HP Q4 FY13 Earnings Announcement

November 26, 2013

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

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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 net revenue, non-GAAP operating expense, non-GAAP OI&E, non-GAAP operating profit, HP's non-GAAP tax rate, non-GAAP net earnings, and HP's non-GAAP diluted net earnings per share 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 cash and net debt provide useful information to management about the state of HP's consolidated balance sheet. Operating company net cash and operating company net debt provide 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 intangible assets and amortization of 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, HP's non-GAAP tax rate, non-GAAP net earnings, and HP's non-GAAP diluted net earnings per share 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, HP's non-GAAP tax rate, non-GAAP net earnings and HP's non-GAAP diluted net earnings per share can have a material impact on cash flows and net 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.

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Q4 FY13 highlights

- Non-GAAP[1] diluted net earnings per share of **$1.01**, down 13% from the prior-year period
- GAAP diluted net earnings per share of **$0.73**, up from GAAP diluted net loss per share of $3.49 in the prior-year period
- Net revenue of **$29.1 billion**, down 3% from the prior-year period and down 1% when adjusted for the effects of currency
- Cash flow from operations of **$2.8 billion**, down 31% from the prior-year period
- Returned **$763 million** to shareholders in the form of dividends and share repurchases
- Improved operating company net debt[2] position by **$1.3 billion** to an operating company net cash[2] position, the seventh consecutive quarterly improvement of over $1 billion

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 included on slides 18 and 19 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"
2. Definitions of "operating company net debt" and "operating company net cash" are included on slide 20 of this presentation

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Q4 FY13 results overview

$ in millions	Q4 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	$6,044	(1%)	$1,071	17.7%	$4	0.2 pts
Personal Systems	$8,579	(2%)	$259	3.0%	($50)	(0.5) pts
Printing and Personal Systems Group[1]	$14,623	(1%)	$1,330	9.1%	($46)	(0.2) pts
Enterprise Group	$7,594	2%	$1,102	14.5%	($127)	(2.0) pts
Enterprise Services	$5,759	(9%)	$255	4.4%	($168)	(2.3) pts
Software	$1,064	(9%)	$328	30.8%	$10	3.6 pts
HP Financial Services	$912	(6%)	$102	11.2%	($2)	0.4 pts
Total HP [2] [3]	**$29,131**	**(3%)**	**$2,614**	**9.0%**	**($498)**	**(1.4) pts**

1. The Printing segment and the Personal Systems 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
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3. Includes Corporate Investments, eliminations and other items not included in segment results

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FY13 results overview

$ in millions	FY13 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	$23,854	(3%)	$3,890	16.3%	$305	1.7 pts
Personal Systems	$32,071	(10%)	$949	3.0%	($740)	(1.7) pts
Printing and Personal Systems Group[1]	$55,925	(7%)	$4,839	8.7%	($435)	(0.1) pts
Enterprise Group	$28,183	(5%)	$4,301	15.3%	($893)	(2.1) pts
Enterprise Services	$23,520	(8%)	$679	2.9%	($366)	(1.2) pts
Software	$3,913	(4%)	$866	22.1%	$39	1.7 pts
HP Financial Services	$3,629	(5%)	$399	11.0%	$11	0.8 pts
Total HP [2] [3]	**$112,298**	**(7%)**	**$9,516**	**8.5%**	**($1,629)**	**(0.8) pts**

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Q4 FY13 mix by segment & region

Revenue

By segment[2]

- Printing **20%**
- Enterprise Group **25%**
- Personal Systems **29%**
- Enterprise Services **19%**
- Software **4%**
- HP Financial Services & Other **3%**

Non-GAAP operating profit[1]

By segment[3]

- Printing **35%**
- Enterprise Group **36%**
- Personal Systems **8%**
- Enterprise Services **8%**
- Software **11%**
- HP Financial Services & Other **2%**

Revenue by region

Americas	EMEA	APJ
46%	**35%**	**19%**
US: 36%		
Canada/LA: 10%		
↓2% y/y	↓4% y/y	↓1% y/y
↓1% CC[4]	↓5% CC[4]	↑4% CC[4]

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2. Revenue mix calculated based on total segment revenue, which does not include intercompany eliminations
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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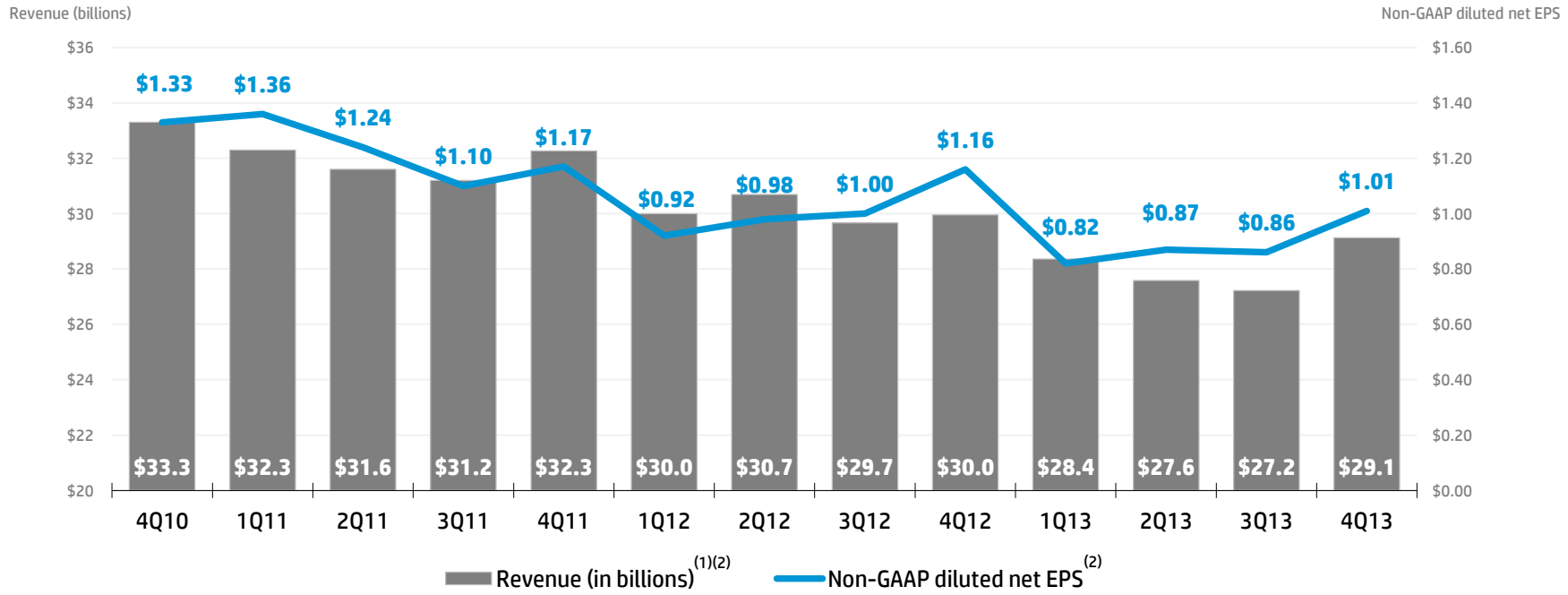
Revenue & non-GAAP diluted net EPS performance



