HP Q4 FY10 Earnings Announcement

November 22, 2010

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

FORWARD LOOKING STATEMENTS

This presentation may contain forward-looking statements that involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the financial results of HP may differ materially from those expressed or implied by such forward-looking statements and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including but not limited to any projections of revenue, margins, expenses, earnings, earnings per share, tax provisions, cash flows, benefit obligations, share repurchases, currency exchange rates, the impact of acquisitions or other financial items; any statements of the plans, strategies and objectives of management for future operations, including execution of cost reduction programs and restructuring plans; any statements concerning the expected development, performance or market share relating to products or services; any statements regarding current or future macroeconomic trends or events and the impact of those trends and events on HP and its financial performance; any statements regarding pending investigations, claims or disputes; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. Risks, uncertainties and assumptions include the impact of macroeconomic and geopolitical trends and events; the competitive pressures faced by HP's businesses; the development and transition of new products and services and the enhancement of existing products and services) to meet customer needs and respond to emerging technological trends; the execution and performance of contracts by HP and its suppliers, customers and partners; the protection of HP's intellectual property assets, including intellectual property licensed from third parties; integration and other risks associated with business combination and investment transactions; the hiring and retention of key employees; assumptions related to pension and other post-retirement costs; expectations and assumptions relating to the execution and timing of cost reduction programs and restructuring plans; the resolution of pending investigations, claims and disputes; and other risks that are described in HP's Annual Report on Form 10-K for the fiscal year ended October 31, 2009 and HP's other filings with the Securities and Exchange Commission, including HP's Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2010. As in prior periods, the financial information set forth in this release, including tax-related items, reflects estimates based on information available at this time. While HP believes these estimates to be meaningful, these amounts could differ materially from actual reported amounts in HP's Form 10-K for the fiscal year ended October 31, 2010. In particular, determining HP's actual tax balances and provisions as of October 31, 2010 requires extensive internal and external review of tax data (including consolidating and reviewing the tax provisions of numerous domestic and foreign entities), which is being completed in the ordinary course of preparing HP's Form 10-K. HP assumes no obligation and does not intend to update these forward-looking statements.

USE OF NON-GAAP FINANCIAL INFORMATION

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

HP's management uses non-GAAP 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 providing this information better enables investors to understand HP's operating performance and to evaluate the efficacy of the methodology and information used by management to evaluate and measure such performance.

KEY MESSAGES

- Strong revenue growth of 10% in FY10, up $11.5 billion year over year
  - Four consecutive quarters of year-over-year revenue growth of 8% or greater
  - Q4 net revenue of $33.3 billion, up 8.1% year over year, with a negative currency impact of 0.7 points
- Continued non-GAAP operating margin expansion driven by higher gross margins
  - Q4 non-GAAP operating margins of 12%, up 80 basis points sequentially and 20 basis points year over year
  - Expanded Q4 gross margins by 110 basis points year over year, driven primarily by more profitable mix
- Investing in growth and efficiencies
  - Increased Q4 investments in R&D and Sales, with non-GAAP OpEx up 16% year over year and 9% sequentially
  - Announced and closed four acquisitions in Q4 – 3PAR, ArcSight, Fortify and Stratavia
  - Continued investments in supply chain, services transformation, and other operational efficiencies to drive future savings
- Continued momentum in the enterprise, led by strength in converged infrastructure solutions
  - Winning in the datacenter with ISS up 32%, BCS up 10%, and Storage up 14% year over year in Q4
  - Accelerated HP Networking growth in Q4, with ProCurve up 50% year over year and 3Com revenue ahead of plan
- IPG expanding its market leadership
  - Share gains in both laser and ink
  - Total printer hardware units up 14% year over year in Q4 with commercial printer units up 43%
  - Supplies growth of 6% year over year

Q4 FY10 RESULTS OVERVIEW

Financial Summary

- Net revenue of $33.3B, up 8% Y/Y and up 9% Y/Y in constant currency
- Non-GAAP[1] diluted EPS of $1.33, up 17% Y/Y
- GAAP diluted EPS of $1.10, up 11% Y/Y
- Cash flow from operations of $3.2B
- $4.0B in share repurchases and $181M in dividends

$ in millions	Q4 Revenue	Growth Y/Y%	OP $	OP % of rev	OP $ Y/Y	OP % Y/Y
Services	$8,963	0%	$1,497	16.7%	$53	0.5 pts
Enterprise Storage and Servers	$5,269	25%	$730	13.9%	$249	2.5 pts
HP Software	$974	1%	$247	25.4%	$13	1.2 pts
Enterprise Business	$15,206	8%	$2,474	16.3%	$315	1.0 pts
Personal Systems Group	$10,283	4%	$568	5.5%	$108	0.8 pts
Imaging and Printing Group	$6,995	8%	$1,220	17.4%	$49	(0.7) pts
HP Financial Services	$809	11%	$73	9.0%	$7	(0.1) pts
Total HP [2]	$33,278	8%	$4,005 [1]	12.0% [1]	$373[1]	0.2 pts [1]

1. All non-GAAP numbers have been adjusted to exclude certain items. A reconciliation of specific adjustments to GAAP results for this quarter and prior periods is included on slide 18 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. Includes Corporate Investments & Eliminations

FY10 RESULTS OVERVIEW

Financial Summary

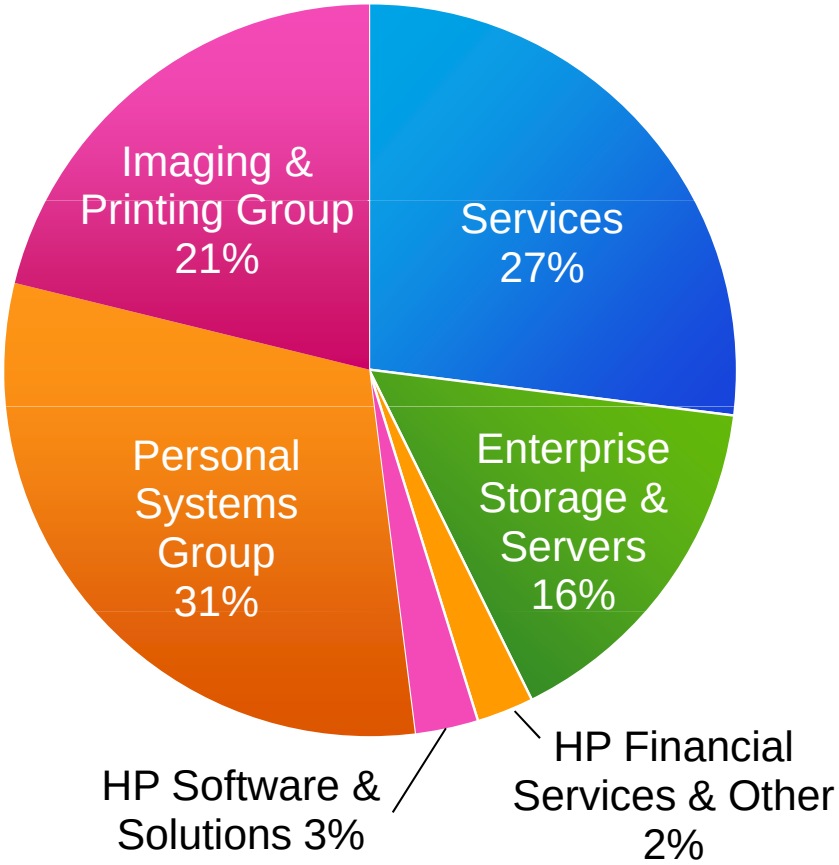
- Net revenue of $126.0B, up 10% Y/Y and up 8% Y/Y in constant currency
- Non-GAAP[1] diluted EPS of $4.58, up 19% Y/Y
- GAAP diluted EPS of $3.69, up 18% Y/Y
- Cash flow from operations of $11.9B
- $11.0B in share repurchases and $771M in dividends

