

Consolidated Statements of Cash Flows

Fiscal Year Ended January 31,

(Amounts in millions)	2008	2007	2006
Cash flows from operating activities			
Net income	\$ 12,731	\$ 11,284	\$ 11,231
Loss from discontinued operations, net of tax	153	894	177
Income from continuing operations	12,884	12,178	11,408
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:			
Depreciation and amortization	6,317	5,459	4,645
Deferred income taxes	(8)	89	(129)
Other operating activities	601	1,039	613
Changes in certain assets and liabilities, net of effects of acquisitions:			
Increase in accounts receivable	(564)	(214)	(466)
Increase in inventories	(775)	(1,274)	(1,761)
Increase in accounts payable	865	2,132	3,031
Increase in accrued liabilities	1,034	588	1,002
Net cash provided by operating activities of continuing operations	20,354	19,997	18,343
Net cash used in operating activities of discontinued operations	—	(45)	(102)
Net cash provided by operating activities	20,354	19,952	18,241
Cash flows from investing activities			
Payments for property and equipment	(14,937)	(15,666)	(14,530)
Proceeds from disposal of property and equipment	957	394	1,042
(Payments for) proceeds from disposal of certain international operations, net	(257)	610	—
Investment in international operations, net of cash acquired	(1,338)	(68)	(601)
Other investing activities	(95)	223	(67)
Net cash used in investing activities of continuing operations	(15,670)	(14,507)	(14,156)
Net cash provided by (used in) investing activities of discontinued operations	—	44	(30)
Net cash used in investing activities	(15,670)	(14,463)	(14,186)
Cash flows from financing activities			
Increase (decrease) in commercial paper	2,376	(1,193)	(704)
Proceeds from issuance of long-term debt	11,167	7,199	7,691
Payment of long-term debt	(8,723)	(5,758)	(2,724)
Dividends paid	(3,586)	(2,802)	(2,511)
Purchase of Company stock	(7,691)	(1,718)	(3,580)
Payment of capital lease obligations	(343)	(340)	(245)
Other financing activities	(334)	(227)	(349)
Net cash used in financing activities	(7,134)	(4,839)	(2,422)
Effect of exchange rate changes on cash	252	97	(101)
Net (decrease) increase in cash and cash equivalents	(2,198)	747	1,532
Cash and cash equivalents at beginning of year ⁽¹⁾	7,767	7,020	5,488
Cash and cash equivalents at end of year ⁽²⁾	\$ 5,569	\$ 7,767	\$ 7,020
Supplemental disclosure of cash flow information			
Income tax paid	\$ 6,299	\$ 6,665	\$ 5,962
Interest paid	1,622	1,553	1,390
Capital lease obligations incurred	447	159	286

(1) Includes cash and cash equivalents of discontinued operations of \$221 and \$383 million at January 31, 2006 and 2005, respectively.

(2) Includes cash and cash equivalents of discontinued operations of \$221 million at January 31, 2006.

See accompanying notes.