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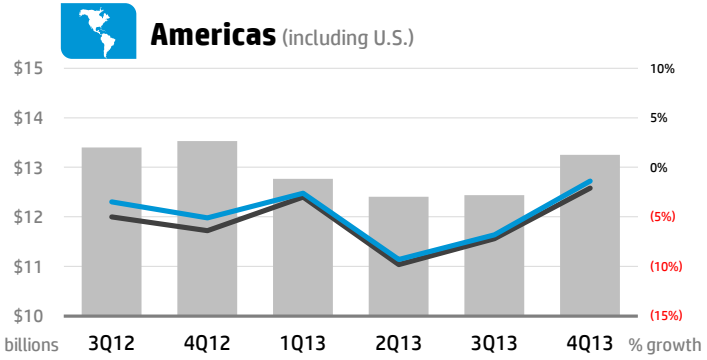
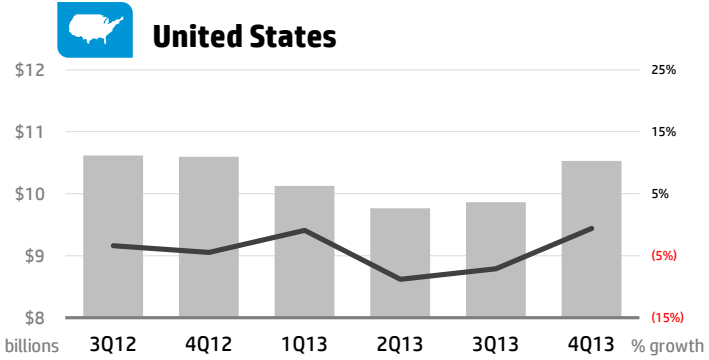
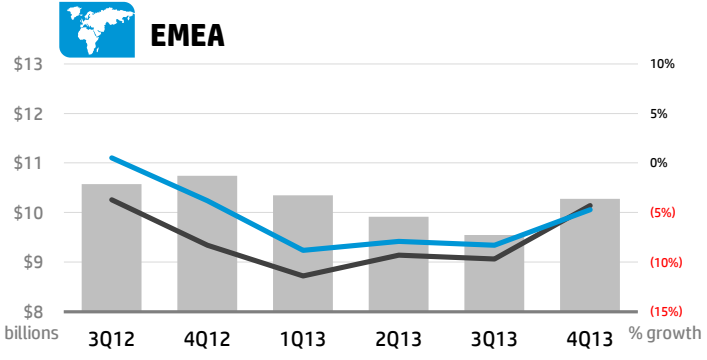
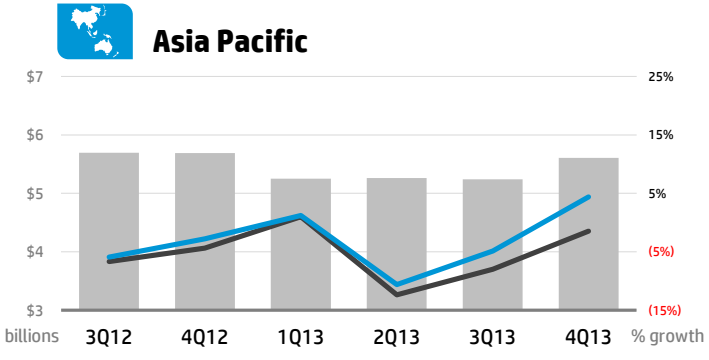
Regional revenue trends

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









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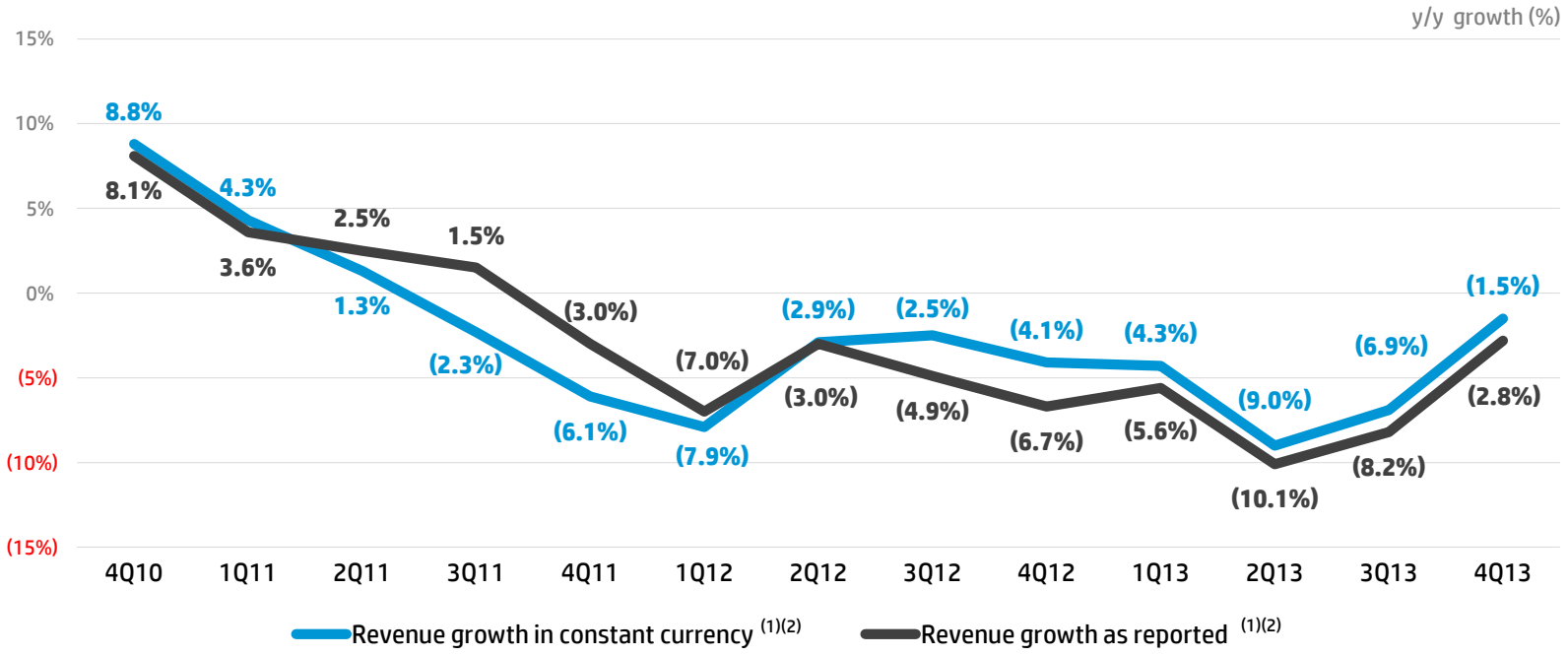
Revenue growth



