



HEWLETT-PACKARD COMPANY AND SUBSIDIARIES  
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS  
(Unaudited)  
(In millions except per share amounts)

	Three months ended		
	Oct 31, 2013	July 31, 2013	Oct 31, 2012
Net revenue	\$ 29,131	\$ 27,226	\$ 29,959
Costs and expenses:			
Cost of sales	22,437	20,859	22,711
Research and development	729	797	909
Selling, general and administrative	3,351	3,274	3,227
Amortization of intangible assets	317	356	372
Impairment of goodwill and intangible assets	-	-	8,847
Restructuring charges	371	81	378
Acquisition-related charges	3	4	3
Total costs and expenses	<u>27,208</u>	<u>25,371</u>	<u>36,447</u>
Earnings (loss) from operations	1,923	1,855	(6,488)
Interest and other, net	<u>(103)</u>	<u>(146)</u>	<u>(188)</u>
Earnings (loss) before taxes	1,820	1,709	(6,676)
Provision for taxes	<u>(406)</u>	<u>(319)</u>	<u>(178)</u>
Net earnings (loss)	<u>\$ 1,414</u>	<u>\$ 1,390</u>	<u>\$ (6,854)</u>
Net earnings (loss) per share:			
Basic	\$ 0.74	\$ 0.72	\$ (3.49)
Diluted	\$ 0.73	\$ 0.71	\$ (3.49)
Cash dividends declared per share	\$ -	\$ 0.29	\$ -
Weighted-average shares used to compute net earnings (loss) per share:			
Basic	1,918	1,929	1,964
Diluted	1,940	1,948	1,964



HEWLETT-PACKARD COMPANY AND SUBSIDIARIES  
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS  
(In millions except per share amounts)

	Twelve months ended Oct 31,	
	2013	2012
	(Unaudited)	
Net revenue	\$ 112,298	\$ 120,357
Costs and expenses:		
Cost of sales	86,380	92,385
Research and development	3,135	3,399
Selling, general and administrative	13,267	13,500
Amortization of intangible assets	1,373	1,784
Impairment of goodwill and intangible assets	-	18,035
Restructuring charges	990	2,266
Acquisition-related charges	22	45
Total costs and expenses	<u>105,167</u>	<u>131,414</u>
Earnings (loss) from operations	7,131	(11,057)
Interest and other, net	<u>(621)</u>	<u>(876)</u>
Earnings (loss) before taxes	6,510	(11,933)
Provision for taxes	<u>(1,397)</u>	<u>(717)</u>
Net earnings (loss)	<u>\$ 5,113</u>	<u>\$ (12,650)</u>
Net earnings (loss) per share:		
Basic	\$ 2.64	\$ (6.41)
Diluted	\$ 2.62	\$ (6.41)
Cash dividends declared per share	\$ 0.55	\$ 0.50
Weighted-average shares used to compute net earnings (loss) per share:		
Basic	1,934	1,974
Diluted	1,950	1,974



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

(Unaudited)

(In millions except per share amounts)

	Three months ended Oct 31, 2013	Diluted earnings per share	Three months ended July 31, 2013	Diluted earnings per share	Three months ended Oct 31, 2012	Diluted earnings per share
GAAP net earnings (loss)	\$ 1,414	\$ 0.73	\$ 1,390	\$ 0.71	\$ (6,854)	\$ (3.49)
Non-GAAP adjustments:						
Amortization of intangible assets	317	0.16	356	0.19	372	0.19
Impairment of goodwill and intangible assets <sup>(a)</sup>	-	-	-	-	8,847	4.51
Restructuring charges	371	0.19	81	0.04	378	0.19
Acquisition-related charges	3	-	4	-	3	-
Adjustments for taxes <sup>(b)</sup>	(146)	(0.07)	(155)	(0.08)	(465)	(0.24)
Non-GAAP net earnings	<u>\$ 1,959</u>	<u>\$ 1.01</u>	<u>\$ 1,676</u>	<u>\$ 0.86</u>	<u>\$ 2,281</u>	<u>\$ 1.16</u>
GAAP earnings (loss) from operations						
	\$ 1,923		\$ 1,855		\$ (6,488)	
Non-GAAP adjustments:						
Amortization of intangible assets	317		356		372	
Impairment of goodwill and intangible assets <sup>(a)</sup>	-		-		8,847	
Restructuring charges	371		81		378	
Acquisition-related charges	3		4		3	
Non-GAAP earnings from operations	<u>\$ 2,614</u>		<u>\$ 2,296</u>		<u>\$ 3,112</u>	
GAAP operating margin						
	7%		7%		(22%)	
Non-GAAP adjustments						
	2%		1%		32%	
Non-GAAP operating margin	<u>9%</u>		<u>8%</u>		<u>10%</u>	

