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)
Acquire a Unified Framework

Goals and Relevance
Acquire a Unified Framework

- Help you acquire a broad conceptual framework for understanding and preparing financial, managerial, and tax reports.
- By gaining a deeper understanding of the Pathways Vision Model.
- This framework will serve as a solid foundation for your career and other courses.
Connect Economic Activity to Performance Metrics

Goals and Relevance
Connect Economic Activity to Performance Metrics

- Help you understand how information about economic activities is measured, recorded, aggregated, and affects financial statements and performance metrics.
- This will help you understand how activities you are involved with on the job affect the ways you, your managers, and your company are evaluated.
Become Reasonably Proficient at Using Financials

Goals and Relevance

Become Reasonably Proficient at Using Financials

- Help you interpret financial statements and assess their usefulness for your decisions.
- Help you use financial statements and related information to qualitatively assess expected future performance.
- This will help you begin to develop a framework for making good related decisions.
Goals and Relevance

Summary

- Acquire a unified framework.
Goals and Relevance

Summary

- Acquire a unified framework.
- Connect economic activity to performance metrics.
Goals and Relevance

- Acquire a unified framework.
- Connect economic activity to performance metrics.
- Become reasonably proficient at using financials.