

HEWLETT-PACKARD COMPANY AND SUBSIDIARIES CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS (Unaudited)

		Th	ded			
	,	July 31, 2012	P	pril 30, 2012		July 31, 2011
Net revenue	\$	29,669	\$	30,693	\$	31,189
Costs and expenses:(a)						
Cost of sales		22,820		23,541		23,901
Research and development		854		850		812
Selling, general and administrative		3,366		3,540		3,430
Amortization of purchased intangible assets		476		470		358
Impairment of goodwill and purchased intangible assets		9,188		-		-
Restructuring charges		1,795		53		150
Acquisition-related charges		3		17		18
Total costs and expenses		38,502		28,471		28,669
(Loss) earnings from operations		(8,833)		2,222		2,520
Interest and other, net		(224)		(243)		(121)
(Loss) earnings before taxes		(9,057)		1,979		2,399
(Benefit) provision for taxes		(200)		386		473
Net (loss) earnings	\$	(8,857)	\$	1,593	\$	1,926
Net (loss) earnings per share:						
Basic	\$	(4.49)	\$	0.80	\$	0.94
Diluted	\$	(4.49)	\$	0.80	\$	0.93
Cash dividends declared per share	\$	0.26	\$	-	\$	0.24
Weighted-average shares used to compute net (loss) earnings per share:						
Basic		1,971		1,979		2,054
Diluted		1,971		1,987		2,080

⁽a) In connection with organizational realignments implemented in the first quarter of fiscal year 2012, 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)

		Nine mon	ths / 31	
		2012		2011
Net revenue	\$	90,398	\$	95,123
Costs and expenses:(a)				
Cost of sales		69,674		72,114
Research and development		2,490		2,425
Selling, general and administrative		10,273		9,972
Amortization of purchased intangible assets		1,412		1,196
Impairment of goodwill and purchased intangible assets		9,188		-
Restructuring charges		1,888		466
Acquisition-related charges		42		68
Total costs and expenses		94,967		86,241
·				
(Loss) earnings from operations		(4,569)		8,882
Interest and other, net		(688)		(294)
(Loss) earnings before taxes		(5,257)		8,588
Provision for taxes		539		1,753
Net (loss) earnings	<u>\$</u>	(5,796)	\$	6,835
Net (loss) earnings per share:				
Basic	\$	(2.93)	\$	3.21
Diluted	\$	(2.93)		3.16
	•	,	•	
Cash dividends declared per share	\$	0.50	\$	0.40
Weighted-average shares used to compute net (loss) earnings per share:				
Basic		1,977		2,129
Diluted		1,977		2,161

⁽a) In connection with organizational realignments implemented in the first quarter of fiscal year 2012, 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)

		Three months ended July 31, 2012	Diluted earnings per share		Three months ended April 30, 2012	ea	Oiluted arnings per share		Three months ended July 31, 2011	ea	Diluted arnings per share
				_				_			
GAAP net (loss) earnings	\$	(8,857)	\$ (4.49)	\$	1,593	\$	0.80	\$	1,926	\$	0.93
Non-GAAP adjustments:											
Amortization of purchased intangible assets		476	0.25		470		0.23		358		0.17
Impairment of goodwill and purchased intangible assets(a	a)	9,188	4.66		-		-		-		-
Restructuring charges		1,795	0.91		53		0.03		150		0.07
Acquisition-related charges		3	-		17		0.01		18		0.01
Wind down of non-strategic businesses(b)		108	0.05		(36)		(0.02)		-		-
Adjustments for taxes(c)		(740)	(0.38)		(148)		(0.07)		(170)		(80.0)
Non-GAAP net earnings	\$	1,973	\$ 1.00	\$	1,949	\$	0.98	\$	2,282	\$	1.10
GAAP (loss) earnings from operations	\$	(8,833)		\$	2,222			\$	2,520		
Non-GAAP adjustments:											
Amortization of purchased intangible assets		476			470				358		
Impairment of goodwill and purchased intangible assets(a	a)	9,188			-				-		
Restructuring charges		1,795			53				150		
Acquisition-related charges		3			17				18		
Wind down of non-strategic businesses(b)		108			(36)				-		
Non-GAAP earnings from operations	\$	2,737		\$	2,726			\$	3,046		
GAAP operating margin		(30)%			7%				8%		
Non-GAAP adjustments		39%			2%				2%		
Non-GAAP operating margin		9%			9%				10%		