$ in millions	FY10 Revenue	Growth Y/Y%	OP $	OP % of rev	OP $ Y/Y	OP % Y/Y
Services	$34,935	1%	$5,609	16.1%	$565	1.6 pts
Enterprise Storage and Servers	$18,651	21%	$2,402	12.9%	$884	3.0 pts
HP Software	$3,586	0%	$759	21.2%	$75	2.1 pts
Enterprise Business	$57,172	7%	$8,770	15.3%	$1,524	1.8 pts
Personal Systems Group	$40,741	15%	$2,032	5.0%	$371	0.3 pts
Imaging and Printing Group	$25,764	7%	$4,412	17.1%	$102	(0.9) pts
HP Financial Services	$3,047	14%	$281	9.2%	$75	1.5 pts
Total HP [2]	$126,033	10%	$14,400 [1]	11.4% [1]	$1,804[1]	0.4 pts [1]

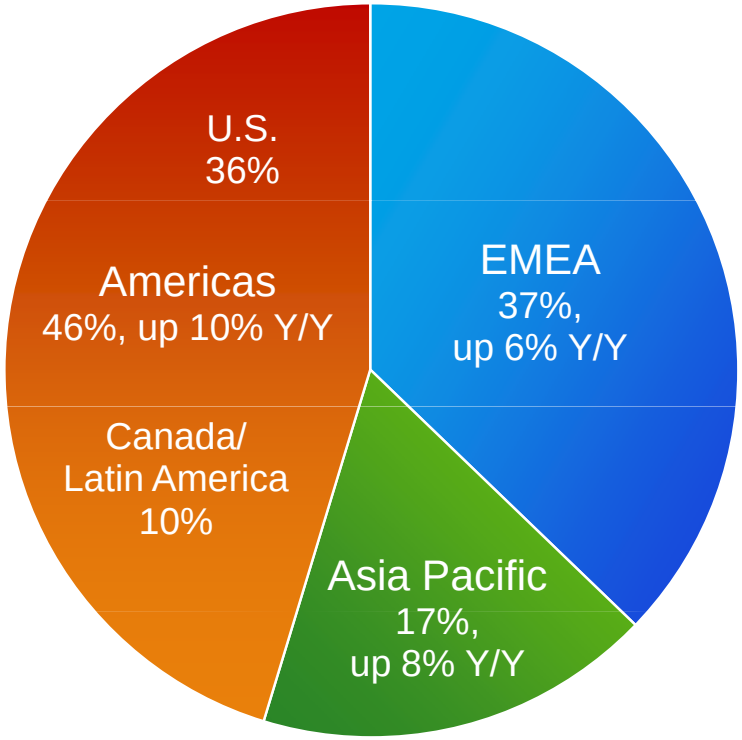
1. All non-GAAP numbers have been adjusted to exclude certain items. A reconciliation of specific adjustments to GAAP results for this fiscal year and prior periods is included on slide 19 and in the GAAP to non-GAAP slides that appear as part of the supplemental slides of this presentation. A description of HP's use of non-GAAP information is provided on slide 3 under "Use of non-GAAP Financial Information."
2. Includes Corporate Investments & Eliminations

