



HP Q3 FY13 Earnings Announcement

August 21, 2013

<http://www.hp.com/investor/home>

Forward-looking statements

This presentation contains forward-looking statements that involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results of HP may differ materially from those expressed or implied by such forward-looking statements and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including but not limited to any projections of revenue, margins, expenses, earnings, earnings per share, tax provisions, cash flows, benefit obligations, share repurchases, currency exchange rates or other financial items; any projections of the amount, timing or impact of cost savings or restructuring charges; any statements of the plans, strategies and objectives of management for future operations, including the execution of restructuring plans and any resulting cost savings or revenue or profitability improvements; any statements concerning the expected development, performance, market share or competitive performance relating to products or services; any statements regarding current or future macroeconomic trends or events and the impact of those trends and events on HP and its financial performance; any statements regarding pending investigations, claims or disputes; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. Risks, uncertainties and assumptions include the need to address the many challenges facing HP's businesses; the competitive pressures faced by HP's businesses; risks associated with executing HP's strategy; the impact of macroeconomic and geopolitical trends and events; the need to manage third-party suppliers and the distribution of HP's products and services effectively; the protection of HP's intellectual property assets, including intellectual property licensed from third parties; risks associated with HP's international operations; the development and transition of new products and services and the enhancement of existing products and services to meet customer needs and respond to emerging technological trends; the execution and performance of contracts by HP and its suppliers, customers and partners; the hiring and retention of key employees; integration and other risks associated with business combination and investment transactions; the execution, timing and results of restructuring plans, including estimates and assumptions related to the cost and the anticipated benefits of implementing those plans; the resolution of pending investigations, claims and disputes; and other risks that are described in HP's Annual Report on Form 10-K for the fiscal year ended October 31, 2012 and HP's other filings with the Securities and Exchange Commission, including HP's Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2013. As in prior periods, the financial information set forth in this release, including tax-related items, reflects estimates based on information available at this time. While HP believes these estimates to be meaningful, these amounts could differ materially from actual reported amounts in HP's Form 10-Q for the fiscal quarter ended July 31, 2013. In particular, determining HP's actual tax balances and provisions as of July 31, 2013 requires extensive internal and external review of tax data (including consolidating and reviewing the tax provisions of numerous domestic and foreign entities), which is being completed in the ordinary course of preparing HP's Form 10-Q. HP assumes no obligation and does not intend to update these forward-looking statements.



Use of non-GAAP financial information

HP has included non-GAAP financial measures in this presentation to supplement HP's consolidated condensed financial statements presented on a GAAP basis. Definitions of these non-GAAP financial measures and reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are included elsewhere in this presentation.

HP's management uses non-GAAP net revenue, non-GAAP operating expense, non-GAAP OI&E, non-GAAP operating profit, non-GAAP net earnings, non-GAAP diluted earnings per share, and HP's non-GAAP tax rate to evaluate and forecast HP's performance before gains, losses or other charges that are considered by HP's management to be outside of HP's core business segment operating results. Gross cash, net cash and free cash flow are liquidity measures that provide useful information to management about the amount of cash available for investment in HP's businesses, funding acquisitions, repurchasing stock and other purposes. Net debt provides useful information to management about the state of HP's consolidated balance sheet. Operating company net debt provides additional useful information to management about the state of HP's consolidated balance sheet by providing more transparency into the financial components of the operating company separate from HP's financing business, which has different capital structure requirements and requires much greater leverage to run effectively.

These non-GAAP financial measures may have limitations as analytical tools, and these measures should not be considered in isolation or as a substitute for analysis of HP's results as reported under GAAP. For example, items such as impairment of goodwill and purchased intangible assets and amortization of purchased intangible assets, though not directly affecting HP's cash position, represent the loss in value of intangible assets over time. The expense associated with this loss in value is not included in non-GAAP operating profit, non-GAAP net earnings, non-GAAP diluted earnings per share and HP's non-GAAP tax rate and therefore does not reflect the full economic effect of the loss in value of those intangible assets. In addition, items such as restructuring charges that are excluded from non-GAAP operating expense, non-GAAP operating profit, non-GAAP net earnings, non-GAAP diluted earnings per share and HP's non-GAAP tax rate can have a material impact on cash flows and earnings per share. HP may not be able to liquidate the long-term investments included in gross cash immediately, which may limit the usefulness of gross cash as a liquidity measure. In addition, free cash flow does not represent the total increase or decrease in the cash balance for the period. The non-GAAP financial information that we provide also may differ from the non-GAAP information provided by other companies.

We compensate for the limitations on our use of these non-GAAP financial measures by relying primarily on our GAAP financial statements and using non-GAAP financial measures only supplementally. We also provide robust and detailed reconciliations of each non-GAAP financial measure to the most directly comparable GAAP measure, and we encourage investors to review carefully those reconciliations.

We believe that providing these non-GAAP financial measures in addition to the related GAAP measures provides investors with greater transparency to the information used by HP's management in its financial and operational decision-making and allows investors to see HP's results "through the eyes" of management. We further believe that providing this information better enables investors to understand HP's operating performance and financial condition and to evaluate the efficacy of the methodology and information used by management to evaluate and measure such performance and financial condition.












Q3 FY13 highlights

- Third quarter non-GAAP diluted earnings per share of **\$0.86**, down 14% from the prior year, within the previously provided outlook of \$0.84 to \$0.87 per share
- Third quarter GAAP diluted earnings per share of **\$0.71**, up from GAAP diluted loss per share of \$4.49 in the prior year, above previously provided outlook of \$0.56 to \$0.59 per share
- Third quarter net revenue of **\$27.2 billion**, down 8% from the prior year and down 7% when adjusted for the effects of currency
- Cash flow from operations of **\$2.7 billion**, down 6% from the prior year
- Returned **\$283 million** to shareholders in the form of dividends and share repurchases
- Improved operating company net debt position by **\$1.7 billion**, the sixth consecutive quarterly reduction of over \$1 billion



Q3 FY13 results overview

\$ in millions	Q3 Net Revenue	Growth y/y%	Non-GAAP OP \$	Non-GAAP OP % of rev	Non-GAAP OP \$ y/y	Non-GAAP OP % of rev y/y
 Printing	\$5,803	(4%)	\$908	15.6%	(\$41)	(0.2) pts
 Personal Systems	\$7,704	(11%)	\$228	3.0%	(\$177)	(1.7) pts
 Printing and Personal Systems Group ⁽¹⁾	\$13,507	(8%)	\$1,136	8.4%	(\$218)	(0.8) pts
 Enterprise Group	\$6,786	(9%)	\$1,033	15.2%	(\$251)	(1.9) pts
 Enterprise Services	\$5,843	(9%)	\$192	3.3%	(\$48)	(0.5) pts
 Software	\$982	1%	\$201	20.5%	\$26	2.5 pts
 HP Financial Services	\$879	(6%)	\$99	11.3%	\$2	0.9 pts
Total HP^{(2) (3)}	\$27,226	(8%)	\$2,296	8.4%	(\$441)	(0.8) pts

1. The Personal Systems segment and the Printing segment are structured beneath a broader Printing and Personal Systems Group ("PPS"). While PPS is not a financial reporting segment, HP provides financial data aggregating the segments within it in order to provide a supplementary view of its business
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 included on slide 17 and in the GAAP to non-GAAP slides that appear as part of the supplemental slides of this presentation. A description of HP's use of non-GAAP information is provided on slide 3 under "Use of non-GAAP financial information"
3. Includes Corporate Investments, eliminations and other items not included in segment results

