



HP Q4 FY09 Earnings Announcement

November 23, 2009

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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 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 strategic acquisitions, repurchasing stock and other purposes.

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. Items such as 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

Key Messages

Solid quarter highlighted by double-digit sequential revenue growth and record profits

- Revenue of \$30.8 billion, up 12% sequentially and above outlook provided Aug. 18th, 2009
- Productivity gains in Services and IPG driving fourth quarter Non-GAAP and GAAP Operating Margin improvement of 170 bps and 200 bps, respectively, Y/Y
- All hardware businesses grew double-digit sequentially
- Continued growth in China, up over 20% Y/Y; good improvement in the US

Strong services performance with record profit and significant growth in signings

- EDS integration ahead of plan and gaining momentum in the market
- Full year, 2009 signings significantly above revenue
- Roughly 19,000 headcount have been removed to date as part of the EDS integration

IPG poised for recovery

- Demand for printers improving
- Supplies revenue continues to converge with sell-out
- Significant progress in reducing costs and improving operations
- Expecting double-digit printer unit growth in first quarter FY10 while maintaining operating profit margins of 15-17%

HP executing its strategy

- Share gains in ISS and PSG furthering our leadership position.
- HP claims top spot in US enterprise PC market with double-digit Y/Y share gains
- Investing in sales coverage, converged infrastructure, digital printing, and software
- Once completed, acquisition of 3Com expected to broaden networking solutions with leading technology

Q4 FY09 results overview

Financial Summary

- Net revenue of \$30.8B, down 8% Y/Y; down 5% in constant currency, up 12% sequentially
- Non-GAAP⁽¹⁾ diluted EPS of \$1.14; up 11% Y/Y
- GAAP diluted EPS of \$0.99; up 18% Y/Y
- Cash flow from operations of \$3.4B
- \$2.1B in share repurchases and \$190M in dividends

\$ in millions	Q4 Revenue	Growth Y/Y%	OP \$	OP % of rev	OP \$ Y/Y	OP % Y/Y
Services	\$8,926	8%	\$1,444	16.2%	\$499	4.8 pts
Enterprise Storage and Servers	\$4,218	(17%)	\$481	11.4%	(\$224)	(2.5 pts)
HP Software	\$967	(16%)	\$234	24.2%	\$23	5.8 pts
Technology Solutions Group	\$14,111	(3%)	\$2,159	15.3%	\$298	2.5 pts
Personal Systems Group	\$9,862	(12%)	\$460	4.7%	(\$156)	(0.8 pts)
Imaging and Printing Group	\$6,454	(15%)	\$1,171	18.1%	\$16	2.8 pts
HP Financial Services	\$726	5%	\$66	9.1%	\$15	1.7 pts
Total HP ⁽²⁾	\$30,777	(8%)	\$3,632 ⁽¹⁾	11.8% ⁽¹⁾	\$230 ⁽¹⁾	1.7 pts ⁽¹⁾

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2. Includes Corporate Investments & Eliminations

Full year fiscal 2009 results overview

Financial Summary

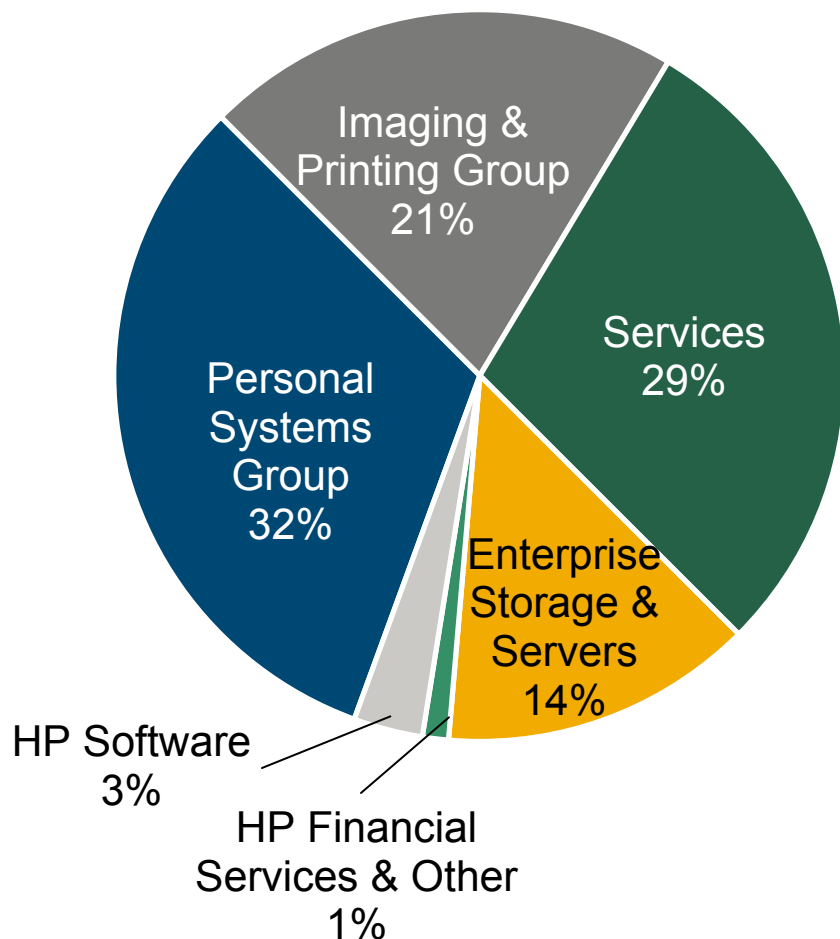
- Net revenue of \$114.6B, down 3% Y/Y; up 1% in constant currency
- Non-GAAP⁽¹⁾ diluted EPS of \$3.85; up 6% Y/Y
- GAAP diluted EPS of \$3.14; down 3% Y/Y
- Cash flow from operations of \$13.4B
- \$5.1B in share repurchases and \$766M in dividends

\$ in millions	FY '09 Revenue ⁽³⁾	Growth Y/Y%	OP \$	OP % of rev	OP \$ Y/Y	OP % Y/Y
Services	\$34,693	65%	\$5,044	14.5%	\$2,526	2.5 pts
Enterprise Storage and Servers	\$15,359	(21%)	\$1,518	9.9%	(\$1,059)	(3.4 pts)
HP Software	\$3,572	(15%)	\$684	19.1%	\$185	7.3 pts
Technology Solutions Group	\$53,624	20%	\$7,246	13.5%	\$1,652	1.0 pts
Personal Systems Group	\$35,305	(17%)	\$1,661	4.7%	(\$714)	(0.9 pts)
Imaging and Printing Group	\$24,011	(19%)	\$4,310	18.0%	(\$249)	2.6 pts
HP Financial Services	\$2,673	(1%)	\$206	7.7%	\$14	0.6 pts
Total HP ⁽²⁾	\$114,552	(3%)	\$12,596 ⁽¹⁾	11.0% ⁽¹⁾	\$800 ⁽¹⁾	1.0 pts ⁽¹⁾

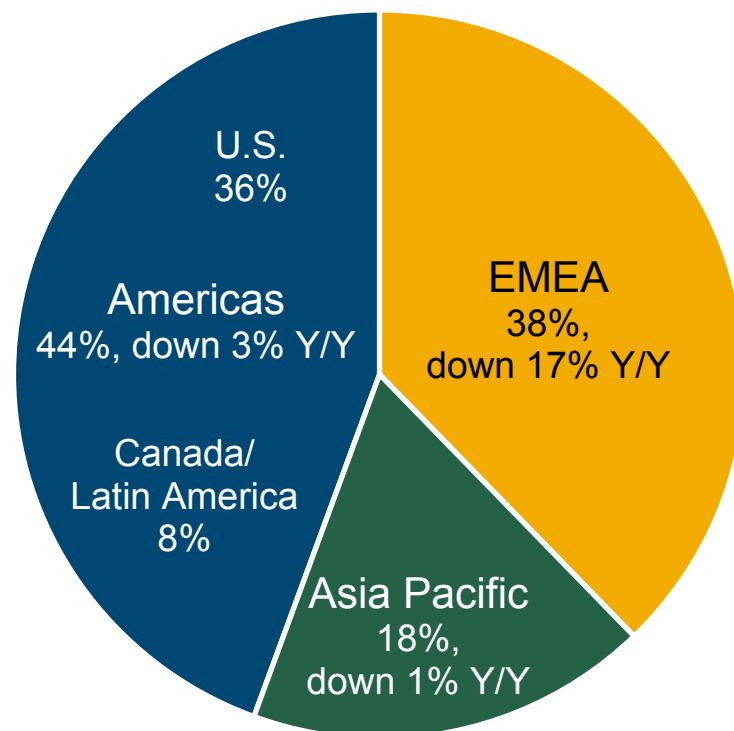
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3. Previously reported quarterly results for fiscal 2009 have been restated to reflect the impact of HP's early adoption of two recently released accounting standards related to revenue recognition (ASU 2009-13 & 14). See slide 30 for further details.

