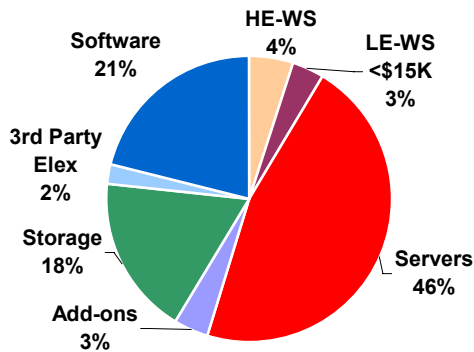


Financials

SUN	2003E	2002	2001
Revenue	\$ 11,872	\$ 12,496	\$ 18,250
Cost of Goods Sold	\$ 8,228	\$ 5,056	\$ 7,961
Gross Profit Margin	41.8%	39.3%	44.9%
SG&A Expense	\$ 3,362	\$ 3,812	\$ 4,445
Operating Income	\$ 39	\$ -1248	\$ 1,311
Total Net Income	\$ 106	\$ -587	\$ 927

Revenue by Product Line



Business

Sun Microsystems is a leading maker of UNIX-based, number-crunching workstation computers, storage devices, and servers for powering corporate computer networks and Web sites. The company makes computers that use its own microprocessors - SPARC and UNIX operating systems - Solaris. Sun revenues had a meteoric rise during the dot.com boom followed by an equally shattering bust during 2001. Buffeted between the high volume, low margin model of Dell and the computer services model adopted by IBM, Sun vacillated in its finding a profitable niche of its own. Recently it has chosen to leverage its strengths in software, rallying around Java (a programming language creating software that can run unchanged on any kind of computer) and N1 - a set of computing utilities for Data Center automation and future software Orion to run Grid Computing to form its core strategy. Sun sells to customers in the telecommunications, financial, healthcare, retail, government, manufacturing, and education markets.

Industry & Competition

(for subscribed clients only)

[WW Market Forecasts – Enterprise Servers, Storage, Software, Appliances, Services](#)

[Sun Market Shares – Servers \(HE,MR,WkStns\), Storage, Software \(Java,Sunsoft\), Services](#)

[Sun Competitive Positioning by Products – Servers, Storage, Software, Enterprise & Web Services](#)

[Sun Market Strategy - Enterprise, Midrange, SMB, Service Providers](#)

[Sun Financials by Business Segments, Product Lines, Geography, Sales & Earnings Model](#)

Headquarters



4150 Network Circle
 Santa Clara, CA 95054
 650-960-1300
<http://www.sun.com/>

Management

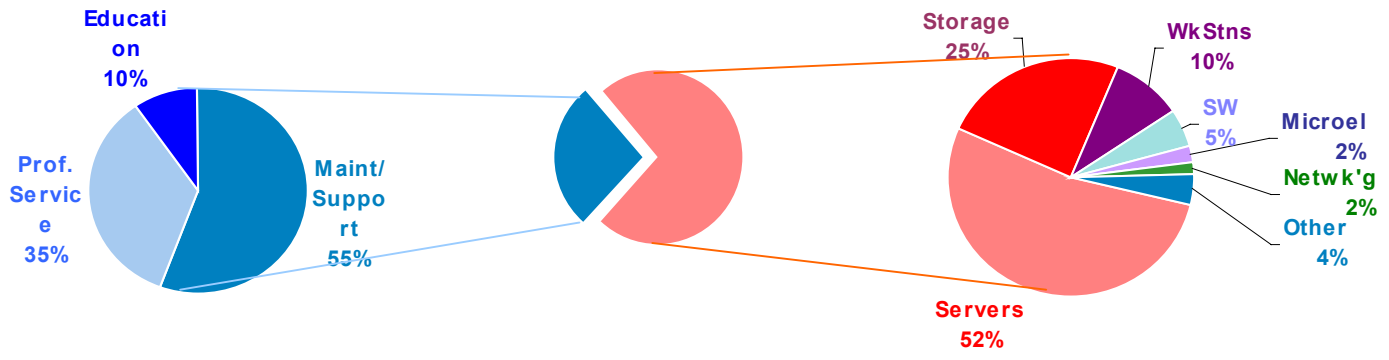
President & CEO - Scott McNealy
 CIO - H. William Howard
 EVP - Crawford Beveridge
 EVP & CTO - Greg Papadopoulos
 EVP, Software Group - Jonathan Schwartz
 EVP, Sun Services - Patricia Sultz
 EVP, Marketing & Strategy - Mark Tolliver
 EVP, WW Operations – Marissa Peterson
 EVP, Enterprise Systems Products - Clark Masters
 EVP, Network Storage Products – Mark Canepa
 EVP, Volume System Products – Neil Knox
 SVP, Marketing, Volume Sys Pdcts – Souheil Saliba
 CTO, Volume System Products – Subodh Kapat



