acquisitions, net of cash acquired	(2,979)	(906)	-
Purchases of available-for-sale investments	(7,055)	(10,925)	(9,224)
Sales of available-for-sale investments	831	201	153
Maturities and other changes in available-for-sale investments	7,156	8,681	6,713
<b>Net cash used for investing activities</b>	<b>(5,450)</b>	<b>(6,506)</b>	<b>(6,859)</b>
Cash flows provided by (used for) financing activities:			
Increase (decrease) in short-term debt, net	69	(83)	(177)
Additions to long-term debt	118	169	172
Retirement of long-term debt	-	-	(300)
Proceeds from sales of shares through employee stock plans and other	543	507	317
Proceeds from exercise of 1998 step-up warrants	-	1,620	40
Proceeds from sales of put warrants	20	40	288
Repurchase and retirement of common stock	(4,612)	(6,785)	(3,372)
Payment of dividends to stockholders	(366)	(217)	(180)
<b>Net cash used for financing activities</b>	<b>(4,228)</b>	<b>(4,749)</b>	<b>(3,212)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,657</b>	<b>(2,064)</b>	<b>(63)</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 3,695</b>	<b>\$ 2,038</b>	<b>\$ 4,102</b>
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest	\$ 40	\$ 40	\$ 37
Income taxes	\$ 2,899	\$ 2,784	\$ 3,305

See accompanying notes.

**Note:** Certain prior year amounts have been reclassified to conform to the 1999 presentation.