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

Q4 FY13

Revenue
$6.0 billion
1% y/y

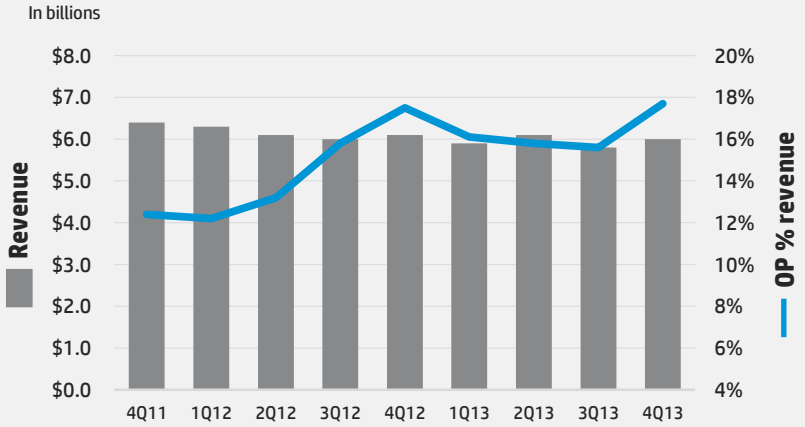
Operating profit
$1,071 million
17.7% of revenue

Revenue

Supplies	64%
Commercial Hardware	26%
Consumer Hardware	10%

Highlights

- Supplies revenue down **4%** y/y
- Total Hardware units up **6%** y/y
- Consumer Hardware units up **4%** y/y
- Commercial Hardware units up **9%** y/y



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Personal Systems

Q4 FY13

Revenue
$8.6 billion
2% y/y

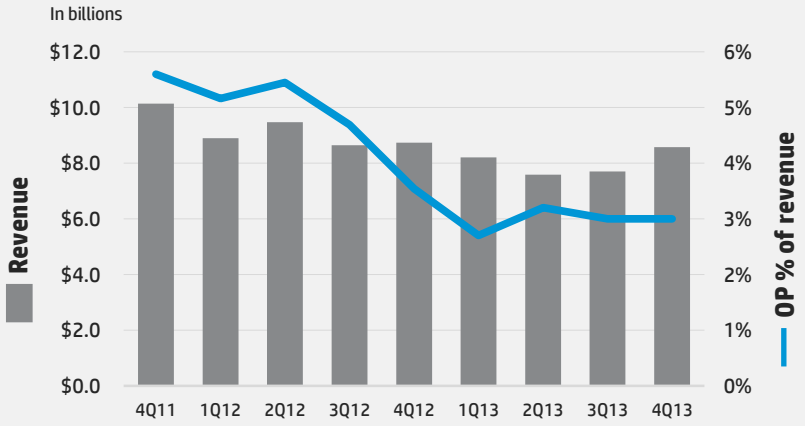
Operating profit
$259 million
3.0% of revenue

Revenue

Notebooks	52%
Desktops	38%
Workstations	7%
Other	3%

Highlights

- Total units up **2%** y/y
- Notebooks revenue down **2%** y/y, units up **3%** y/y
- Desktops revenue down **3%** y/y, units down **5%** y/y
- Commercial revenue up **4%** y/y
- Consumer revenue down **10%** y/y



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Enterprise Group

Q4 FY13

Revenue
$7.6 billion
↑ 2% y/y

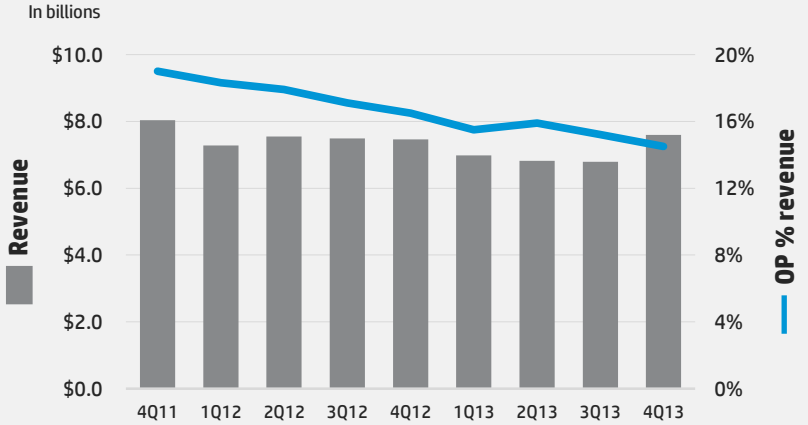
Operating profit
$1,102 million
14.5% of revenue

Revenue

Industry Standard Servers (ISS)	**45%**
Storage	**13%**
Business Critical Systems (BCS)	**4%**
Networking	**9%**
Technology Services (TS)	**29%**

Highlights

- ISS revenue up **10%** y/y
- Storage revenue up **1%** y/y (Converged revenue of $407M, up 47% y/y, traditional revenue of $545M, down 19% y/y)
- BCS revenue down **17%** y/y
- Networking revenue up **3%** y/y
- TS revenue down **6%** y/y