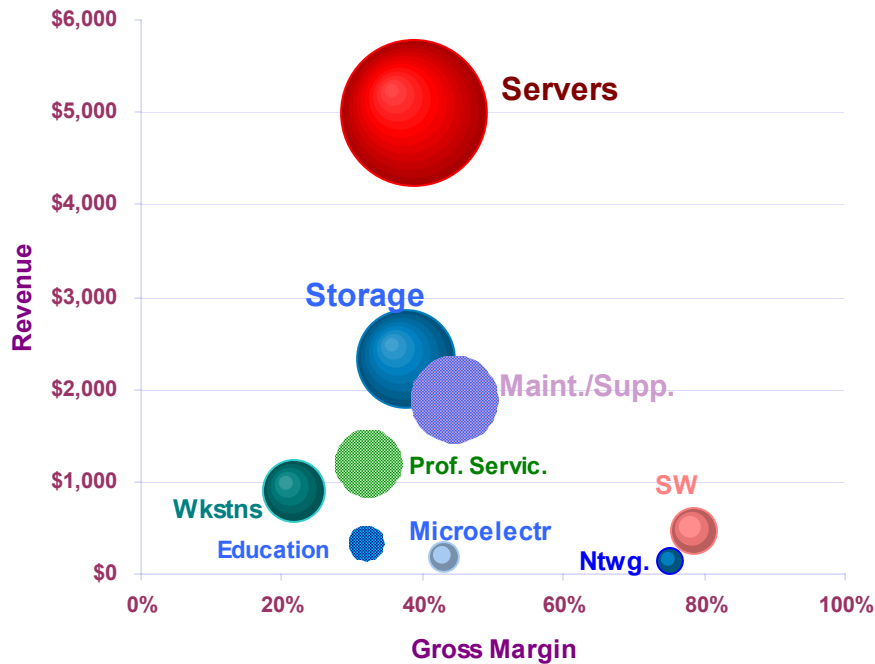


Sun Services Rev 2002

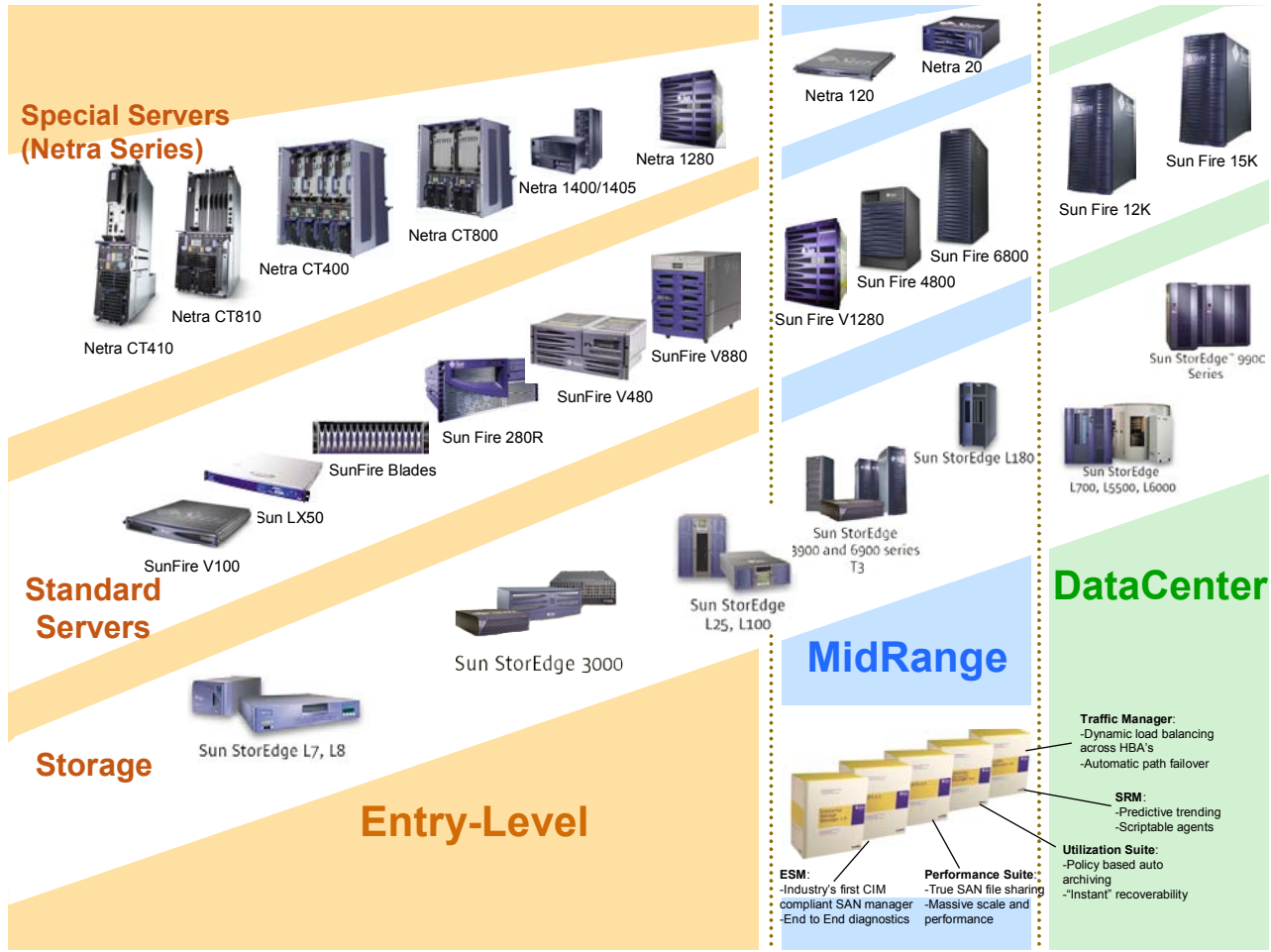
Sun Products Rev 2002