Q4 FY09 revenue

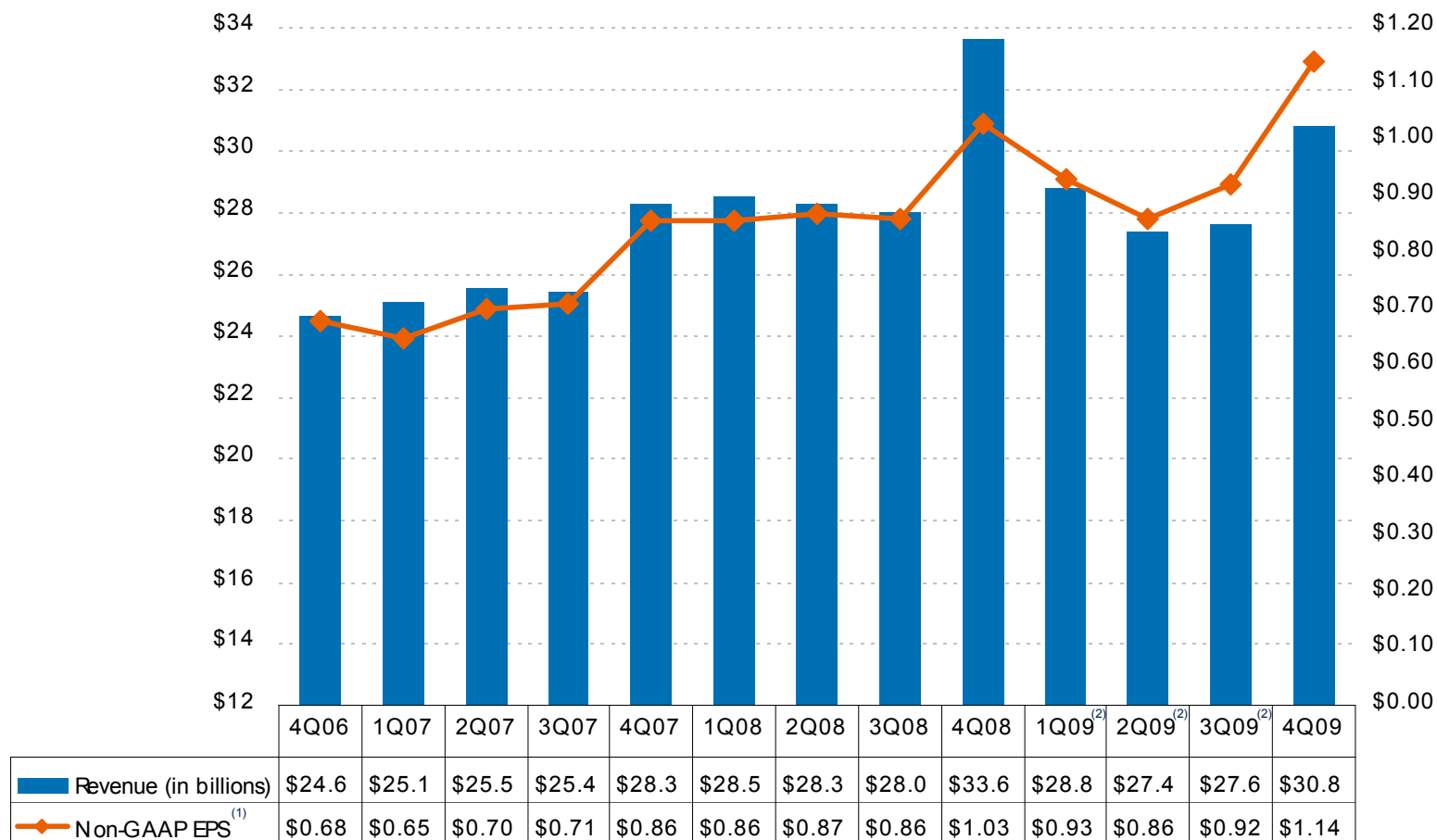
By Segment



By Region

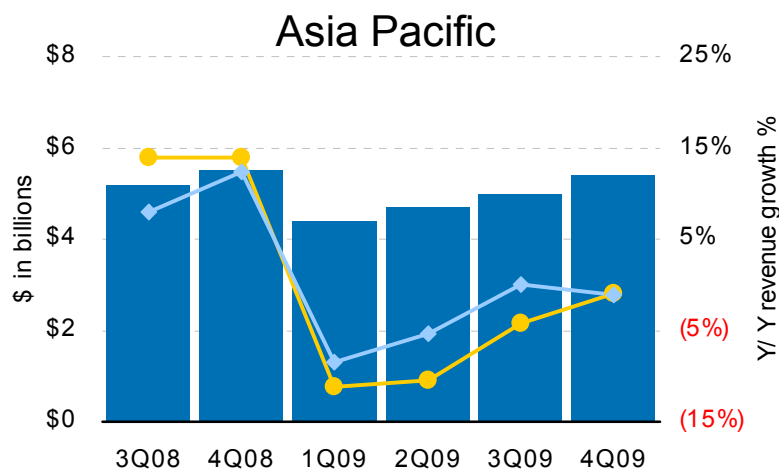
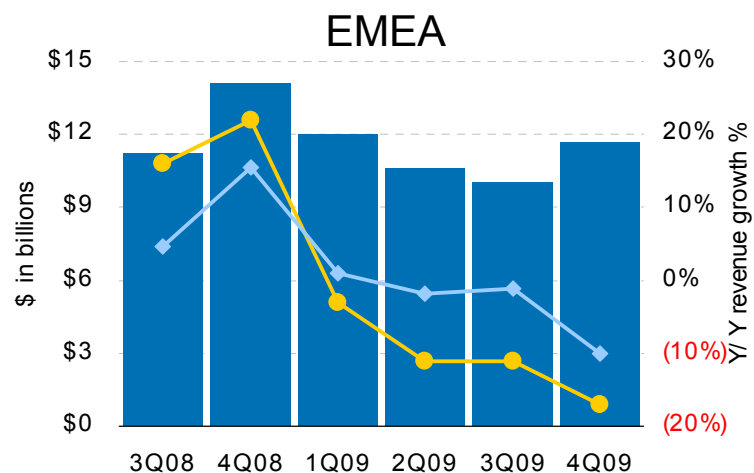
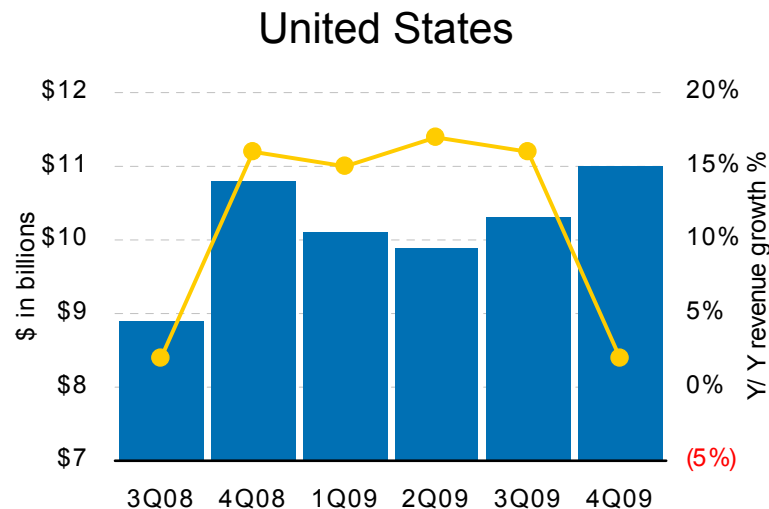
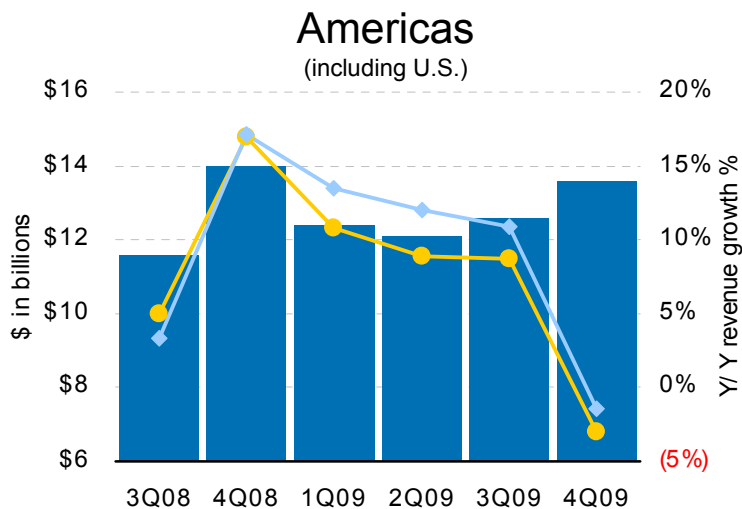


Revenue & EPS performance



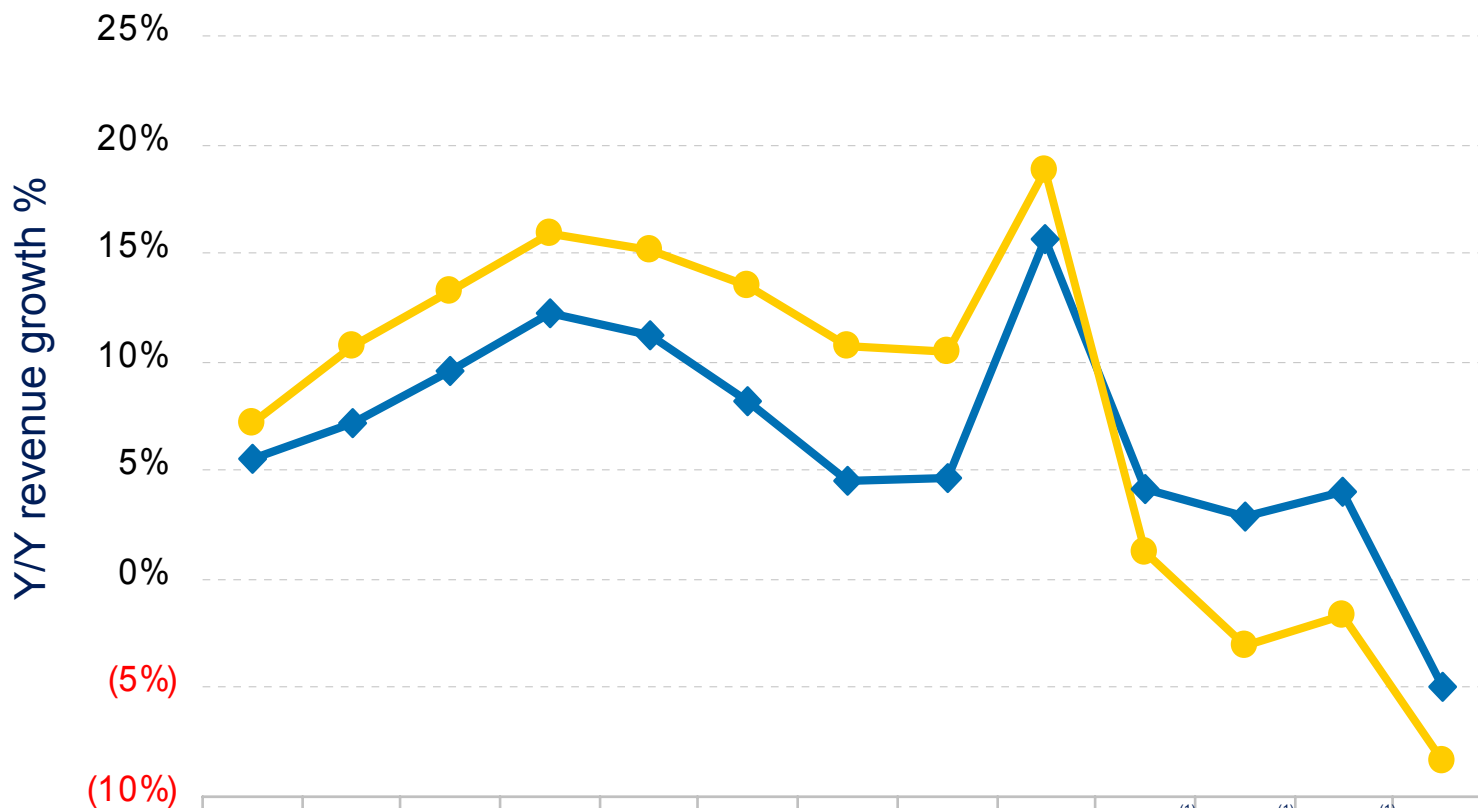
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Regional revenue trends