(a) For the period ended October 31, 2012, represents a goodwill and intangible asset impairment charge of \$8.8 billion associated with the Autonomy reporting unit within the Software segment.

(b) For the period ended October 31, 2012, adjustments for taxes is net of a valuation allowance of \$0.5 billion provided for certain deferred tax assets.



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

(Unaudited)

(In millions except per share amounts)

	Twelve months ended October 31, 2013	Diluted earnings per share	Twelve months ended October 31, 2012	Diluted earnings per share
GAAP net earnings (loss)	\$ 5,113	\$ 2.62	\$ (12,650)	\$ (6.41)
Non-GAAP adjustments:				
Amortization of intangible assets	1,373	0.70	1,784	0.90
Impairment of goodwill and intangible assets <sup>(a)</sup>	-	-	18,035	9.14
Restructuring charges	990	0.51	2,266	1.15
Acquisition-related charges	22	0.01	45	0.02
Wind down of non-strategic businesses <sup>(b)</sup>	-	-	72	0.03
Adjustments for taxes <sup>(c)</sup>	(560)	(0.28)	(1,517)	(0.78)
Non-GAAP net earnings	<u>\$ 6,938</u>	<u>\$ 3.56</u>	<u>\$ 8,035</u>	<u>\$ 4.05</u>
GAAP earnings (loss) from operations	\$ 7,131		\$ (11,057)	
Non-GAAP adjustments:				
Amortization of intangible assets	1,373		1,784	
Impairment of goodwill and intangible assets <sup>(a)</sup>	-		18,035	
Restructuring charges	990		2,266	
Acquisition-related charges	22		45	
Wind down of non-strategic businesses <sup>(b)</sup>	-		72	
Non-GAAP earnings from operations	<u>\$ 9,516</u>		<u>\$ 11,145</u>	
GAAP operating margin	6%		(9%)	
Non-GAAP adjustments	2%		18%	
Non-GAAP operating margin	<u>8%</u>		<u>9%</u>	

- (a) For the period ended October 31, 2012, represents a goodwill and intangible asset impairment charge of \$8.8 billion associated with the Autonomy reporting unit within the Software segment, a goodwill impairment charge of \$8.0 billion associated with the Enterprise Services segment and an intangible asset impairment charge of \$1.2 billion associated with the "Compaq" trade name within the Personal Systems segment.
- (b) For the period ended October 31, 2012, represents primarily contract-related charges, including inventory write-downs, related to winding down certain retail publishing business activities within the Printing segment, net of adjustments to expenses for supplier-related obligations related to winding down the webOS device business.
- (c) For the period ended October 31, 2012, adjustments for taxes is net of valuation allowances of \$1.3 billion provided for certain deferred tax assets.



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

	October 31, 2013 (Unaudited)	October 31, 2012
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 12,163	\$ 11,301
Accounts receivable	15,876	16,407
Financing receivables	3,144	3,252
Inventory	6,046	6,317
Other current assets	<u>13,135</u>	<u>13,360</u>
Total current assets	<u>50,364</u>	<u>50,637</u>
Property, plant and equipment	11,463	11,954
Long-term financing receivables and other assets	9,556	10,593
Goodwill and intangible assets	<u>34,293</u>	<u>35,584</u>
Total assets	<u>\$ 105,676</u>	<u>\$ 108,768</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Notes payable and short-term borrowings	\$ 5,979	\$ 6,647
Accounts payable	14,019	13,350
Employee compensation and benefits	4,436	4,058
Taxes on earnings	1,203	846
Deferred revenue	6,477	7,494
Other accrued liabilities	<u>13,407</u>	<u>14,271</u>
Total current liabilities	<u>45,521</u>	<u>46,666</u>
Long-term debt	16,608	21,789
Other liabilities	15,891	17,480
<b>Stockholders' equity:</b>		
HP stockholders' equity	27,269	22,436
Non-controlling interests	<u>387</u>	<u>397</u>
Total stockholders' equity	<u>27,656</u>	<u>22,833</u>
Total liabilities and stockholders' equity	<u>\$ 105,676</u>	<u>\$ 108,768</u>