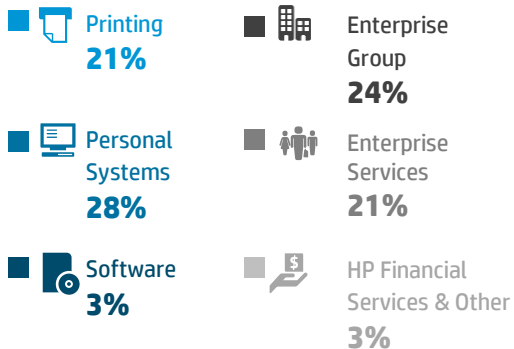


Q3 FY13 mix by segment & region

Revenue



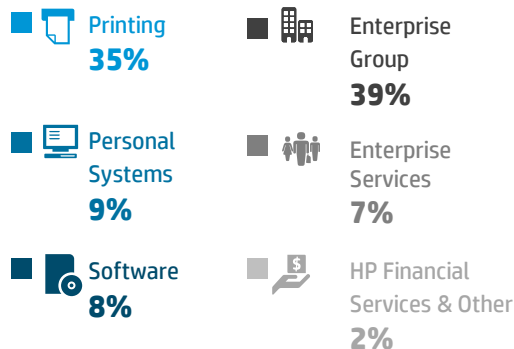
By segment⁽²⁾



Non-GAAP operating profit⁽¹⁾



By segment⁽³⁾



Revenue by region



Americas

46%
US: 36%
Canada/LA: 10%

↓7% y/y
↓7% CC⁽⁴⁾

EMEA

35%
↓10% y/y
↓8% CC⁽⁴⁾

APJ

19%
↓8% y/y
↓5% CC⁽⁴⁾

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2. Revenue mix calculated based on total segment revenue, which does not include intercompany elimination

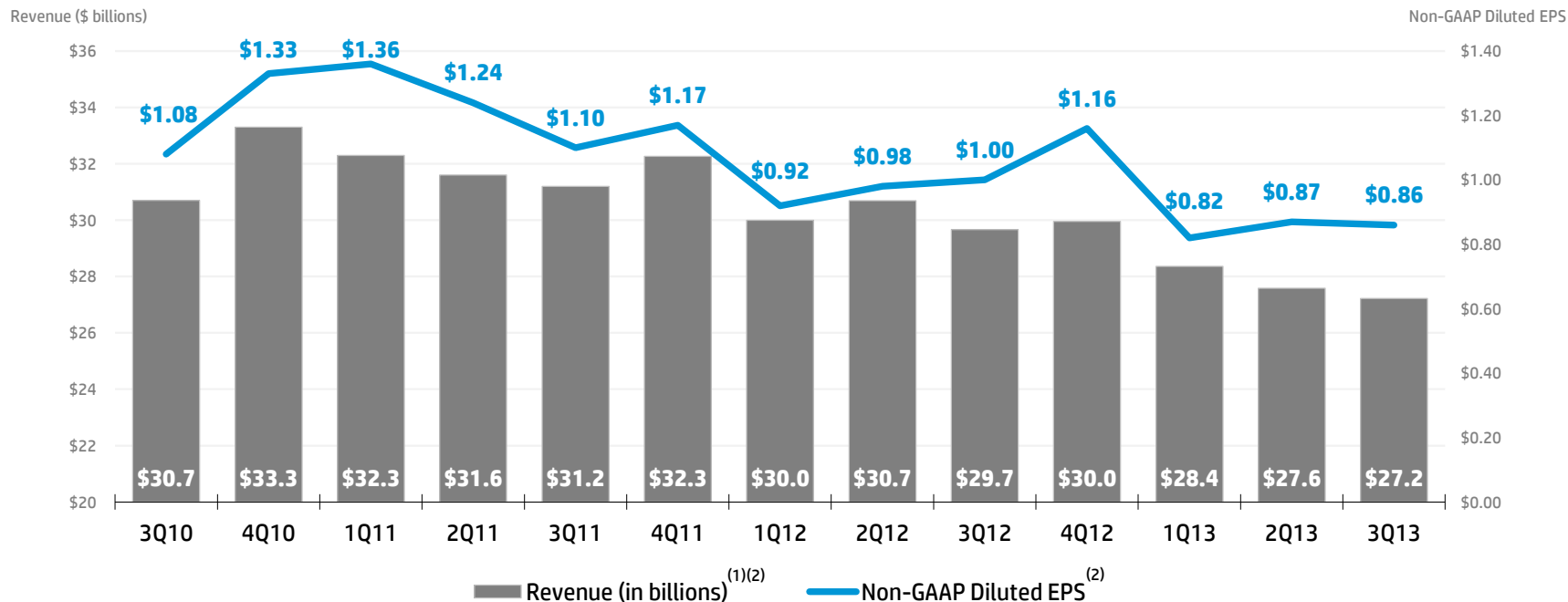
3. Operating profit mix calculated based on total segment operating profit, which does not include intercompany eliminations

4. Adjusted to eliminate the effects of currency

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Revenue & non-GAAP diluted EPS performance



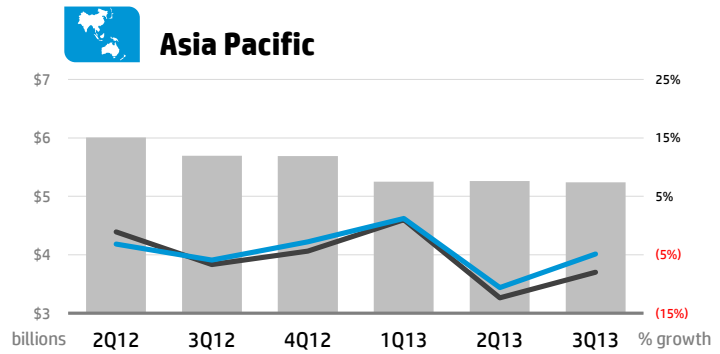
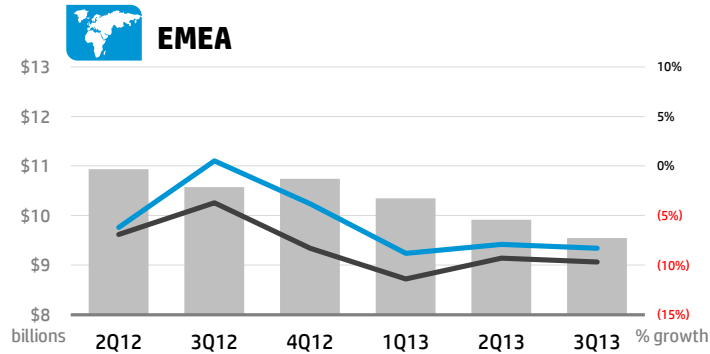
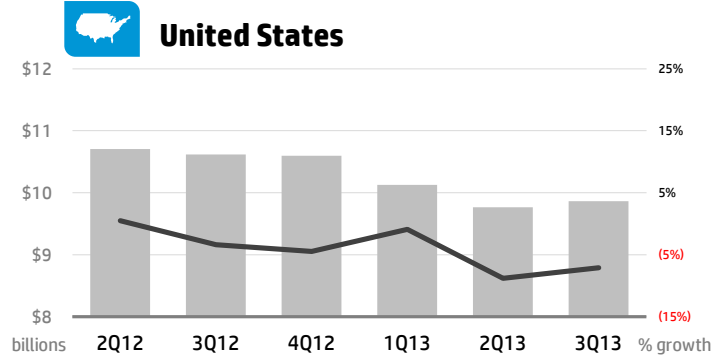
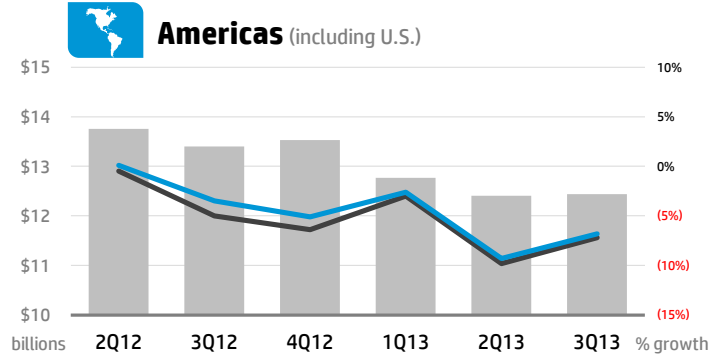
1. Q4 FY2011 amount shown is for non-GAAP net revenue. All other revenue amounts shown are GAAP net revenue.

