HEWLETT-PACKARD COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS
(Unaudited)
(In millions except per share amounts)

	Three months ended		
	July 31, 2011	April 30, 2011	July 31, 2010
Net revenue	$ 31,189	$ 31,632	$ 30,729
Costs and Expenses: [a]			
Cost of sales	23,929	23,860	23,365
Research and development	812	815	742
Selling, general and administrative	3,402	3,397	3,191
Amortization of purchased intangible assets	358	413	383
Restructuring charges	150	158	598
Acquisition-related charges	18	21	127
Total costs and expenses	28,669	28,664	28,406
Earnings from operations	2,520	2,968	2,323
Interest and other, net	(121)	(76)	(134)
Earnings before taxes	2,399	2,892	2,189
Provision for taxes	473	588	416
Net earnings	$ 1,926	$ 2,304	$ 1,773
Net earnings per share:			
Basic	$ 0.94	$ 1.07	$ 0.76
Diluted	$ 0.93	$ 1.05	$ 0.75
Cash dividends declared per share	$ 0.24	$ -	$ 0.16
Weighted-average shares used to compute net earnings per share:			
Basic	2,054	2,150	2,322
Diluted	2,080	2,184	2,376

(a) In connection with organizational realignments implemented in the first quarter of fiscal 2011, certain costs previously reported as Cost of Sales have been reclassified as Selling, General and Administrative expenses to better align those costs with the functional areas that benefit from those expenditures.

HEWLETT-PACKARD COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS
(Unaudited)
(In millions except per share amounts)

	Nine months ended July 31,	
	2011	2010
Net revenue	$ 95,123	$ 92,755
Costs and expenses: [a]		
Cost of sales	72,197	70,961
Research and development	2,425	2,145
Selling, general and administrative	9,889	9,254
Amortization of purchased intangible assets	1,196	1,060
Restructuring charges	466	909
Acquisition-related charges	68	242
Total costs and expenses	86,241	84,571
Earnings from operations	8,882	8,184
Interest and other, net	(294)	(424)
Earnings before taxes	8,588	7,760
Provision for taxes	1,753	1,537
Net earnings	$ 6,835	$ 6,223
Net earnings per share:		
Basic	$ 3.21	$ 2.66
Diluted	$ 3.16	$ 2.60
Cash dividends declared per share	$ 0.40	$ 0.32
Weighted-average shares used to compute net earnings per share:		
Basic	2,129	2,342
Diluted	2,161	2,398

(a) In connection with organizational realignments implemented in the first quarter of fiscal 2011, certain costs previously reported as Cost of Sales have been reclassified as Selling, General and Administrative expenses to better align those costs with the functional areas that benefit from those expenditures.

HEWLETT-PACKARD COMPANY AND SUBSIDIARIES
ADJUSTMENTS TO GAAP NET EARNINGS, EARNINGS FROM OPERATIONS,
OPERATING MARGIN AND EARNINGS PER SHARE
(Unaudited)
(In millions except per share amounts)

	Three months ended July 31, 2011	Diluted earnings per share	Three months ended April 30, 2011	Diluted earnings per share	Three months ended July 31, 2010	Diluted earnings per share
GAAP net earnings	$ 1,926	$ 0.93	$ 2,304	$ 1.05	$ 1,773	$ 0.75
Non-GAAP adjustments:						
Amortization of purchased intangible assets	358	0.17	413	0.19	383	0.16
Restructuring charges	150	0.07	158	0.07	598	0.25
Acquisition-related charges	18	0.01	21	0.01	127	0.05
Adjustments for taxes	(170)	(0.08)	(179)	(0.08)	(306)	(0.13)
Non-GAAP net earnings	$ 2,282	$ 1.10	$ 2,717	$ 1.24	$ 2,575	$ 1.08
GAAP earnings from operations	$ 2,520		$ 2,968		$ 2,323	
Non-GAAP adjustments:						
Amortization of purchased intangible assets	358		413		383	
Restructuring charges	150		158		598	
Acquisition-related charges	18		21		127	
Non-GAAP earnings from operations	$ 3,046		$ 3,560		$ 3,431	
GAAP operating margin	8%		9%		8%	
Non-GAAP adjustments	2%		2%		3%	
Non-GAAP operating margin	10%		11%		11%	