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

	Three months ended October 31, 2013	Twelve months ended October 31, 2013
<b>Cash flows from operating activities:</b>		
Net earnings	\$ 1,414	\$ 5,113
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	1,120	4,611
Stock-based compensation expense	102	500
Provision for doubtful accounts and inventory	71	336
Restructuring charges	371	990
Deferred taxes on earnings	(952)	(410)
Excess tax benefit from stock-based compensation	(1)	(2)
Other, net	100	443
Changes in operating assets and liabilities:		
Accounts receivables	(1,542)	530
Financing receivables	(84)	484
Inventory	441	(4)
Accounts payable	611	541
Taxes on earnings	937	417
Restructuring	(260)	(904)
Other assets and liabilities	488	(1,037)
Net cash provided by operating activities	<u>2,816</u>	<u>11,608</u>
<b>Cash flows from investing activities:</b>		
Investment in property, plant and equipment	(919)	(3,199)
Proceeds from sale of property, plant and equipment	146	653
Purchases of available-for-sale securities and other investments	(450)	(1,243)
Maturities and sales of available-for-sale securities and other investments	279	1,153
Payments made in connection with business acquisitions, net of cash acquired	-	(167)
Net cash used in investing activities	<u>(944)</u>	<u>(2,803)</u>
<b>Cash flows from financing activities:</b>		
Issuance (repayment) of commercial paper and notes payable, net	16	(154)
Issuance of debt	25	279
Payment of debt	(2,248)	(5,721)
Issuance of common stock under employee stock plans	9	288
Repurchase of common stock	(479)	(1,532)
Excess tax benefit from stock-based compensation	1	2
Cash dividends paid	(284)	(1,105)
Net cash used in financing activities	<u>(2,960)</u>	<u>(7,943)</u>
(Decrease) increase in cash and cash equivalents	(1,088)	862
Cash and cash equivalents at beginning of period	13,251	11,301
Cash and cash equivalents at end of period	<u>\$ 12,163</u>	<u>\$ 12,163</u>



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

	Three months ended		
	October 31, 2013	July 31, 2013	October 31, 2012
<b>Net revenue:(a)</b>			
Personal Systems	\$ 8,579	\$ 7,704	\$ 8,727
Printing	6,044	5,803	6,080
Total Printing and Personal Systems Group(b)	14,623	13,507	14,807
Enterprise Group	7,594	6,786	7,459
Enterprise Services	5,759	5,843	6,352
Software	1,064	982	1,171
HP Financial Services	912	879	966
Corporate Investments	5	5	10
Total segments	29,957	28,002	30,765
Elimination of intersegment net revenue and other	(826)	(776)	(806)
<b>Total HP consolidated net revenue</b>	<b>\$ 29,131</b>	<b>\$ 27,226</b>	<b>\$ 29,959</b>
<b>Earnings before taxes:(a)</b>			
Personal Systems	\$ 259	\$ 228	\$ 309
Printing	1,071	908	1,067
Total Printing and Personal Systems Group(b)	1,330	1,136	1,376
Enterprise Group	1,102	1,033	1,229
Enterprise Services	255	192	423
Software	328	201	318
HP Financial Services	102	99	104
Corporate Investments	(57)	(58)	(78)
Total segment earnings from operations	3,060	2,603	3,372
Corporate and unallocated costs and eliminations	(344)	(200)	(119)
Unallocated costs related to stock-based compensation expense	(102)	(107)	(141)
Amortization of intangible assets	(317)	(356)	(372)
Impairment of goodwill and intangible assets	-	-	(8,847)
Restructuring charges	(371)	(81)	(378)
Acquisition-related charges	(3)	(4)	(3)
Interest and other, net	(103)	(146)	(188)
<b>Total HP consolidated earnings (loss) before taxes</b>	<b>\$ 1,820</b>	<b>\$ 1,709</b>	<b>\$ (6,676)</b>