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Enterprise Services

Q4 FY13

Revenue
$5.8 billion
9% y/y

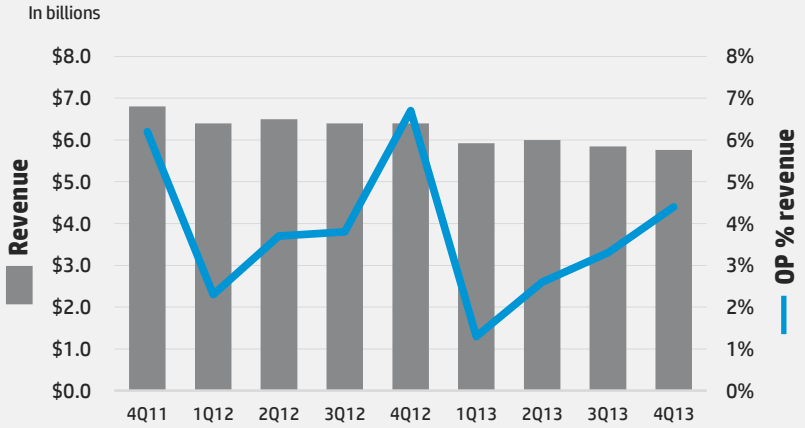
Operating profit
$255 million
4.4% of revenue

Revenue

Infrastructure Technology Outsourcing (ITO)	62%
Application and Business Services (ABS)	38%

Highlights

- ITO revenue down **9%** y/y
- ABS revenue down **10%** y/y



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Software

Q4 FY13

Revenue
$1.1 billion
9% y/y

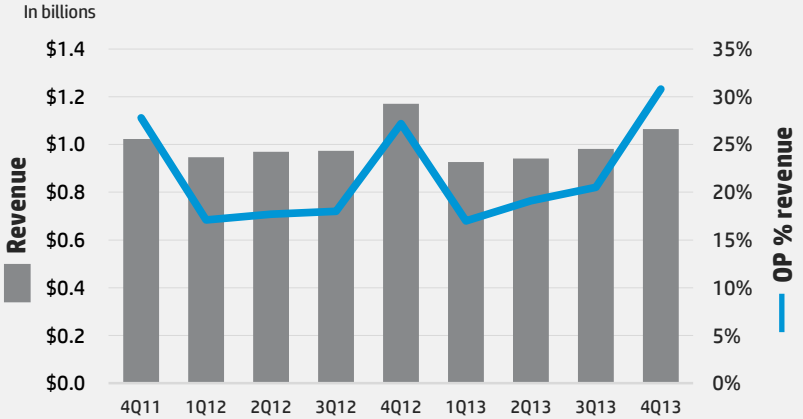
Operating profit
$328 million
30.8% of revenue

Revenue

Licenses	35%
Support	46%
Services	19%

Highlights

- Licenses revenue down **24%** y/y
- Support revenue up **4%** y/y
- Services revenue down **3%** y/y
  - Professional Services revenue down **13%** y/y
  - SaaS revenue up **15%** y/y



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HP Financial Services (HPFS)

Q4 FY13

Revenue
$912 million
6% y/y

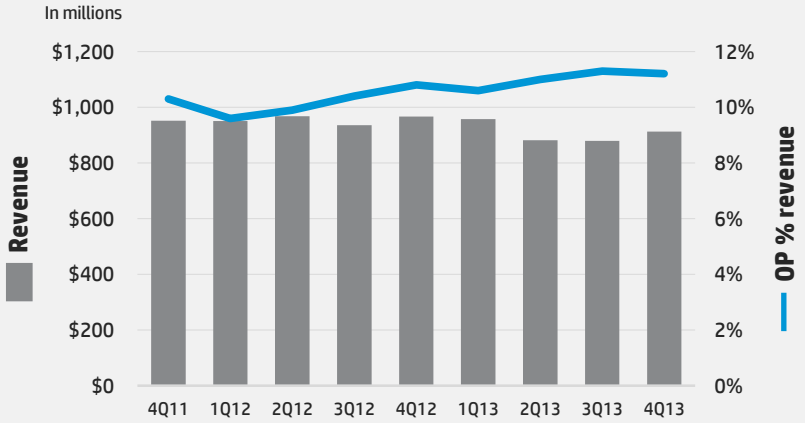
Operating profit
$102 million
11.2% of revenue

Revenue

Americas	59%
EMEA	30%
Asia Pacific	11%

Highlights

- Financing volume down **3%** y/y
- Net portfolio assets of **$12.2B**, down **5%** y/y



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Non-GAAP[1] financial information

In millions except per share amounts	Q4 FY13		Q3 FY13		Q4 FY12	
Revenue	**$29,131**	**100%**	**$27,226**	**100%**	**$29,959**	**100%**
Cost of sales	$22,437	77.0%	$20,859	76.6%	$22,711	75.8%
Total OpEx	$4,080	14.0%	$4,071	15.0%	$4,136	13.8%
Operating profit	**$2,614**	**9.0%**	**$2,296**	**8.4%**	**$3,112**	**10.4%**
Interest & other, net	(103)		(146)		(188)	
Pre-tax earnings	2,511	8.6%	2,150	7.9%	2,924	9.8%
Income tax	(552)		(474)		(643)	
Net earnings	1,959	6.7%	1,676	6.2%	2,281	7.6%
Diluted net EPS	**$1.01**		**$0.86**		**$1.16**	

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Q4 FY13 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amortization of intangible assets	Restructuring charges	Acquisition-related charges	Non-GAAP
Revenue	**$29,131**				**$29,131**
Cost of sales	**22,437**				**22,437**
Total OpEx	**4,771**	(317)	(371)	(3)	**4,080**
Operating profit	**1,923**	317	371	3	**2,614**
Interest & other, net	**(103)**				**(103)**
Pre-tax earnings	**1,820**	317	371	3	**2,511**
Income tax	**(406)**	(87)	(58)	(1)	**(552)**
Tax rate	**22.3%**				**22.0%**
Net earnings	**$1,414**				**$1,959**
Diluted net earnings per share	**$0.73**				**$1.01**

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FY13 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amortization of intangible assets	Restructuring charges	Acquisition-related charges	Non-GAAP
Revenue	**$112,298**				**$112,298**
Cost of sales	**86,380**				**86,380**
Total OpEx	**18,787**	(1,373)	(990)	(22)	**16,402**
Operating profit	**7,131**	1,373	990	22	**9,516**
Interest & other, net	**(621)**				**(621)**
Pre-tax earnings	**6,510**	1,373	990	22	**8,895**
Income tax	**(1,397)**	(424)	(128)	(8)	**(1,957)**
Tax rate	**21.5%**				**22.0%**
Net earnings	**$5,113**				**$6,938**
Diluted net earnings per share	**$2.62**				**$3.56**