HEWLETT-PACKARD COMPANY AND SUBSIDIARIES
ADJUSTMENTS TO GAAP NET EARNINGS, EARNINGS FROM OPERATIONS,
OPERATING MARGIN AND EARNINGS PER SHARE
(Unaudited)
(In millions except per share amounts)

	Nine months ended July 31, 2011	Diluted earnings per share	Nine months ended July 31, 2010	Diluted earnings per share
GAAP net earnings	$ 6,835	$ 3.16	$ 6,223	$ 2.60
Non-GAAP adjustments:				
Amortization of purchased intangible assets	1,196	0.55	1,060	0.44
Restructuring charges	466	0.22	909	0.38
Acquisition-related charges	68	0.03	242	0.10
Adjustments for taxes	(536)	(0.24)	(632)	(0.27)
Non-GAAP net earnings	$ 8,029	$ 3.72	$ 7,802	$ 3.25
GAAP earnings from operations	$ 8,882		$ 8,184	
Non-GAAP adjustments:				
Amortization of purchased intangible assets	1,196		1,060	
Restructuring charges	466		909	
Acquisition-related charges	68		242	
Non-GAAP earnings from operations	$ 10,612		$ 10,395	
GAAP operating margin	9%		9%	
Non-GAAP adjustments	2%		2%	
Non-GAAP operating margin	11%		11%	

HEWLETT-PACKARD COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(In millions)

	July 31, 2011 (unaudited)	October 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	$ 12,953	$ 10,929
Accounts receivable	18,121	18,481
Financing receivables	3,167	2,986
Inventory	7,427	6,466
Other current assets	14,611	15,322
Total current assets	56,279	54,184
Property, plant and equipment	11,959	11,763
Long-term financing receivables and other assets	11,178	12,225
Goodwill and purchased intangible assets	45,501	46,331
Total assets	$ 124,917	$ 124,503
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable and short-term borrowings	$ 6,666	$ 7,046
Accounts payable	14,489	14,365
Employee compensation and benefits	3,728	4,256
Taxes on earnings	788	802
Deferred revenue	7,390	6,727
Other accrued liabilities	15,877	16,207
Total current liabilities	48,938	49,403
Long-term debt	19,030	15,258
Other liabilities	17,731	19,061
Stockholders' equity:		
HP stockholders' equity	38,823	40,449
Non-controlling interests	395	332
Total stockholders' equity	39,218	40,781
Total liabilities and stockholders' equity	$ 124,917	$ 124,503

HEWLETT-PACKARD COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)
(In millions)

	Three months ended July 31, 2011	Nine months ended July 31, 2011
Cash flows from operating activities:		
Net earnings	$ 1,926	$ 6,835
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	1,225	3,722
Stock-based compensation expense	148	475
Provision for bad debt and inventory	112	208
Restructuring charges	150	466
Deferred taxes on earnings	163	804
Excess tax benefit from stock-based compensation	(6)	(160)
Other, net	(63)	(202)
Changes in assets and liabilities:		
Accounts and financing receivables	388	(220)
Inventory	(724)	(1,139)
Accounts payable	265	122
Taxes on earnings	158	251
Restructuring	(245)	(750)
Other assets and liabilities	(290)	(173)
Net cash provided by operating activities	3,207	10,239
Cash flows from investing activities:		
Investment in property, plant and equipment	(1,128)	(3,154)
Proceeds from sale of property, plant and equipment	149	782
Maturities and sales of available-for-sale securities and other investments	2	59
Payments made in connection with business acquisitions, net of cash acquired	(23)	(269)
Proceeds from business divestiture, net	89	89
Net cash used in investing activities	(911)	(2,493)
Cash flows from financing activities:		
Repayment of commercial paper and notes payable, net	(534)	(1,532)
Issuance of debt	5,246	7,462
Payment of debt	(1,981)	(2,435)
Issuance of common stock under employee stock plans	71	845
Repurchase of common stock	(4,641)	(9,617)
Excess tax benefit from stock-based compensation	6	160
Dividends	(248)	(605)
Net cash used in financing activities	(2,081)	(5,722)
Increase in cash and cash equivalents	215	2,024
Cash and cash equivalents at beginning of period	12,738	10,929
Cash and cash equivalents at end of period	$ 12,953	$ 12,953