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 included on slide 17 and in the GAAP to non-GAAP slides that appear as part of the supplemental slides of this presentation. A description of HP's use of non-GAAP information is provided on slide 3 under "Use of non-GAAP financial information."

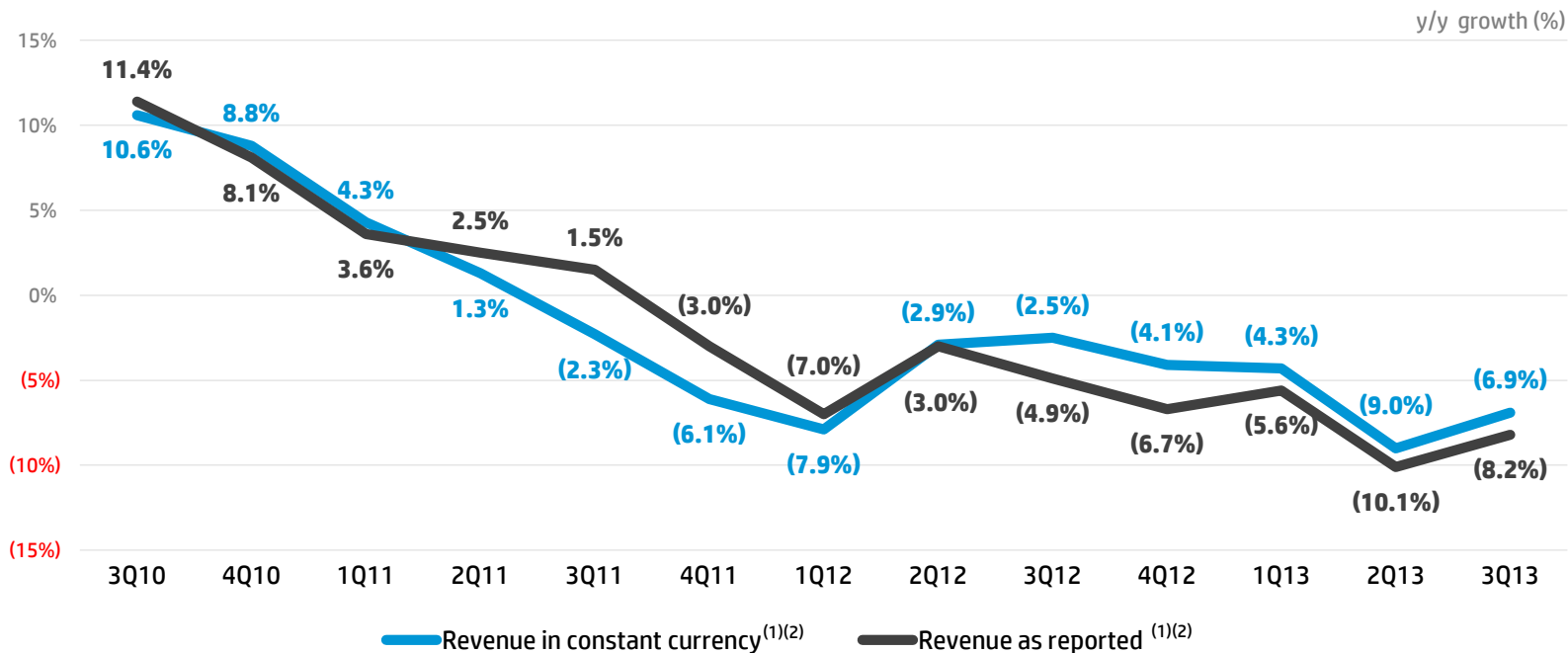


Regional revenue trends

— y/y revenue growth %
 — y/y constant currency revenue growth %



Revenue growth



1. Q4 FY2011 percentage shown is for non-GAAP net revenue. All other percentages shown are for GAAP net revenue.

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Printing

Q3 FY13

Revenue

\$5.8 billion

↓ 4% y/y

Operating profit

\$908 million

15.6% of revenue

Revenue



Supplies

66%

Commercial Hardware

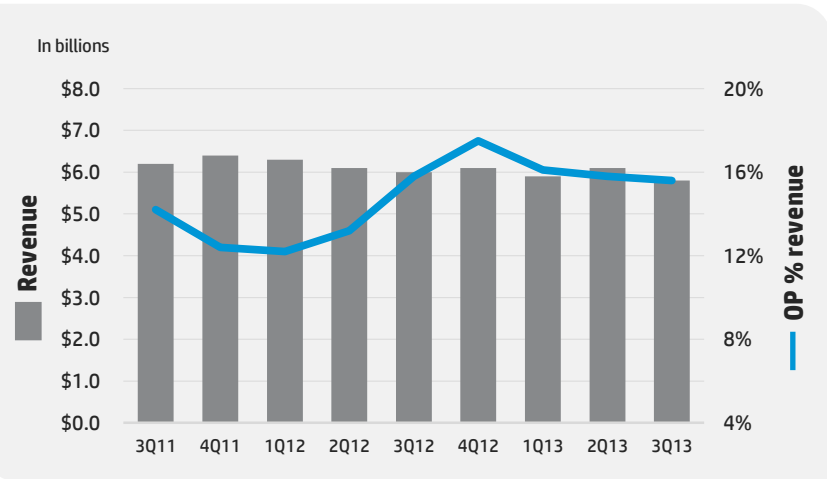
24%

Consumer Hardware

10%

Highlights

- Supplies revenue down **4%** y/y
- Total Hardware units up **5%** y/y
- Consumer Hardware units up **2%** y/y
- Commercial Hardware units up **12%** y/y





Personal Systems

Q3 FY13

Revenue

\$7.7 billion

↓ 11% y/y

Operating profit

\$228 million

3.0% of revenue

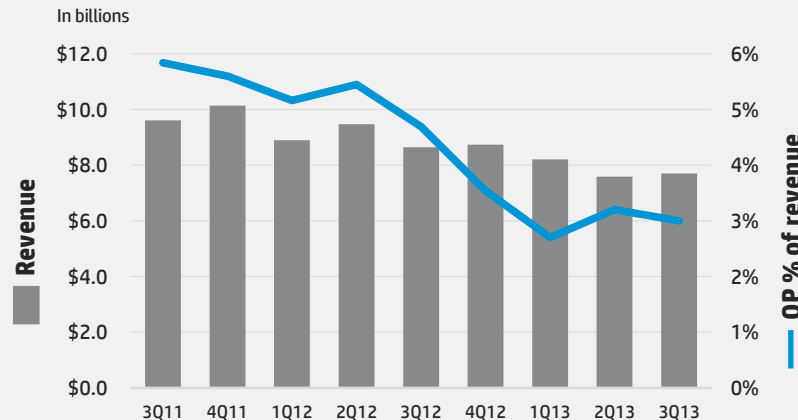
Revenue



Notebooks	48%
Desktops	41%
Workstations	7%
Other	4%

Highlights

- Total units down **8%** y/y
- Notebooks revenue down **16%** y/y, units down **14%** y/y
- Desktops revenue down **10%** y/y, units down **9%** y/y
- Commercial revenue down **3%** y/y
- Consumer revenue down **22%** y/y





Enterprise Group

Q3 FY13

Revenue

\$6.8 billion

↓ 9% y/y

Operating profit

\$1,033 million

15.2% of revenue

Revenue

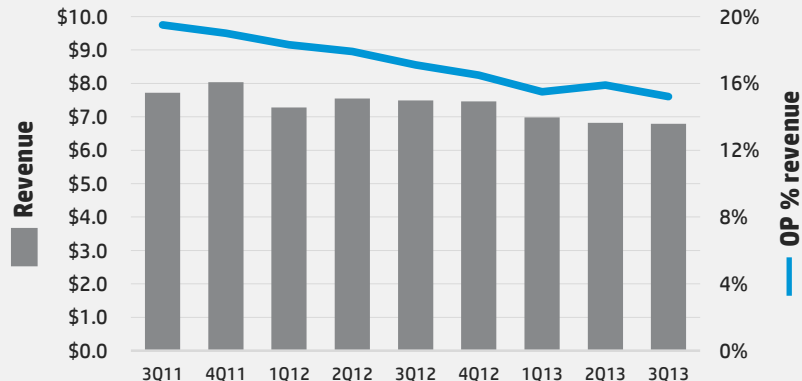


Industry Standard Servers (ISS)	42%
Storage	12%
Business Critical Systems (BCS)	4%
Networking	10%
Technology Services (TS)	32%