- (a) Represents a goodwill impairment charge of \$8 billion associated with the Services segment and an intangible asset impairment charge of \$1.2 billion associated with the "Compaq" trade name.
- (b) For the period ended July 31, 2012, represents primarily contract-related charges, including inventory write-downs, related to winding down certain retail publishing business activities within the Imaging and Printing Group segment. For the period ended April 30, 2012, includes primarily adjustments to expenses for supplier-related obligations related to winding down the webOS device business.
- (c) For the period ended July 31, 2012, adjustments for taxes is net of a valuation allowance of \$823 million provided for certain deferred tax assets related to the Services segment.



HEWLETT-PACKARD COMPANY AND SUBSIDIARIES ADJUSTMENTS TO GAAP NET EARNINGS, EARNINGS FROM OPERATIONS, OPERATING MARGIN AND EARNINGS PER SHARE

(Unaudited)

	N 	ne months ended July 31, 2012	ea	Oiluted arnings r share	ine months ended July 31, 2011	ea	iluted arnings r share
GAAP net (loss) earnings	\$	(5,796)	\$	(2.93)	\$ 6,835	\$	3.16
Non-GAAP adjustments:							
Amortization of purchased intangible assets		1,412		0.71	1,196		0.55
Impairment of goodwill and purchased intangible assets(a)		9,188		4.65	-,		-
Restructuring charges		1,888		0.95	466		0.22
Acquisition-related charges		42		0.02	68		0.03
Wind down of non-strategic businesses(b)		72		0.04	-		-
Adjustments for taxes(c)		(1,052)		(0.55)	(536)		(0.24)
Non-GAAP net earnings	\$	5,754	\$	2.89	\$ 8,029	\$	3.72
GAAP (loss) earnings from operations	\$	(4,569)			\$ 8,882		
Non-GAAP adjustments:							
Amortization of purchased intangible assets		1,412			1,196		
Impairment of goodwill and purchased intangible assets(a)		9,188			-		
Restructuring charges		1,888			466		
Acquisition-related charges		42			68		
Wind down of non-strategic businesses(b)		72					
Non-GAAP earnings from operations	\$	8,033			\$ 10,612		
GAAP operating margin		(5)%			9%		
Non-GAAP adjustments		14%			2%		
Non-GAAP operating margin		9%			11%		

- (a) Represents a goodwill impairment charge of \$8 billion associated with the Services segment and an intangible asset impairment charge of \$1.2 billion associated with the "Compaq" trade name.
- (b) For the period ended July 31, 2012, represents primarily contract-related charges, including inventory write-downs, related to winding down certain retail publishing business activities within the Imaging and Printing Group segment net of adjustments to expenses for supplier-related obligations related to winding down the webOS device business.
- (c) For the period ended July 31, 2012, adjustments for taxes is net of a valuation allowance of \$823 million provided in the third fiscal quarter for certain deferred tax assets related to the Services segment.



