

# Consolidated statements of income



## Three years ended December 25, 1999

(In millions--except per share amounts)

	1999	1998	1997
<b>Net revenues</b>	<b>\$ 29,389</b>	<b>\$ 26,273</b>	<b>\$ 25,070</b>
Cost of sales	11,836	12,088	9,945
Research and development	3,111	2,509	2,347
Marketing, general and administrative	3,872	3,076	2,891
Amortization of goodwill and other acquisition-related intangibles	411	56	-
Purchased in-process research and development	392	165	-
Operating costs and expenses	19,622	17,894	15,183
<b>Operating income</b>	<b>9,767</b>	<b>8,379</b>	<b>9,887</b>
Interest expense	(36)	(34)	(27)
Interest income and other, net	1,497	792	799
<b>Income before taxes</b>	<b>11,228</b>	<b>9,137</b>	<b>10,659</b>
Provision for taxes	3,914	3,069	3,714
<b>Net income</b>	<b>\$ 7,314</b>	<b>\$ 6,068</b>	<b>\$ 6,945</b>
<b>Basic earnings per common share</b>	<b>\$ 2.20</b>	<b>\$ 1.82</b>	<b>\$ 2.12</b>
<b>Diluted earnings per common share</b>	<b>\$ 2.11</b>	<b>\$ 1.73</b>	<b>\$ 1.93</b>
<b>Weighted average common shares outstanding</b>	<b>3,324</b>	<b>3,336</b>	<b>3,271</b>
<b>Weighted average common shares outstanding, assuming dilution</b>	<b>3,470</b>	<b>3,517</b>	<b>3,590</b>

See accompanying notes.

**Note:** Share and per share amounts shown have been adjusted for stock splits through 1999.  
Certain prior year amounts have been reclassified to conform to the 1999 presentation.