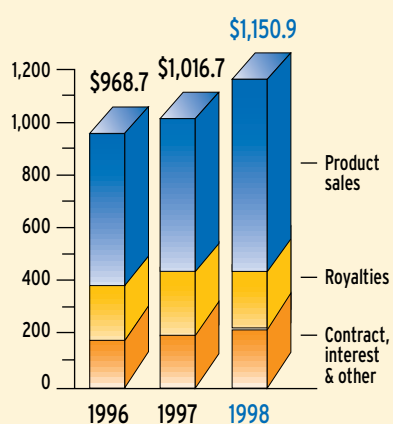


Financial Highlights

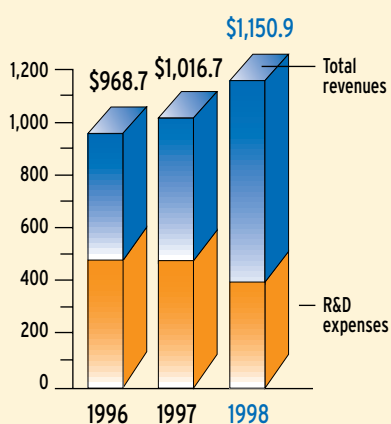
(dollars in millions, except per share data)

Years ended December 31	% Change from Preceding Year				
	1998	1997	1996	1998	1997
Total revenues	\$ 1,150.9	\$ 1,016.7	\$ 968.7	13%	5%
Product sales	717.8	584.9	582.8	23	-
Cost of sales	138.6	102.5	104.5	35	(2)
Research and development (R&D) expenses	396.2	470.9	471.1	(16)	-
Marketing, general and administrative expenses	358.9	269.9	240.1	33	12
Net income	181.9	129.0	118.3	41	9
Diluted earnings per share	1.40	1.02	0.95	37	7
R&D expense as a % of revenues	34%	46%	49%		
Net income as a % of revenues	16%	13%	12%		
Shares used to compute diluted earnings per share (millions)	129.9	126.4	124.0	3	2
Actual shares at year-end (millions)	127.1	124.2	121.4	2	2
Stock price at year-end	\$ 79.69	\$ 60.63	\$ 53.63	31	13
<i>The Company has paid no dividends</i>					
Cash, short-term investments and long-term marketable securities	\$ 1,604.6	\$ 1,286.5	\$ 1,159.1	25	11
Property, plant and equipment, net	700.2	683.3	586.2	2	17
Total assets	2,855.4	2,507.6	2,226.4	14	13
Total stockholders' equity	2,343.8	2,031.2	1,801.1	15	13
Capital expenditures	88.1	154.9	141.8	(43)	9
Number of stockholders of record	13,374	15,122	16,748	(12)	(10)
Number of employees	3,389	3,242	3,071	5	6

Revenues



R&D Expenses and Total Revenues



Diluted Earnings Per Share