(a) HP has implemented certain organizational realignments in the first quarter of fiscal 2013. As a result of these realignments, HP has re-evaluated its segment financial reporting structure and, effective in the first quarter of fiscal 2013, created two new financial reporting segments, the Enterprise Group segment and the Enterprise Services segment, and eliminated two other financial reporting segments, the Enterprise Servers, Storage and Networking ("ESSN") segment and the Services segment. The Enterprise Group segment consists of the business units within the former ESSN segment and most of the services offerings of the Technology Services ("TS") business unit, which was previously a part of the former Services segment. The Enterprise Services segment consists of the Applications and Business Services ("ABS") and Infrastructure Technology Outsourcing ("ITO") business units from the former Services segment, along with the end-user workplace support services business that was previously a part of the TS business unit. Taking into account these changes, HP has the following seven financial reporting segments: Personal Systems, Printing, the Enterprise Group, Enterprise Services, Software, HP Financial Services and Corporate Investments.

Also as a result of these realignments, the financial results of the Personal Systems commercial products support business, which were previously reported as part of the TS business unit, will now be reported as part of the Other business unit within the Personal Systems segment, and the financial results of the portion of the business intelligence services business that had continued to be reported as part of the Corporate Investments segment following the implementation of prior realignment actions will now be reported as part of the ABS business unit. In addition, the end-user workplace support services business, which, as noted above, was previously a part of the TS business unit and will now become a part of the Enterprise Services segment, will be reported as part of the ITO business unit within that segment.

To provide improved visibility and comparability, HP has reflected these changes to its reporting structure in prior financial reporting periods on an as-if basis, which has resulted in the transfer of revenue and operating profit among the Personal Systems, the Enterprise Group, Enterprise Services and Corporate Investments segments. These changes had no impact on the previously reported financial results for the Printing, Software or HP Financial Services segments. In addition, none of these changes impacted HP's previously reported consolidated net revenue, earnings from operations, net earnings or net earnings per share.

(b) 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.



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

	Twelve months ended October 31,	
	2013 (Unaudited)	2012
<b>Net revenue:(a)</b>		
Personal Systems	\$ 32,071	\$ 35,725
Printing	23,854	24,487
Total Printing and Personal Systems Group(b)	55,925	60,212
Enterprise Group	28,183	29,779
Enterprise Services	23,520	25,609
Software	3,913	4,060
HP Financial Services	3,629	3,819
Corporate Investments	24	58
Total Segments	115,194	123,537
Elimination of intersegment net revenue and other	(2,896)	(3,180)
<b>Total HP consolidated net revenue</b>	<b>\$ 112,298</b>	<b>\$ 120,357</b>
<b>Earnings before taxes:(a)</b>		
Personal Systems	\$ 949	\$ 1,689
Printing	3,890	3,585
Total Printing and Personal Systems Group(b)	4,839	5,274
Enterprise Group	4,301	5,194
Enterprise Services	679	1,045
Software	866	827
HP Financial Services	399	388
Corporate Investments	(236)	(233)
Total segment earnings from operations	10,848	12,495
Corporate and unallocated costs and eliminations	(832)	(787)
Unallocated costs related to stock-based compensation expense	(500)	(635)
Amortization of intangible assets	(1,373)	(1,784)
Impairment of goodwill and intangible assets	-	(18,035)
Restructuring charges	(990)	(2,266)
Acquisition-related charges	(22)	(45)
Interest and other, net	(621)	(876)
<b>Total HP consolidated earnings (loss) before taxes</b>	<b>\$ 6,510</b>	<b>\$ (11,933)</b>

(a) HP has implemented certain organizational realignments in the first quarter of fiscal 2013. As a result of these realignments, HP has re-evaluated its segment financial reporting structure and, effective in the first quarter of fiscal 2013, created two new financial reporting segments, the Enterprise Group segment and the Enterprise Services segment, and eliminated two other financial reporting segments, the Enterprise Servers, Storage and Networking (“ESSN”) segment and the Services segment. The Enterprise Group segment consists of the business units within the former ESSN segment and most of the services offerings of the Technology Services (“TS”) business unit, which was previously a part of the former Services segment. The Enterprise Services segment consists of the Applications and Business Services (“ABS”) and Infrastructure Technology Outsourcing (“ITO”) business units from the former Services segment, along with the end-user workplace support services business that was previously a part of the TS business unit. Taking into account these changes, HP has the following seven financial reporting segments: Personal Systems, Printing, the Enterprise Group, Enterprise Services, Software, HP Financial Services and Corporate Investments.

