

Item 8. Financial Statements and Supplementary Data

Consolidated Statements of Income

In thousands, except per share amounts

Years ended March 31,	2000	1999	1998
Net revenues	\$1,020,993	\$661,983	\$613,593
Costs and expenses:			
Cost of revenues	384,038	251,266	230,690
Research and development	123,584	90,893	80,456
Sales, general and administrative	186,619	134,250	128,579
Write-off of in-process research and development	4,560	3,600	—
Total operating costs and expenses	698,801	480,009	439,725
Operating income	322,192	181,974	173,868
Capital gain from merger of United Silicon Inc. with United Microelectronics Corp.	674,728	—	—
Interest income and other	27,361	19,341	20,652
Interest expense	(9)	(11,916)	(13,924)
Income before provision for taxes on income, equity in joint venture and cumulative effect of change in accounting principle	1,024,272	189,399	180,596
Provision for taxes on income	378,006	54,925	56,728
Income before equity in joint venture and cumulative effect of change in accounting principle	646,266	134,474	123,868
Equity in income/(loss) of joint venture	6,184	(5,236)	2,719
Income before cumulative effect of change in accounting principle	652,450	129,238	126,587
Cumulative effect of change in accounting principle	—	(26,646)	—
Net income	\$ 652,450	\$ 102,592	\$ 126,587

Net income per share:

Basic			
Income before cumulative effect of change in accounting principle	\$ 2.06	\$ 0.44	\$ 0.43
Cumulative effect of change in accounting principle	—	(0.09)	—
Basic net income per share	\$ 2.06	\$ 0.35	\$ 0.43
Diluted			
Income before cumulative effect of change in accounting principle	\$ 1.90	\$ 0.42	\$ 0.40
Cumulative effect of change in accounting principle	—	(0.09)	—
Diluted net income per share	\$ 1.90	\$ 0.33	\$ 0.40

Shares used in per share calculations:

Basic	316,724	292,843	294,963
Diluted	343,479	308,620	320,041

Pro forma amounts with the change in accounting principle

related to revenue recognition applied retroactively (unaudited):

Net revenues	—	\$ 661,983	\$ 598,065
Net income	—	\$ 129,238	\$ 118,987
Net income per share:			
Basic	—	\$ 0.44	\$ 0.40
Diluted	—	\$ 0.42	\$ 0.37