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

	July 201	12	October 31, 2011
	(unaud	dited)	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 9	9,509 \$	8,043
Accounts receivable		5,686	18,224
Financing receivables		3,116	3,162
Inventory	-	7,292	7,490
Other current assets	1	4,634	14,102
Total current assets	50	0,237	51,021
Property, plant and equipment	12	2,069	12,292
Long-term financing receivables and other assets	1(0,479	10,755
Goodwill and purchased intangible assets	4	4,771	55,449
Total assets	<u>\$ 117</u>	7,556 \$	129,517
LIABILITIES AND STOCKHOLDERS' EQUITY Current liabilities:			
	\$ 5	5,681 \$	8,083
Notes payable and short-term borrowings			
Notes payable and short-term borrowings Accounts payable		2,554	14,750
Accounts payable Employee compensation and benefits	12	3,701	14,750 3,999
Accounts payable Employee compensation and benefits Taxes on earnings	12	3,701 712	14,750 3,999 1,048
Accounts payable Employee compensation and benefits Taxes on earnings Deferred revenue	12	3,701 712 7,598	14,750 3,999 1,048 7,449
Accounts payable Employee compensation and benefits Taxes on earnings	12	3,701 712	14,750 3,999 1,048
Accounts payable Employee compensation and benefits Taxes on earnings Deferred revenue	12 3 - - - - -	3,701 712 7,598	14,750 3,999 1,048 7,449
Accounts payable Employee compensation and benefits Taxes on earnings Deferred revenue Other accrued liabilities	12 5 14 44	3,701 712 7,598 4,673	14,750 3,999 1,048 7,449 15,113
Accounts payable Employee compensation and benefits Taxes on earnings Deferred revenue Other accrued liabilities Total current liabilities	12 - 14 - 44 - 24	3,701 712 7,598 4,673 4,919	14,750 3,999 1,048 7,449 15,113 50,442
Accounts payable Employee compensation and benefits Taxes on earnings Deferred revenue Other accrued liabilities Total current liabilities Long-term debt Other liabilities	12 - 14 - 44 - 24	3,701 712 7,598 4,673 4,919 4,063	14,750 3,999 1,048 7,449 15,113 50,442 22,551
Accounts payable Employee compensation and benefits Taxes on earnings Deferred revenue Other accrued liabilities Total current liabilities Long-term debt Other liabilities Stockholders' equity:	12 	3,701 712 7,598 4,673 4,919 4,063	14,750 3,999 1,048 7,449 15,113 50,442 22,551 17,520
Accounts payable Employee compensation and benefits Taxes on earnings Deferred revenue Other accrued liabilities Total current liabilities Long-term debt Other liabilities	12 	3,701 712 7,598 4,673 4,919 4,063	14,750 3,999 1,048 7,449 15,113 50,442 22,551
Accounts payable Employee compensation and benefits Taxes on earnings Deferred revenue Other accrued liabilities Total current liabilities Long-term debt Other liabilities Stockholders' equity: HP stockholders' equity	12 14 24 16	3,701 712 7,598 4,673 4,919 4,063 5,564	14,750 3,999 1,048 7,449 15,113 50,442 22,551 17,520



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

		ee months ended uly 31, 2012		ne months ended July 31, 2012
Cash flows from operating activities:				
Net loss	\$	(8,857)	\$	(5,796)
Adjustments to reconcile net earnings to net cash provided by operating activities:		,		
Depreciation and amortization		1,306		3,894
Impairment of goodwill and purchased intangible assets		9,188		9,188
Stock-based compensation expense		150		494
Provision for bad debt and inventory		107		254
Restructuring charges		1,795		1,888
Deferred taxes on earnings		(535)		(690)
Excess tax benefit from stock-based compensation		-		(12)
Other, net		90		330
Changes in operating assets and liabilities:				
Accounts and financing receivables		956		2,435
Inventory		(91)		(2)
Accounts payable		(345)		(2,196)
Taxes on earnings		14		(40)
Restructuring		(198)		(472)
Other assets and liabilities		(734)		(2,763)
Net cash provided by operating activities		2,846		6,512
The cash provided by operating activities		2,040		0,012
Cash flows from investing activities:				
Investment in property, plant and equipment		(870)		(2,833)
Proceeds from sale of property, plant and equipment		97		321
Purchases of available-for-sale securities and other investments		(228)		(793)
Maturities and sales of available-for-sale securities and other investments		170		516
Payments made in connection with business acquisitions, net of cash acquired		- 170		(141)
Proceeds from business divestiture, net		6		87
Net cash used in investing activities		(825)		(2,843)
Cash flows from financing activities:		000		(0.550)
Issuance (repayment) of commercial paper and notes payable, net		239		(2,553)
Issuance of debt		48		5,100
Payment of debt		(561)		(3,222)
Issuance of common stock under employee stock plans		76		710
Repurchase of common stock		(365)		(1,495)
Excess tax benefit from stock-based compensation		-		12
Cash dividends paid		(260)		(75 <u>5</u>)
Net cash used in financing activities		(823)		(2,203)
Increase in cash and cash equivalents		1,198		1,466
Cash and cash equivalents at beginning of period		8,311		8,043
Cash and cash equivalents at end of period	\$	9,509	\$	9,509
The same saction of the same of portion	<u>*</u>	0,000	<u> </u>	0,000



