

# FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

## INCOME STATEMENTS

(In millions, except per share amounts)

Year Ended June 30,	2016	2015	2014
Revenue:			
Product	\$ 61,502	\$ 75,956	\$ 72,948
Service and other	23,818	17,624	13,885
Total revenue	<u>85,320</u>	<u>93,580</u>	<u>86,833</u>
Cost of revenue:			
Product	17,880	21,410	16,681
Service and other	14,900	11,628	10,397
Total cost of revenue	<u>32,780</u>	<u>33,038</u>	<u>27,078</u>
Gross margin	52,540	60,542	59,755
Research and development	11,988	12,046	11,381
Sales and marketing	14,697	15,713	15,811
General and administrative	4,563	4,611	4,677
Impairment, integration, and restructuring	1,110	10,011	127
Operating income	20,182	18,161	27,759
Other income (expense), net	(431)	346	61
Income before income taxes	19,751	18,507	27,820
Provision for income taxes	2,953	6,314	5,746
Net income	<u>\$ 16,798</u>	<u>\$ 12,193</u>	<u>\$ 22,074</u>
Earnings per share:			
Basic	\$ 2.12	\$ 1.49	\$ 2.66
Diluted	\$ 2.10	\$ 1.48	\$ 2.63
Weighted average shares outstanding:			
Basic	7,925	8,177	8,299
Diluted	8,013	8,254	8,399
Cash dividends declared per common share	\$ 1.44	\$ 1.24	\$ 1.12

See accompanying notes.