● Y/Y revenue growth %
◆ Y/Y constant currency revenue growth %

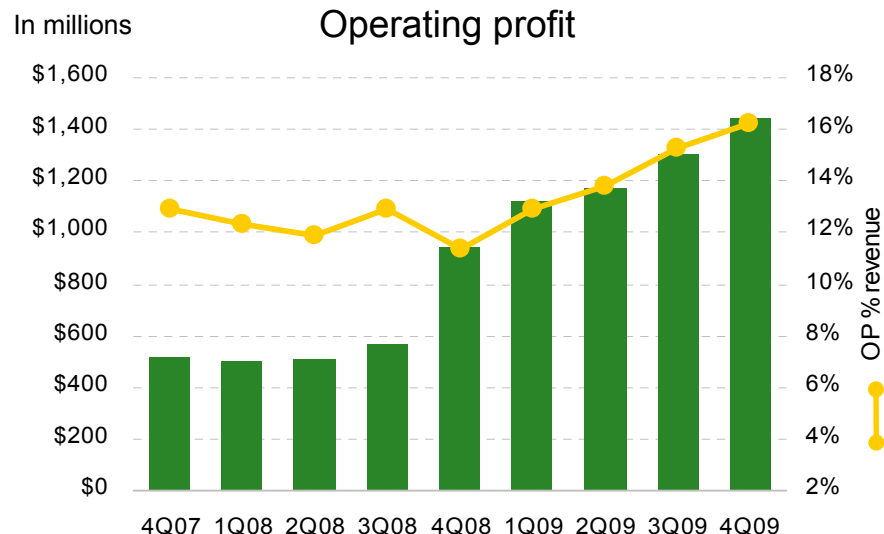
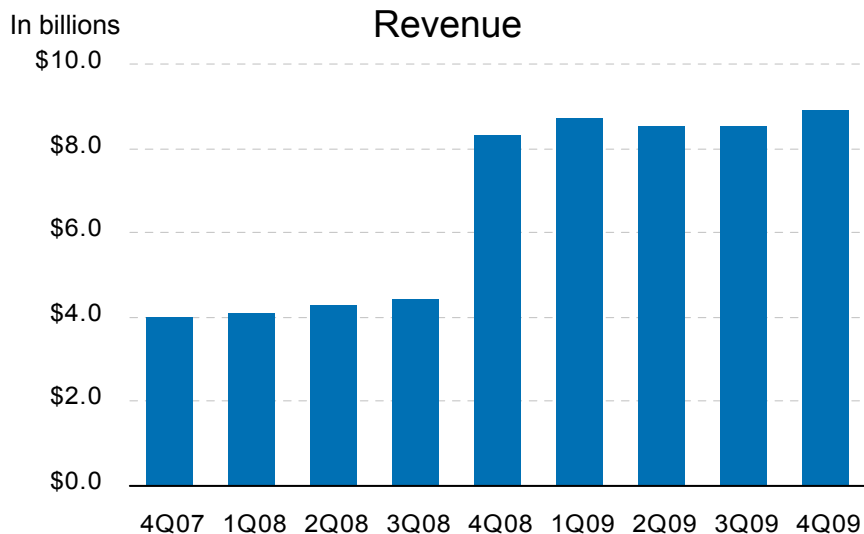
Revenue growth



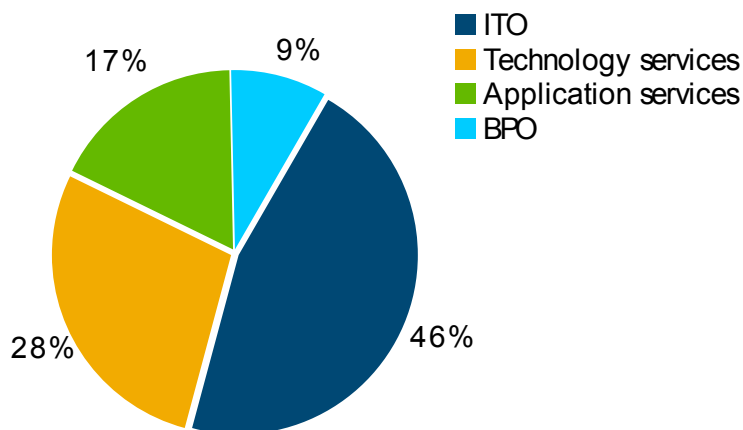
	4Q06	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08	4Q08	1Q09 ⁽¹⁾	2Q09 ⁽¹⁾	3Q09 ⁽¹⁾	4Q09
◆ Constant currency	5.6%	7.2%	9.6%	12.2%	11.2%	8.2%	4.5%	4.7%	15.6%	4.2%	2.9%	4.0%	-5.0%
● As reported	7.2%	10.7%	13.2%	15.9%	15.2%	13.5%	10.7%	10.5%	18.8%	1.2%	-3.1%	-1.6%	-8.4%

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Services

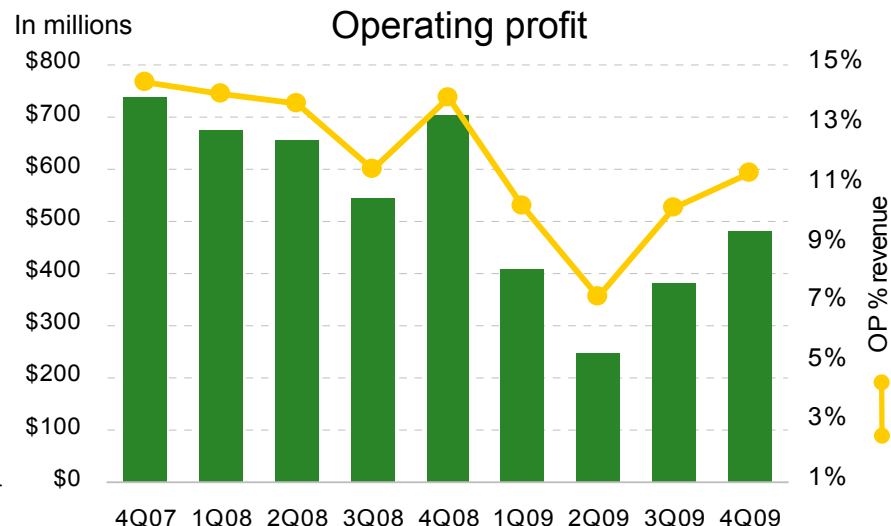
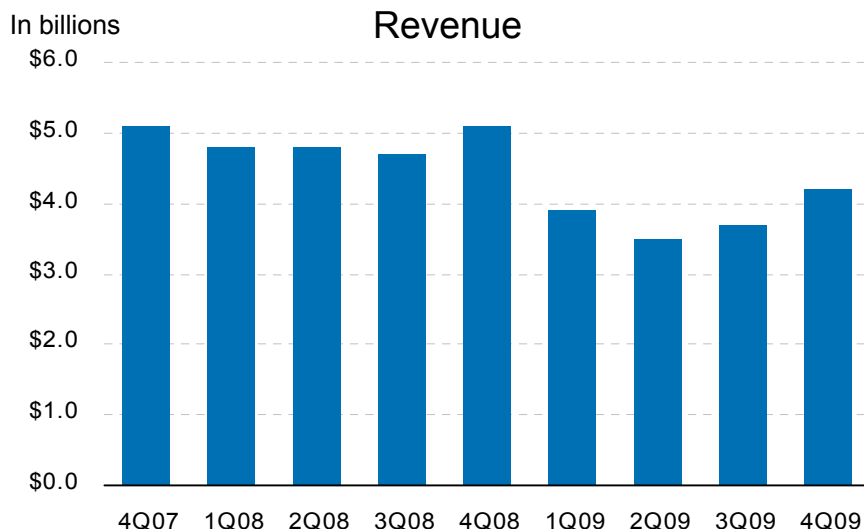


Q4 FY09 revenue by business

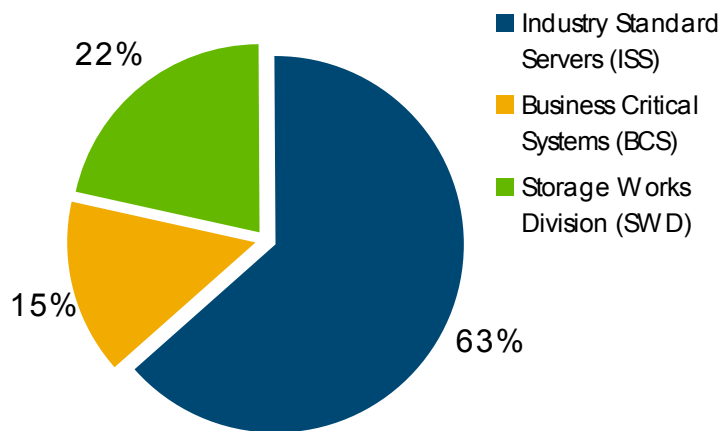


- Services revenue of \$8.9B, up 8% Y/Y, up 5% Q/Q
- Operating profit of \$1,444M; 16.2% of revenue
- ITO revenue of \$4.1B
- Technology services revenue of \$2.5B
- Application services revenue of \$1.5B
- BPO revenue of \$778M
- EDS integration ahead of plan

Enterprise Storage and Servers (ESS)

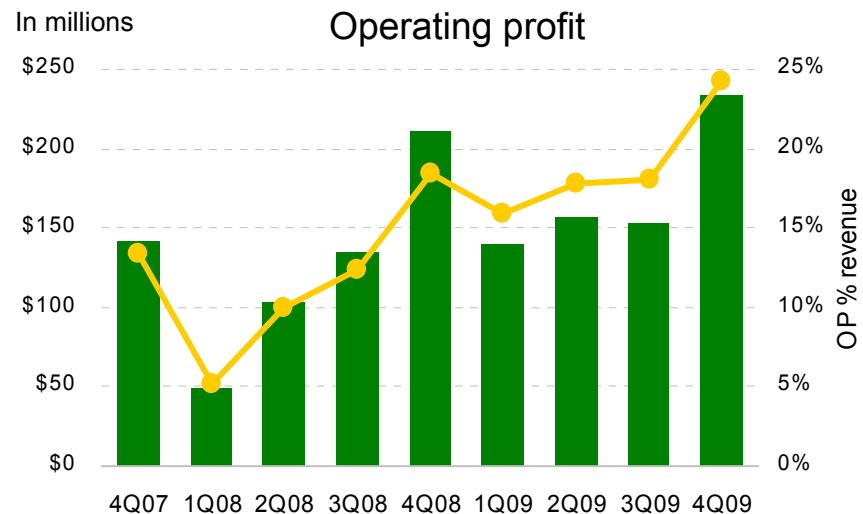
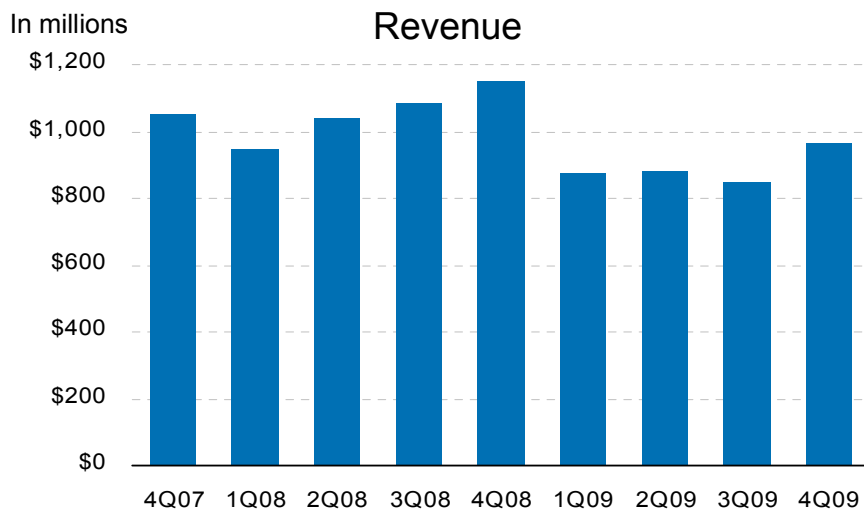