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

	_	Th	ree	months end	ded	
	_	July 31, 2012		April 30, 2012		July 31, 2011
Net revenue:(a)						
Personal Systems Group	\$	8,620	\$	9,452	\$	9,592
Services		8,754		8,831		9,030
Imaging and Printing Group		6,017		6,132		6,183
Enterprise Servers, Storage and Networking		5,143		5,211		5,348
Software		973		970		822
HP Financial Services		935		968		932
Corporate Investments		19		18		235
Total segments		30,461		31,582		32,142
Eliminations of intersegment net revenue and other		(792)		(889)		(953)
Total HP consolidated net revenue	\$	29,669	\$	30,693	\$	31,189
Earnings before taxes:(a)						
Personal Systems Group	\$	409	\$	524	\$	567
Services	•	959	•	997	,	1,240
Imaging and Printing Group		949		808		879
Enterprise Servers, Storage and Networking		562		585		690
Software		175		172		160
HP Financial Services		97		96		88
Corporate Investments		(58)		(49)		(334)
Total segment earnings from operations		3,093		3,133		3,290
Corporate and unallocated costs and eliminations		(314)		(203)		(114)
Unallocated costs related to stock-based compensation expense		(150)		(168)		(130)
Amortization of purchased intangible assets		(476)		(470)		(358)
Impairment of goodwill and purchased intangible assets		(9,188)		-		-
Restructuring charges		(1,795)		(53)		(150)
Acquisition-related charges		(3)		(17)		(18)
Interest and other, net		(224)	_	(243)		(121)
Total HP consolidated (loss) earnings before taxes	\$	(9,057)	\$	1,979	\$	2,399

⁽a) Certain fiscal 2012 organizational reclassifications have been reflected retroactively to provide improved visibility and comparability. For each of the quarters in fiscal year 2011, the reclassifications resulted in the transfer of revenue and operating profit among the Services, Imaging and Printing Group, Enterprise Servers, Storage and Networking, Software and Corporate Investments financial reporting segments. Reclassifications between segments included the transfer of the Indigo Scitex support and the LaserJet and enterprise solutions trade support businesses from Services to the Imaging and Printing Group, the transfer of the business intelligence services business from Corporate Investments to Services, the transfer of the information management services business from Software to Services, and the transfer of the TippingPoint business from Enterprise Servers, Storage and Networking to Software. There was no impact on the previously reported financial results for the Personal Systems Group and HP Financial Services segments.



HEWLETT-PACKARD COMPANY AND SUBSIDIARIES SEGMENT INFORMATION

(Unaudited) (In millions)