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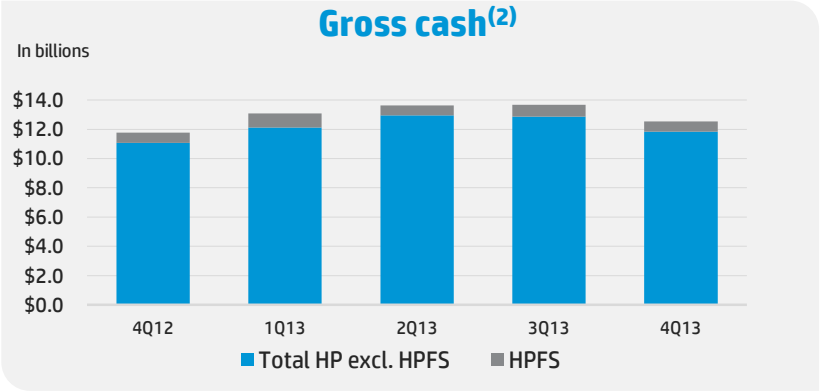
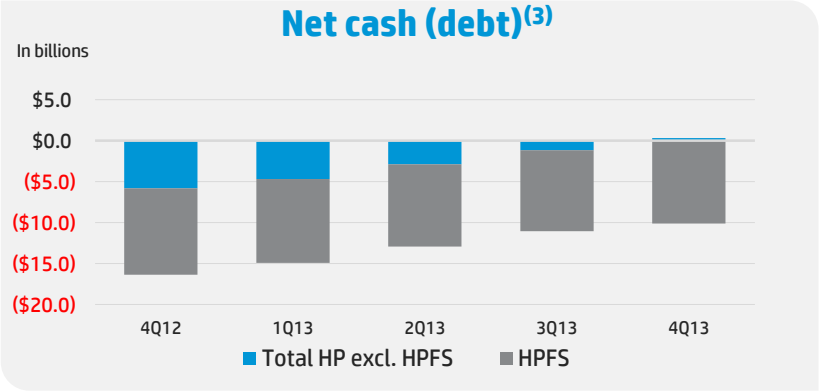
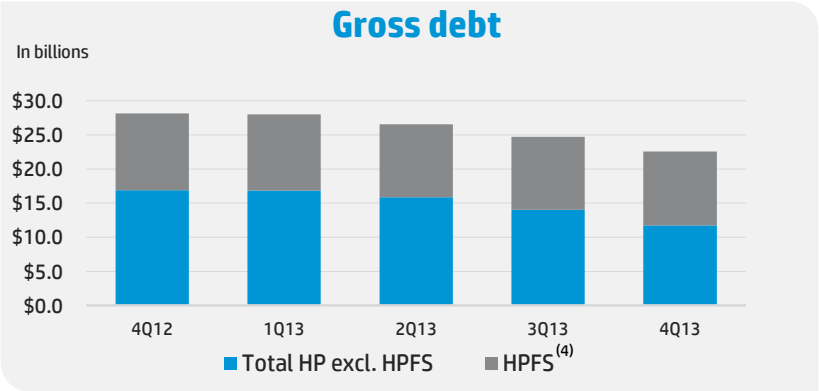
Select cash and debt balances[1]







$ in billions	4Q12	1Q13	2Q13	3Q13	4Q13
Total HP gross cash[2]	11.8	13.1	13.6	13.7	12.5
Total HP gross debt	28.2	28.0	26.5	24.7	22.5
HP net cash (debt)[3]	(16.4)	(14.9)	(12.9)	(11.0)	(10.0)
HPFS gross cash[2]	0.7	1.0	0.7	0.9	0.7
HPFS gross debt[4]	11.3	11.2	10.7	10.7	10.8
HPFS net cash (debt)[3]	(10.6)	(10.2)	(10.0)	(9.8)	(10.1)
Operating co. net cash (debt)[3],[5]	**(5.8)**	**(4.7)**	**(2.9)**	**(1.2)**	**0.1**

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 included on slides 18 and 19 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"
2. Gross cash includes cash and cash equivalents, short-term investments, and certain liquid long-term investments
3. Net cash (debt) is defined as gross cash less gross debt including the effect of hedging
4. 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 borrowing and funding related activity associated with HPFS and its subsidiaries
5. Operating company net cash (debt) is total HP net cash (debt) less HPFS net cash (debt)