Q4 FY10 REVENUE

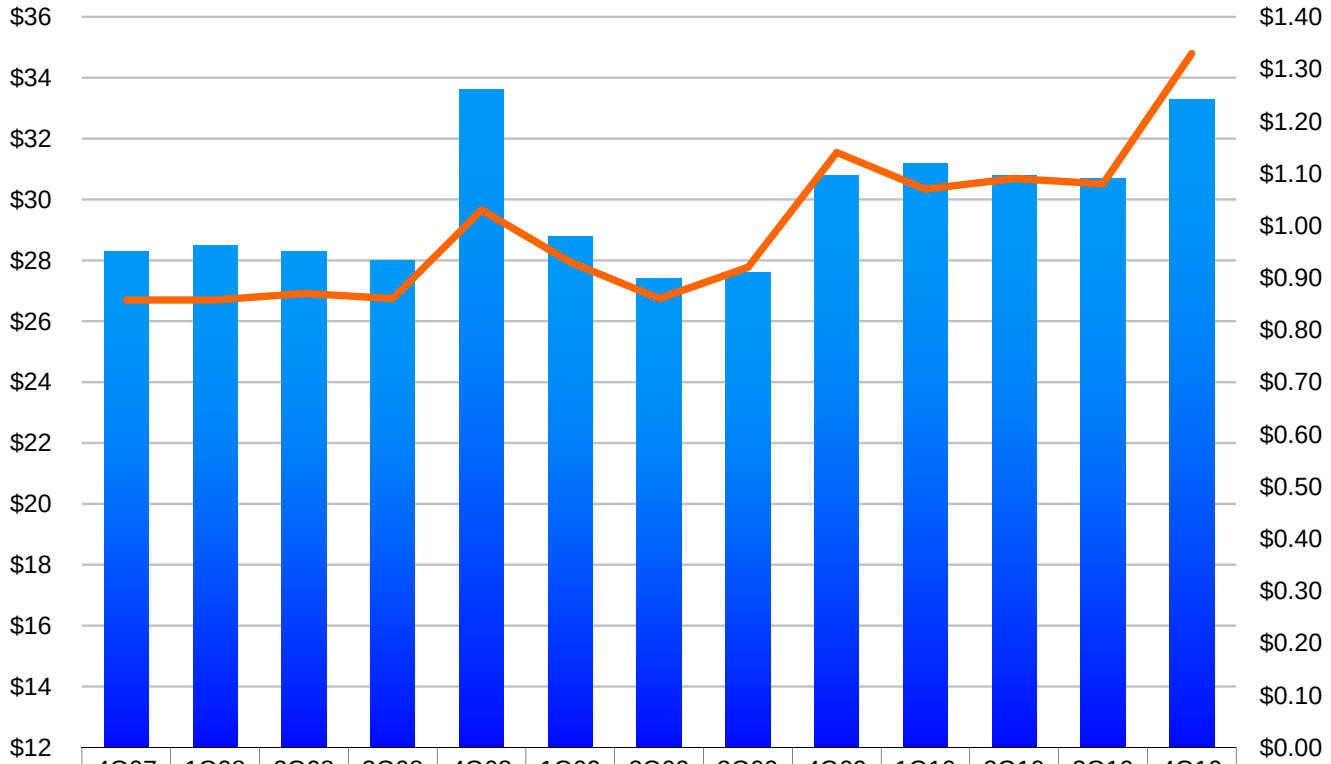
By Segment



By Region

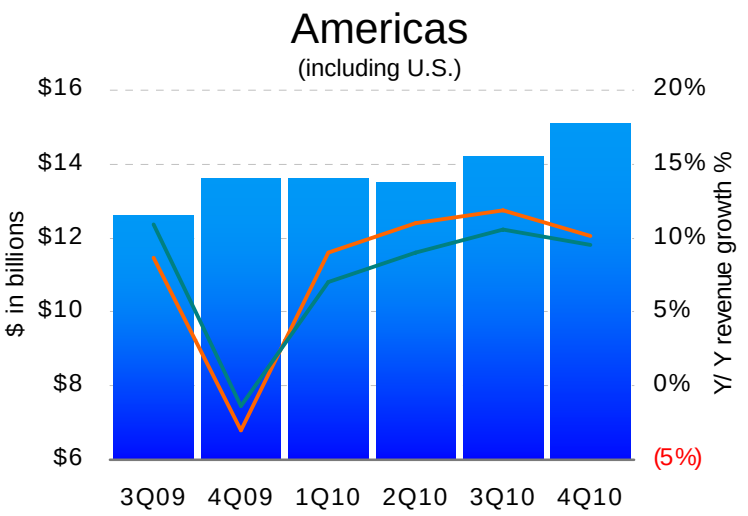


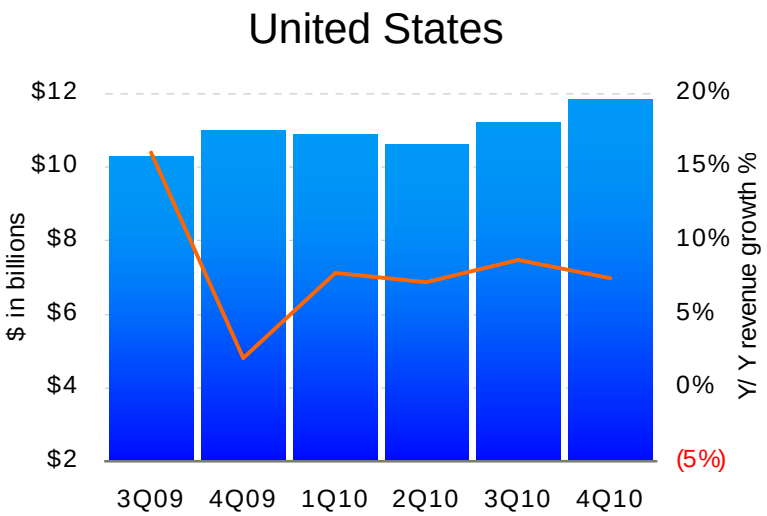
REVENUE & EPS PERFORMANCE

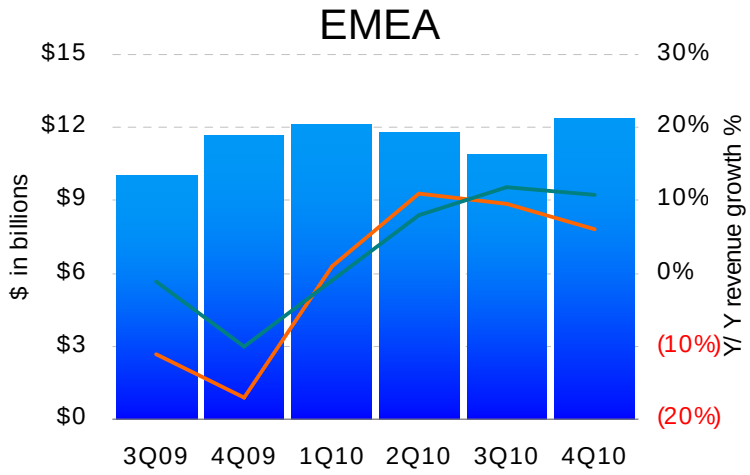


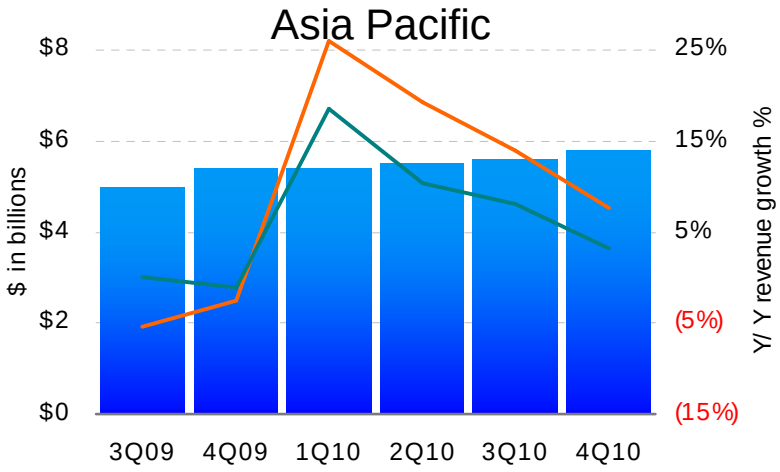
	4Q07	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
Revenue (in billions)	$28.3	$28.5	$28.3	$28.0	$33.6	$28.8	$27.4	$27.6	$30.8	$31.2	$30.8	$30.7	$33.3
Non-GAAP EPS	$0.86	$0.86	$0.87	$0.86	$1.03	$0.93	$0.86	$0.92	$1.14	$1.07	$1.09	$1.08	$1.33