Sun Microsystems Revenue vs. Gross Margin 2002



Systems and Technology

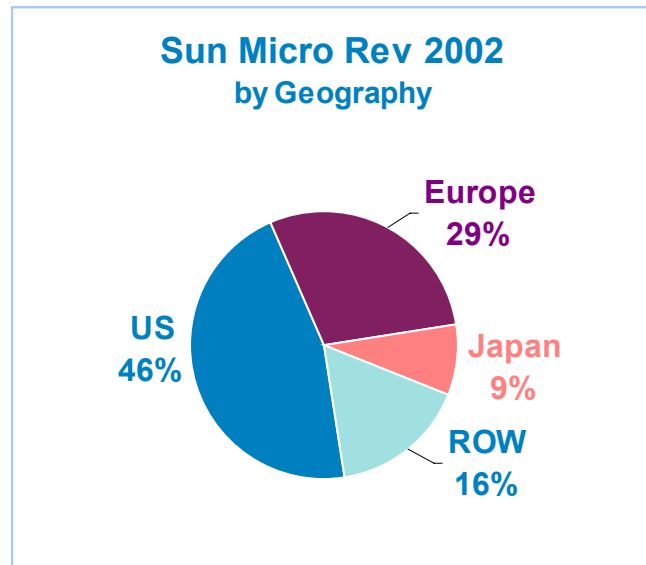
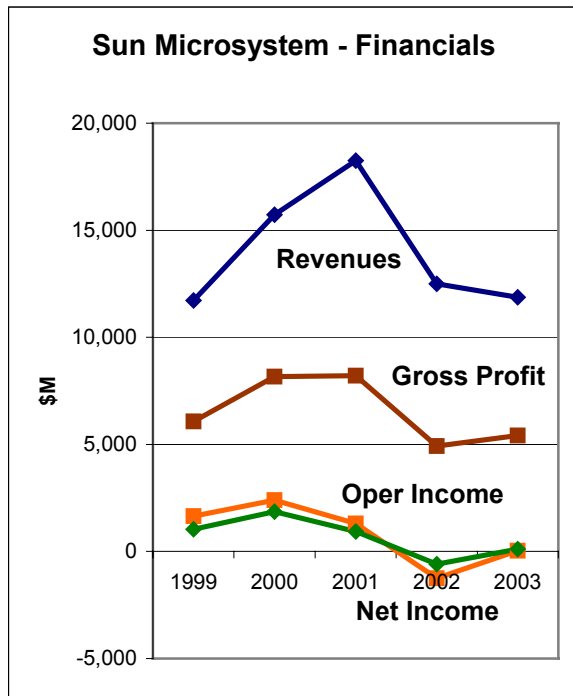