Highlights

- ISS revenue down **11%** y/y
- Storage revenue down **10%** y/y (Converged revenue of \$333M, up 37% y/y, traditional revenue of \$500M, down 26% y/y)
- BCS revenue down **26%** y/y
- Networking revenue **flat** y/y
- TS revenue down **7%** y/y

In billions





Enterprise Services

Q3 FY13

Revenue

\$5.8 billion

↓ 9% y/y

Operating profit

\$192 million

3.3% of revenue

Revenue



Infrastructure Technology Outsourcing (ITO)

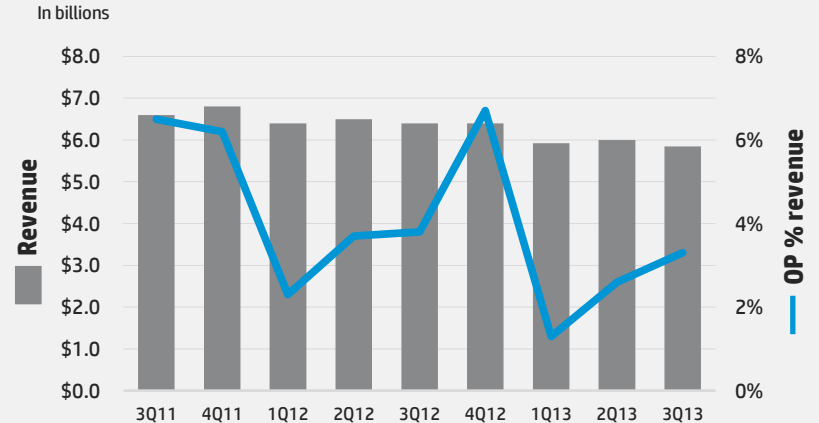
63%

Application and Business Services (ABS)

37%

Highlights

- ITO revenue down **7%** y/y
- ABS revenue down **11%** y/y

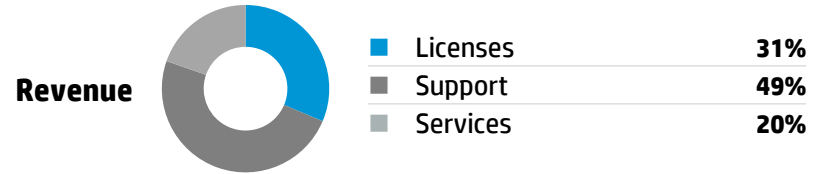


Software

Q3 FY13

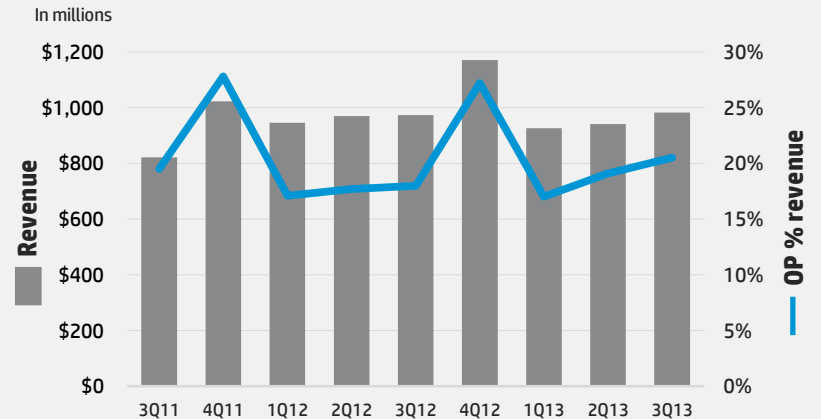
Revenue
\$982 million
 ↑ 1% y/y

Operating profit
\$201 million
 20.5% of revenue



Highlights

- Licenses revenue **flat** y/y
- Support revenue up **4%** y/y
- Services
 - Professional Services revenue down **11%** y/y
 - SaaS revenue up **4%** y/y





HP Financial Services (HPFS)

Q3 FY13

Revenue

\$879 million

↓ 6% y/y

Operating profit

\$99 million

11.3% of revenue

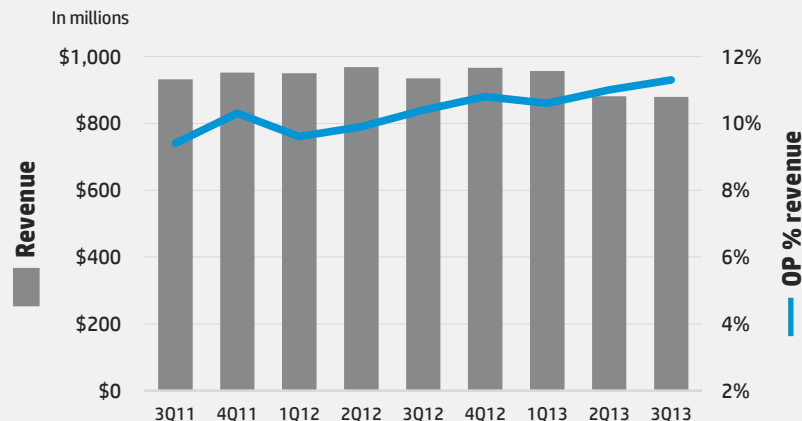
Revenue



Americas	59%
EMEA	29%
Asia Pacific	12%

Highlights

- Financing volume down **9%** y/y
- Net portfolio assets of **\$12.0B**, down **4%** y/y



Non-GAAP⁽¹⁾ financial information

In millions except per share amounts	Q3 FY13		Q2 FY13		Q3 FY12	
Revenue	\$27,226	100%	\$27,582	100%	\$29,669	100%
Cost of sales	\$20,859	76.6%	\$21,055	76.3%	\$22,712	76.6%
Total OpEx	\$4,071	15.0%	\$4,157	15.1%	\$4,220	14.2%
Operating profit	\$2,296	8.4%	\$2,370	8.6%	\$2,737	9.2%
Interest & other, net	(146)		(193)		(224)	
Pre-tax earnings	2,150	7.9%	2,177	7.9%	2,513	8.5%
Income tax	(474)		(479)		(540)	
Net earnings	1,676	6.2%	1,698	6.2%	1,973	6.7%
Diluted EPS	\$0.86		\$0.87		\$1.00	

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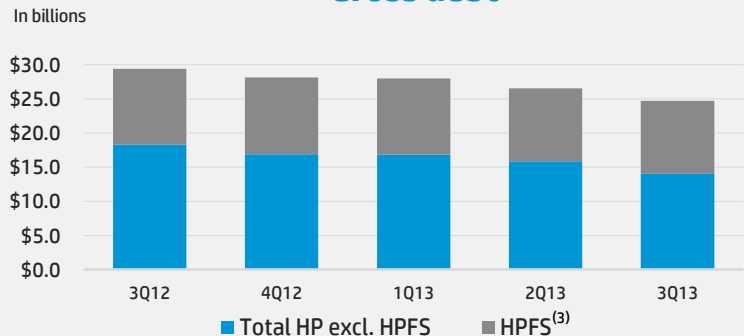
Q3 FY13 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amortization of purchased intangibles assets	Restructuring charges	Acquisition related charges	Non-GAAP
Revenue	\$27,226				\$27,226
Cost of sales	20,859				20,859
Total OpEx	4,512	(356)	(81)	(4)	4,071
Operating profit	1,855	356	81	4	2,296
Interest & other, net	(146)				(146)
Pre-tax earnings	1,709	356	81	4	2,150
Income tax	(319)	(141)	(12)	(2)	(474)
Tax rate	18.7%				22.0%
Net earnings	\$1,390				\$1,676
Diluted earnings per share	\$0.71				\$0.86

