Consolidated Statements of Cash Flows
Three years ended December 25, 1999
(in millions - except per share amounts) 1999 1998 1997

Cash and cash equivalents, beginning of year $2,038 $4,102 $4,165

Cash flows provided by (used for) operations:
Net income 7,314 6,068 6,945
Adjustments to reconcile net income to net cash provided by (used for) operations
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
Change 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 options 506 415 224
Other assets and liabilities (819) (378) (127)
Total adjustments 4,021 2,994 2,957
Net cash provided by operating activities 11,335 9,062 9,902

Cash flows provided by (used for) investing activities:
Additions to property, plant, and equipment (3,403) (3,557) (4,501)
Acquisitions, net of cash received (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
Net cash (used for) investing activities (5,450) (6,506) (6,859)

Pathways Vision Model Part 2

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Pathways Vision Model

Spine

How does this relate to you?
Economic Activity

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Good Decisions
Useful Information

Pathways Vision Model
Useful Information

Bonus decisions
Corporate executives
Sales report
Sales activities

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Accounting Judgments

Pathways Vision Model
Accounting Decisions

- Bonus decisions
- Corporate executives
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Where are we heading in Part 3?

Pathways Vision Model
Consequences, Critical Thinking, and Prosperous Society