Sun Product Line

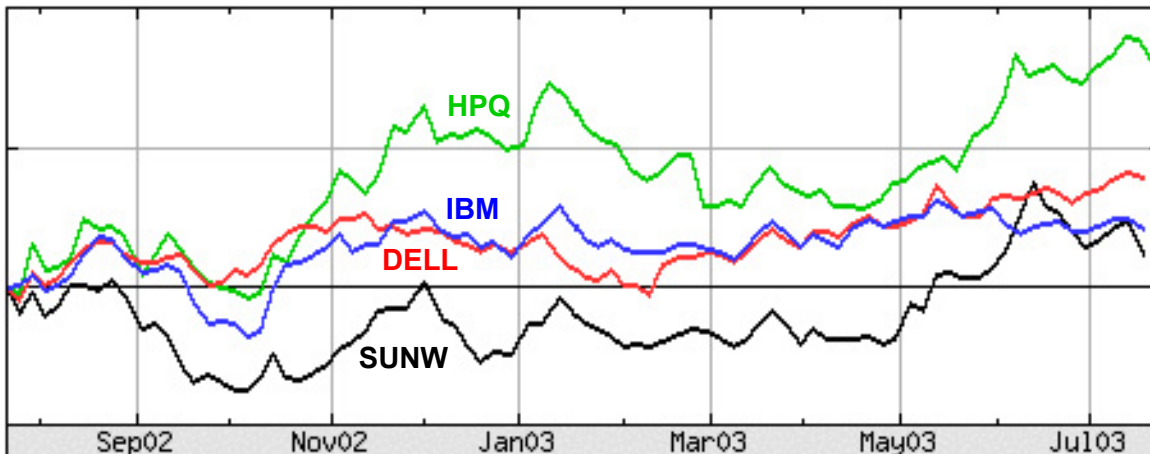
Desktops/Wkstns.	Servers	Telco Systems
<p>Sun Blade 150 Sun Blade 2000</p>	<p><u>Entry-Level Servers</u> Sun Enterprise 250 Sun Fire 280R Sun Fire B1600 Sun Fire V100 Sun Fire V120 Sun Fire V210 Sun Fire V240 Sun Fire V480 Sun Fire V880 Sun Fire V880z Sun LX50 Sun Fire V60x Sun Fire V65x</p> <p><u>Midrange Servers</u> Sun Fire 3800 Sun Fire 4800 Sun Fire 6800 Sun Fire V1280</p> <p><u>High-End Servers</u> Sun Fire 12K Sun Fire 15K</p>	<p><u>Servers</u> Netra 20 Netra t 1400 Netra t 1405 Netra 120 Netra 1280 Netra ct 400 Netra ct 800 Netra ct 1600 Netra CT 410 Netra CT 810 Netra ct 1600</p> <p><u>Storage</u> Netra E1 Netra st A1000 Netra st D1000</p>
Misc. Systems	Disk Arrays	Tape Libraries
<p>Sun Cobalt Server Appliances Sun Cobalt CacheRaQ 4 Sun Cobalt RaQ 550 Sun Cobalt Control Station Sun Cobalt Qube 3 Sun Ray Sun Ray 1 Sun Ray 100 Sun Ray 150</p>	<p>Sun StorEdge 3310 Sun StorEdge 3510 FC Sun StorEdge 3900 series Sun StorEdge 6020/6120 Array Sun StorEdge 6320 System Sun StorEdge 6900 series Sun StorEdge 9910/9960/9970/9980 Sun StorEdge A1000 Sun StorEdge A5200 Sun StorEdge D1000/D2 Sun StorEdge S1 Sun StorEdge T3/T3+ Sun StorEdge D240 Media Tray Sun StorEdge MultiPack/-FC SPARCstorage UniPack</p>	<p>Sun StorEdge L7 Sun StorEdge L8 Sun StorEdge L25/L100 Sun StorEdge L180 Sun StorEdge L700 Sun StorEdge L5500 Sun StorEdge L6000 SPARCstorage FlexiPack SPARCstorage</p>