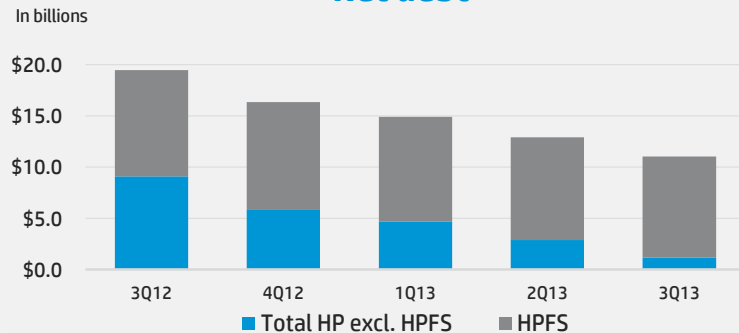


Select cash and debt balances⁽¹⁾

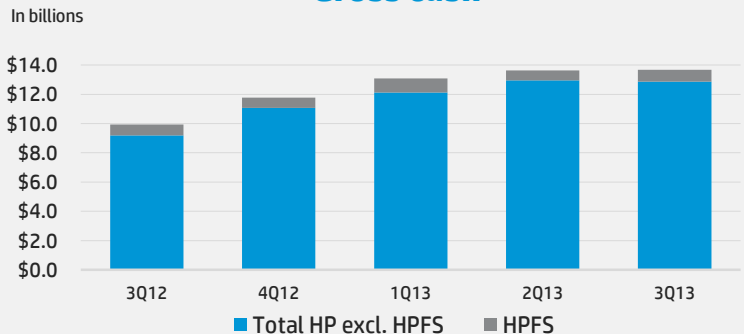
Gross debt



Net debt⁽²⁾



Gross cash⁽⁴⁾



\$ in billions	3Q12	4Q12	1Q13	2Q13	3Q13
Total HP gross debt	29.4	28.2	28.0	26.5	24.7
Total HP gross cash ⁽⁴⁾	9.9	11.8	13.1	13.6	13.7
HP net debt ⁽²⁾	19.5	16.4	14.9	12.9	11.0
HPFS gross debt ⁽³⁾	11.1	11.3	11.2	10.7	10.7
HPFS gross cash ⁽⁴⁾	0.8	0.7	1.0	0.7	0.9
HPFS net debt ⁽²⁾	10.3	10.6	10.2	10.0	9.8
Operating co. net debt^{(2),(5)}	9.2	5.8	4.7	2.9	1.2

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2. Net debt is defined as gross debt including the effect of hedging less gross cash

3. HPFS gross debt includes primarily intercompany equity that is treated as debt for segment reporting purposes at a debt to equity ratio of 7.0x, intercompany debt, and debt issued directly by HPFS

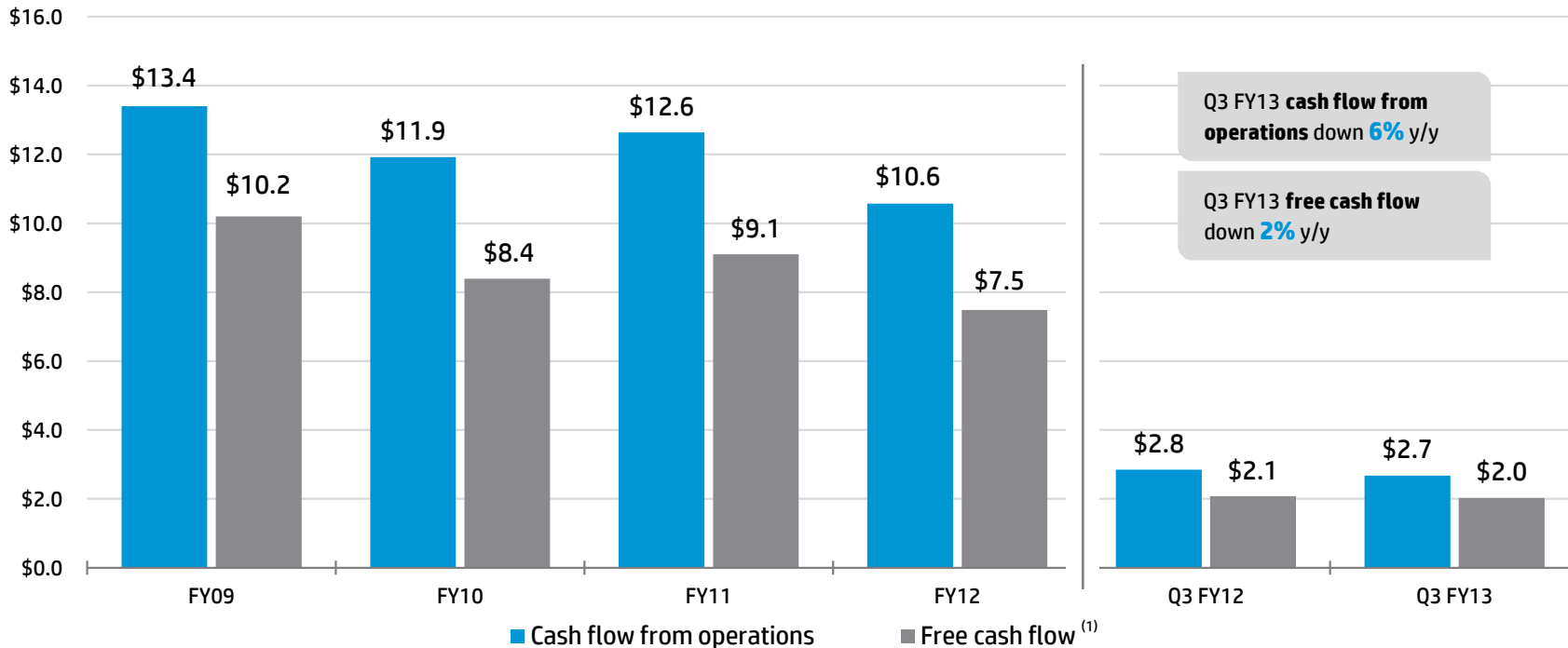
4. Gross cash includes cash and cash equivalents, short-term investments, and certain liquid long-term investments

5. Operating company net debt is total HP net debt less HPFS net debt



Cash flow

In billions



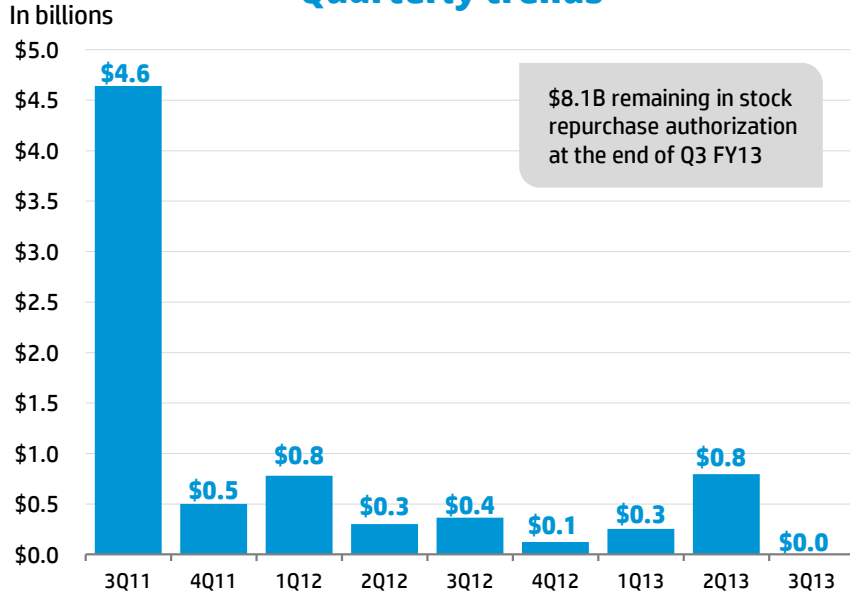
1. Free cash flow = cash flow from operations less net capital expenditures