Nine months ended July 31. 2012 2011 Net revenue:(a) Personal Systems Group 26,945 \$ 29,456 26,211 26,475 Services Imaging and Printing Group 18,407 19,757 15,372 Enterprise Servers, Storage and Networking 16,463 Software 2,889 2,344 **HP Financial Services** 2,853 2,644 Corporate Investments 339 95 92.772 **Total Segments** 97.478 Eliminations of intersegment net revenue and other (2,374)(2,355)Total HP consolidated net revenue 90,398 95,123 Earnings before taxes:(a) Personal Systems Group \$ 1.397 \$ 1.772 Services 2,861 3,993 Imaging and Printing Group 2,518 3,134 Enterprise Servers, Storage and Networking 1,709 2,280 Software 509 438 **HP Financial Services** 284 250 Corporate Investments (155)(711)Total segment earnings from operations 9,123 11,156 Corporate and unallocated costs and eliminations (670)(118)Unallocated costs related to stock-based compensation expense (492)(426)Amortization of purchased intangible assets (1,412)(1,196)Impairment of goodwill and purchased intangible assets (9,188)Restructuring charges (466)(1,888)Acquisition-related charges (42)(68)Interest and other, net (688)(294)Total HP consolidated (loss) earnings before taxes (5,257) \$ 8,588

(a) Certain fiscal 2012 organizational reclassifications have been reflected retroactively to provide improved visibility and comparability. For each of the quarters in fiscal year 2011, the reclassifications resulted in the transfer of revenue and operating profit among the Services, Imaging and Printing Group, Enterprise Servers, Storage and Networking, Software and Corporate Investments financial reporting segments. Reclassifications between segments included the transfer of the Indigo Scitex support and the LaserJet and enterprise solutions trade support businesses from Services to the Imaging and Printing Group, the transfer of the business intelligence services business from Corporate Investments to Services, the transfer of the information management services business from Software to Services, and the transfer of the TippingPoint business from Enterprise Servers, Storage and Networking to Software. There was no impact on the previously reported financial results for the Personal Systems Group and HP Financial Services segments.



HEWLETT-PACKARD COMPANY AND SUBSIDIARIES SEGMENT / BUSINESS UNIT INFORMATION

(Unaudited) (In millions)

		Thi	ee ı	months en	ded	l	Growth rate (%)		
		uly 31, 2012	F	April 30, 2012	,	July 31, 2011	Q/Q	Y/Y	
et revenue:(a)									
Personal Systems Group									
Notebooks	\$	4,416	\$	4,900	\$	5,082	(10%)	(13%)	
Desktops	·	3,486		3,827		3,777	(9%)	(8%)	
Workstations		526		537		547	(2%)	(4%)	
Other		192		188		186	2%	3%	
Total Personal Systems Group		8,620		9,452		9,592	(9%)	(10%	
Services									
Infrastructure Technology Outsourcing		3,665		3,669		3,899	0%	(6%	
Technology Services		2,634		2,638		2,671	0%	(1%	
Application and Business Services(b)		2,455		2,524		2,460	(3%)	0%	
Total Services		8,754		8,831	_	9,030	(1%)	(3%	
		-,		-,		5,555	(175)	(-,-	
Imaging and Printing Group									
Supplies		4,005		4,060		4,143	(1%)	(3%	
Commercial Hardware		1,445		1,479		1,388	(2%)	4%	
Consumer Hardware		567		593		652	(4%)	(13%	
Total Imaging and Printing Group		6,017		6,132		6,183	(2%)	(3%	
Enterprise Servers, Storage and Networking									
Industry Standard Servers		3,187		3,186		3,302	0%	(3%	
Storage		924		990		976	(7%)	(5%	
Business Critical Systems		385		421		459	(9%)	(16%	
Networking		647		614		611	5%	6%	
Total Enterprise Servers, Storage and Networking		5,143		5,211		5,348	(1%)	(4%	
Software		973		970		822	0%	18%	
Software		913	_	310		022	0 70	10 /0	
HP Financial Services		935		968		932	(3%)	0%	
Corporate Investments		19		18		235	6%	(92%	
Total segments		30,461		31,582		32,142	(4%)	(5%	
		,		- ,		<u> </u>	(- / - /	(- / -	
Elimination of intersegment net revenue and other		(792)	_	(889)	_	(953)	(11%)	(17%	
Total HP consolidated net revenue	\$	29,669	\$	30,693	\$	31,189	(3%)	(5%	