Financials

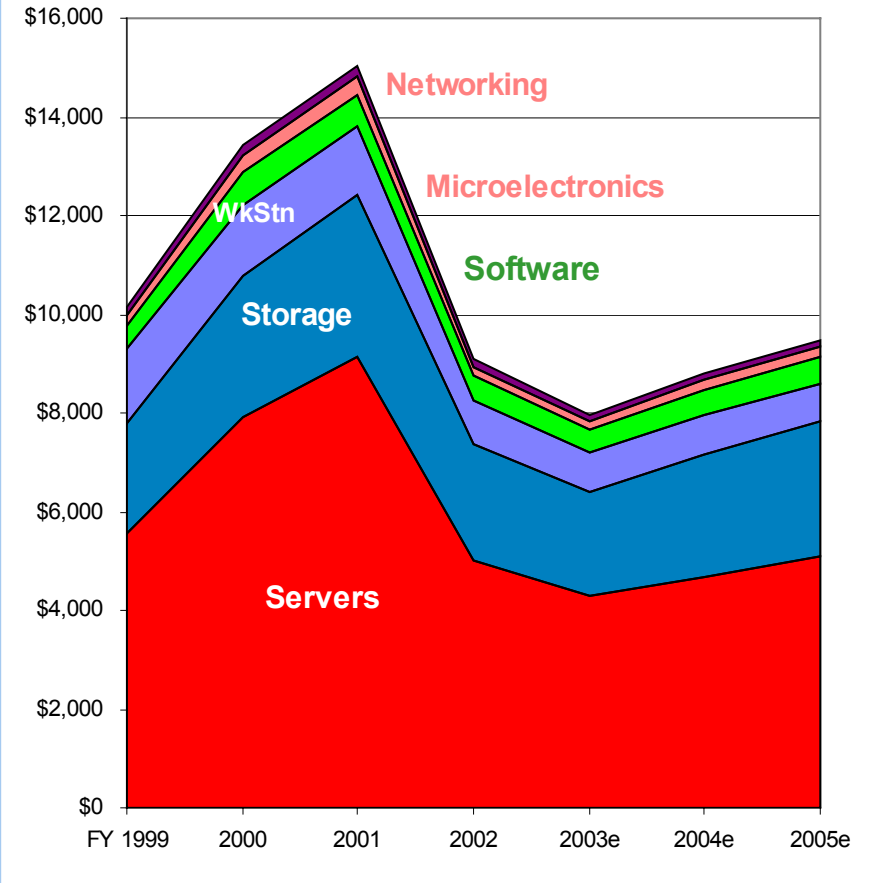
FINANCIALS	1999	2000	2001	2002	2003
Revenue	\$ 11,726	\$ 15,721	\$ 18,250	\$ 12,496	\$ 11,872
Cost of Goods Sold	\$ 5,648	\$ 7,549	\$ 7,961	\$ 5,506	\$ 4,619
Gross Profit	\$ 6,078	\$ 8,172	\$ 8,209	\$ 4,916	\$ 5,413
Gross Profit Margin	52%	52%	44.9%	39.3%	45.6%
SG&A Expense	\$ 4,436	\$ 5,779	\$ 4,445	\$ 3,812	\$ 3,362
Operating Income	\$ 1,642	\$ 2,393	\$ 1,311	\$ -1,248	\$ 39
Operating Margin	14%	15%	7%	-10%	0.3%
Net Income	\$ 1,031	\$ 1,854	\$ 927	\$ -587	\$ 106
Net Profit Margin	9%	12%	5%	-4%	0.8%



