

**CONSOLIDATED STATEMENTS OF INCOME**  
(Unaudited)

	Three Months Ended			Year Ended	
	June 27, 2020	March 28, 2020	June 29, 2019	June 27, 2020	June 29, 2019
	(in thousands, except per share data)				
Net revenues	\$ 545,369	\$ 561,916	\$ 556,545	\$ 2,191,395	\$ 2,314,329
Cost of goods sold	183,001	195,479	200,154	758,743	813,823
Gross margin	362,368	366,437	356,391	1,432,652	1,500,506
Operating expenses:					
Research and development	110,173	109,091	105,136	440,166	435,222
Selling, general and administrative	72,893	71,643	75,130	296,722	308,617
Intangible asset amortization	810	756	756	3,078	3,041
Impairment of long-lived assets	-	-	-	-	753
Severance and restructuring expenses	678	523	1,715	5,363	5,632
Other operating expenses (income), net	(173)	1,077	83	929	143
Total operating expenses	184,381	183,090	182,820	746,258	753,408
Operating income	177,987	183,347	173,571	686,394	747,098
Interest and other income (expense), net	(8,488)	(1,622)	4,079	(8,298)	7,323
Income before taxes	169,499	181,725	177,650	678,096	754,421
Provision for (benefit from) income taxes <sup>(1)(2)</sup>	(37,799)	20,535	(189,908)	23,402	(73,065)
Net income	\$ 207,298	\$ 161,190	\$ 367,558	\$ 654,694	\$ 827,486
Earnings per share:					
Basic	\$ 0.78	\$ 0.60	\$ 1.35	\$ 2.43	\$ 3.01
Diluted	\$ 0.77	\$ 0.59	\$ 1.33	\$ 2.41	\$ 2.97
Shares used in the calculation of earnings per share:					
Basic	266,639	269,003	272,382	269,341	274,966
Diluted	268,777	271,579	275,834	272,028	278,777
Dividends paid per share	\$ 0.48	\$ 0.48	\$ 0.46	\$ 1.92	\$ 1.84

**SCHEDULE OF SPECIAL ITEMS**  
(Unaudited)

	Three Months Ended			Year Ended	
	June 27, 2020	March 28, 2020	June 29, 2019	June 27, 2020	June 29, 2019
	(in thousands)				
Cost of goods sold:					
Intangible asset amortization	\$ 3,528	\$ 3,111	\$ 4,038	\$ 12,860	\$ 22,829
Cost of COVID-19 response programs	1,591	2,025	-	3,616	-
Total	\$ 5,119	\$ 5,136	\$ 11,759	\$ 16,476	\$ 22,829
Operating expenses:					
Intangible asset amortization	\$ 810	\$ 756	\$ 756	\$ 3,078	\$ 3,041
Impairment of long-lived assets	-	-	-	-	753
Severance and restructuring	678	523	1,715	5,363	5,632
Other operating expenses (income), net	(173)	1,077 <sup>(3)</sup>	83	928	143
Total	\$ 1,315	\$ 2,356	\$ 2,554	\$ 9,369	\$ 9,569
Interest and other expense (income), net	\$ 1,484	\$ (587)	\$ (2,980)	\$ (541)	\$ (4,565)
Total	\$ 1,484	\$ (587)	\$ (2,980)	\$ (541)	\$ (4,565)
Provision for (benefit from) for income taxes:					
Impact of U.S. tax legislation <sup>(1)</sup>	\$ 6,486	\$ -	\$ 47,703	\$ 6,486	\$ 68,729
Impact of income tax audit settlements <sup>(2)</sup>	(51,197)	-	(251,599)	(51,197)	(251,599)
Total	\$ (44,711)	\$ -	\$ (203,896)	\$ (44,711)	\$ (182,870)

(1) Includes effect of U.S. tax legislation enacted on December 22, 2017.

(2) Includes effect of income tax audit settlements.

(3) Includes approximately \$0.5 million of acquisition-related costs and \$0.5 million of cost related to COVID-19 response programs.