- (a) Certain fiscal 2012 organizational reclassifications have been reflected retroactively to provide improved visibility and comparability. For each of the quarters in fiscal year 2011, the reclassifications resulted in the transfer of revenue among the Services, Imaging and Printing Group, Enterprise Servers, Storage and Networking, Software and Corporate Investments financial reporting segments. Reclassifications between segments included the transfer of Indigo Scitex support and the LaserJet and enterprise solutions trade support businesses from Services to the Imaging and Printing Group, the transfer of the business intelligence services business from Corporate Investments to Services, the transfer of the information management services business from Software to Services, and the transfer of the TippingPoint business from Enterprise Servers, Storage and Networking to Software. In addition, revenue was transferred among the business units within the Services segment. There was no impact on the previously reported financial results for the Personal Systems Group and HP Financial Services segments.
- (b) The former Application Services, Business Process Outsourcing and Other Services business units were consolidated into a new Application and Business Services business unit in fiscal 2012.



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

Nine months ended

			<u>/ 31,</u>	
		2012		2011
Net revenue:(a)				
Personal Systems Group				
Notebooks	\$	14,258	\$	15,929
Desktops		10,519		11,314
Workstations		1,598		1,623
Other		570		590
Total Personal Systems Group		26,945		29,456
Services				
Infrastructure Technology Outsourcing		11,035		11,329
Technology Services		7,834		7,814
Application and Business Services(b)		7,342		7,332
Total Services		26,211		26,475
Imaging and Printing Group				
Supplies		12,144		13,113
Commercial Hardware		4,413		4,489
Consumer Hardware		1,850		2,155
Total Imaging and Printing Group		18,407		19,757
Enterprise Servers, Storage and Networking				
Industry Standard Servers		9,445		10,137
Storage		2,869		2,968
Business Critical Systems		1,211		1,560
Networking		1,847		1,798
Total Enterprise Servers, Storage and Networking		15,372		16,463
				,
Software		2,889		2,344
		· · · · · · · · · · · · · · · · · · ·		
HP Financial Services		2,853		2,644
		,		<u> </u>
Corporate Investments		95		339
Total segments		92,772		97,478
. S.c. Sognone		JZ,11Z		37,173
Elimination of intersegment net revenue and other		(2,374)		(2,355)
בווווווומנוטוו טו ווונפוספקווופווג וופג ופיסוועם מווע טנוופו	_	(2,314)		(2,300)
Total HP consolidated net revenue	Ф	0U 3U0	Ф	05 122
Total FIF Consolidated Het Tevende	\$	90,398	\$	95,123

- (a) Certain fiscal 2012 organizational reclassifications have been reflected retroactively to provide improved visibility and comparability. For each of the quarters in fiscal year 2011, the reclassifications resulted in the transfer of revenue among the Services, Imaging and Printing Group, Enterprise Servers, Storage and Networking, Software and Corporate Investments financial reporting segments. Reclassifications between segments included the transfer of Indigo Scitex support and the LaserJet and enterprise solutions trade support businesses from Services to the Imaging and Printing Group, the transfer of the business intelligence services business from Corporate Investments to Services, the transfer of the information management services business from Software to Services, and the transfer of the TippingPoint business from Enterprise Servers, Storage and Networking to Software. In addition, revenue was transferred among the business units within the Services segment. There was no impact on the previously reported financial results for the Personal Systems Group and HP Financial Services segments.
- (b) The former Application Services, Business Process Outsourcing and Other Services business units were consolidated into a new Application and Business Services business unit in fiscal 2012.