Stock Performance

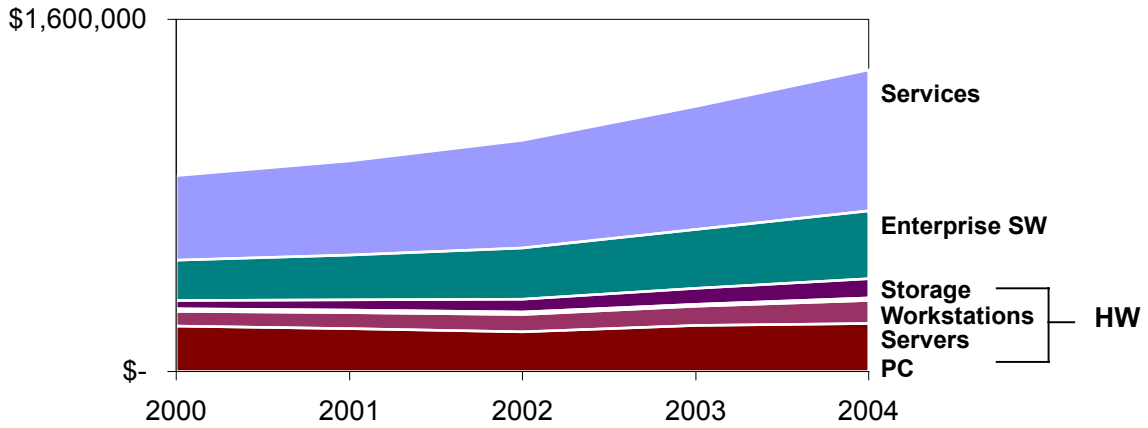


Sun Microsystems Revenue by Product Line

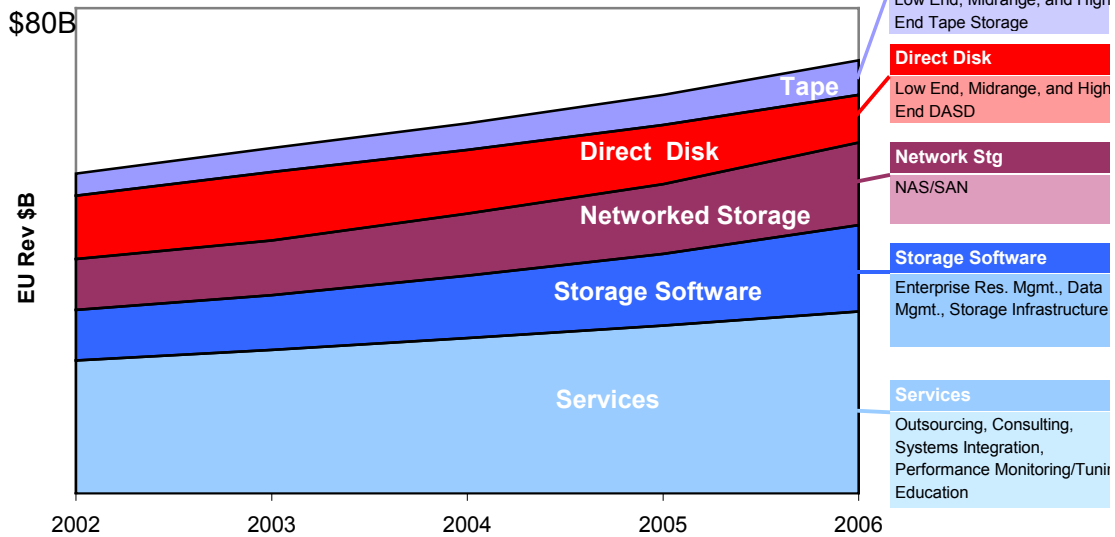


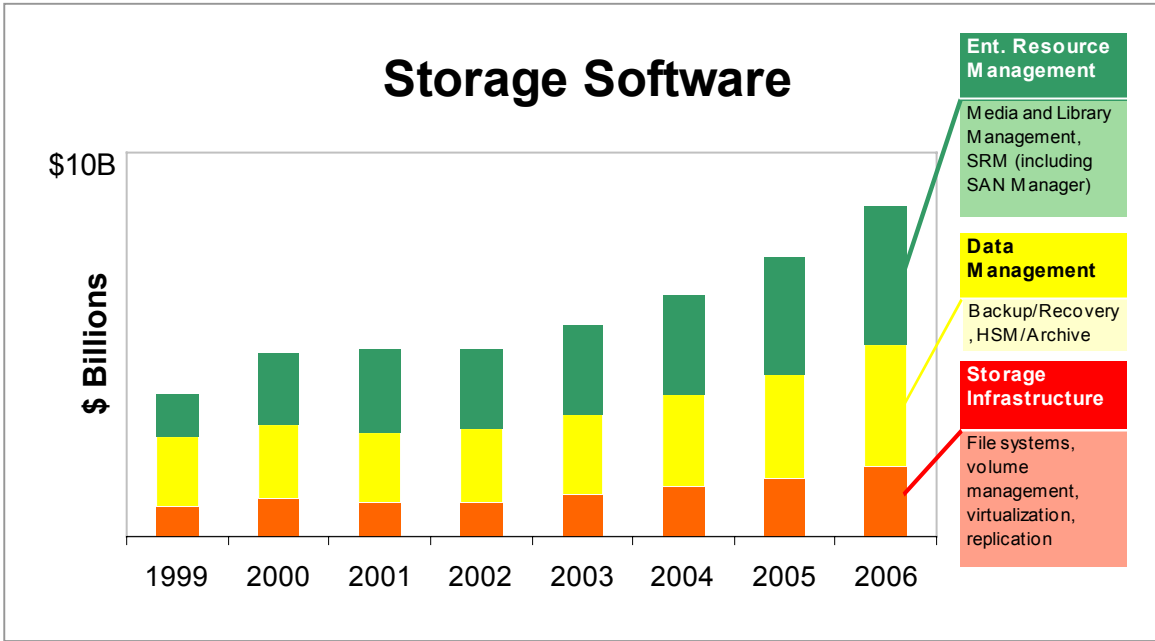
Market Shares

World Wide IT Market Forecast



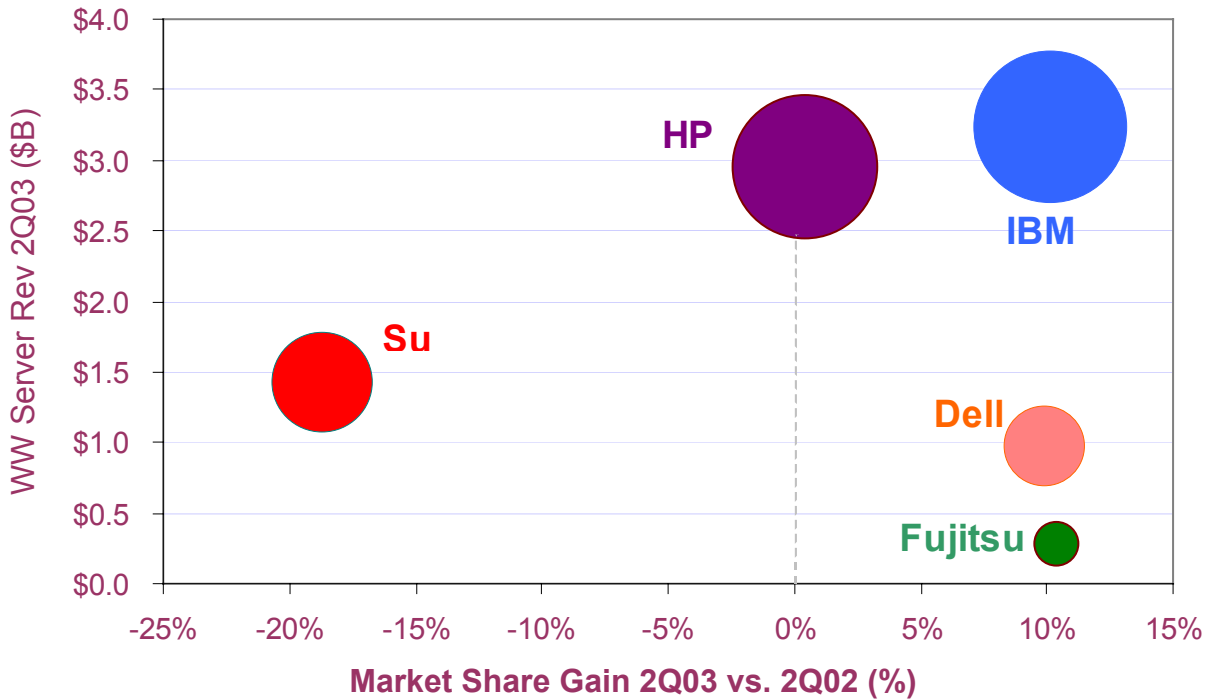
WW Storage Market Rev 2002-06





WW Server Market Share Gains 2Q03

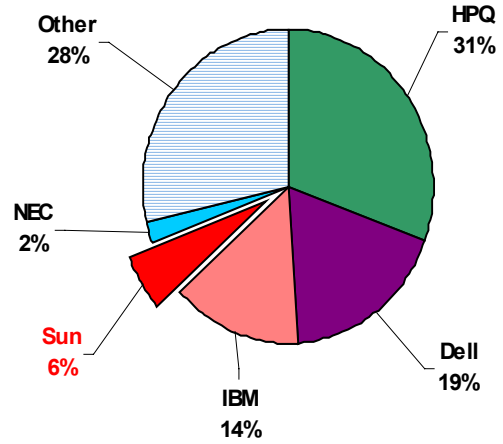
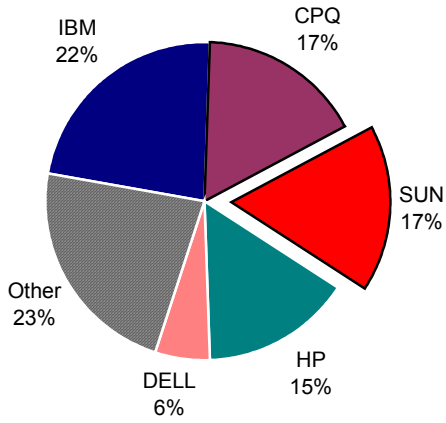
Revenue vs. Mkt. Share Gains



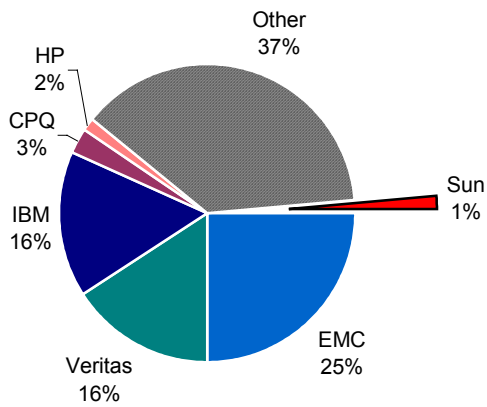


WW Server Market Shares 2002 Shipments