REGIONAL REVENUE TRENDS



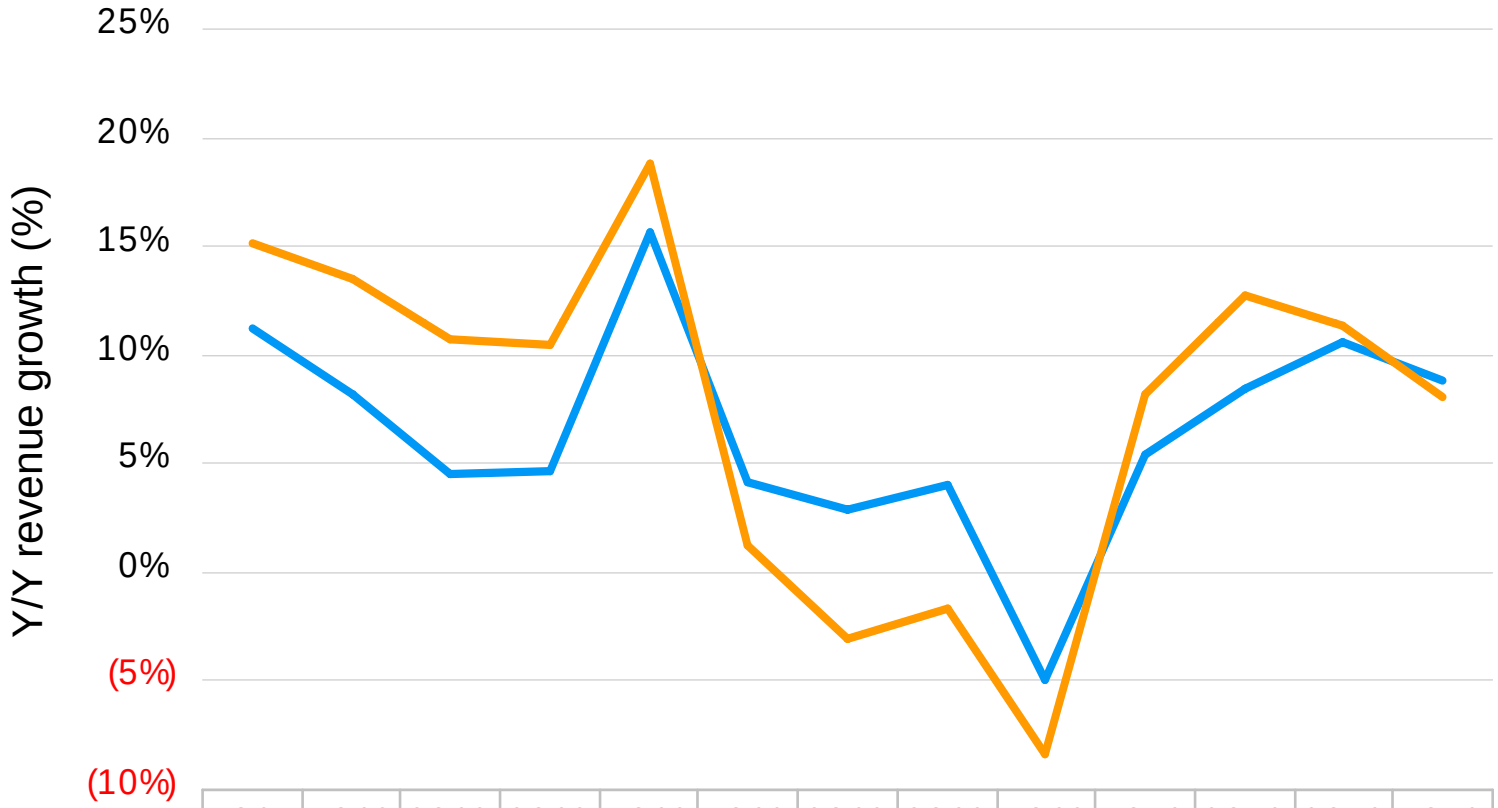






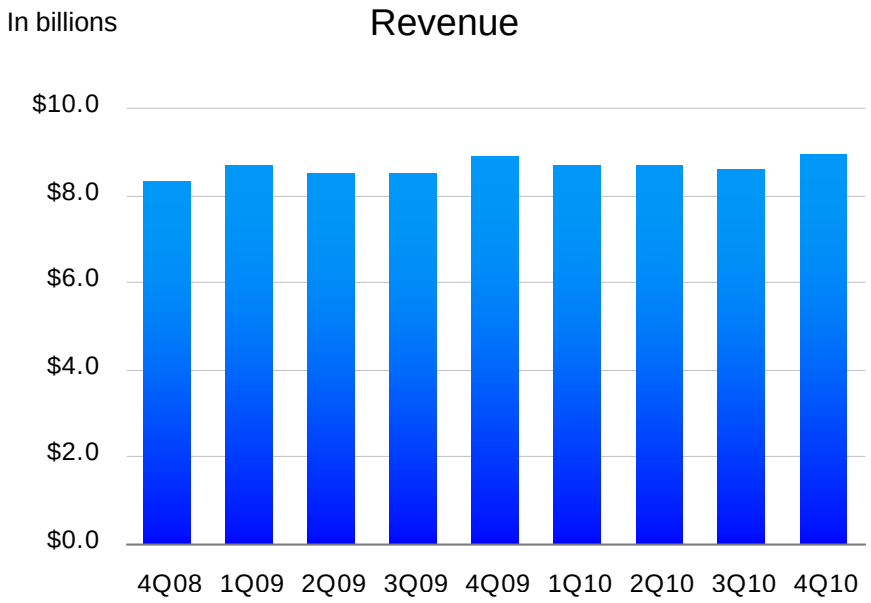
Y/Y revenue growth %
Y/Y constant currency revenue growth %

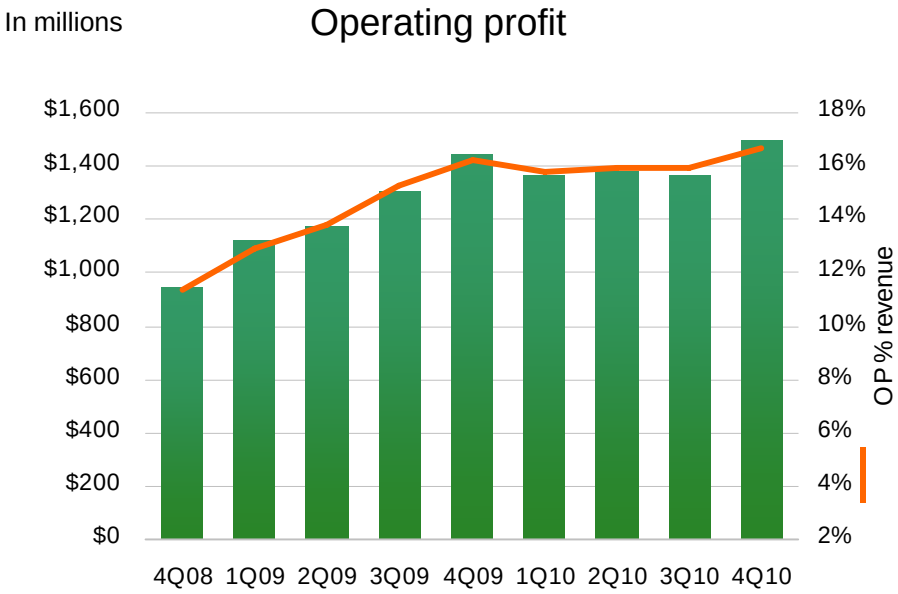
REVENUE GROWTH

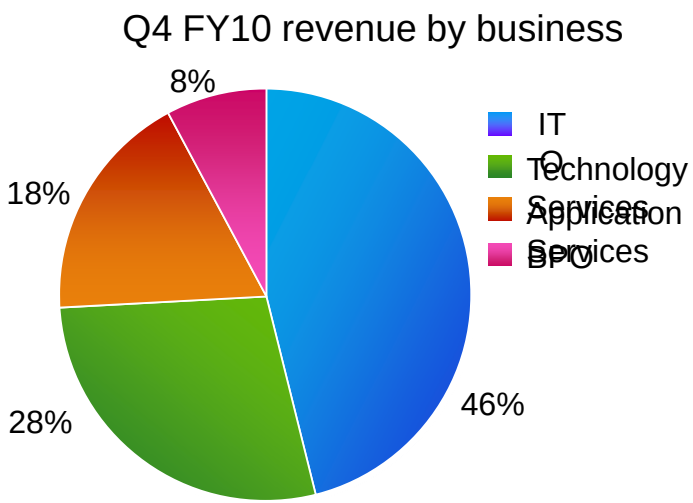


	4Q07	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
Constant currency	11.2%	8.2%	4.5%	4.7%	15.6%	4.2%	2.9%	4.0%	-5.0%	5.4%	8.4%	10.6%	8.8%
As reported	15.2%	13.5%	10.7%	10.5%	18.8%	1.2%	-3.1%	-1.6%	-8.4%	8.2%	12.7%	11.4%	8.1%

