

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INCOME STATEMENTS

(In millions, except per share amounts)

Year Ended June 30,	2018	2017	2016
Revenue:			
Product	\$ 64,497	\$ 63,811	\$ 67,336
Service and other	45,863	32,760	23,818
Total revenue	110,360	96,571	91,154
Cost of revenue:			
Product	15,420	15,175	17,880
Service and other	22,933	19,086	14,900
Total cost of revenue	38,353	34,261	32,780
Gross margin	72,007	62,310	58,374
Research and development	14,726	13,037	11,988
Sales and marketing	17,469	15,461	14,635
General and administrative	4,754	4,481	4,563
Impairment and restructuring	0	306	1,110
Operating income	35,058	29,025	26,078
Other income (expense), net	1,416	876	(439)
Income before income taxes	36,474	29,901	25,639
Provision for income taxes	19,903	4,412	5,100
Net income	\$ 16,571	\$ 25,489	\$ 20,539
Earnings per share:			
Basic	\$ 2.15	\$ 3.29	\$ 2.59
Diluted	\$ 2.13	\$ 3.25	\$ 2.56
Weighted average shares outstanding:			
Basic	7,700	7,746	7,925
Diluted	7,794	7,832	8,013
Cash dividends declared per common share	\$ 1.68	\$ 1.56	\$ 1.44

Refer to accompanying notes.