**CONSOLIDATED BALANCE SHEETS**

(Unaudited)

	<u>June 27, 2020</u>	<u>March 28, 2020</u>	<u>June 29, 2019</u>
		(in thousands)	
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 1,578,670	\$ 1,638,667	\$ 1,757,342
Short-term investments	35,536	47,109	140,990
Total cash, cash equivalents and short-term investments	1,614,206	1,685,776	1,898,332
Accounts receivable, net	404,778	378,273	360,016
Inventories	259,626	220,686	246,512
Other current assets	39,219	25,288	34,640
Total current assets	2,317,829	2,310,023	2,539,500
Property, plant and equipment, net	550,406	564,636	577,722
Intangible assets, net	87,959	44,642	56,242
Goodwill	562,540	532,251	532,251
Other assets	110,569	97,383	38,267
<b>TOTAL ASSETS</b>	<u>\$ 3,629,303</u>	<u>\$ 3,548,935</u>	<u>\$ 3,743,982</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 91,982	\$ 83,519	\$ 84,335
Price adjustment and other revenue reserves	148,916	111,235	100,490
Income taxes payable	43,457	39,809	33,765
Accrued salary and related expenses	126,751	122,220	118,704
Accrued expenses	42,228	31,143	33,873
Total current liabilities	453,334	387,926	371,167
Long-term debt	994,022	993,663	992,584
Income taxes payable	385,072	434,415	469,418
Other liabilities	139,418	112,988	65,537
Total liabilities	1,971,846	1,928,992	1,898,706
<b>Stockholders' equity:</b>			
Common stock and capital in excess of par value	266	267	272
Retained earnings	1,671,786	1,632,325	1,856,358
Accumulated other comprehensive loss	(14,595)	(12,649)	(11,354)
Total stockholders' equity	1,657,457	1,619,943	1,845,276
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<u>\$ 3,629,303</u>	<u>\$ 3,548,935</u>	<u>\$ 3,743,982</u>

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	Three Months Ended			Year Ended	
	June 27, 2020	March 28, 2020	June 29, 2019	June 27, 2020	June 29, 2019
(in thousands, except per share data)					
<b>Cash flows from operating activities:</b>					
Net income	\$ 207,298	\$ 161,190	\$ 367,558	\$ 654,694	\$ 827,486
Adjustments to reconcile net income to net cash provided by operating activities:					
Stock-based compensation	23,290	23,403	22,004	95,431	86,977
Depreciation and amortization	36,384	24,141	25,569	108,533	110,745
Deferred taxes	14,386	(3,161)	26,118	8,994	13,957
Loss from sale or disposal of property, plant and equipment	557	145	643	1,191	3,967
Other adjustments	2,127	3,265	(268)	11,353	(3)
Changes in assets and liabilities:					
Accounts receivable, price adjustment and other revenue reserves	13,603	(23,933)	15,615	6,091	21,090
Inventories	(34,562)	3,308	26,383	(8,671)	36,003
Other assets	(25,769)	(4,710)	(11,875)	(86,299)	(14,901)
Accounts payable	5,405	(2,655)	699	7,594	(10,272)
Income taxes payable	(45,855)	2,174	(229,776)	(74,814)	(176,114)
All other accrued liabilities	15,465	26,624	(5,203)	76,758	(23,095)
Net cash provided by operating activities	212,329	209,791	237,467	800,855	875,840
<b>Cash flows from investing activities:</b>					
Purchases of property, plant and equipment	(15,680)	(17,068)	(30,653)	(67,049)	(82,823)
Proceeds from sales of property, plant and equipment	124	97	306	392	340
Proceeds from sales of available-for-sale securities	1,290	-	-	1,290	30,192
Proceeds from maturity of available-for-sale securities	10,734	15,485	103,431	104,286	1,130,514
Payment in connection with business acquisition, net of cash acquired	(69,270)	-	-	(69,270)	(2,949)
Purchases of available-for-sale securities	-	-	-	-	(214,587)
Purchases of investments in privately-held companies	(1,840)	(120)	(1,500)	(1,960)	(3,176)
Proceeds from sale of investments in privately-held companies	205	173	-	378	-
Other investing activities	2	(50)	(60)	(116)	(600)
Net cash provided by (used in) investing activities	(74,435)	(1,483)	71,524	(32,049)	856,911
<b>Cash flows from financing activities:</b>					
Contingent consideration paid	-	-	-	(8,000)	(9,052)
Net issuance of restricted stock units	(6,741)	(11,570)	(6,663)	(35,877)	(29,689)
Repayment of notes payable	-	-	-	-	(500,000)
Proceeds from stock options exercised	2,240	7,810	5,414	18,870	24,400
Issuance of common stock under employee stock purchase program	23,725	-	22,486	42,260	40,175
Repurchase of common stock	(82,299)	(157,003)	(102,104)	(440,811)	(539,151)
Dividends paid	(128,058)	(129,072)	(125,345)	(517,162)	(505,576)
Net cash used in financing activities	(191,133)	(289,835)	(206,212)	(940,720)	(1,518,893)
Net increase (decrease) in cash, cash equivalents and restricted cash	(53,239)	(81,527)	102,779	(171,914)	213,858
Cash, cash equivalents and restricted cash					
Beginning of period	\$ 1,638,667	\$ 1,720,194	\$ 1,654,563	\$ 1,757,342	\$ 1,543,484
End of period	\$ 1,585,428	\$ 1,638,667	\$ 1,757,342	\$ 1,585,428	\$ 1,757,342
Total cash, cash equivalents, and short-term investments					
	\$ 1,614,206	\$ 1,685,776	\$ 1,898,332	\$ 1,614,206	\$ 1,898,332
Cash, cash equivalents and restricted cash:					
Cash and cash equivalents	\$ 1,578,670	\$ 1,638,667	\$ 1,757,342	\$ 1,578,670	\$ 1,757,342
Restricted cash in Other assets	6,758	-	-	6,758	-
Total cash, cash equivalents and restricted cash	\$ 1,585,428	\$ 1,638,667	\$ 1,757,342	\$ 1,585,428	\$ 1,757,342