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To provide improved visibility and comparability, HP has reflected these changes to its reporting structure in prior financial reporting periods on an as-if basis, which has resulted in the transfer of revenue and operating profit among the Personal Systems, the Enterprise Group, Enterprise Services and Corporate Investments segments. These changes had no impact on the previously reported financial results for the Printing, Software or HP Financial Services segments. In addition, none of these changes impacted HP’s previously reported consolidated net revenue, earnings from operations, net earnings or net earnings per share.

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HEWLETT-PACKARD COMPANY AND SUBSIDIARIES  
SEGMENT / BUSINESS UNIT INFORMATION

(Unaudited)  
(In millions)

	Three months ended			Growth rate (%)	
	October 31, 2013	July 31, 2013	October 31, 2012	Q/Q	Y/Y
Net revenue: <sup>(a)</sup>					
Printing and Personal Systems Group <sup>(b)</sup>					
Personal Systems					
Notebooks	\$ 4,461	\$ 3,722	\$ 4,572	20%	(2%)
Desktops	3,273	3,147	3,369	4%	(3%)
Workstations	554	537	550	3%	1%
Other	291	298	236	(2%)	23%
Total Personal Systems	8,579	7,704	8,727	11%	(2%)
Printing					
Supplies	3,862	3,839	4,007	1%	(4%)
Commercial Hardware	1,551	1,399	1,482	11%	5%
Consumer Hardware	631	565	591	12%	7%
Total Printing	6,044	5,803	6,080	4%	(1%)
Total Printing and Personal Systems Group	14,623	13,507	14,807	8%	(1%)
Enterprise Group					
Industry Standard Servers	3,451	2,851	3,137	21%	10%
Technology Services	2,201	2,174	2,340	1%	(6%)
Storage	952	833	946	14%	1%
Networking	656	644	635	2%	3%
Business Critical Systems	334	284	401	18%	(17%)
Total Enterprise Group	7,594	6,786	7,459	12%	2%
Enterprise Services					
Infrastructure Technology Outsourcing	3,563	3,662	3,924	(3%)	(9%)
Application and Business Services	2,196	2,181	2,428	1%	(10%)
Total Enterprise Services	5,759	5,843	6,352	(1%)	(9%)
Software	1,064	982	1,171	8%	(9%)
HP Financial Services	912	879	966	4%	(6%)
Corporate Investments	5	5	10	0%	(50%)
Total segments	29,957	28,002	30,765	7%	(3%)
Elimination of intersegment net revenue and other	(826)	(776)	(806)	6%	2%
Total HP consolidated net revenue	\$ 29,131	\$ 27,226	\$ 29,959	7%	(3%)

(a) HP has implemented certain organizational realignments in the first quarter of fiscal 2013. As a result of these realignments, HP has re-evaluated its segment financial reporting structure and, effective in the first quarter of fiscal 2013, created two new financial reporting segments, the Enterprise Group segment and the Enterprise Services segment, and eliminated two other financial reporting segments, the Enterprise Servers, Storage and Networking (“ESSN”) segment and the Services segment. The Enterprise Group segment consists of the business units within the former ESSN segment and most of the services offerings of the Technology Services (“TS”) business unit, which was previously a part of the former Services segment. The Enterprise Services segment consists of the Applications and Business Services (“ABS”) and Infrastructure Technology Outsourcing (“ITO”) business units from the former Services segment, along with the end-user workplace support services business that was previously a part of the TS business unit. Taking into account these changes, HP has the following seven financial reporting segments: Personal Systems, Printing, the Enterprise Group, Enterprise Services, Software, HP Financial Services and Corporate Investments.