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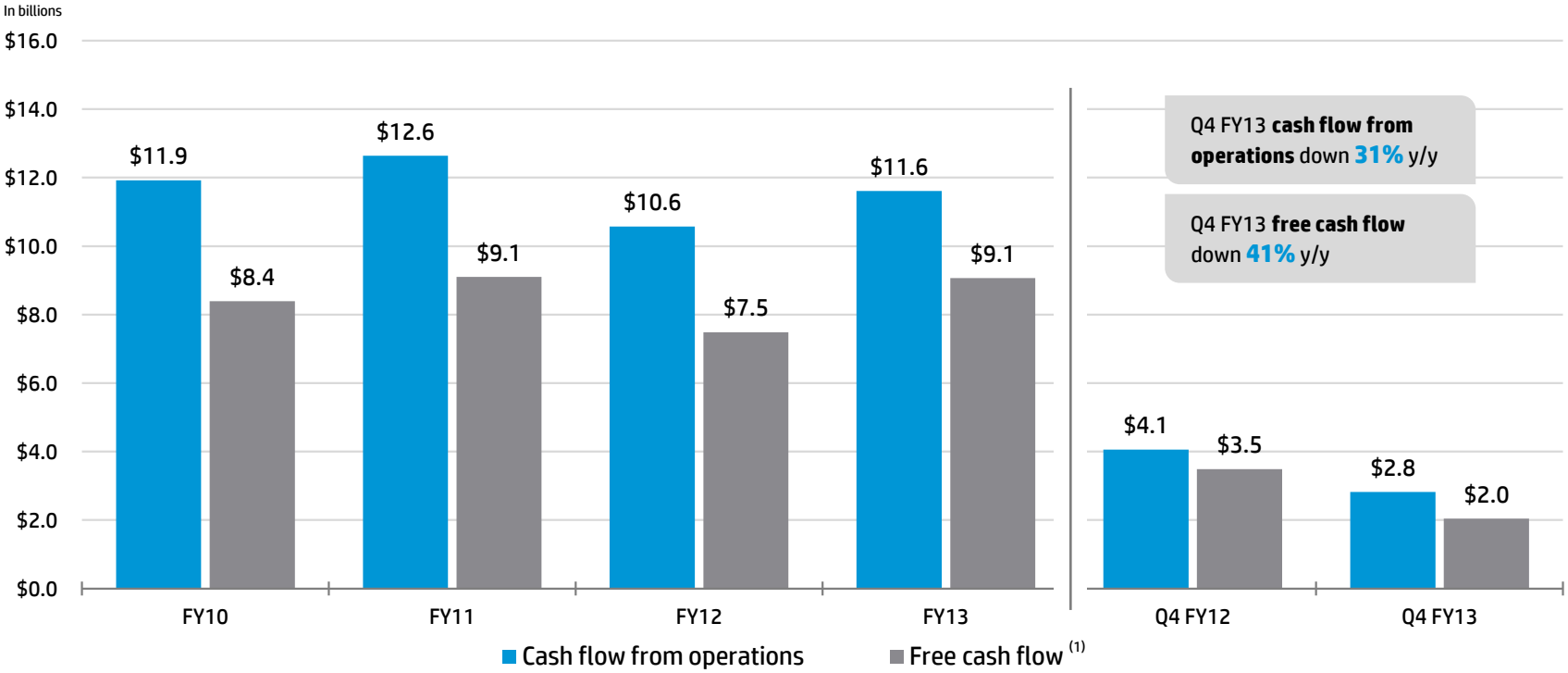
Cash flow



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

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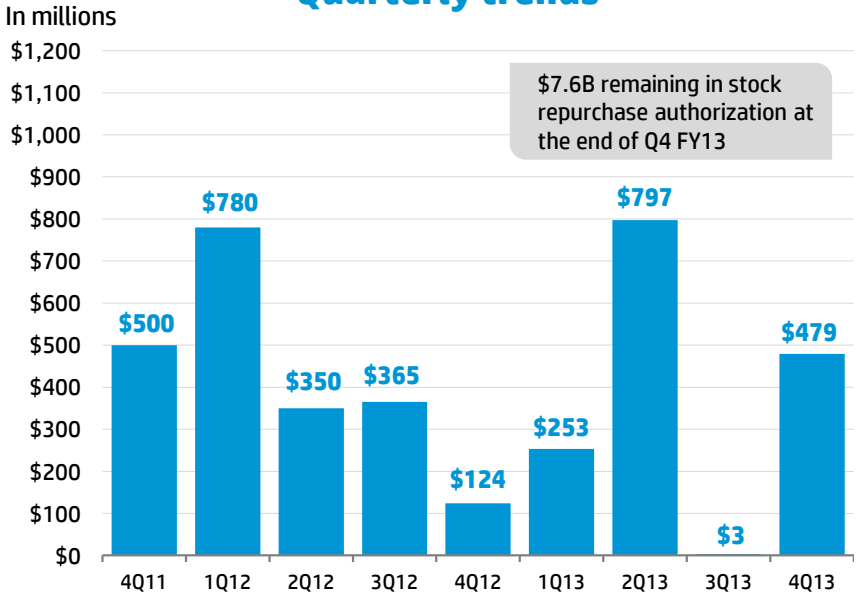
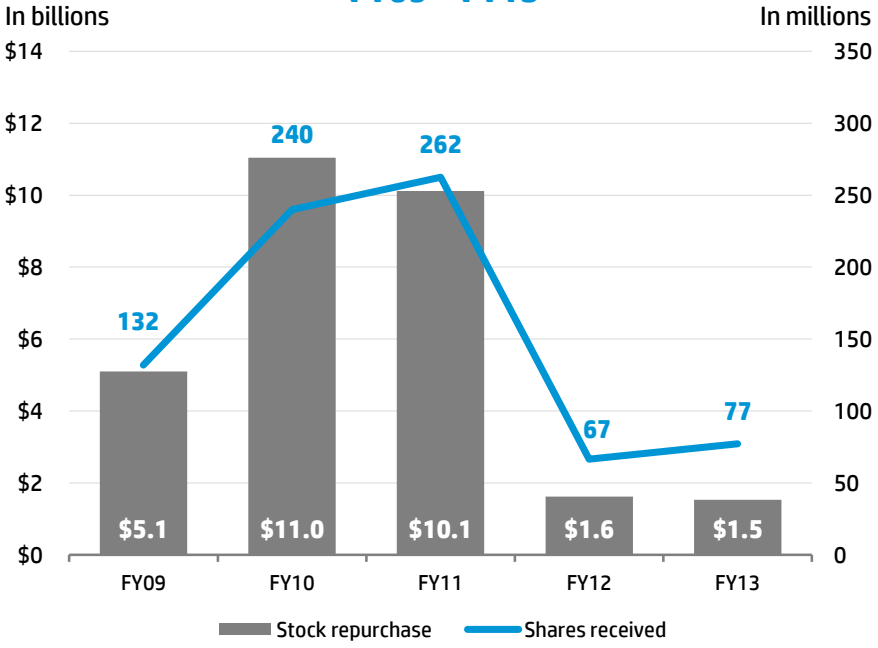
Stock repurchase

Quarterly trends



FY09 – FY13



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Outlook

Q1 FY14 net EPS guidance	
GAAP diluted net EPS	$0.60 – $0.64
Non-GAAP diluted net EPS[1]	$0.82 – $0.86

Full year FY14 net EPS guidance	
GAAP diluted net EPS	$2.85 – $3.05
Non-GAAP diluted net EPS[2]	$3.55 – $3.75

1. First quarter fiscal 2014 non-GAAP diluted net EPS estimates exclude after-tax costs of approximately $0.22 per share, related primarily to amortization of intangible assets and restructuring charges
2. Full year fiscal 2014 non-GAAP diluted net EPS estimates exclude after-tax costs of approximately $0.70 per share, related primarily to amortization of intangible assets and restructuring charges