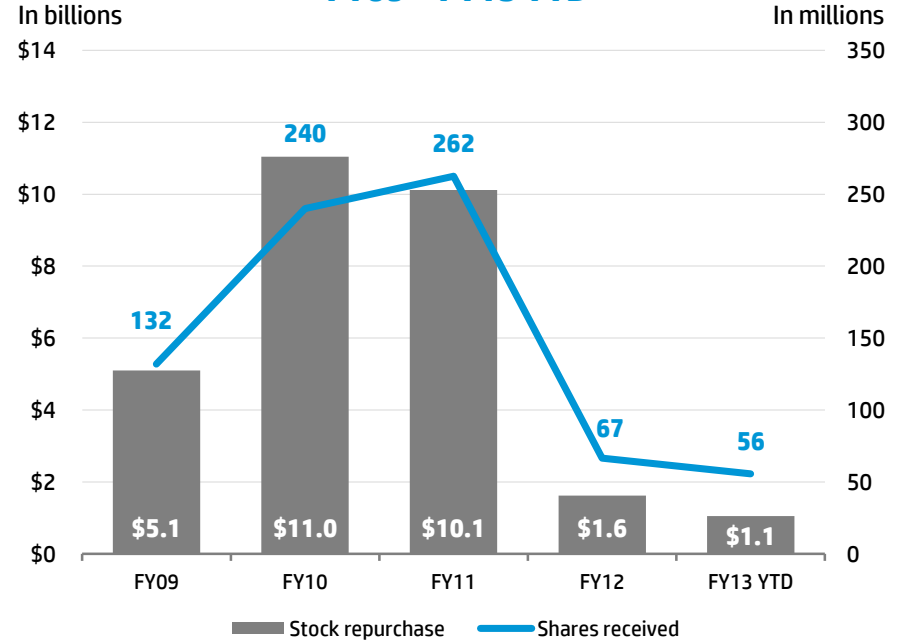


Stock repurchase

Quarterly trends



FY09 – FY13 YTD



Outlook

Full year FY13 EPS guidance

GAAP Diluted EPS	\$2.67 – \$2.71
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Non-GAAP Diluted EPS⁽¹⁾	\$3.53 – \$3.57
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1. 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