Q4 FY09 revenue by business

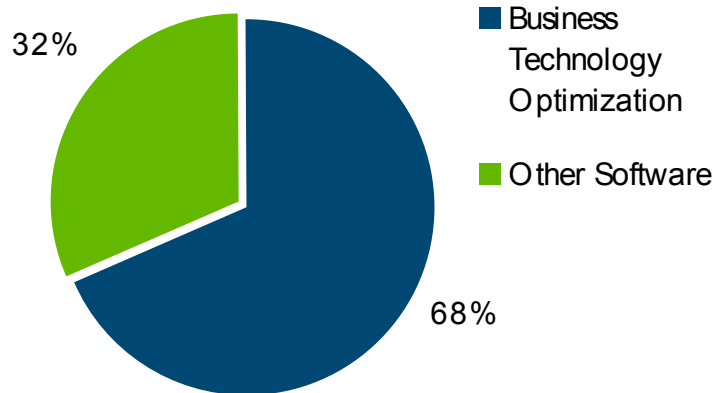


- ESS revenue of \$4.2B, down 17% Y/Y, up 13% Q/Q
- Operating profit of \$481M; 11.4% of revenue
- ISS revenue down 10% Y/Y
- BCS revenue down 33% Y/Y
- Storage revenue down 20% Y/Y; mid-range storage arrays (EVA) down 23%
- ESS Blades revenue down 8% Y/Y

HP Software

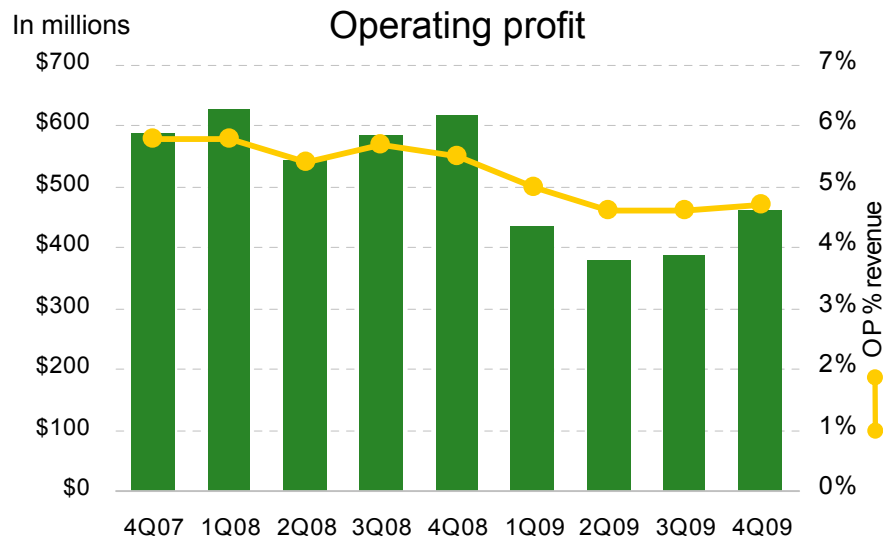
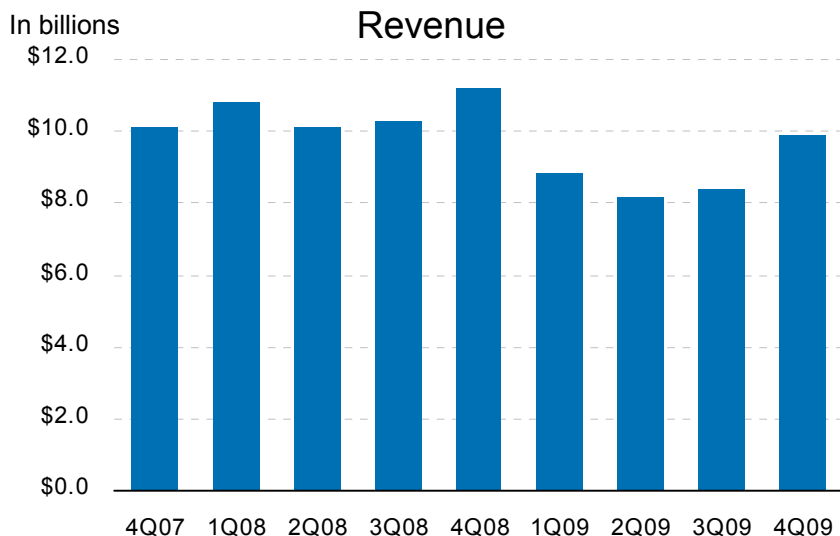


Q4 FY09 revenue by business

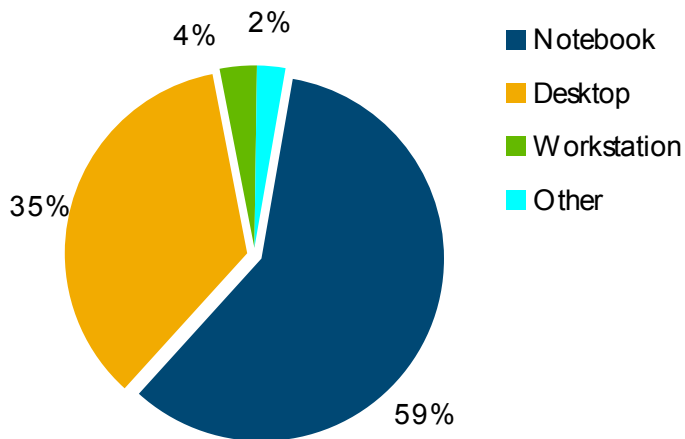


- Software revenue of \$967M, down 16% Y/Y, up 14% Q/Q
- Operating profit of \$234M; 24.2% of revenue
- Business Technology Optimization revenue down 16% Y/Y
- Other Software revenue down 15% Y/Y

Personal Systems Group (PSG)

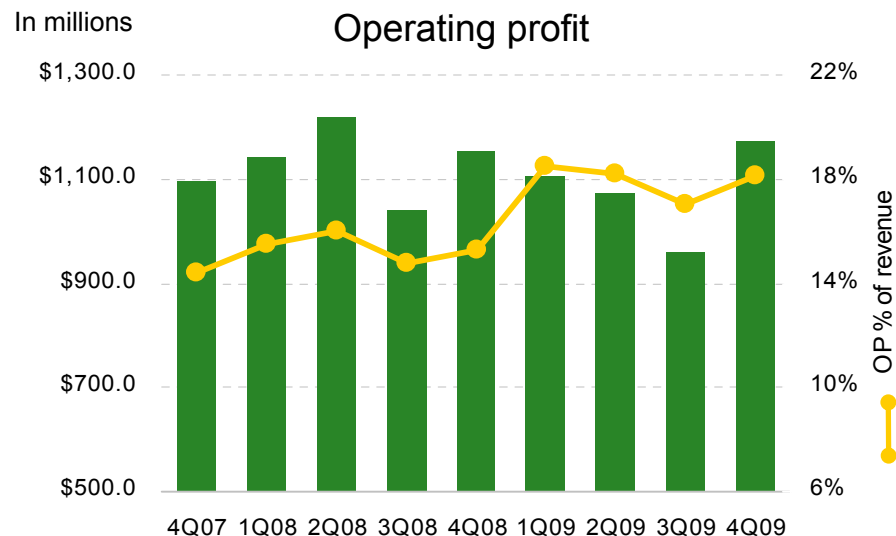
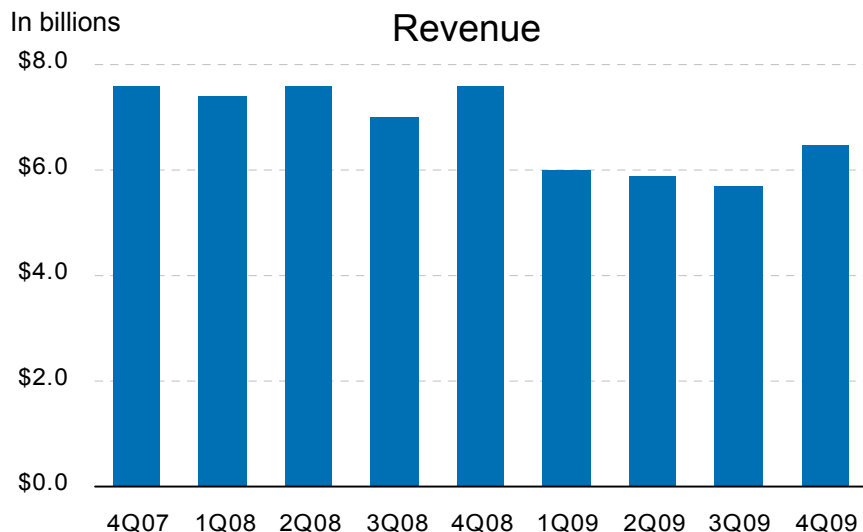


Q4 FY09 revenue by business

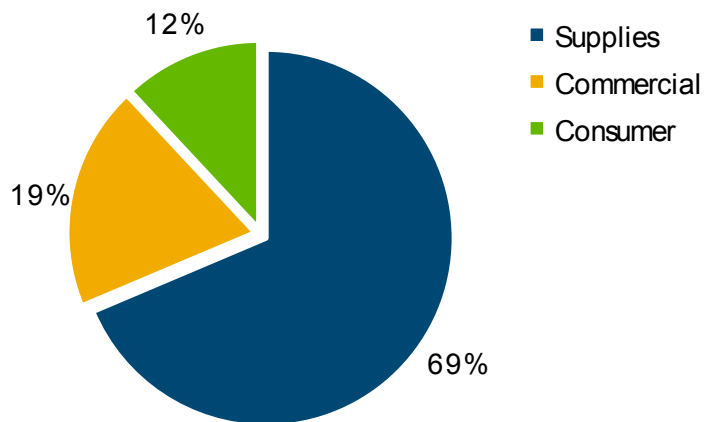


- PSG revenue of \$9.9B; down 12% Y/Y, up 17% Q/Q
- Operating profit of \$460M; 4.7% of revenue
- Total units up 8% Y/Y
- Notebook revenue down 8%; units up 17% Y/Y
- Desktop revenue down 16%; units down 3% Y/Y
- Consumer client revenue down 8% Y/Y; Commercial client revenue down 15% Y/Y

Imaging and Printing Group (IPG)