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Supplemental slides

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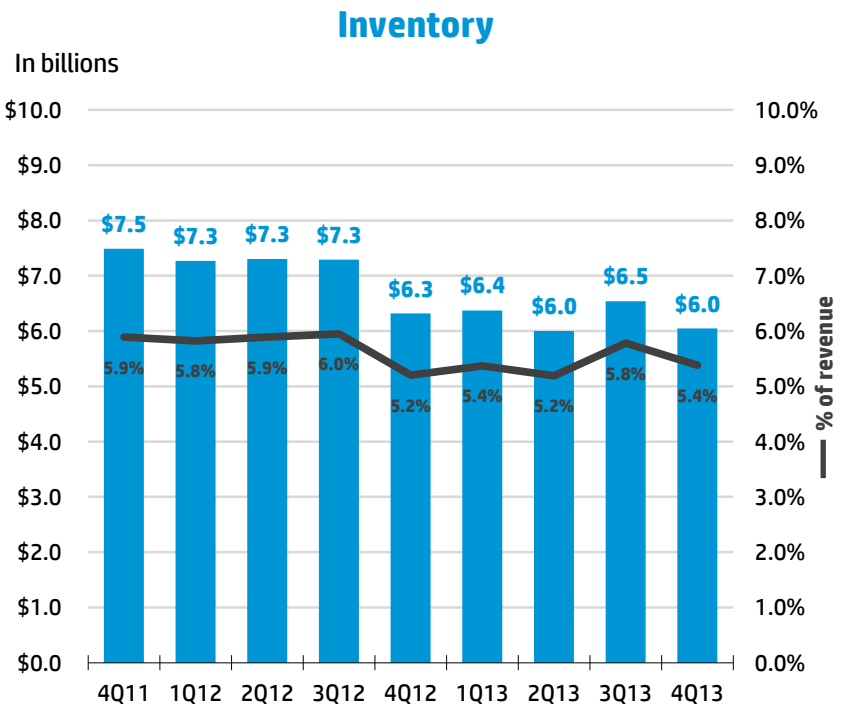
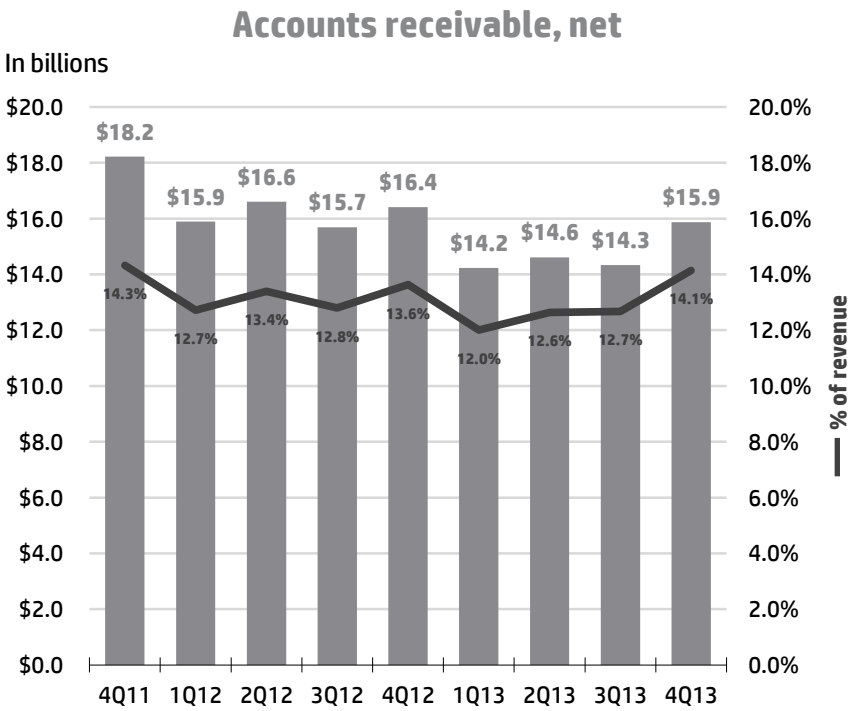
Inventory & accounts receivable





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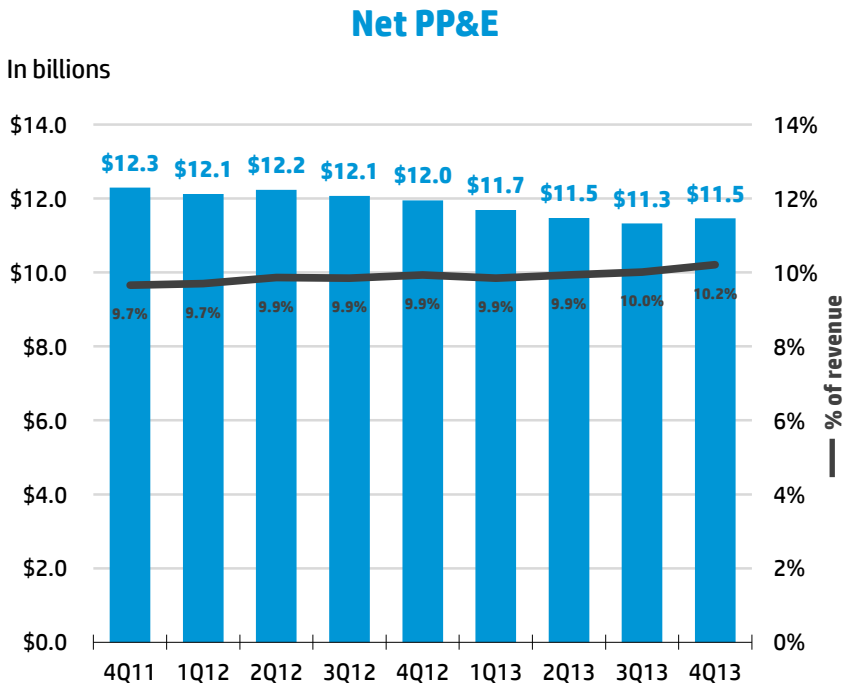
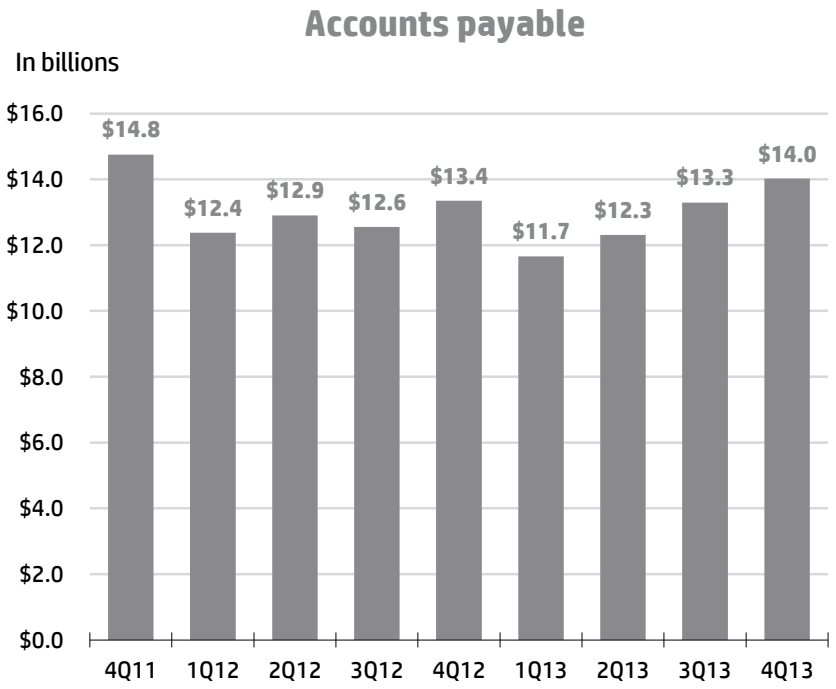
PP&E & accounts payable