HEWLETT-PACKARD COMPANY AND SUBSIDIARIES
SEGMENT INFORMATION
(Unaudited)
(In millions)

	Three months ended		
	July 31, 2011	April 30, 2011	July 31, 2010
Net revenue: [a]			
Services	$ 9,089	$ 8,977	$ 8,772
Enterprise Servers, Storage and Networking	5,396	5,556	5,021
HP Software	780	764	650
Personal Systems Group	9,592	9,415	9,918
Imaging and Printing Group	6,087	6,745	6,167
HP Financial Services	932	885	764
Corporate Investments	266	72	85
Total Segments	32,142	32,414	31,377
Eliminations of intersegment net revenue and other	(953)	(782)	(648)
Total HP Consolidated Net Revenue	$ 31,189	$ 31,632	$ 30,729
Earnings from operations: [a]			
Services	$ 1,225	$ 1,361	$ 1,381
Enterprise Servers, Storage and Networking	699	766	706
HP Software	151	154	182
Personal Systems Group	567	533	469
Imaging and Printing Group	892	1,144	1,040
HP Financial Services	88	83	72
Corporate Investments	(332)	(198)	(88)
Total Segments	3,290	3,843	3,762
Corporate and unallocated costs and eliminations	(114)	(153)	(175)
Unallocated costs related to stock-based compensation expense	(130)	(130)	(156)
Amortization of purchased intangible assets	(358)	(413)	(383)
Restructuring charges	(150)	(158)	(598)
Acquisition-related charges	(18)	(21)	(127)
Interest and other, net	(121)	(76)	(134)
Total HP Consolidated Earnings Before Taxes	$ 2,399	$ 2,892	$ 2,189

(a) Certain fiscal 2011 organizational reclassifications have been reflected retroactively to provide improved visibility and comparability. For each of the quarters in fiscal year 2010, the reclassifications resulted in the transfer of revenue and operating profit among the Enterprise Servers, Storage and Networking, Services, HP Software and Corporate Investments financial reporting segments. Reclassifications between segments included the transfer of the networking business from Corporate Investments to Enterprise Servers, Storage and Networking, the transfer of the communications and media solutions business from HP Software to Services, and the transfer of the business intelligence business from HP Software to Corporate Investments. There was no impact on the previously reported financial results for the Personal Systems Group, HP Financial Services and Imaging and Printing Group segments.

HEWLETT-PACKARD COMPANY AND SUBSIDIARIES
SEGMENT INFORMATION
(Unaudited)
(In millions)

	Nine months ended July 31,	
	2011	2010
Net revenue: [a]		
Services	$ 26,673	$ 26,404
Enterprise Servers, Storage and Networking	16,586	14,468
HP Software	2,241	1,966
Personal Systems Group	29,456	30,458
Imaging and Printing Group	19,462	18,769
HP Financial Services	2,644	2,238
Corporate Investments	416	211
Total Segments	97,478	94,514
Eliminations of intersegment net revenue and other	(2,355)	(1,759)
Total HP Consolidated Net Revenue	$ 95,123	$ 92,755
Earnings from operations: [a]		
Services	$ 3,961	$ 4,161
Enterprise Servers, Storage and Networking	2,293	1,937
HP Software	428	521
Personal Systems Group	1,772	1,464
Imaging and Printing Group	3,165	3,192
HP Financial Services	250	208
Corporate Investments	(713)	(209)
Total Segments	11,156	11,274
Corporate and unallocated costs and eliminations	(118)	(375)
Unallocated costs related to stock-based compensation expense	(426)	(504)
Amortization of purchased intangible assets	(1,196)	(1,060)
Restructuring charges	(466)	(909)
Acquisition-related charges	(68)	(242)
Interest and other, net	(294)	(424)
Total HP Consolidated Earnings Before Taxes	$ 8,588	$ 7,760