Also as a result of these realignments, the financial results of the Personal Systems commercial products support business, which were previously reported as part of the TS business unit, will now be reported as part of the Other business unit within the Personal Systems segment, and the financial results of the portion of the business intelligence services business that had continued to be reported as part of the Corporate Investments segment following the implementation of prior realignment actions will now be reported as part of the ABS business unit. In addition, the end-user workplace support services business, which, as noted above, was previously a part of the TS business unit and will now become a part of the Enterprise Services segment, will be reported as part of the ITO business unit within that segment.

To provide improved visibility and comparability, HP has reflected these changes to its reporting structure in prior financial reporting periods on an as-if basis, which has resulted in the transfer of revenue and operating profit among the Personal Systems, the Enterprise Group, Enterprise Services and Corporate Investments segments. These changes had no impact on the previously reported financial results for the Printing, Software or HP Financial Services segments. In addition, none of these changes impacted HP’s previously reported consolidated net revenue, earnings from operations, net earnings or net earnings per share.

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

	Twelve months ended October 31,	
	2013	2012
	(Unaudited)	
Net revenue:(a)		
Printing and Personal Systems Group(b)		
Personal Systems		
Notebooks	\$ 16,029	\$ 18,830
Desktops	12,844	13,888
Workstations	2,147	2,148
Other	1,051	859
Total Personal Systems	32,071	35,725
Printing		
Supplies	15,716	16,151
Commercial Hardware	5,702	5,895
Consumer Hardware	2,436	2,441
Total Printing	23,854	24,487
Total Printing and Personal Systems Group	55,925	60,212
Enterprise Group		
Industry Standard Servers	12,102	12,582
Technology Services	8,890	9,288
Storage	3,475	3,815
Networking	2,526	2,482
Business Critical Systems	1,190	1,612
Total Enterprise Group	28,183	29,779
Enterprise Services		
Infrastructure Technology Outsourcing	14,682	15,792
Application and Business Services	8,838	9,817
Total Enterprise Services	23,520	25,609
Software	3,913	4,060
HP Financial Services	3,629	3,819
Corporate Investments	24	58
Total segments	115,194	123,537
Elimination of intersegment net revenue and other	(2,896)	(3,180)
Total HP consolidated net revenue	\$ 112,298	\$ 120,357

- (a) HP has implemented certain organizational realignments in the first quarter of fiscal 2013. As a result of these realignments, HP has re-evaluated its segment financial reporting structure and, effective in the first quarter of fiscal 2013, created two new financial reporting segments, the Enterprise Group segment and the Enterprise Services segment, and eliminated two other financial reporting segments, the Enterprise Servers, Storage and Networking (“ESSN”) segment and the Services segment. The Enterprise Group segment consists of the business units within the former ESSN segment and most of the services offerings of the Technology Services (“TS”) business unit, which was previously a part of the former Services segment. The Enterprise Services segment consists of the Applications and Business Services (“ABS”) and Infrastructure Technology Outsourcing (“ITO”) business units from the former Services segment, along with the end-user workplace support services business that was previously a part of the TS business unit. Taking into account these changes, HP has the following seven financial reporting segments: Personal Systems, Printing, the Enterprise Group, Enterprise Services, Software, HP Financial Services and Corporate Investments.

Also as a result of these realignments, the financial results of the Personal Systems commercial products support business, which were previously reported as part of the TS business unit, will now be reported as part of the Other business unit within the Personal Systems segment, and the financial results of the portion of the business intelligence services business that had continued to be reported as part of the Corporate Investments segment following the implementation of prior realignment actions will now be reported as part of the ABS business unit. In addition, the end-user workplace support services business, which, as noted above, was previously a part of the TS business unit and will now become a part of the Enterprise Services segment, will be reported as part of the ITO business unit within that segment.

To provide improved visibility and comparability, HP has reflected these changes to its reporting structure in prior financial reporting periods on an as-if basis, which has resulted in the transfer of revenue and operating profit among the Personal Systems, the Enterprise Group, Enterprise Services and Corporate Investments segments. These changes had no impact on the previously reported financial results for the Printing, Software or HP Financial Services segments. In addition, none of these changes impacted HP’s previously reported consolidated net revenue, earnings from operations, net earnings or net earnings per share.

- (b) 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.