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

	11.0% 15.8% 10.9% 18.0% 10.4% (357.9% 10.1%	Change in Op		
		Q/Q	Y/Y	
Non-GAAP operating margin:(a)				
Personal Systems Group	4.7%	(0.8 pts)	(1.2 pts)	
Services	11.0%	(0.3 pts)	(2.7 pts)	
Imaging and Printing Group	15.8%	2.6 pts	1.6 pts	
Enterprise Servers, Storage and Networking	10.9%	(0.3 pts)	(2.0 pts)	
Software	18.0%	0.3 pts	(1.5 pts)	
HP Financial Services	10.4%	0.5 pts	1.0 pts	
Corporate Investments	(357.9%)	114.3 pts	(215.8 pts)	
Total segments	10.1%	0.3 pts	(0.1 pts)	
		•		
Total HP consolidated non-GAAP operating margin	9.2%	0.3 pts	(0.6 pts)	

(a) Certain fiscal 2012 organizational reclassifications have been reflected retroactively to provide improved visibility and comparability. For each of the quarters in fiscal year 2011, the reclassifications resulted in the transfer of revenue and operating profit among the Services, Imaging and Printing Group, Enterprise Servers, Storage and Networking, Software and Corporate Investments financial reporting segments. Reclassifications between segments included the transfer of Indigo Scitex support and the LaserJet and enterprise solutions trade support businesses from Services to the Imaging and Printing Group, the transfer of the business intelligence services business from Corporate Investments to Services, the transfer of the information management services business from Software to Services, and the transfer of the TippingPoint business from Enterprise Servers, Storage and Networking to Software. There was no impact on the previously reported financial results for the Personal Systems Group and HP Financial Services segments.



HEWLETT-PACKARD COMPANY AND SUBSIDIARIES CALCULATION OF NET EARNINGS PER SHARE (Unaudited)

		Th	Ł			
		July 31, 2012		April 30, 2012		July 31, 2011
Numerator:						
GAAP net (loss) earnings	\$	(8,857)	\$	1,593	\$	1,926
Non-GAAP net earnings	\$	1,973	\$	1,949	\$	2,282
Denominatory						
Denominator:						
Weighted-average shares used to compute basic net (loss) earnings per share		4.074		4.070		0.054
and diluted net (loss) per share		1,971		1,979		2,054
Dilutive effect of employee stock plans		4		8		26
Weighted-average shares used to compute diluted net earnings per share		1,975	_	1,987	_	2,080
GAAP net (loss) earnings per share:						
Basic	\$	(4.49)	\$	0.80	\$	0.94
Diluted ^(a)	\$	(4.49)	\$	0.80	\$	0.93
Non-GAAP net earnings per share:						
y ,	Φ	1.00	φ	0.00	Φ	1 11
Basic Bilitad(h)	\$	1.00	\$	0.98	\$	1.11
Diluted ^(b)	\$	1.00	\$	0.98	\$	1.10

- (a) GAAP diluted net earnings per share reflects any dilutive effect of outstanding stock options, performance-based restricted units, restricted stock units and restricted stock, but that effect is excluded when calculating GAAP diluted net (loss) per share because it would be anti-dilutive.
- (b) Non-GAAP diluted net earnings per share reflects 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)

	 Nine mon July	
	 2012	2011
Numerator:		
GAAP net (loss) earnings	\$ (5,796)	\$ 6,835
Non-GAAP net earnings	\$ 5,754	\$ 8,029
Denominator:		
Weighted-average shares used to compute basic net (loss) earnings per share		
and diluted net (loss) per share	1,977	2,129
Dilutive effect of employee stock plans	15	32
Weighted-average shares used to compute diluted net earnings per share	1,992	2,161
GAAP net (loss) earnings per share:		
Basic	\$ (2.93)	\$ 3.21
Diluted ^(a)	\$ (2.93)	3.16
Non-GAAP net earnings per share:		
Basic	\$ 2.91	\$ 3.77
Diluted(b)	\$ 2.89	\$ 3.72

- (a) GAAP diluted net earnings per share reflects any dilutive effect of outstanding stock options, performance-based restricted units, restricted stock units and restricted stock, but that effect is excluded when calculating GAAP diluted net (loss) per share because it would be anti-dilutive.
- (b) Non-GAAP diluted net earnings per share reflects any dilutive effect of outstanding stock options, performance-based restricted units, restricted stock units and restricted stock.