SERVICES

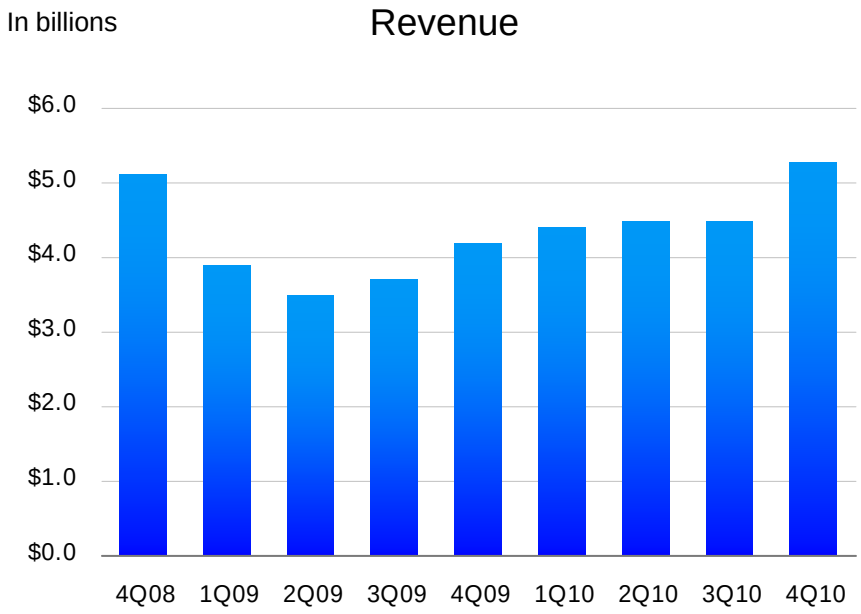


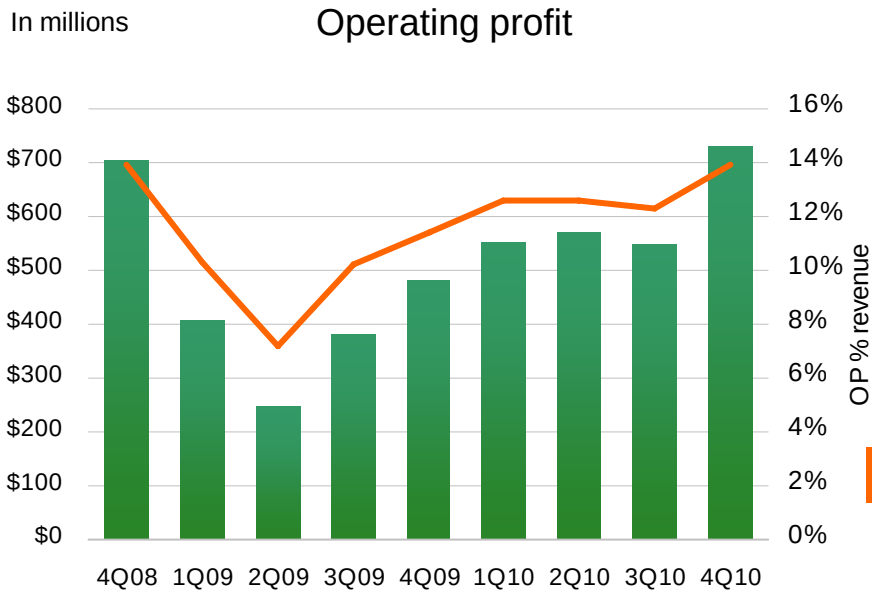


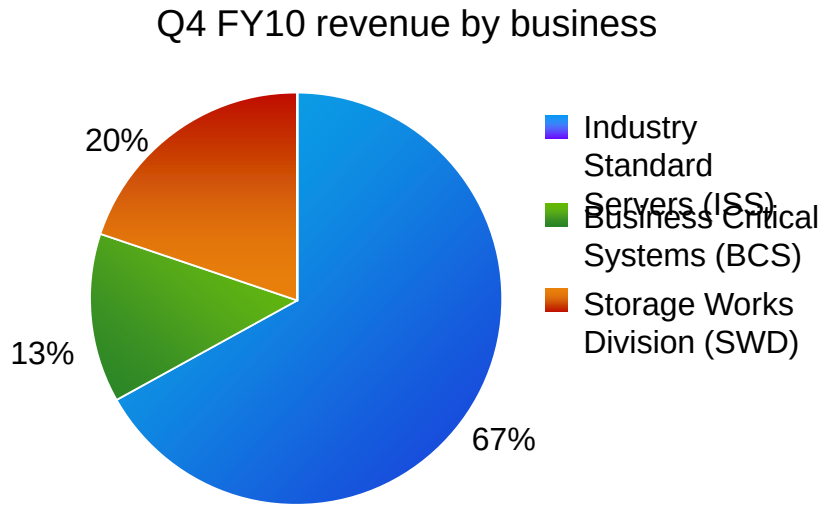


- Services revenue of $9.0B, up 0.4% Y/Y
- Operating profit of $1.5B; 16.7% of revenue
- ITO revenue up 1% Y/Y
- Technology Services revenue up 1% Y/Y
- Application Services revenue up 1% Y/Y
- BPO revenue down 11% Y/Y (down 4% Y/Y, excluding the ExcellerateHRO divestiture)

ENTERPRISE STORAGE & SERVERS (ESS)