Updated FY13 cash flow model

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

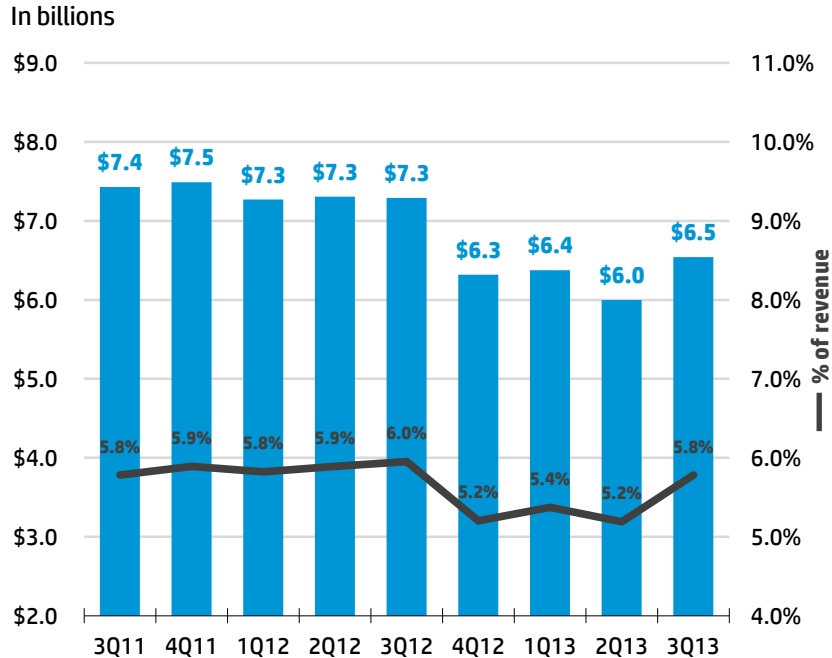


Supplemental slides

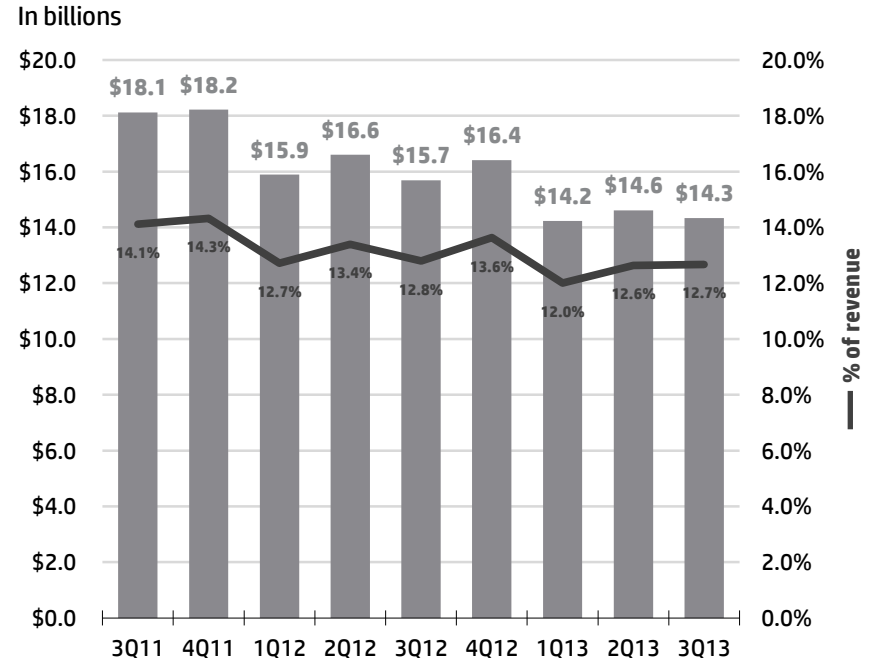


Inventory & accounts receivable

Inventory



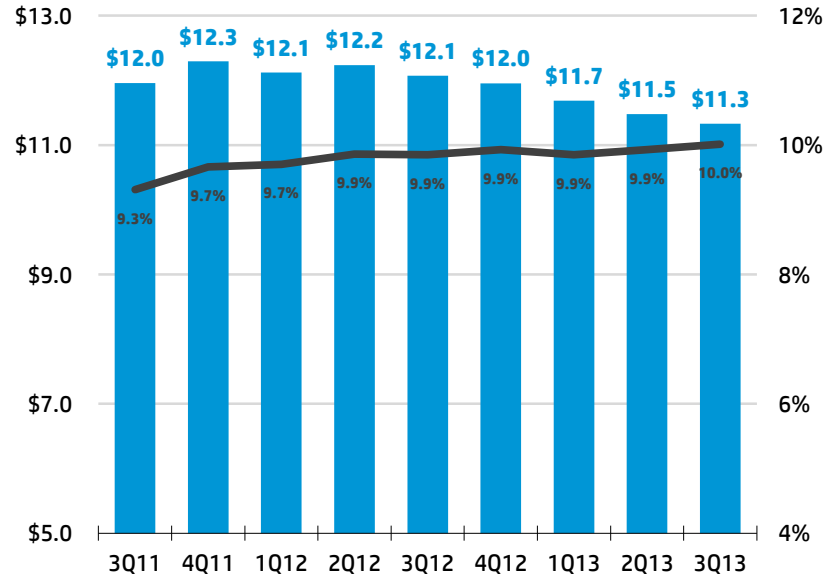
Accounts receivable



PP&E & accounts payable

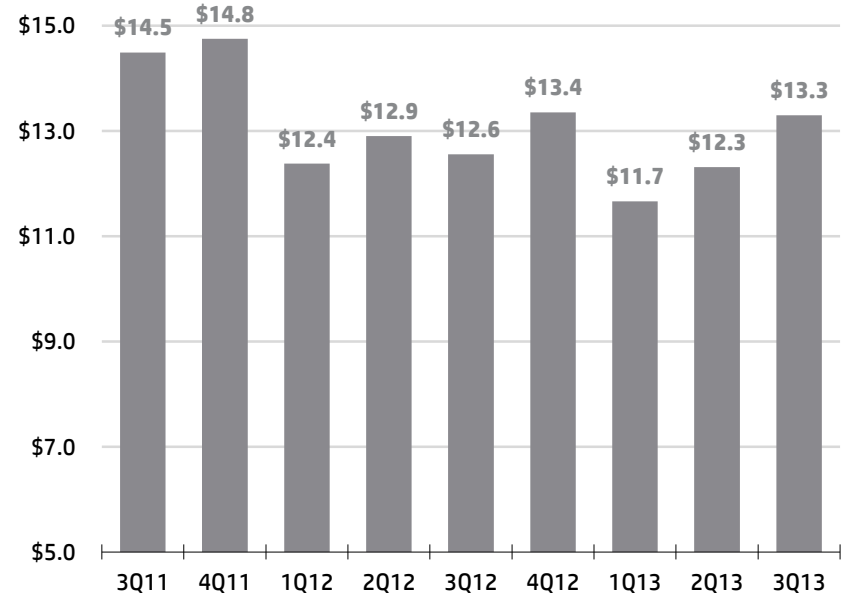
Net PP&E

In billions

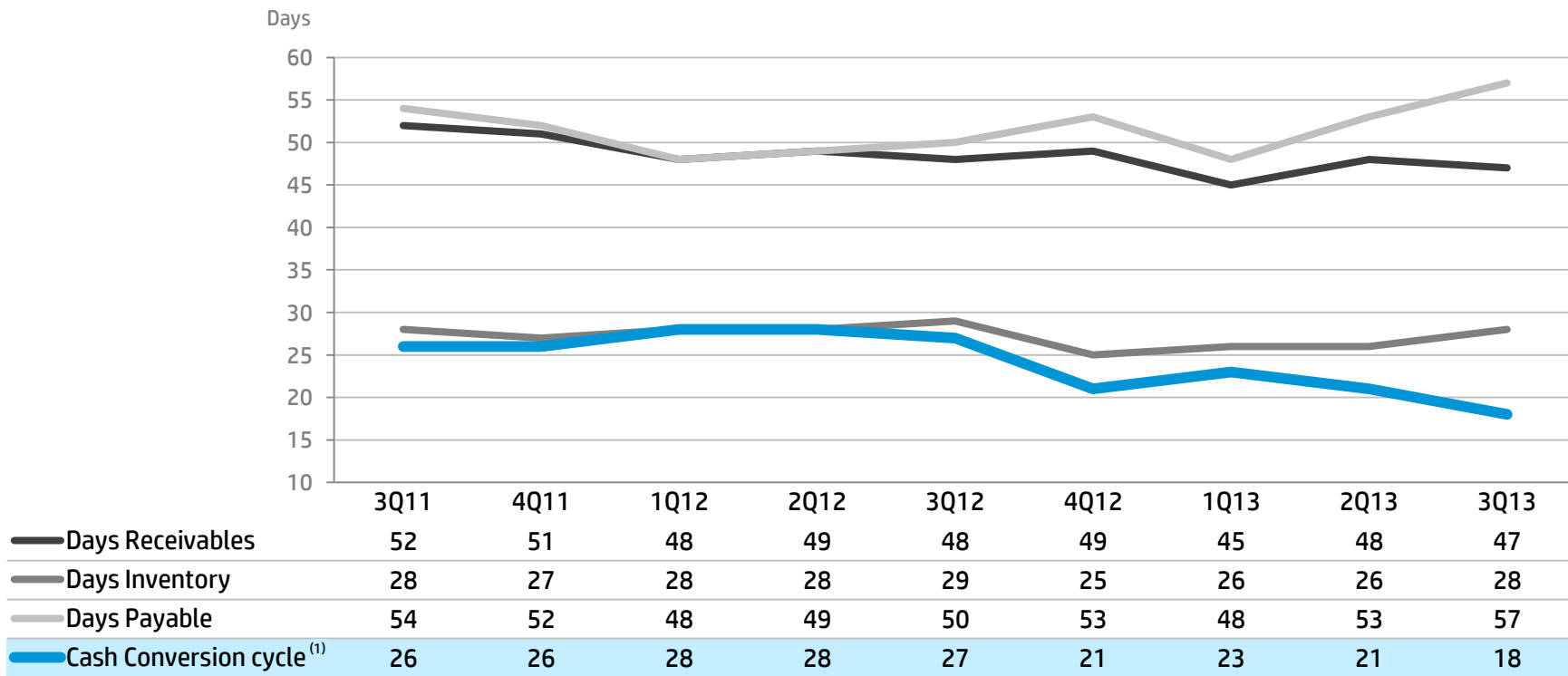


Accounts payable

In billions



Working capital metrics



1. Cash Conversion Cycle = Days Receivables + Days Inventory – Days Payable



HPFS supplemental data

In millions	Q3 FY13	Q2 FY13	Q3 FY12
Depreciation ⁽¹⁾	\$405	\$414	\$437
Net capital expenditures ⁽¹⁾	\$384	\$382	\$325
Sequential (decrease) increase in net financing receivables	(\$226)	(\$256)	(\$57)

1. Depreciation and net capital expenditures are shown net of inter-company eliminations.

Q2 FY13 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amortization of purchased intangibles assets	Restructuring charges	Acquisition related charges	Non-GAAP
Revenue	\$27,582				\$27,582
Cost of sales	21,055				21,055
Total OpEx	4,926	(350)	(408)	(11)	4,157
Operating profit	1,601	350	408	11	2,370
Interest & other, net	(193)				(193)
Pre-tax earnings	1,408	350	408	11	2,177
Income tax	(331)	(101)	(43)	(4)	(479)
Tax rate	23.5%				22.0%
Net earnings	\$1,077				\$1,698
Diluted earnings per share	\$0.55				\$0.87



Q1 FY13 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amortization of purchased intangibles assets	Restructuring charges	Acquisition related charges	Non-GAAP
Revenue	\$28,359				\$28,359
Cost of sales	22,029				22,029
Total OpEx	4,578	(350)	(130)	(4)	4,094
Operating profit	1,752	350	130	4	2,236
Interest & other, net	(179)				(179)
Pre-tax earnings	1,573	350	130	4	2,057
Income tax	(341)	(95)	(15)	(1)	(452)
Tax rate	21.7%				22.0%
Net earnings	\$1,232				\$1,605
Diluted earnings per share	\$0.63				\$0.82

FY12 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Wind down of webOS device business	Wind down of non-strategic businesses ⁽¹⁾	Impairment of goodwill and purchased intangible assets	Amortization of purchased intangibles assets	Restructuring charges	Acquisition related charges	Non-GAAP
Revenue	\$120,357							\$120,357
Cost of sales	92,385	36	(108)					92,313
Total OpEx	39,029			(18,035)	(1,784)	(2,266)	(45)	16,899
Operating (loss) / profit	(11,057)	(36)	108	18,035	1,784	2,266	45	11,145
Interest & other, net	(876)							(876)
Pre-tax (loss) / earnings	(11,933)	(36)	108	18,035	1,784	2,266	45	10,269
Income tax	(717)	13	(34)	(235) ⁽²⁾	(600)	(647)	(14)	(2,234)
Tax rate	(6.0%)							21.8%
Net (loss) / earnings	(\$12,650)							\$8,035
Diluted (loss) / earnings per share	(\$6.41)							\$4.05

1. Primarily represents contract-related charges, including inventory write-downs, related to winding down certain retail publishing business activities within the Printing segment