(a) Certain fiscal 2011 organizational reclassifications have been reflected retroactively to provide improved visibility and comparability. For each of the quarters in fiscal year 2010, the reclassifications resulted in the transfer of revenue and operating profit among the Enterprise Servers, Storage and Networking, Services, HP Software and Corporate Investments financial reporting segments. Reclassifications between segments included the transfer of the networking business from Corporate Investments to Enterprise Servers, Storage and Networking, the transfer of the communications and media solutions business from HP Software to Services, and the transfer of the business intelligence business from HP Software to Corporate Investments. There was no impact on the previously reported financial results for the Personal Systems Group, HP Financial Services and Imaging and Printing Group segments.

HEWLETT-PACKARD COMPANY AND SUBSIDIARIES
SEGMENT / BUSINESS UNIT INFORMATION
(Unaudited)
(In millions)

	Three months ended			Growth rate (%)	
	July 31, 2011	April 30, 2011	July 31, 2010	Q/Q	Y/Y
Net revenue: [a]					
Services					
Infrastructure Technology Outsourcing	$ 3,884	$ 3,783	$ 3,692	3%	5%
Technology Services	2,754	2,713	2,611	2%	5%
Application Services	1,698	1,724	1,664	(2%)	2%
Business Process Outsourcing	658	673	727	(2%)	(9%)
Other	95	84	78	13%	22%
Total Services	9,089	8,977	8,772	1%	4%
Enterprise Servers, Storage and Networking					
Industry Standard Servers	3,302	3,387	3,042	(3%)	9%
Storage	976	980	904	0%	8%
Business Critical Systems	459	546	503	(16%)	(9%)
HP Networking [b]	659	643	572	2%	15%
Total Enterprise Servers, Storage and Networking	5,396	5,556	5,021	(3%)	7%
HP Software [c]	780	764	650	2%	20%
Personal Systems Group [d]					
Notebooks	5,082	5,039	5,314	1%	(4%)
Desktops	3,777	3,641	3,941	4%	(4%)
Workstations	547	541	459	1%	19%
Other	186	194	204	(4%)	(9%)
Total Personal Systems Group	9,592	9,415	9,918	2%	(3%)
Imaging and Printing Group					
Supplies	4,143	4,612	4,130	(10%)	0%
Commercial Hardware	1,292	1,438	1,389	(10%)	(7%)
Consumer Hardware	652	695	648	(6%)	1%
Total Imaging and Printing Group	6,087	6,745	6,167	(10%)	(1%)
HP Financial Services	932	885	764	5%	22%
Corporate Investments	266	72	85	269%	213%
Total Segments	32,142	32,414	31,377	(1%)	2%
Eliminations of intersegment net revenue and other	(953)	(782)	(648)	22%	47%
Total HP Consolidated Net Revenue	$ 31,189	$ 31,632	$ 30,729	(1%)	1%

(a) Certain fiscal 2011 organizational reclassifications have been reflected retroactively to provide improved visibility and comparability. For each of the quarters in fiscal year 2010, the reclassifications resulted in the transfer of revenue among the Enterprise Servers, Storage and Networking, Services, HP Software and Corporate Investments financial reporting segments. Reclassifications between segments included the transfer of the networking business from Corporate Investments to Enterprise Servers, Storage and Networking, the transfer of the communications and media solutions business from HP Software to Services, and the transfer of the business intelligence business from HP Software to Corporate Investments. In addition, revenue was transferred among the business units within the Services and Personal Systems Group segments. There was no impact on the previously reported financial results for the HP Financial Services and Imaging and Printing Group segments or for the business units within the Imaging and Printing Group segment.