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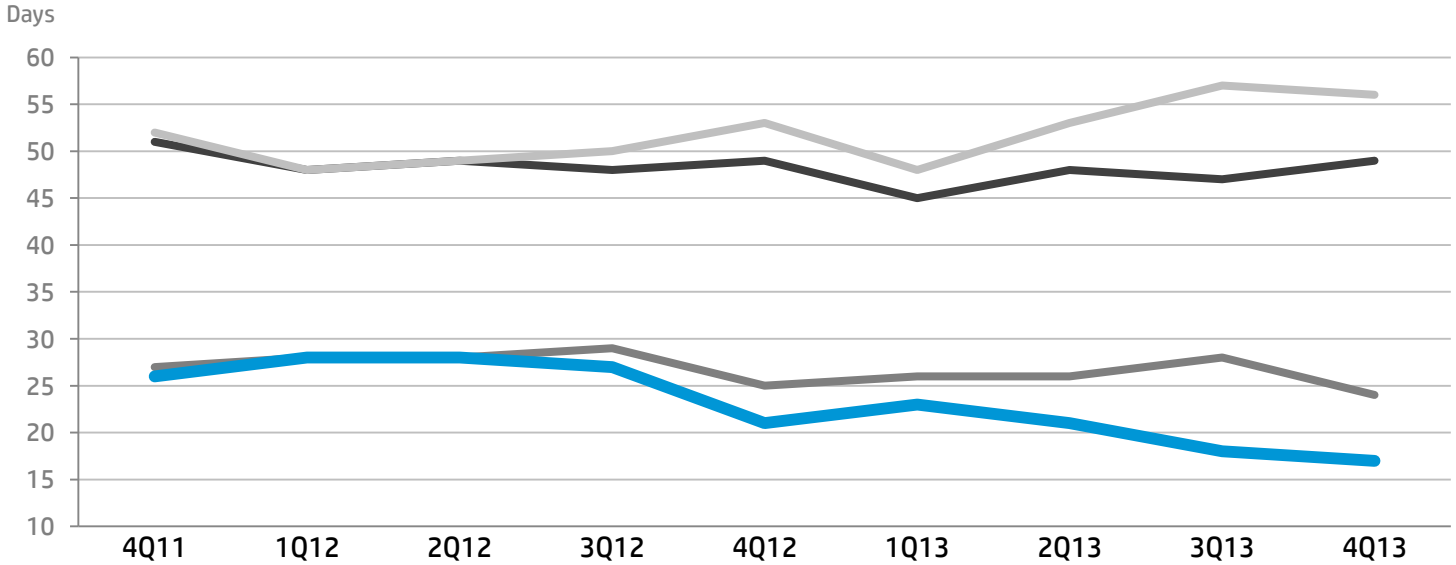
Working capital metrics



	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
Days receivables	51	48	49	48	49	45	48	47	49
Days inventory	27	28	28	29	25	26	26	28	24
Days payable	52	48	49	50	53	48	53	57	56
Cash conversion cycle[1]	26	28	28	27	21	23	21	18	17

1. Cash conversion cycle = Days receivables + Days inventory – Days payable

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HPFS supplemental data

In millions	Q4 FY13	Q3 FY13	Q4 FY12
Depreciation [1]	$395	$405	$429
Net capital expenditures [1]	$424	$384	$299
Sequential increase (decrease) in net financing receivables	$68	($226)	$341

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

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Q3 FY13 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amortization of intangible 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 net earnings per share	**$0.71**				**$0.86**

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Q2 FY13 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amortization of intangible 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 net earnings per share	**$0.55**				**$0.87**

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Q1 FY13 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amortization of intangible 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 net earnings per share	**$0.63**				**$0.82**

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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 intangible assets	Amortization of intangible 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 net (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

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Q4 FY12 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Impairment of goodwill and intangible assets	Amortization of intangible 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 net (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

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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 intangible assets	Amortization of intangible 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 net (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

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Q2 FY12 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Wind down of webOS device business	Amortization of intangible assets	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 net EPS	**$0.80**					**$0.98**

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Q1 FY12 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amortization of intangible assets	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 net EPS	**$0.73**				**$0.92**

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FY11 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Wind down of webOS device business	Impairment of goodwill and intangible assets	Amortization of intangible assets	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 net EPS	**$3.32**						**$4.88**

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Q4 FY11 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Wind down of webOS device business	Impairment of goodwill and intangible assets	Amortization of intangible assets	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 net EPS	**$0.12**						**$1.17**

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Q3 FY11 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amortization of intangible assets	Restructuring charges	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 net EPS	**$0.93**				**$1.10**

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Q2 FY11 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amortization of intangible assets	Restructuring charges	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 net EPS	**$1.05**				**$1.24**

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Q1 FY11 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amortization of intangible assets	Restructuring charges	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 net EPS	**$1.17**				**$1.36**

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FY10 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amortization of intangible assets	Restructuring charges	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 net EPS	**$3.69**				**$4.58**

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Q4 FY10 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amortization of intangible assets	Restructuring charges	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 net EPS	**$1.10**				**$1.33**

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