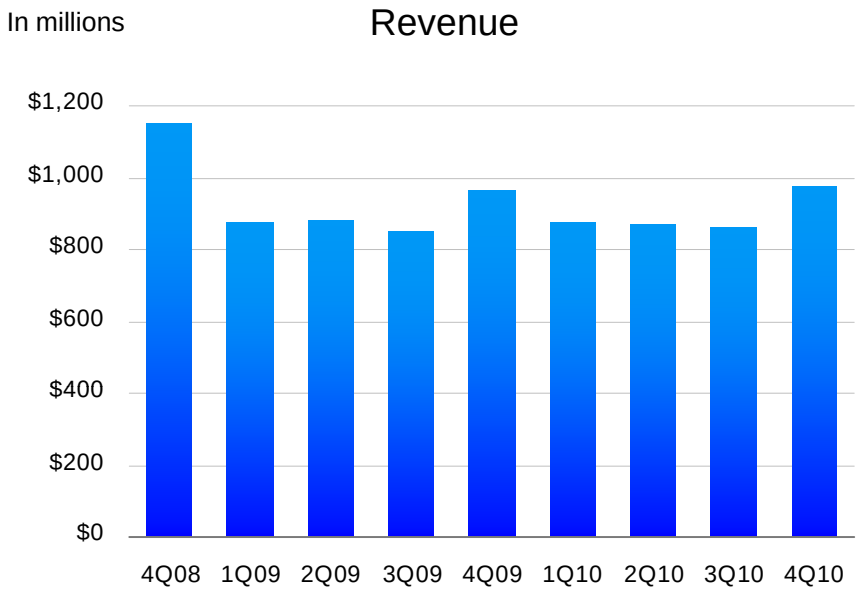


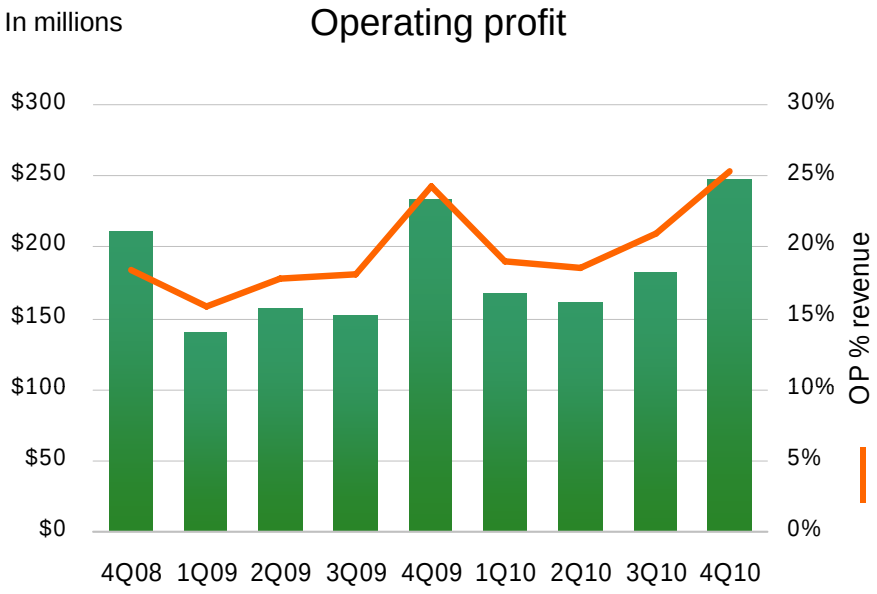


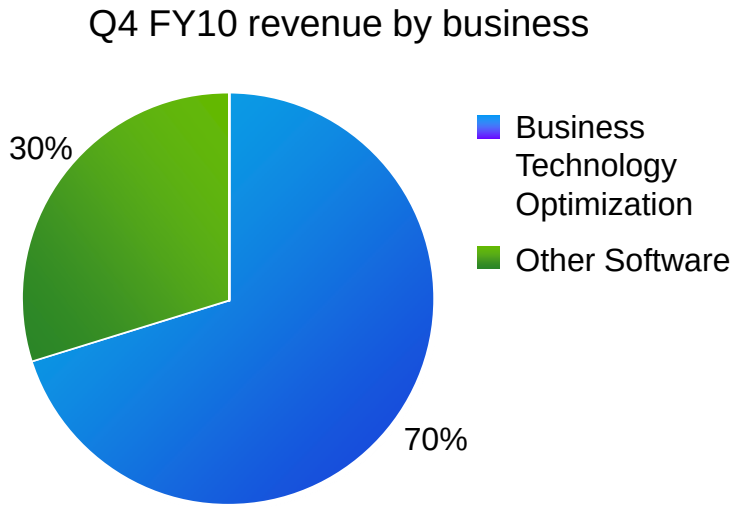


- ESS revenue of $5.3B, up 25% Y/Y
- Operating profit of $730M, 13.9% of revenue
- ISS revenue up 32% Y/Y
- BCS revenue up 10% Y/Y
- Storage revenue up 14% Y/Y, mid-range storage arrays (EVA) down 4% Y/Y
- ESS Blades revenue up 51% Y/Y

HP SOFTWARE

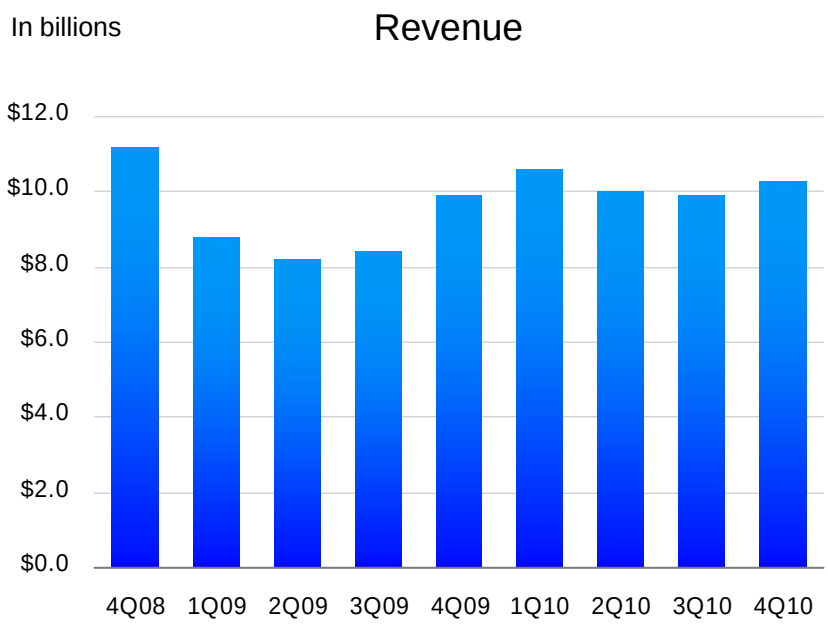


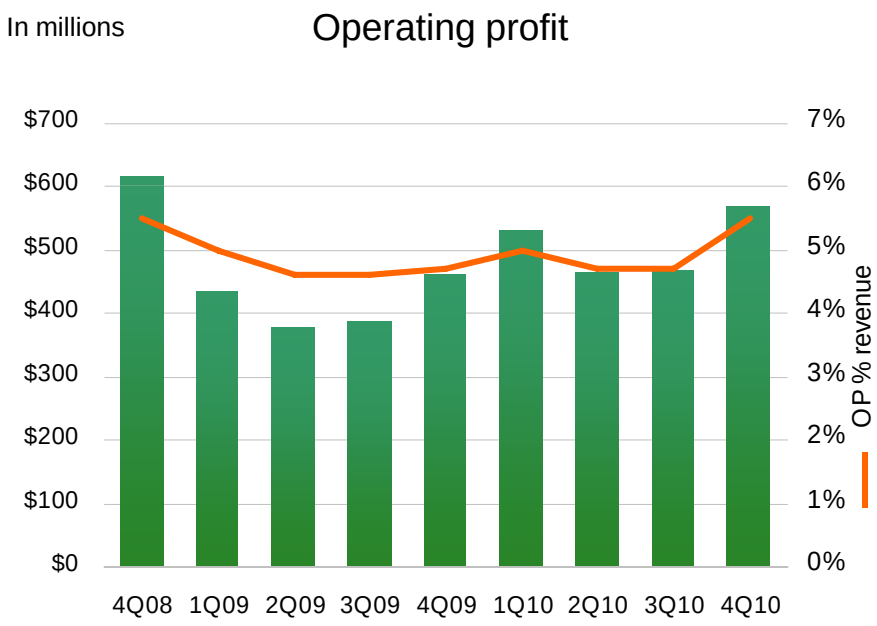


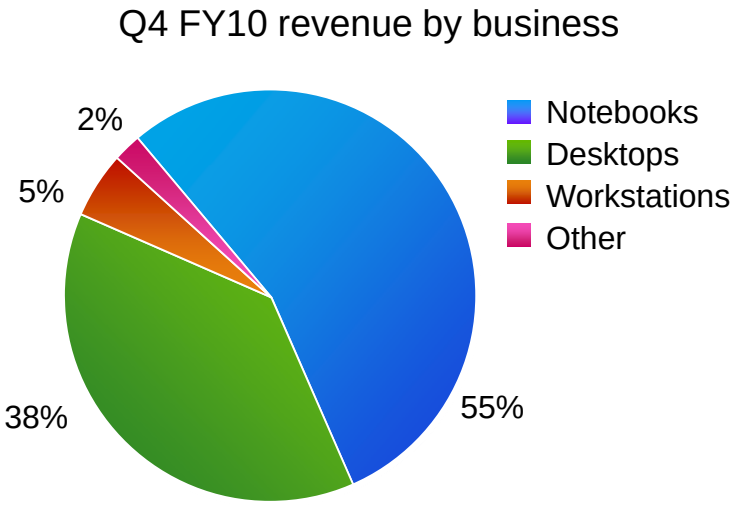


- Software revenue of $974M, up 1% Y/Y
- Operating profit of $247M, 25.4% of revenue
- Business Technology Optimization revenue up 4% Y/Y
- Other Software revenue down 6% Y/Y

PERSONAL SYSTEMS GROUP (PSG)