(b) The networking business was added to the Enterprise Servers, Storage and Networking segment in fiscal 2011.

(c) The Business Technology Optimization and Other Software business units were consolidated into a single business unit within the HP Software segment in fiscal 2011.

(d) The Handhelds business unit, which includes devices that run on Windows Mobile software, was reclassified into the Other business unit within the Personal Systems Group in fiscal 2011.

HEWLETT-PACKARD COMPANY AND SUBSIDIARIES
SEGMENT / BUSINESS UNIT INFORMATION
(Unaudited)
(In millions)

	Nine months ended July 31,	
	2011	2010
Net revenue: [a]		
Services		
Infrastructure Technology Outsourcing	$ 11,303	$ 11,091
Technology Services	8,069	7,894
Application Services	5,054	5,029
Business Process Outsourcing	1,989	2,177
Other	258	213
Total Services	26,673	26,404
Enterprise Servers, Storage and Networking		
Industry Standard Servers	10,137	9,044
Storage	2,968	2,741
Business Critical Systems	1,560	1,597
HP Networking [b]	1,921	1,086
Total Enterprise Servers, Storage and Networking	16,586	14,468
HP Software [c]	2,241	1,966
Personal Systems Group [d]		
Notebooks	15,929	16,979
Desktops	11,314	11,591
Workstations	1,623	1,257
Other	590	631
Total Personal Systems Group	29,456	30,458
Imaging and Printing Group		
Supplies	13,113	12,542
Commercial Hardware	4,194	4,028
Consumer Hardware	2,155	2,199
Total Imaging and Printing Group	19,462	18,769
HP Financial Services	2,644	2,238
Corporate Investments	416	211
Total Segments	97,478	94,514
Eliminations of intersegment net revenue and other	(2,355)	(1,759)
Total HP Consolidated Net Revenue	$ 95,123	$ 92,755

(a) Certain fiscal 2011 organizational reclassifications have been reflected retroactively to provide improved visibility and comparability. For each of the quarters in fiscal year 2010, the reclassifications resulted in the transfer of revenue among the Enterprise Servers, Storage and Networking, Services, HP Software and Corporate Investments financial reporting segments. Reclassifications between segments included the transfer of the networking business from Corporate Investments to Enterprise Servers, Storage and Networking, the transfer of the communications and media solutions business from HP Software to Services, and the transfer of the business intelligence business from HP Software to Corporate Investments. In addition, revenue was transferred among the business units within the Services and Personal Systems Group segments. There was no impact on the previously reported financial results for the HP Financial Services and Imaging and Printing Group segments or for the business units within the Imaging and Printing Group segment.

(b) The networking business was added to the Enterprise Servers, Storage and Networking segment in fiscal 2011.

(c) The Business Technology Optimization and Other Software business units were consolidated into a single business unit within the HP Software segment in fiscal 2011.

(d) The Handhelds business unit, which includes devices that run on Windows Mobile software, was reclassified into the Other business unit within the Personal Systems Group in fiscal 2011.