**ANALYSIS OF GAAP VERSUS GAAP EXCLUDING SPECIAL ITEMS DISCLOSURES**

(Unaudited)

	Three Months Ended			Year Ended	
	June 27, 2020	March 28, 2020	June 29, 2019	June 27, 2020	June 29, 2019
(in thousands, except per share data)					
<b>Reconciliation of GAAP gross profit to GAAP gross profit excluding special items:</b>					
GAAP gross profit	\$ 362,368	\$ 366,437	\$ 356,391	\$ 1,432,652	\$ 1,500,506
GAAP gross profit %	66.4%	65.2%	64.0%	65.4%	64.8%
Special items:					
Intangible asset amortization	3,528	3,111	4,038	12,860	22,829
Cost of COVID-19 response programs	1,591	2,025	-	3,616	-
Total special items	5,119	5,136	4,038	16,476	22,829
GAAP gross profit excluding special items	\$ 367,487	\$ 371,573	\$ 360,429	\$ 1,449,128	\$ 1,523,335
GAAP gross profit % excluding special items	67.4%	66.1%	64.8%	66.1%	65.8%
<b>Reconciliation of GAAP operating expenses to GAAP operating expenses excluding special items:</b>					
GAAP operating expenses	\$ 184,381	\$ 183,090	\$ 182,820	\$ 746,258	\$ 753,408
Special items:					
Intangible asset amortization	810	756	756	3,078	3,041
Impairment of long-lived assets	-	-	-	-	753
Severance and restructuring	678	523	1,715	5,363	5,632
Other operating expenses (income), net	(173)	1,077 <sup>(1)</sup>	83	928	143
Total special items	1,315	2,356	2,554	9,369	9,569
GAAP operating expenses excluding special items	\$ 183,066	\$ 180,734	\$ 180,266	\$ 736,889	\$ 743,839
<b>Reconciliation of GAAP net income to GAAP net income excluding special items:</b>					
GAAP net income	\$ 207,298	\$ 161,190	\$ 367,558	\$ 654,694	\$ 827,486
Special items:					
Intangible asset amortization	4,338	3,867	4,794	15,938	25,870
Cost of COVID-19 response programs	1,591	2,025	-	3,616	-
Impairment of long-lived assets	-	-	-	-	753
Severance and restructuring	678	523	1,715	5,363	5,632
Other operating expenses (income), net	(173)	1,077 <sup>(1)</sup>	83	928	143
Interest and other expense (income), net	1,484	(587)	(2,980)	(541)	(4,565)
Pre-tax total special items	7,918	6,905	3,612	25,304	27,833
Other income tax effects and adjustments <sup>(2)</sup>	(14,378)	(2,101)	(11,271)	(19,668)	4,747
Impact of U.S. tax legislation <sup>(3)</sup>	6,486	-	47,703	6,486	68,729
Impact of income tax audit settlements <sup>(4)</sup>	(51,197)	-	(251,599)	(51,197)	(251,599)
GAAP net income excluding special items	\$ 156,127	\$ 165,994	\$ 156,003	\$ 615,619	\$ 677,196
GAAP net income per share excluding special items:					
Basic	\$ 0.59	\$ 0.62	\$ 0.57	\$ 2.29	\$ 2.46
Diluted	\$ 0.58	\$ 0.61	\$ 0.57	\$ 2.26	\$ 2.43
Shares used in the calculation of earnings per share excluding special items:					
Basic	266,639	269,003	272,382	269,341	274,966
Diluted	268,777	271,579	275,834	272,028	278,777

(1) Includes approximately \$0.5 million of acquisition-related costs and \$0.5 million of cost related to COVID-19 response programs.

(2) Includes tax effect of pre-tax special items and miscellaneous tax adjustments.

(3) Includes effect of U.S. tax legislation enacted on December 22, 2017.

(4) Includes effect of income tax audit settlements.