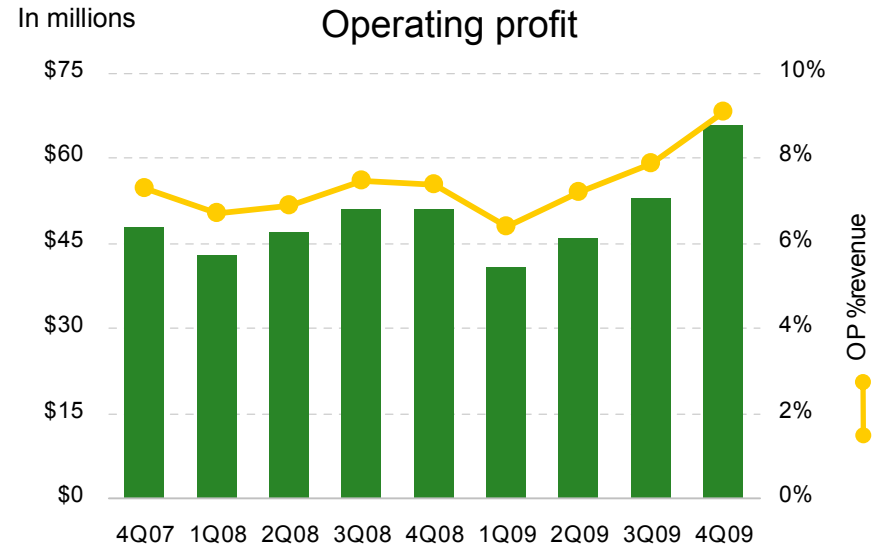
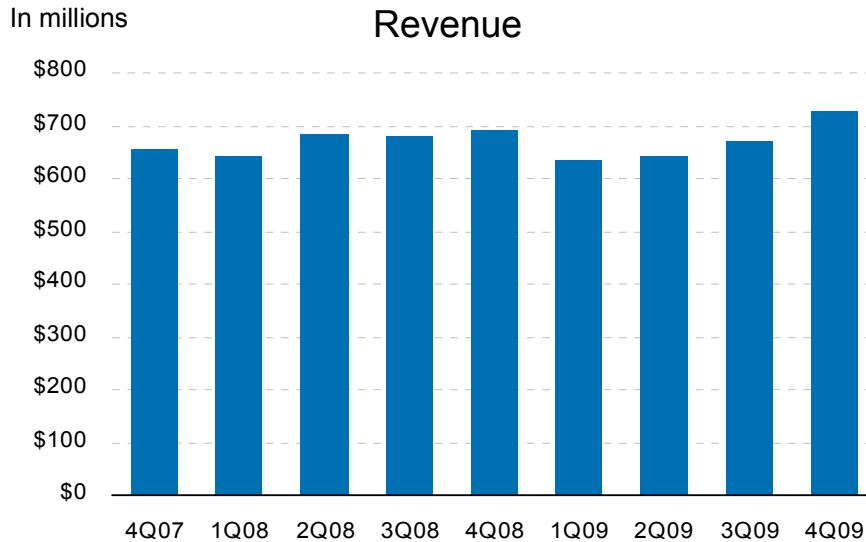


Q4 FY09 revenue by business

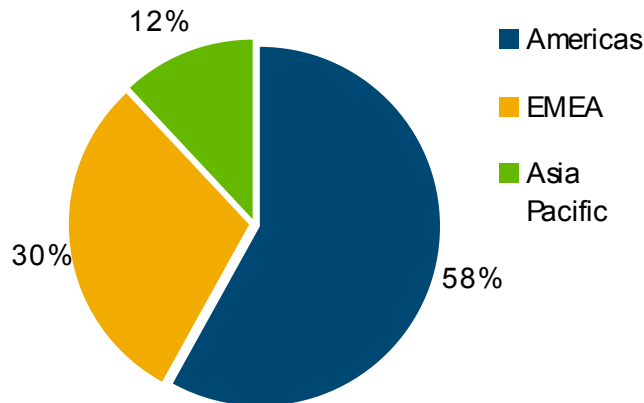


- IPG revenue of \$6.5B; down 15% Y/Y, up 14% Q/Q
- Operating profit of \$1,171M; 18.1% of revenue
- Supplies revenue down 8% Y/Y
- Total printer hardware units down 20% Y/Y; Consumer printer hardware units down 14% Y/Y; Commercial printer hardware units down 38% Y/Y
- Color LaserJet units down 18% Y/Y
- Printer-based MFP units down 44% Y/Y
- Indigo digital press page volume up 13% Y/Y

HP Financial Services (HPFS)



Q4 FY09 revenue by region



- HPFS revenue of \$726M, up 5% Y/Y, up 8% Q/Q
- Operating profit of \$66M; 9.1% of revenue
- Financing volume up 6% Y/Y
- Net portfolio assets \$9.8B, up 21% Y/Y

Non-GAAP⁽¹⁾ financial information

In millions except
per share amounts

	Q4 FY09		Q3 FY09 ⁽²⁾		Q4 FY08 ⁽³⁾	
Revenue	\$30,777	100%	\$27,585	100%	\$33,603	100%
Cost of sales	23,475	76.3%	21,031	76.2%	25,853	76.9%
Total OpEx	3,670	11.9%	3,541	12.9%	4,348	13.0%
Operating profit	3,632	11.8%	3,013	10.9%	3,402	10.1%
Interest & other, net	(132)		(177)		(98)	
Pre-tax earnings	3,500		2,836	10.3%	3,304	9.8%
Income tax	736		597		710	
Net Earnings	2,764	9.0%	2,239	8.1%	2,594	7.7%
EPS	\$1.14		\$0.92		\$1.03	

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3. FY 08 has been restated to conform to fiscal year 2009 presentation.

Q4 FY09 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- Structuring	In-Process R&D	Acquisition related charges	Non- GAAP
Revenue	\$30,777					\$30,777
Cost of sales	23,475					23,475
Total OpEx	4,169	(400)	(38)	(1)	(60)	3,670
Operating profit	3,133	400	38	1	60	3,632
Interest & other, net	(132)					(132)
Pre-tax earnings	3,001	400	38	1	60	3,500
Income tax	589	117	11	0	19	736
Tax rate	19.6%					21.0%
Net earnings	2,412					2,764
EPS	\$0.99					\$1.14

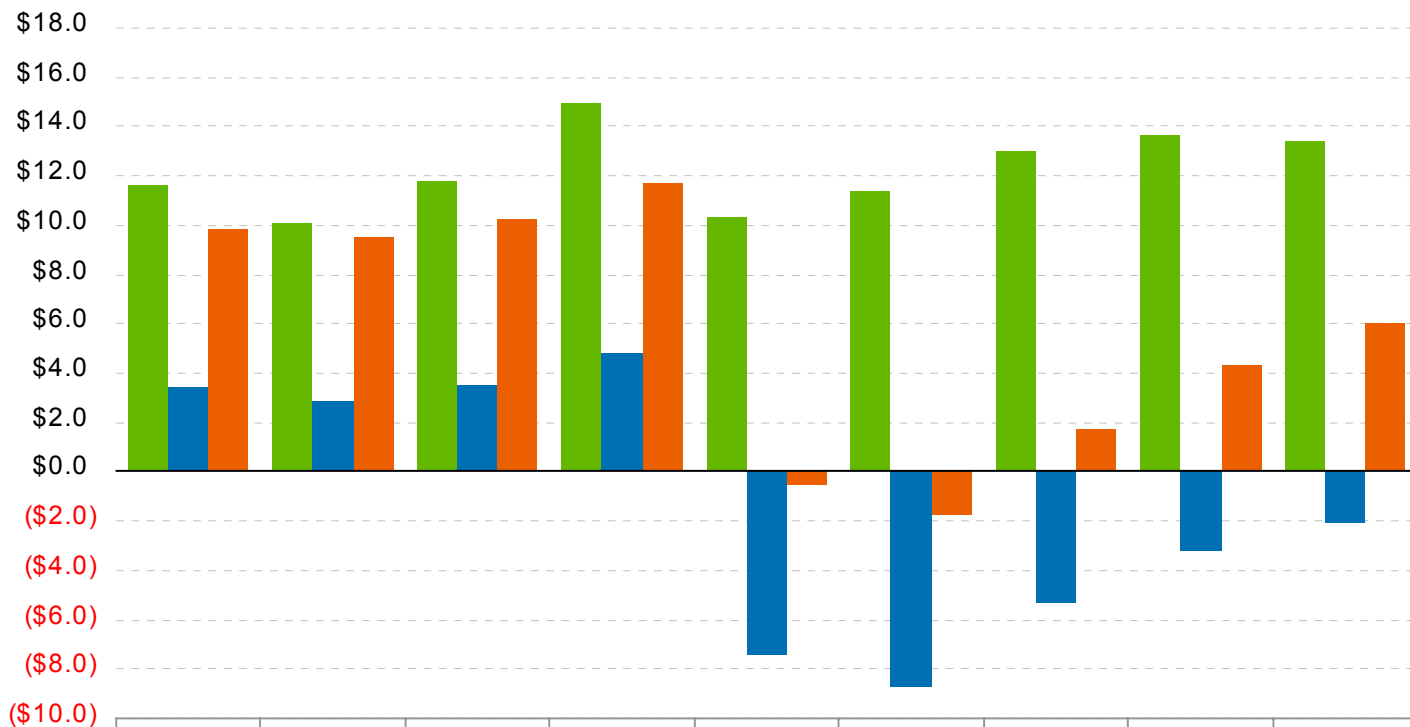
FY09 GAAP to non-GAAP bridge ⁽¹⁾

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- Structuring	In-Process R&D	Acquisition related charges	Non-GAAP
Revenue	\$114,552					\$114,552
Cost of sales	87,524					87,524
Total OpEx	16,892	(1,571)	(640)	(7)	(242)	14,432
Operating profit	10,136	1,571	640	7	242	12,596
Interest & other, net	(721)					(721)
Pre-tax earnings	9,415	1,571	640	7	242	11,875
Income tax	1,755	451	197	0	79	2,482
Tax rate	18.6%					20.9%
Net earnings	7,660					9,393
EPS	\$3.14					\$3.85