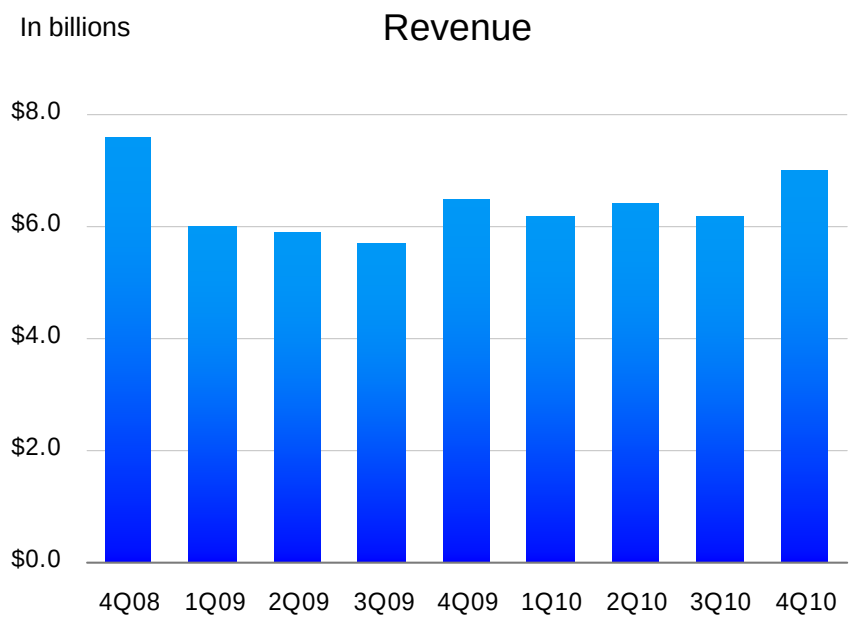


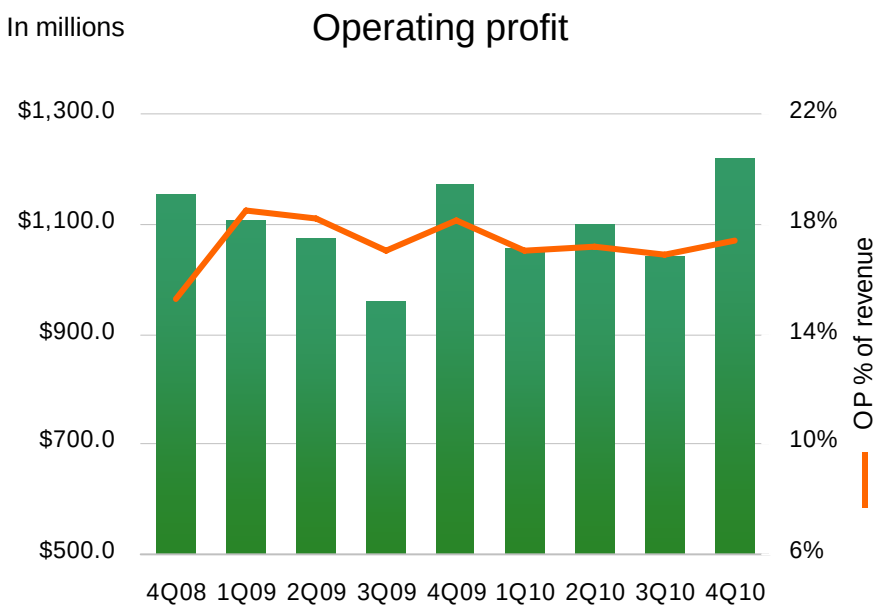


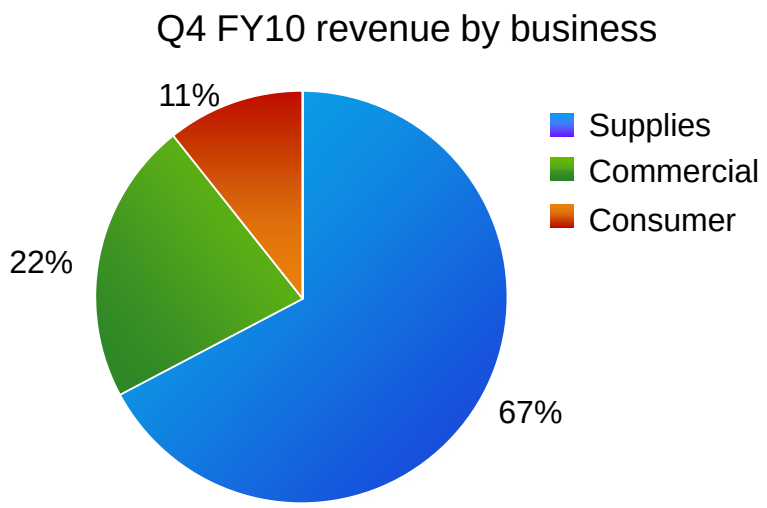


- PSG revenue of $10.3B, up 4% Y/Y
- Operating profit of $568M, 5.5% of revenue
- Total units up 2% Y/Y
- Notebook revenue down 3%, units down 3% Y/Y
- Desktop revenue up 13%, units up 9% Y/Y
- Consumer client revenue down 10% Y/Y, Commercial client revenue up 20% Y/Y

IMAGING & PRINTING GROUP (IPG)

