CONSOLIDATED STATEMENTS OF **INCOME**

(DOLLARS IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

		Year Ended September 30, (Twelve Months)			Nine Months Ended September 30,
		1998	1997	1996	1996
				UNAUDITED	
REVENUES					
	Revenues	**$30,147**	$26,360	$23,286	$15,859
	Costs	**16,156**	14,898	14,392	9,290
GROSS MARGIN					
	Gross margin	**13,991**	11,462	8,894	6,569
OPERATING EXPENSES					
	Selling, general and administrative	**6,436**	5,784	7,290	4,244
	Research and development	**3,678**	3,023	2,551	1,838
	Purchased in-process research and development	**1,416**	1,024	–	–
	Total operating expenses	**11,530**	9,831	9,841	6,082
OPERATING INCOME (LOSS)					
	Operating income (loss)	**2,461**	1,631	(947)	487
	Other income–net	**163**	141	218	96
	Interest expense	**318**	305	293	216
	Income (loss) before income taxes	**2,306**	1,467	(1,022)	367
	Provision (benefit) for income taxes	**1,336**	926	(229)	143
NET INCOME (LOSS)					
	Net income (loss)	**$ 970**	$ 541	$ (793)	$ 224
EARNINGS (LOSS) PER COMMON SHARE					
	Earnings (loss) per common share–basic	**$ 0.74**	$ 0.42	$ (0.69)	$ 0.19
	Earnings (loss) per common share–diluted	**$ 0.73**	$ 0.42	$ (0.69)	$ 0.19
	Dividends per common share	**$ 0.155**	$0.1125	$ 0.075	$ 0.075

See Notes to Consolidated Financial Statements.