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Gross cash and net cash

In billions

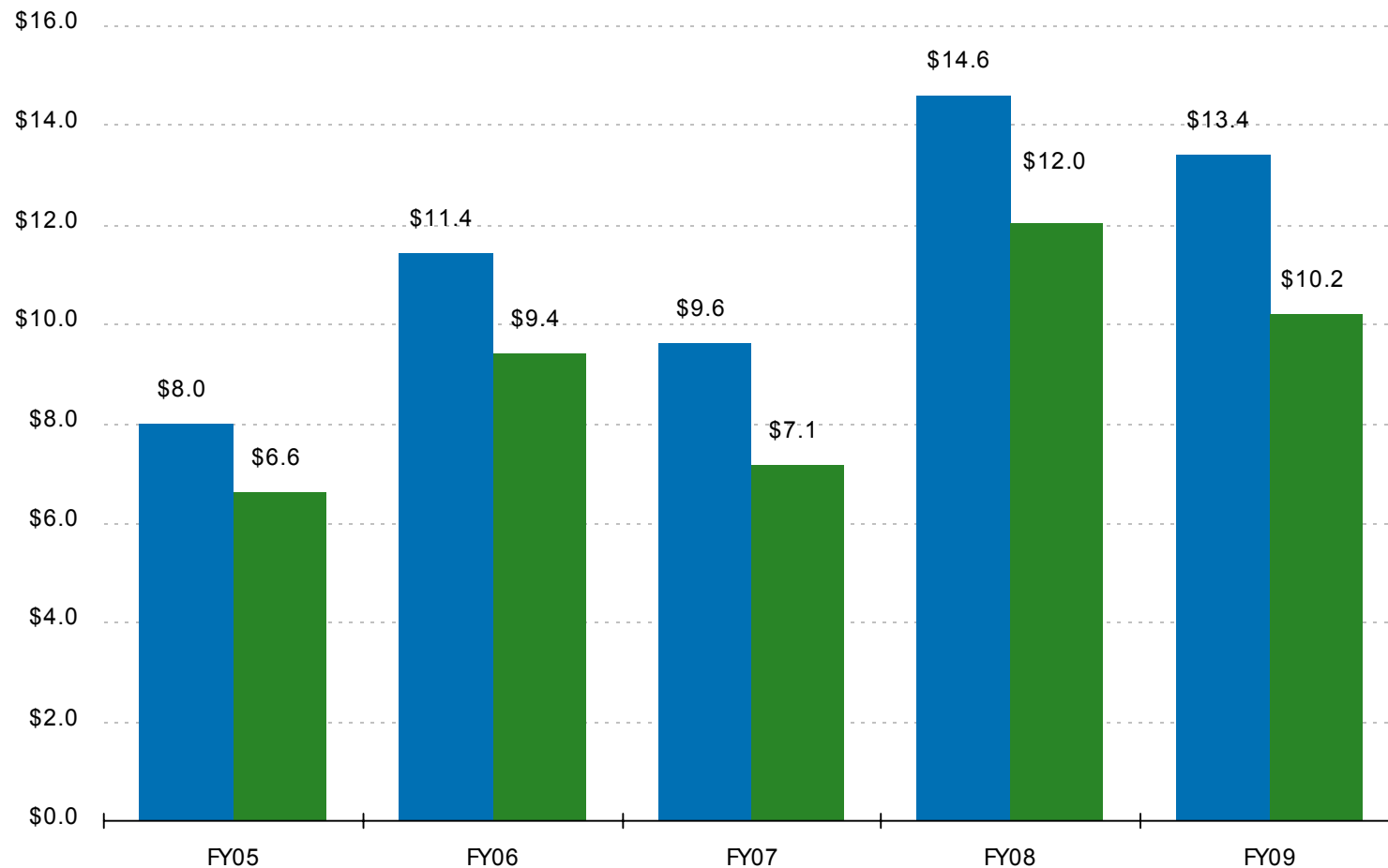


	4Q07	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
Gross cash ⁽¹⁾	\$11.6	\$10.1	\$11.8	\$14.9	\$10.3	\$11.3	\$13.0	\$13.7	\$13.4
Net cash ⁽²⁾	\$3.4	\$2.9	\$3.5	\$4.8	(\$7.4)	(\$8.7)	(\$5.3)	(\$3.2)	(\$2.1)
Net cash excl. HPFS Debt ⁽³⁾	\$9.8 ⁽⁴⁾	\$9.5 ⁽⁴⁾	\$10.2 ⁽⁴⁾	\$11.7 ⁽⁴⁾	(\$0.5) ⁽⁴⁾	(\$1.8)	\$1.8	\$4.3	\$6.0

1. Includes cash and cash equivalents, short-term investments, and certain liquid long-term investments
2. Net cash is defined as gross cash less total company debt including the effect of hedging
3. Net cash excl HPFS debt = HP net cash plus HPFS net debt
4. Prior periods have been restated to conform to current presentation

Cash flow

In billions

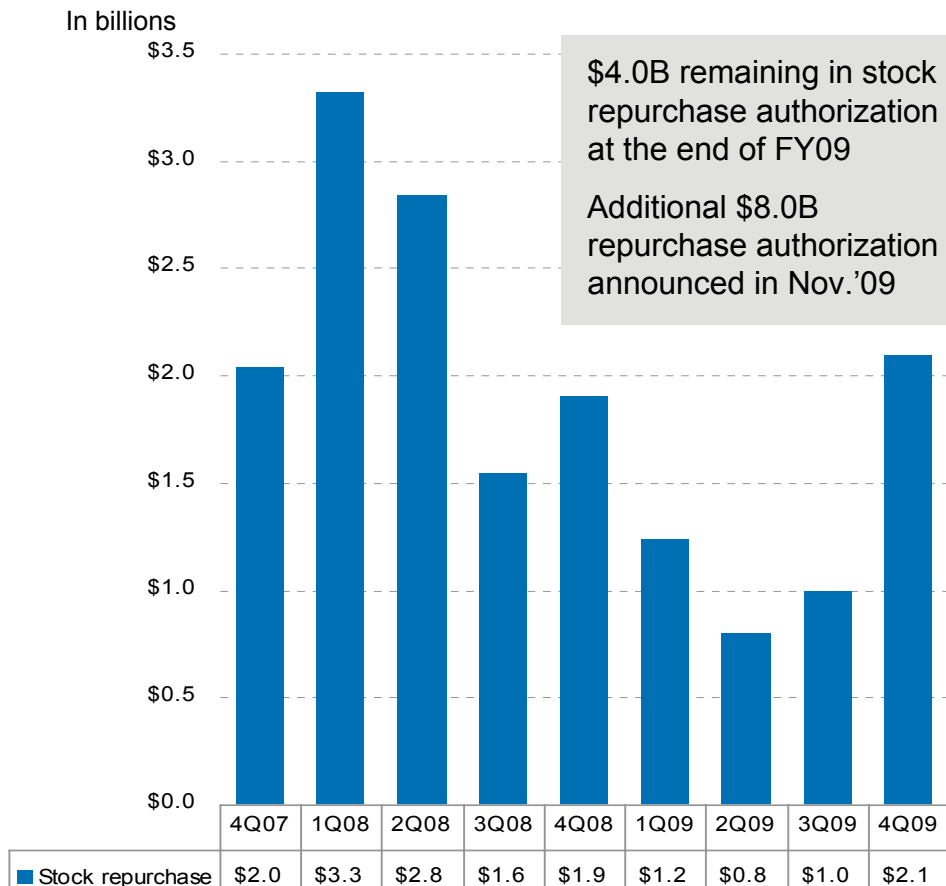


■ Cash flow from operations ■ Free cash flow⁽¹⁾

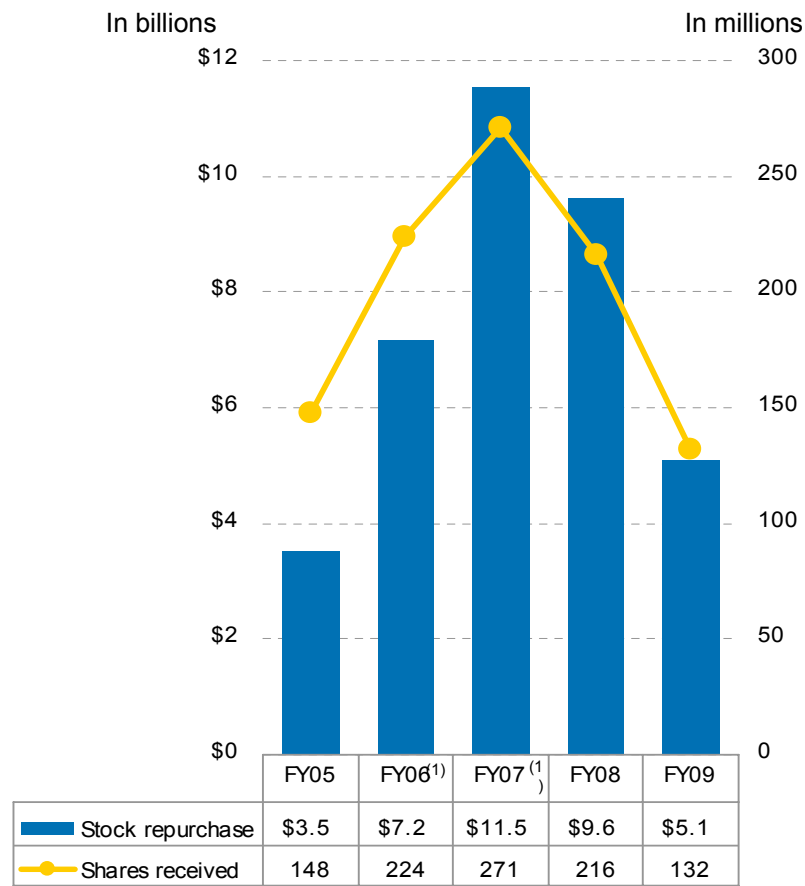
1. Free cash flow = cash flow from operations less net capital expenditures

Stock repurchase

Quarterly trends



FY05 – FY09



1. In Q1 FY06, HP entered into a prepaid variable share purchase program. \$1.7 billion in cash was used in Q1 FY06 to fully fund this plan. See our Form 10-Q for the period ended January 31, 2006 for more information. HP completed all repurchases under this plan in March 2007 and received a total of 53M shares

Outlook

Q1 FY10 guidance

Revenue	\$29.6B – \$29.9B
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GAAP EPS	\$0.90 – \$0.92
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Non-GAAP EPS ⁽¹⁾	\$1.03 – \$1.05
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Full year FY10 guidance

Revenue	\$118B – \$119B
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GAAP EPS	\$3.65 – \$3.75
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Non-GAAP EPS ⁽²⁾	\$4.25 – \$4.35
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1. Q1 FY10 non-GAAP diluted earnings per share estimates exclude after-tax costs of approximately \$0.13 per share, related primarily to the amortization of purchased intangible assets, restructuring charges and acquisition-related charges.
2. Full year FY10 non-GAAP diluted earnings per share estimates exclude after-tax costs of approximately \$0.60 per share, related primarily to the amortization of purchased intangible assets, restructuring charges and acquisition-related charges.

Supplemental slides



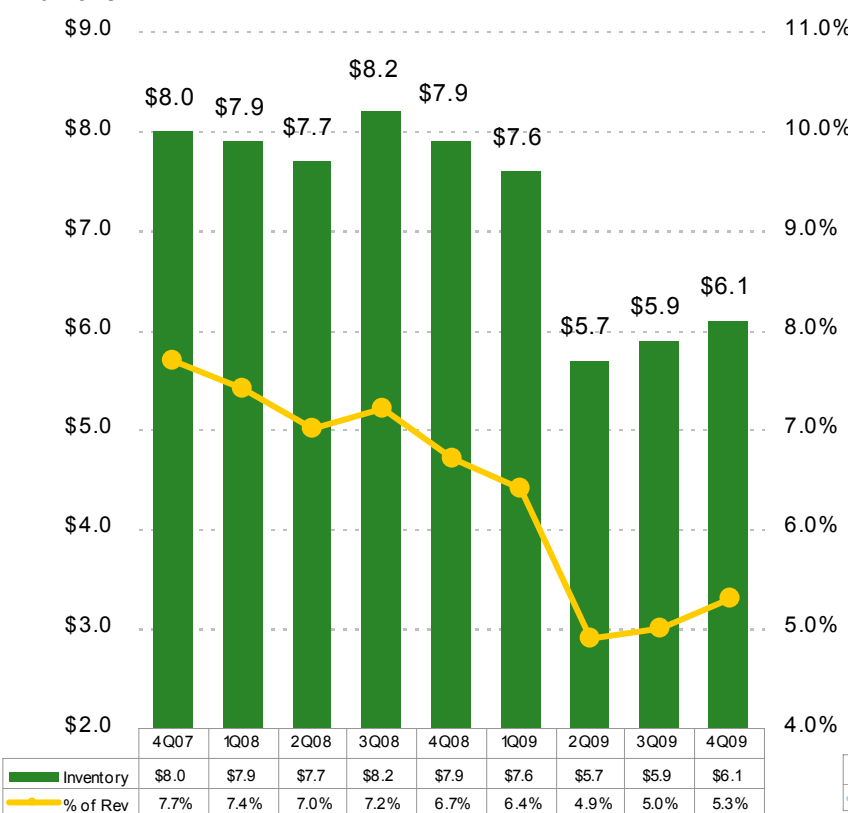
EDS Acquisition

HP completed its acquisition of Electronic Data Systems Corporation on August 26, 2008. Results of, and comparisons to, the three months ended October 31, 2008 include the results of operations of EDS only for the period from August 26, 2008 through October 31, 2008.

