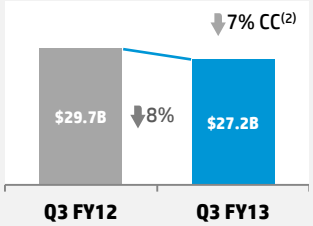
HP Reports Third Quarter 2013 Results

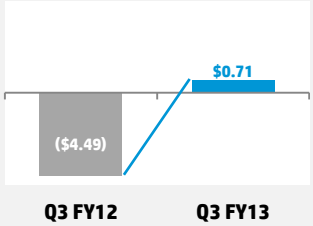
Highlights

Net revenue



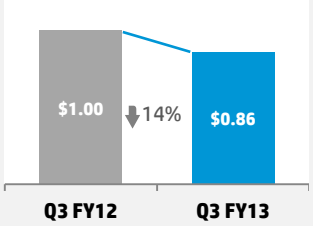
$27.2 billion

GAAP diluted EPS



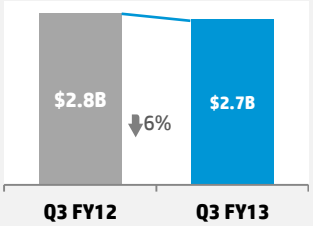
$0.71

Non-GAAP(1) diluted EPS



$0.86

Cash flow from operations



$2.7 billion

Geography

Americas
46% of revenue
7% y/y
7% CC(2)

Non-US revenue
64% total revenue

EMEA
35% of revenue
10% y/y
8% CC(2)

Asia Pacific
19% of revenue
8% y/y
5% CC(2)

Capital Allocation

Dividend payment
$280 million
$0.1452 per share

Share repurchase
$3 million
approximately 0.2 million shares

Operating co. net debt(3)
$1.2 billion
$1.7 billion q/q

Asset Management

Cash conversion cycle
18 days
9 days y/y and 3 days q/q

Receivables
$14.3 billion
DSO 1 day y/y

Payables
$13.3 billion
DPO 7 days y/y

Inventory
$6.5 billion
DOI 1 day y/y

1. All non-GAAP numbers have been adjusted to exclude certain items. A reconciliation of specific adjustments to GAAP results for the current and prior periods is available at www.hp.com/investor/home
2. Adjusted to eliminate the effects of currency
3. Operating Co. net debt is defined as total company net debt excluding HPFS debt and HPFS cash

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Personal Systems

Revenue
$7.7 billion
11% y/y
10% CC[1]

Operating profit
$228 million
3.0% of revenue

Total units	8% y/y
Notebooks revenue	16% y/y Units 14% y/y
Desktops revenue	10% y/y Units 9% y/y
Commercial revenue	3% y/y
Consumer revenue	22% y/y

Printing

Revenue
$5.8 billion
4% y/y
1% CC[1]

Operating profit
$908 million
15.6% of revenue

Supplies revenue	4% y/y
Total Hardware units	5% y/y
Consumer Hardware units	2% y/y
Commercial Hardware units	12% y/y

Enterprise Group

Revenue
$6.8 billion
9% y/y
8% CC[1]

Operating profit
$1,033 million
15.2% of revenue

ISS revenue	11% y/y
Storage revenue	10% y/y Converged $333M, 37% y/y Traditional $500M, 26% y/y
BCS revenue	26% y/y
TS revenue	7% y/y
Networking revenue	flat y/y

Enterprise Services

Revenue
$5.8 billion
9% y/y
8% CC[1]

Operating profit
$192 million
3.3% of revenue

ITO revenue	7% y/y
ABS revenue	11% y/y

Software

Revenue
$982 million
1% y/y
2% CC[1]

Operating profit
$201 million
20.5% of revenue

License revenue	flat y/y
Support revenue	4% y/y
Services	
Professional Services revenue	11% y/y
SaaS revenue	4% y/y

HP Financial Services

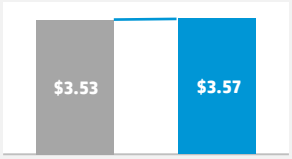
Revenue
$879 million
6% y/y

Operating profit
$99 million
11.3% of revenue

Financing Volume	9% y/y
Net Portfolio Assets	4% y/y

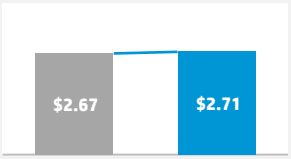
Outlook

Non-GAAP diluted
FY2013 EPS[2],[3]



$3.53 to $3.57

GAAP diluted
FY2013 EPS



$2.67 to $2.71

Cash flow model
FY2013

Operating cash flow	$10.0B to $10.5B
Net capital expenditure	Approx. $2.5B
Free cash flow	Approaching $8.0B

1. Adjusted to eliminate the effects of currency
2. All non-GAAP numbers have been adjusted to exclude certain items. A reconciliation of specific adjustments to GAAP results for the current and prior periods is available at www.hp.com/investor/home
3. Full year fiscal 2013 non-GAAP diluted EPS estimates exclude after-tax costs of approximately $0.86 per share, related to the amortization of purchased intangible assets, restructuring charges, and acquisition-related charges

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