

Consolidated Statements of Cash Flows

(Amounts in millions)	Fiscal Year Ended January 31,		
	2009	2008	2007
Cash flows from operating activities:			
Net income	\$ 13,400	\$ 12,731	\$ 11,284
(Income) loss from discontinued operations, net of tax	(146)	132	905
Income from continuing operations	13,254	12,863	12,189
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:			
Depreciation and amortization	6,739	6,317	5,459
Deferred income taxes	581	(8)	89
Other operating activities	1,268	910	1,311
Changes in certain assets and liabilities, net of effects of acquisitions:			
(Increase) in accounts receivable	(101)	(564)	(214)
(Increase) in inventories	(220)	(775)	(1,274)
(Decrease) increase in accounts payable	(410)	865	2,132
Increase in accrued liabilities	2,036	1,034	588
Net cash provided by operating activities of continuing operations	23,147	20,642	20,280
Net cash used in operating activities of discontinued operations	—	—	(45)
Net cash provided by operating activities	23,147	20,642	20,235
Cash flows from investing activities:			
Payments for property and equipment	(11,499)	(14,937)	(15,666)
Proceeds from disposal of property and equipment	714	957	394
Proceeds from (payments for) disposal of certain international operations, net	838	(257)	610
Investment in international operations, net of cash acquired	(1,576)	(1,338)	(68)
Other investing activities	781	(95)	223
Net cash used in investing activities of continuing operations	(10,742)	(15,670)	(14,507)
Net cash provided by investing activities of discontinued operations	—	—	44
Net cash used in investing activities	(10,742)	(15,670)	(14,463)
Cash flows from financing activities:			
(Decrease) increase in commercial paper	(3,745)	2,376	(1,193)
Proceeds from issuance of long-term debt	6,566	11,167	7,199
Payment of long-term debt	(5,387)	(8,723)	(5,758)
Dividends paid	(3,746)	(3,586)	(2,802)
Purchase of Company stock	(3,521)	(7,691)	(1,718)
Payment of capital lease obligations	(352)	(343)	(340)
Other financing activities	267	(622)	(510)
Net cash used in financing activities	(9,918)	(7,422)	(5,122)
Effect of exchange rates on cash	(781)	252	97
Net increase (decrease) in cash and cash equivalents	1,706	(2,198)	747
Cash and cash equivalents at beginning of year ⁽¹⁾	5,569	7,767	7,020
Cash and cash equivalents at end of year ⁽²⁾	\$ 7,275	\$ 5,569	\$ 7,767
Supplemental disclosure of cash flow information:			
Income tax paid	\$ 6,596	\$ 6,299	\$ 6,665
Interest paid	1,787	1,622	1,553
Capital lease obligations incurred	284	447	159

(1) Includes cash and cash equivalents of discontinued operations of \$77 million, \$51 million and \$19 million at January 31, 2008, 2007 and 2006, respectively.

(2) Includes cash and cash equivalents of discontinued operations of \$77 million and \$51 million at January 31, 2008 and 2007, respectively.

See accompanying notes.