Inventory and accounts receivable

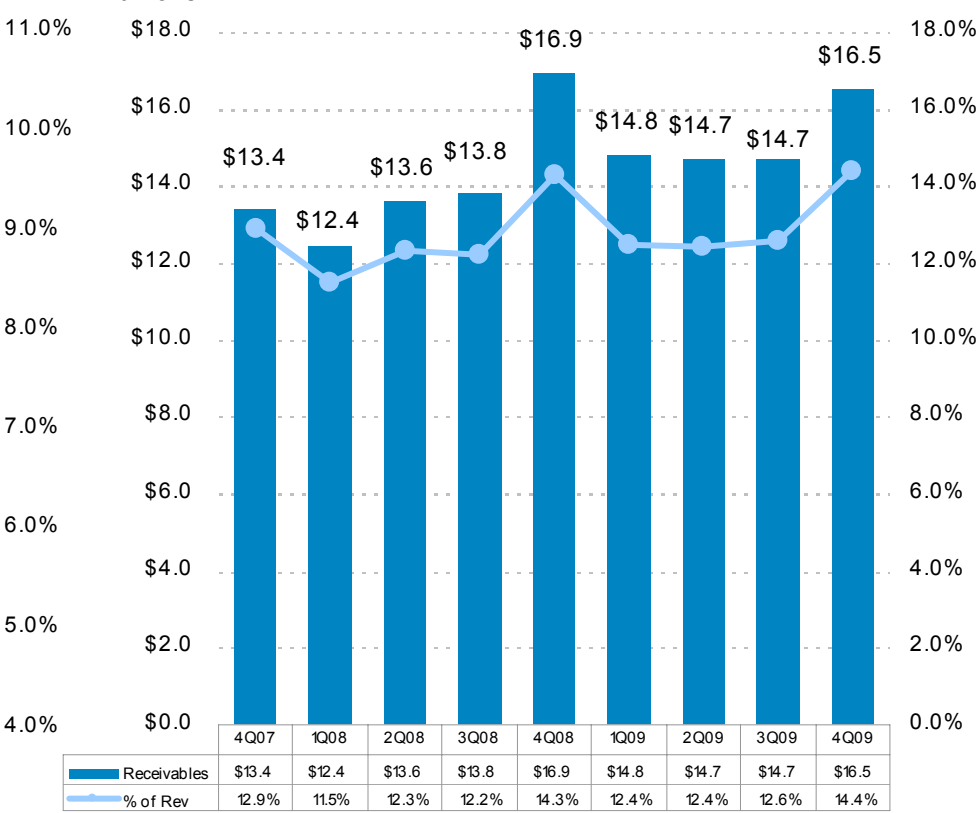
Inventory

In billions



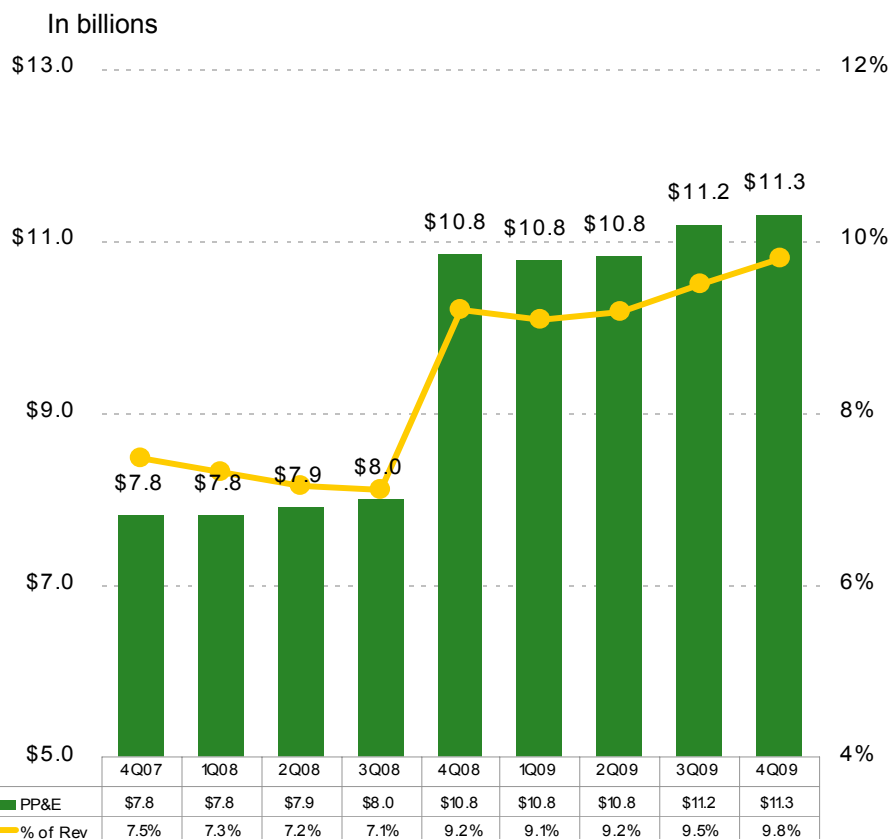
Accounts receivable

In billions

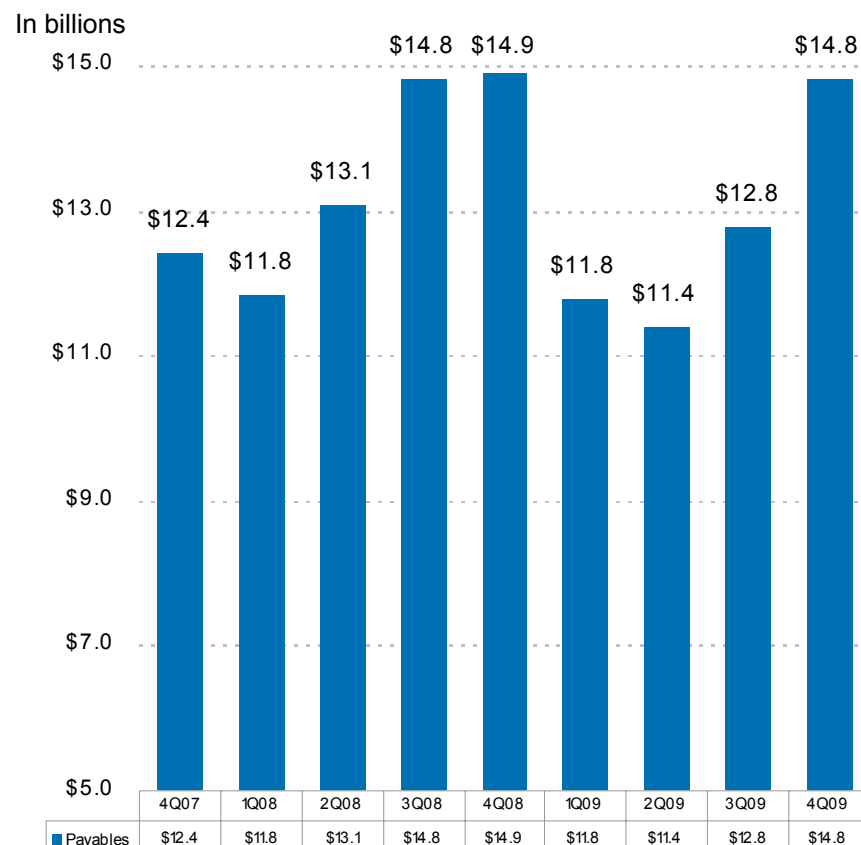


PP&E and accounts payable

Net PP&E

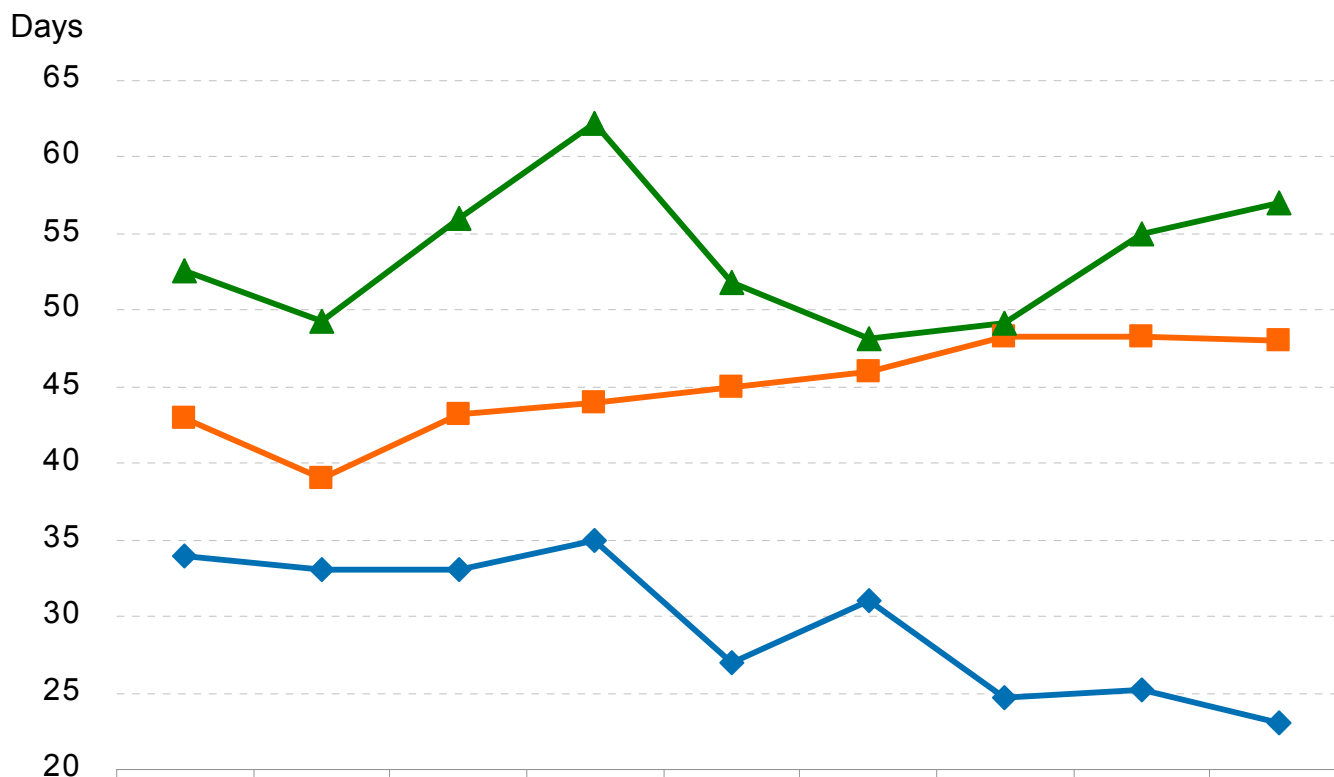


Accounts payable⁽¹⁾



1. In Q209 we reclassified certain activity within Other accrued liabilities to Accounts payable as this better represents the nature of the activity. All prior periods have been revised to conform to current presentation.