HEWLETT-PACKARD COMPANY AND SUBSIDIARIES
SEGMENT NON-GAAP OPERATING MARGIN SUMMARY DATA
(Unaudited)
(In millions)

	Three months ended	Change in Operating Margin (pts)	
	July 31, 2011	Y/Y	Q/Q
Non-GAAP Operating Margin: [a]			
Services	13.5%	(2.2 pts)	(1.7 pts)
Enterprise Servers, Storage and Networking	13.0%	(1.1 pts)	(0.8 pts)
HP Software	19.4%	(8.6 pts)	(0.8 pts)
Personal Systems Group	5.9%	1.2 pts	0.2 pts
Imaging and Printing Group	14.7%	(2.2 pts)	(2.3 pts)
HP Financial Services	9.4%	0.0 pts	0.0 pts
Corporate Investments	(124.8%)	(21.3 pts)	150.2 pts
Total Segments	10.2%	(1.8 pts)	(1.7 pts)
Total HP Consolidated Non-GAAP Operating Margin	9.8%	(1.4 pts)	(1.5 pts)

(a) Certain fiscal 2011 organizational reclassifications have been reflected retroactively to provide improved visibility and comparability. For each of the quarters in fiscal year 2010, the reclassifications resulted in the transfer of revenue and operating profit among the Enterprise Servers, Storage and Networking, Services, HP Software and Corporate Investments financial reporting segments. Reclassifications between segments included the transfer of the networking business from Corporate Investments to Enterprise Servers, Storage and Networking, the transfer of the communications and media solutions business from HP Software to Services, and the transfer of the business intelligence business from HP Software to Corporate Investments. There was no impact on the previously reported financial results for the Personal Systems Group, HP Financial Services and Imaging and Printing Group segments.

HEWLETT-PACKARD COMPANY AND SUBSIDIARIES
CALCULATION OF NET EARNINGS PER SHARE
(Unaudited)
(In millions except per share amounts)

	Three months ended		
	July 31, 2011	April 30, 2011	July 31, 2010
Numerator:			
GAAP net earnings	$ 1,926	$ 2,304	$ 1,773
Non-GAAP net earnings	$ 2,282	$ 2,717	$ 2,575
Denominator:			
Weighted-average shares used to compute basic EPS	2,054	2,150	2,322
Dilutive effect of employee stock plans	26	34	54
Weighted-average shares used to compute diluted EPS	2,080	2,184	2,376
GAAP net earnings per share:			
Basic [a]	$ 0.94	$ 1.07	$ 0.76
Diluted [c]	$ 0.93	$ 1.05	$ 0.75
Non-GAAP net earnings per share:			
Basic [b]	$ 1.11	$ 1.26	$ 1.11
Diluted [c]	$ 1.10	$ 1.24	$ 1.08

(a) GAAP basic net earnings per share were calculated based on GAAP net earnings and the weighted-average number of shares outstanding during the reporting period.

(b) Non-GAAP basic net earnings per share were calculated based on non-GAAP net earnings and the weighted-average number of shares outstanding during the reporting period.

(c) Diluted net earnings per share included any dilutive effect of outstanding stock options, performance-based restricted units, restricted stock units and restricted stock.

HEWLETT-PACKARD COMPANY AND SUBSIDIARIES
CALCULATION OF NET EARNINGS PER SHARE
(Unaudited)
(In millions except per share amounts)

	Nine months ended July 31,	
	2011	2010
Numerator:		
GAAP net earnings	$ 6,835	$ 6,223
Non-GAAP net earnings	$ 8,029	$ 7,802
Denominator:		
Weighted-average shares used to compute basic EPS	2,129	2,342
Dilutive effect of employee stock plans	32	56
Weighted-average shares used to compute diluted EPS	2,161	2,398
GAAP net earnings per share:		
Basic [(a)]	$ 3.21	$ 2.66
Diluted [(c)]	$ 3.16	$ 2.60
Non-GAAP net earnings per share:		
Basic [(b)]	$ 3.77	$ 3.33
Diluted [(c)]	$ 3.72	$ 3.25

(a) GAAP basic net earnings per share were calculated based on GAAP net earnings and the weighted-average number of shares outstanding during the reporting period.

(b) Non-GAAP basic net earnings per share were calculated based on non-GAAP net earnings and the weighted-average number of shares outstanding during the reporting period.

(c) Diluted net earnings per share included any dilutive effect of outstanding stock options, performance-based restricted units, restricted stock units and restricted stock.