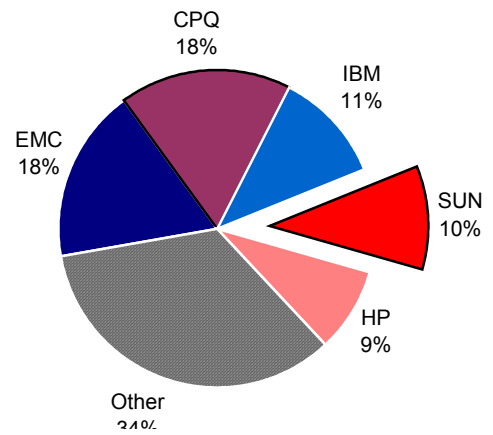
W.W. Server Market Share



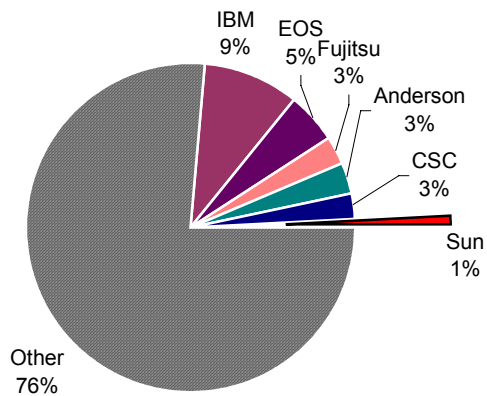
W. W. Storage SW Market



W.W. Disk Storage Market



W.W. Services Market



Software

Integrated Apps.:

Afara
Ariba
ATG
Broadvision
Clustra
Gridware
Innosoft
Intershop
Interworld
iPlanet (Sun-Netscape Alliance)
Open Market
Oracle
Pirus
Star Division
Terraspring
Trans (Critical Path)

Web/App Server:

BEA (WebLogic)
Iplanet

Billing/IBP & P:

Portal
iPlanet
Just-in-time

Performance:

Inktomi
Resonate
TimesTen

Content Management:

Bulldog
Interwoven
Vignette
Virage

Interactive Media:

Macromedia
RealNetworks

Portal Builders:

Autonomy
Epicentric
Lotus
TIBCO.net

Catalogs & Configurators:

Selectica
Trilogy

Workflow/Collaboration:

FileNet
Documentum
Lotus

Security & Payment:

Baltimore
Entrust
ISS
Trintech

E-marketplace:

Moai Technologies
Trading Dynamics (Ariba)

Profiling/Personalization:

Accrue
Andromedia (Macromedia)
Engage
net.Genesis
NetPerceptions

Customer Care:

Graham
Siebel
Vantive (Peoplesoft)

Storage Management:

VERITAS