Working capital metrics



1. In Q209 we reclassified certain activity within Other accrued liabilities to Accounts payable. As a result of that reclassification, days payable for prior periods have been revised to conform to the current presentation.

HPFS supplemental data

In millions	Q4 FY09	Q4 FY08	Q3 FY09
Depreciation ⁽¹⁾	\$316	\$286	\$297
Net capital expenditures ⁽¹⁾	\$471	\$449	\$463
Sequential increase (decrease) in net financing receivables	\$360	(\$333) ⁽²⁾	\$400

1. Depreciation and net capital expenditures are shown net of inter-company eliminations. Prior period net capital expenditures have been adjusted to more accurately reflect financing-related activity.
2. Prior period net financing receivables have been adjusted to more accurately reflect financing-related activity.

Adoption of new accounting pronouncements

In the fourth quarter, HP early adopted two recently released accounting standards related to revenue recognition, Accounting Standards Update (“ASU”) No. 2009-13 and ASU No. 2009-14 for transactions originating or materially modified in fiscal 2009. These accounting changes generally result in earlier revenue recognition than under previous guidance for certain deliverables in multiple-element arrangements. As a result of the adoption, fourth quarter 2009 net revenues and net earnings were higher by \$82 million and \$19 million, respectively. HP adopted these standards retroactively as of the beginning of fiscal 2009; therefore the previously reported quarterly results have been restated to reflect the impact of adoption. Fiscal 2009 net revenues and net earnings were higher by \$255 million and \$55 million, respectively. The adoption primarily impacted the Services and Enterprise Storage and Servers financial reporting segments.

	Q109	Q209	Q309	Q409	FY09
Net Revenue	\$7	\$32	\$134	\$82	\$255
Cost of sales	4	26	95	58	183
Pre-tax earnings	3	6	39	24	72
Net earnings	2	5	29	19	55

Q3 FY09 GAAP to non-GAAP bridge ⁽¹⁾

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- Structuring	Acquisition related charges	Non- GAAP
Revenue	\$27,585				\$27,585
Cost of sales	21,031				21,031
Total OpEx	4,341	(379)	(362)	(59)	3,541
Operating profit	2,213	379	362	59	3,013
Interest & other, net	(177)				(177)
Pre-tax earnings	2,036	379	362	59	2,836
Income tax	365	105	108	19	597
Tax rate	17.9%				21.1%
Net earnings	1,671				2,239
EPS	\$0.69				\$0.92

1. Previously reported quarterly results for fiscal 2009 have been restated to reflect the impact of HP's early adoption of two recently released accounting standards related to revenue recognition (ASU 2009-13 & 14). See slide 30 for further details.

Q2 FY09 GAAP to non-GAAP bridge ⁽¹⁾

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- Structuring	Acquisition related charges	Non-GAAP
Revenue	\$27,383				\$27,383
Cost of sales	20,945				20,945
Total OpEx	4,145	(380)	(94)	(75)	3,596
Operating profit	2,293	380	94	75	2,842
Interest & other, net	(180)				(180)
Pre-tax earnings	2,113	380	94	75	2,662
Income tax	392	112	31	24	559
Tax rate	18.6%				21.0%
Net earnings	1,721				2,103
EPS	\$0.71				\$0.86

1. Previously reported quarterly results for fiscal 2009 have been restated to reflect the impact of HP's early adoption of two recently released accounting standards related to revenue recognition (ASU 2009-13 & 14). See slide 30 for further details.

Q1 FY09 GAAP to non-GAAP bridge ⁽¹⁾

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- Structuring	In-Process R&D	Acquisition related charges	Non-GAAP
Revenue	\$28,807					\$28,807
Cost of sales	22,073					22,073
Total OpEx	4,237	(412)	(146)	(6)	(48)	3,625
Operating profit	2,497	412	146	6	48	3,109
Interest & other, net	(232)					(232)
Pre-tax earnings	2,265	412	146	6	48	2,877
Income tax	409	117	47	-	17	590
Tax rate	18.1%					20.5%
Net earnings	1,856					2,287
EPS	\$0.75					\$0.93

1. Previously reported quarterly results for fiscal 2009 have been restated to reflect the impact of HP's early adoption of two recently released accounting standards related to revenue recognition (ASU 2009-13 & 14). See slide 30 for further details.

FY08 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- Structuring	In-Process R&D	Acquisition related charges	Non-GAAP
Revenue	\$118,364					\$118,364
Cost of sales	89,699					89,699
Total OpEx	18,192	(967)	(270)	(45)	(41)	16,869
Operating profit	10,473	967	270	45	41	11,796
Interest & other, net	0					0
Pre-tax earnings	10,473	967	270	45	41	11,796
Income tax	2,144	262	74	-	14	2,494
Tax rate	20.5%					21.1%
Net earnings	8,329					9,302
EPS	\$3.25					\$3.62

This table has been restated to conform to fiscal year 2009 presentation

Q4 FY08 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- Structuring	In-Process R&D	Acquisition related charges	Non-GAAP
Revenue	\$33,603					\$33,603
Cost of sales	25,853					25,853
Total OpEx	5,009	(337)	(251)	(32)	(41)	4,348
Operating profit	2,741	337	251	32	41	3,402
Interest & other, net	(98)					(98)
Pre-tax earnings	2,643	337	251	32	41	3,304
Income tax	531	96	69	-	14	710
Tax rate	20.1%					21.5%
Net earnings	2,112					2,594
EPS	\$0.84					\$1.03

This table has been restated to conform to fiscal year 2009 presentation

Q3 FY08 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- Structuring	In-Process R&D	Non-GAAP
Revenue	\$28,032				\$28,032
Cost of sales	21,197				21,197
Total OpEx	4,306	(213)	(5)	-	4,088
Operating profit	2,529	213	5	-	2,747
Interest & other, net	23				23
Pre-tax earnings	2,552	213	5	-	2,770
Income tax	525	56	1		582
Tax rate	20.6%				21.0%
Net earnings	2,027				2,188
EPS	\$0.80				\$0.86

This table has been restated to conform to fiscal year 2009 presentation

Q2 FY08 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- Structuring	In-Process R&D	Non-GAAP
Revenue	\$28,262				\$28,262
Cost of sales	21,205				21,205
Total OpEx	4,467	(211)	(4)	(13)	4,239
Operating profit	2,590	211	4	13	2,818
Interest & other, net	3				3
Pre-tax earnings	2,593	211	4	13	2,821
Income tax	536	55	1		592
Tax rate	20.7%				21.0%
Net earnings	2,057				2,229
EPS	\$0.80				\$0.87

This table has been restated to conform to fiscal year 2009 presentation

Q1 FY08 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring	Non-GAAP
Revenue	\$28,467			\$28,467
Cost of sales	21,444			21,444
Total OpEx	4,410	(206)	(10)	4,194
Operating profit	2,613	206	10	2,829
Interest & other, net	72			72
Pre-tax earnings	2,685	206	10	2,901
Income tax	552	55	3	610
Tax rate	20.6%			21.0%
Net earnings	2,133			2,291
EPS	\$0.80			\$0.86

This table has been restated to conform to fiscal year 2009 presentation

FY07 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring charges	In-process R&D	Pension Curtail.	Non-GAAP
Revenue	\$104,286					\$104,286
Cost of sales	78,683					78,683
Total OpEx	16,884	(783)	(387)	(190)	517	16,041
Operating profit	8,719	783	387	190	(517)	9,562
Interest & other, net	458					458
Pre-tax earnings	9,177	783	387	190	(517)	10,020
Income tax	1,913	197	136		(180)	2,066
Tax rate	20.8%					20.6%
Net earnings	7,264					7,954
EPS	\$2.68					\$2.93

This table has been restated to conform to fiscal year 2009 presentation

Q4 FY07 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring	In-process R&D	Non-GAAP
Revenue	\$28,293				\$28,293
Cost of sales	21,250				21,250
Total OpEx	4,411	(187)	20	(4)	4,240
Operating profit	2,632	187	(20)	4	2,803
Interest & other, net	67				67
Pre-tax earnings	2,699	187	(20)	4	2,870
Income tax	535	46	(7)		574
Tax rate	19.8%				20.0%
Net earnings	2,164				2,296
EPS	\$0.81				\$0.86

This table has been restated to conform to fiscal year 2009 presentation

Q3 FY07 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring	In-process R&D	Non-GAAP
Revenue	\$25,377				\$25,377
Cost of sales	19,112				19,112
Total OpEx	4,149	(183)	5		3,971
Operating profit	2,116	183	(5)		2,294
Interest & other, net	170				170
Pre-tax earnings	2,286	183	(5)		2,464
Income tax	508	48	(4)		552
Tax rate	22.2%				22.4%
Net earnings	1,778				1,912
EPS	\$0.66				\$0.71

This table has been restated to conform to fiscal year 2009 presentation

Q2 FY07 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring	In-process R&D	Pension curtail- ment	Non-GAAP
Revenue	\$25,534					\$25,534
Cost of sales	19,233					19,233
Total OpEx	4,173	(212)	(453)	(19)	508	3,997
Operating profit	2,128	212	453	19	(508)	2,304
Interest & other, net	100					100
Pre-tax earnings	2,228	212	453	19	(508)	2,404
Income tax	453	53	155	—	(177)	484
Tax rate	20.3%					20.1%
Net earnings	1,775					1,920
EPS	\$0.65					\$0.70

This table has been restated to conform to fiscal year 2009 presentation

Q1 FY07 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring	In-process R&D	Pension curtail- ment	Non-GAAP
Revenue	\$25,082					\$25,082
Cost of sales	19,088					19,088
Total OpEx	4,151	(201)	41	(167)	9	3,833
Operating profit	1,843	201	(41)	167	(9)	2,161
Interest & other, net	121					121
Pre-tax earnings	1,964	201	(41)	167	(9)	2,282
Income tax	417	50	(8)	—	(3)	456
Tax rate	21.2%					20%
Net earnings	1,547					1,826
EPS	\$0.55					\$0.65

This table has been restated to conform to fiscal year 2009 presentation

FY06 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring charges	In-process R&D	(G)/L Invest.	Non-GAAP
Revenue	\$91,658					\$91,658
Cost of sales	69,427					69,427
Total OpEx	15,671	(604)	(158)	(52)		14,857
Operating profit	6,560	604	158	52		7,374
Interest & other, net	631				(25)	606
Pre-tax earnings	7,191	604	158	52	(25)	7,980
Income tax	993	175	45		(10)	1,203
Tax rate	13.8%					15.1%
Net earnings	6,198					6,777
EPS	\$2.18					\$2.38

This table has not been restated to conform to fiscal year 2009 presentation

Q4 FY06 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring	(G)/L Invest.	Non-GAAP
Revenue	\$24,555				\$24,555
Cost of sales	18,593				18,593
Total OpEx	4,061	(153)	(152)		3,756
Operating profit	1,901	153	152		2,206
Interest & other, net	204			(14)	190
Pre-tax earnings	2,105	153	152	(14)	2,396
Income tax	408	45	43	(5)	491
Tax rate	19.4%				20.5%
Net earnings	1,697				1,905
EPS	\$0.60				\$0.68

This table has not been restated to conform to fiscal year 2009 presentation