2. The adjustments for taxes is net of a valuation allowance of \$1.3 billion provided for certain deferred tax assets

Q4 FY12 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Impairment of goodwill and purchased intangible assets	Amortization of purchased intangibles assets	Restructuring charges	Acquisition related charges	Non-GAAP
Revenue	\$29,959					\$29,959
Cost of sales	22,711					22,711
Total OpEx	13,736	(8,847)	(372)	(378)	(3)	4,136
Operating (loss) / profit	(6,488)	8,847	372	378	3	3,112
Interest & other, net	(188)					(188)
Pre-tax (loss) / earnings	(6,676)	8,847	372	378	3	2,924
Income tax	(178)	(231) ⁽¹⁾	(187)	(45)	(2)	(643)
Tax rate	(2.7%)					22.0%
Net (loss) / earnings	(\$6,854)					\$2,281
Diluted (loss) / earnings per share	(\$3.49)					\$1.16

1. The adjustments for taxes is net of a valuation allowance of \$0.5 billion provided for certain deferred tax assets

Q3 FY12 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Wind down of non-strategic businesses ⁽¹⁾	Impairment of goodwill and purchased intangible assets	Amortization of purchased intangibles assets	Restructuring charges	Acquisition related charges	Non-GAAP
Revenue	\$29,669						\$29,669
Cost of sales	22,820	(108)					22,712
Total OpEx	15,682		(9,188)	(476)	(1,795)	(3)	4,220
Operating (loss) / profit	(8,833)	108	9,188	476	1,795	3	2,737
Interest & other, net	(224)						(224)
Pre-tax (loss) / earnings	(9,057)	108	9,188	476	1,795	3	2,513
Income tax	200	(34)	(4) ⁽²⁾	(139)	(563)	-	(540)
Tax rate	2.2%						21.5%
Net (loss) / earnings	(\$8,857)						\$1,973
Diluted (loss) / earnings per share	(\$4.49)						\$1.00

1. Primarily represents contract-related charges, including inventory write-downs, related to winding down certain retail publishing business activities within the Printing segment

2. The adjustments for taxes is net of a valuation allowance of \$0.8 billion provided for certain deferred tax assets related to the Enterprise Services segment

Q2 FY12 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Wind down of webOS device business	Amortization of purchased intangibles	Restructuring charges	Acquisition related charges	Non-GAAP
Revenue	\$30,693					\$30,693
Cost of sales	23,541	36				23,577
Total OpEx	4,930		(470)	(53)	(17)	4,390
Operating profit	2,222	(36)	470	53	17	2,726
Interest & other, net	(243)					(243)
Pre-tax earnings	1,979	(36)	470	53	17	2,483
Income tax	(386)	13	(138)	(17)	(6)	(534)
Tax rate	19.5%					21.5%
Net earnings	\$1,593					\$1,949
Diluted EPS	\$0.80					\$0.98

Q1 FY12 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amortization of purchased intangibles	Restructuring charges	Acquisition related charges	Non-GAAP
Revenue	\$30,036				\$30,036
Cost of sales	23,313				23,313
Total OpEx	4,681	(466)	(40)	(22)	4,153
Operating profit	2,042	466	40	22	2,570
Interest & other, net	(221)				(221)
Pre-tax earnings	1,821	466	40	22	2,349
Income tax	(353)	(136)	(22)	(6)	(517)
Tax rate	19.4%				22.0%
Net earnings	\$1,468				\$1,832
Diluted EPS	\$0.73				\$0.92

FY11 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Wind down of webOS device business	Impair. of goodwill and purchased intangible assets	Amort. of purchased intangibles	Restructuring charges	Acquisition related charges	Non-GAAP
Revenue	\$127,245	142					\$127,387
Cost of sales	97,418	(548)					96,870
Total OpEx	20,150	(65)	(885)	(1,607)	(645)	(182)	16,766
Operating profit	9,677	755	885	1,607	645	182	13,751
Interest & other, net	(695)					276	(419)
Pre-tax earnings	8,982	755	885	1,607	645	458	13,332
Income tax	(1,908)	(198)	(25)	(489)	(198)	(135)	(2,953)
Tax rate	21.2%						22.1%
Net earnings	\$7,074						\$10,379
Diluted EPS	\$3.32						\$4.88

Q4 FY11 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Wind down of webOS device business	Impair. of goodwill and purchased intangible assets	Amort. of purchased intangibles	Restructuring charges	Acquisition related charges	Non-GAAP
Revenue	\$32,122	142					\$32,264
Cost of sales	25,304	(548)					24,756
Total OpEx	6,023	(65)	(885)	(411)	(179)	(114)	4,369
Operating profit	795	755	885	411	179	114	3,139
Interest & other, net	(401)					276	(125)
Pre-tax earnings	394	755	885	411	179	390	3,014
Income tax	(155)	(198)	(25)	(127)	(47)	(112)	(664)
Tax rate	39.3%						22.0%
Net earnings	\$239						\$2,350
Diluted EPS	\$0.12						\$1.17

Q3 FY11 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	\$31,189				\$31,189
Cost of sales	23,901				23,901
Total OpEx	4,768	(358)	(150)	(18)	4,242
Operating profit	2,520	358	150	18	3,046
Interest & other, net	(121)				(121)
Pre-tax earnings	2,399	358	150	18	2,925
Income tax	(473)	(108)	(56)	(6)	(643)
Tax rate	19.7%				22.0%
Net earnings	\$1,926				\$2,282
Diluted EPS	\$0.93				\$1.10

Q2 FY11 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	\$31,632				\$31,632
Cost of sales	23,832				23,832
Total OpEx	4,832	(413)	(158)	(21)	4,240
Operating profit	2,968	413	158	21	3,560
Interest & other, net	(76)				(76)
Pre-tax earnings	2,892	413	158	21	3,484
Income tax	(588)	(126)	(46)	(7)	(767)
Tax rate	20.3%				22.0%
Net earnings	\$2,304				\$2,717
Diluted EPS	\$1.05				\$1.24

Q1 FY11 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	\$32,302				\$32,302
Cost of sales	24,381				24,381
Total OpEx	4,527	(425)	(158)	(29)	3,915
Operating profit	3,394	425	158	29	4,006
Interest & other, net	(97)				(97)
Pre-tax earnings	3,297	425	158	29	3,909
Income tax	(692)	(129)	(48)	(10)	(879)
Tax rate	21.0%				22.5%
Net earnings	2,605				3,030
Diluted EPS	\$1.17				\$1.36

FY10 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	\$126,033				\$126,033
Cost of sales	95,852				95,852
Total OpEx	18,702	(1,484)	(1,144)	(293)	15,781
Operating profit	11,479	1,484	1,144	293	14,400
Interest & other, net	(505)				(505)
Pre-tax earnings	10,974	1,484	1,144	293	13,895
Income tax	(2,213)	(391)	(342)	(83)	(3,029)
Tax rate	20.2%				21.8%
Net earnings	8,761				10,866
Diluted EPS	\$3.69				\$4.58

Q4 FY10 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	\$33,278				\$33,278
Cost of sales	24,968				24,968
Total OpEx	5,015	(424)	(235)	(51)	4,305
Operating profit	3,295	424	235	51	4,005
Interest & other, net	(81)				(81)
Pre-tax earnings	3,214	424	235	51	3,924
Income tax	(676)	(98)	(68)	(18)	(860)
Tax rate	21.0%				21.9%
Net earnings	2,538				3,064
Diluted EPS	\$1.10				\$1.33

Q3 FY10 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	\$30,729				\$30,729
Cost of sales	23,340				23,340
Total OpEx	5,066	(383)	(598)	(127)	3,958
Operating profit	2,323	383	598	127	3,431
Interest & other, net	(134)				(134)
Pre-tax earnings	2,189	383	598	127	3,297
Income tax	(416)	(100)	(175)	(31)	(722)
Tax rate	19.0%				21.9%
Net earnings	1,773				2,575
Diluted EPS	\$0.75				\$1.08