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

	Three months ended	Change in Operating Margin (pts)	
	October 31, 2013	Q/Q	Y/Y
<b>Non-GAAP operating margin:(a)</b>			
Personal Systems	3.0%	-	(0.5 pts)
Printing	17.7%	2.1 pts	0.2 pts
Printing and Personal Systems Group(b)	9.1%	0.7 pts	(0.2 pts)
Enterprise Group	14.5%	(0.7 pts)	(2.0 pts)
Enterprise Services	4.4%	1.1 pts	(2.3 pts)
Software	30.8%	10.3 pts	3.6 pts
HP Financial Services	11.2%	(0.1 pts)	0.4 pts
Corporate Investments	NM	NM	NM
Total segments	10.2%	0.9 pts	(0.8 pts)
<b>Total HP consolidated non-GAAP operating margin</b>	<b>9.0%</b>	<b>0.6 pts</b>	<b>(1.4 pts)</b>

(a) HP has implemented certain organizational realignments in the first quarter of fiscal 2013. As a result of these realignments, HP has re-evaluated its segment financial reporting structure and, effective in the first quarter of fiscal 2013, created two new financial reporting segments, the Enterprise Group segment and the Enterprise Services segment, and eliminated two other financial reporting segments, the Enterprise Servers, Storage and Networking (“ESSN”) segment and the Services segment. The Enterprise Group segment consists of the business units within the former ESSN segment and most of the services offerings of the Technology Services (“TS”) business unit, which was previously a part of the former Services segment. The Enterprise Services segment consists of the Applications and Business Services (“ABS”) and Infrastructure Technology Outsourcing (“ITO”) business units from the former Services segment, along with the end-user workplace support services business that was previously a part of the TS business unit. Taking into account these changes, HP has the following seven financial reporting segments: Personal Systems, Printing, the Enterprise Group, Enterprise Services, Software, HP Financial Services and Corporate Investments.

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(b) 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.



HEWLETT-PACKARD COMPANY AND SUBSIDIARIES  
CALCULATION OF NET EARNINGS PER SHARE  
(Unaudited)  
(In millions except per share amounts)

	Three months ended		
	October 31, 2013	July 31, 2013	October 31, 2012
<b>Numerator:</b>			
GAAP net earnings (loss)	\$ 1,414	\$ 1,390	\$ (6,854)
Non-GAAP net earnings	\$ 1,959	\$ 1,676	\$ 2,281
<b>Denominator:</b>			
Weighted-average shares used to compute basic net earnings (loss) per share and diluted net (loss) per share	1,918	1,929	1,964
Dilutive effect of employee stock plans	22	19	3
Weighted-average shares used to compute diluted net earnings per share	1,940	1,948	1,967
<b>GAAP net earnings (loss) per share:</b>			
Basic	\$ 0.74	\$ 0.72	\$ (3.49)
Diluted <sup>(a)</sup>	\$ 0.73	\$ 0.71	\$ (3.49)
<b>Non-GAAP net earnings per share:</b>			
Basic	\$ 1.02	\$ 0.87	\$ 1.16
Diluted <sup>(b)</sup>	\$ 1.01	\$ 0.86	\$ 1.16

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

(b) Non-GAAP diluted net earnings per share reflects any dilutive effect of outstanding stock options, performance-based restricted units, restricted stock units and restricted stock.



HEWLETT-PACKARD COMPANY AND SUBSIDIARIES  
CALCULATION OF NET EARNINGS PER SHARE  
(Unaudited)  
(In millions except per share amounts)

	Twelve months ended October 31,	
	2013	2012
<b>Numerator:</b>		
GAAP net earnings (loss)	\$ 5,113	\$ (12,650)
Non-GAAP net earnings	\$ 6,938	\$ 8,035
<b>Denominator:</b>		
Weighted-average shares used to compute basic net earnings (loss) per share and diluted net (loss) per share	1,934	1,974
Dilutive effect of employee stock plans	16	10
Weighted-average shares used to compute diluted net earnings per share	1,950	1,984
<b>GAAP net earnings (loss) per share:</b>		
Basic	\$ 2.64	\$ (6.41)
Diluted <sup>(a)</sup>	\$ 2.62	\$ (6.41)
<b>Non-GAAP net earnings per share:</b>		
Basic	\$ 3.59	\$ 4.07
Diluted <sup>(b)</sup>	\$ 3.56	\$ 4.05

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