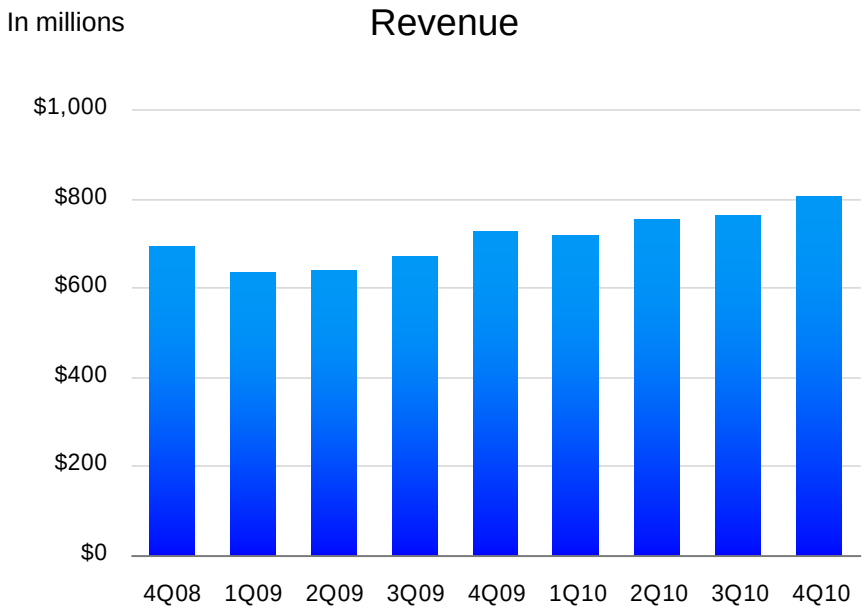


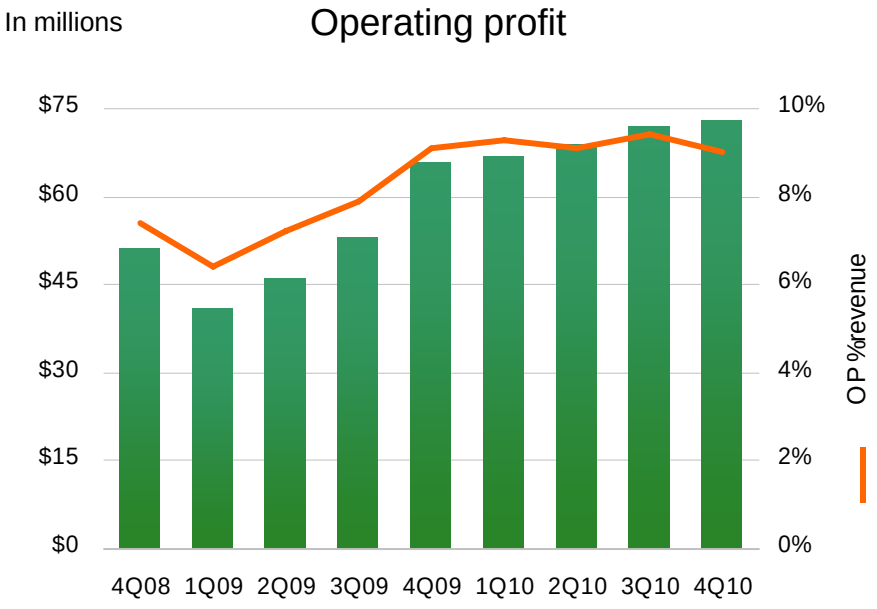


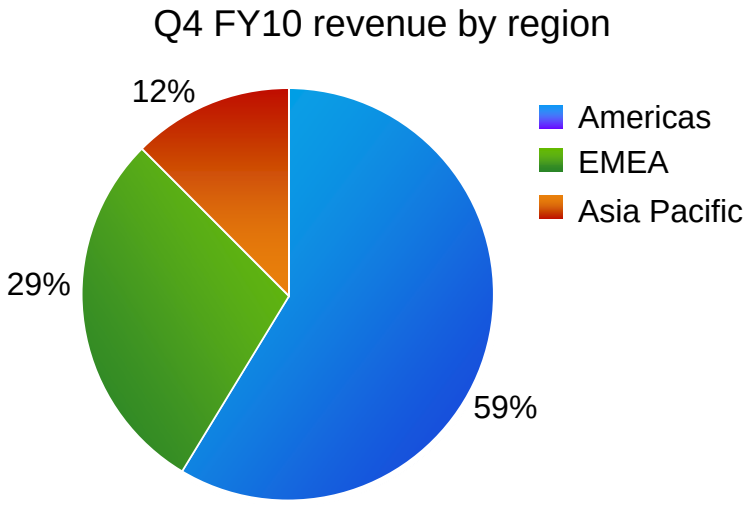


- IPG revenue of $7.0B, up 8% Y/Y
- Operating profit of $1.2B, 17.4% of revenue
- Supplies revenue up 6% Y/Y
- Total printer hardware units up 14% Y/Y, Consumer printer hardware units up 7% Y/Y, Commercial printer hardware units up 43% Y/Y
- Color LaserJet units up 3% Y/Y
- Printer-based MFP units up 83% Y/Y
- Indigo digital press page volume up 24% Y/Y

HP FINANCIAL SERVICES (HPFS)







- HPFS revenue of $809M, up 11% Y/Y
- Operating profit of $73M, 9.0% of revenue
- Financing volume up 11% Y/Y
- Net portfolio assets of $11.2B, up 14% Y/Y

Non-GAAP[1] FINANCIAL INFORMATION

In millions except per share amounts	Q4 FY10		Q3 FY10		Q4 FY09	
Revenue	$33,278	100%	$30,729	100%	$30,777	100%
Cost of sales	25,024	75.2%	23,402	76.2%	23,475	76.3%
Total OpEx	4,249	12.8%	3,896	12.6%	3,670	11.9%
Operating profit	4,005	12.0%	3,431	11.2%	3,632	11.8%
Interest & other, net	(81)		(134)		(132)	
Pre-tax earnings	3,924	11.8%	3,297	10.7%	3,500	11.4%
Income tax	860		722		736	
Net Earnings	3,064	9.2%	2,575	8.4%	2,764	9.0%
EPS	$1.33		$1.08		$1.14	

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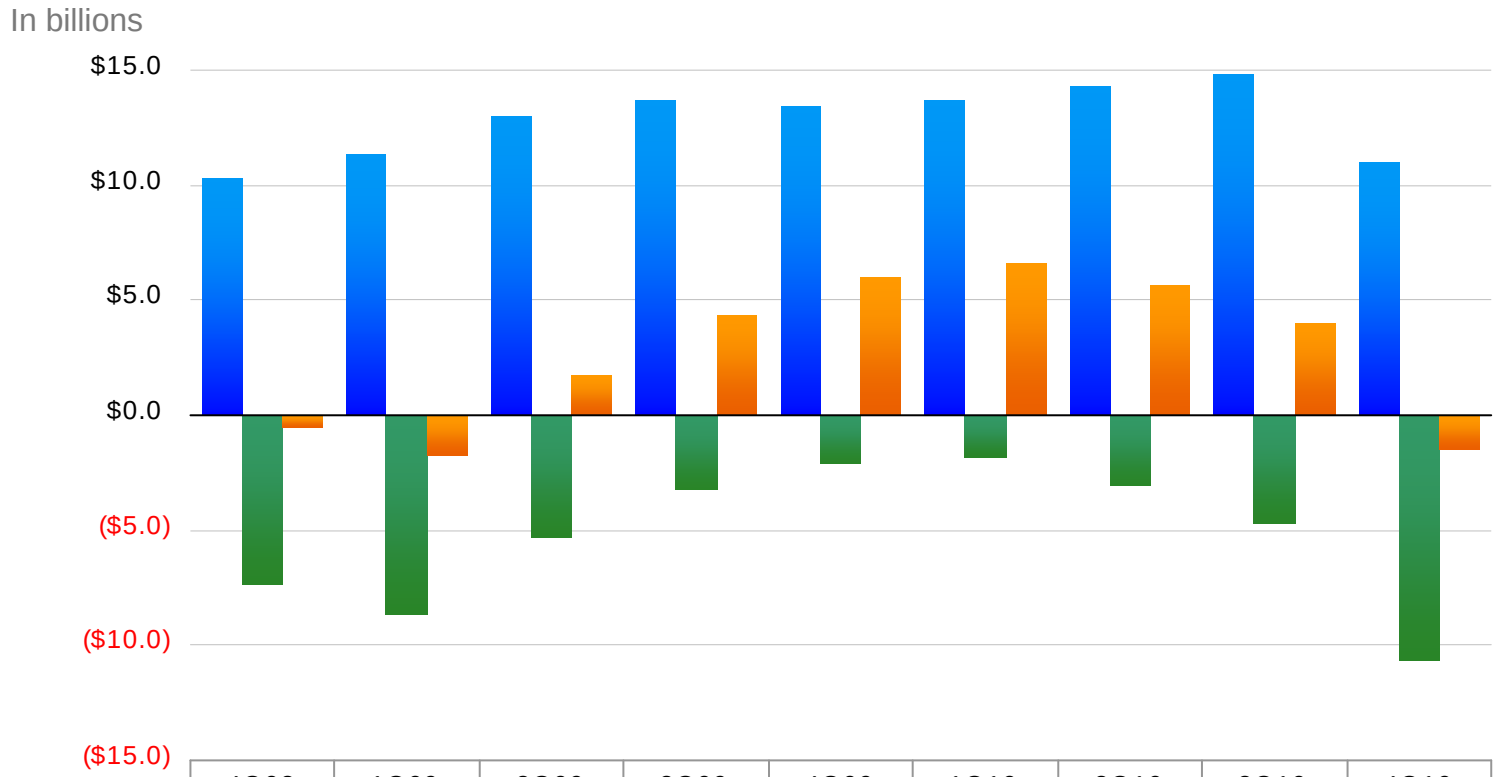
Q4 FY10 GAAP to non-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	$33,278				$33,278
Cost of sales	25,024				25,024
Total OpEx	4,959	(424)	(235)	(51)	4,249
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
EPS	$1.10				$1.33

FY10 GAAP to non-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	$126,033				$126,033
Cost of sales	96,089				96,089
Total OpEx	18,465	(1,484)	(1,144)	(293)	15,544
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
EPS	$3.69				$4.58

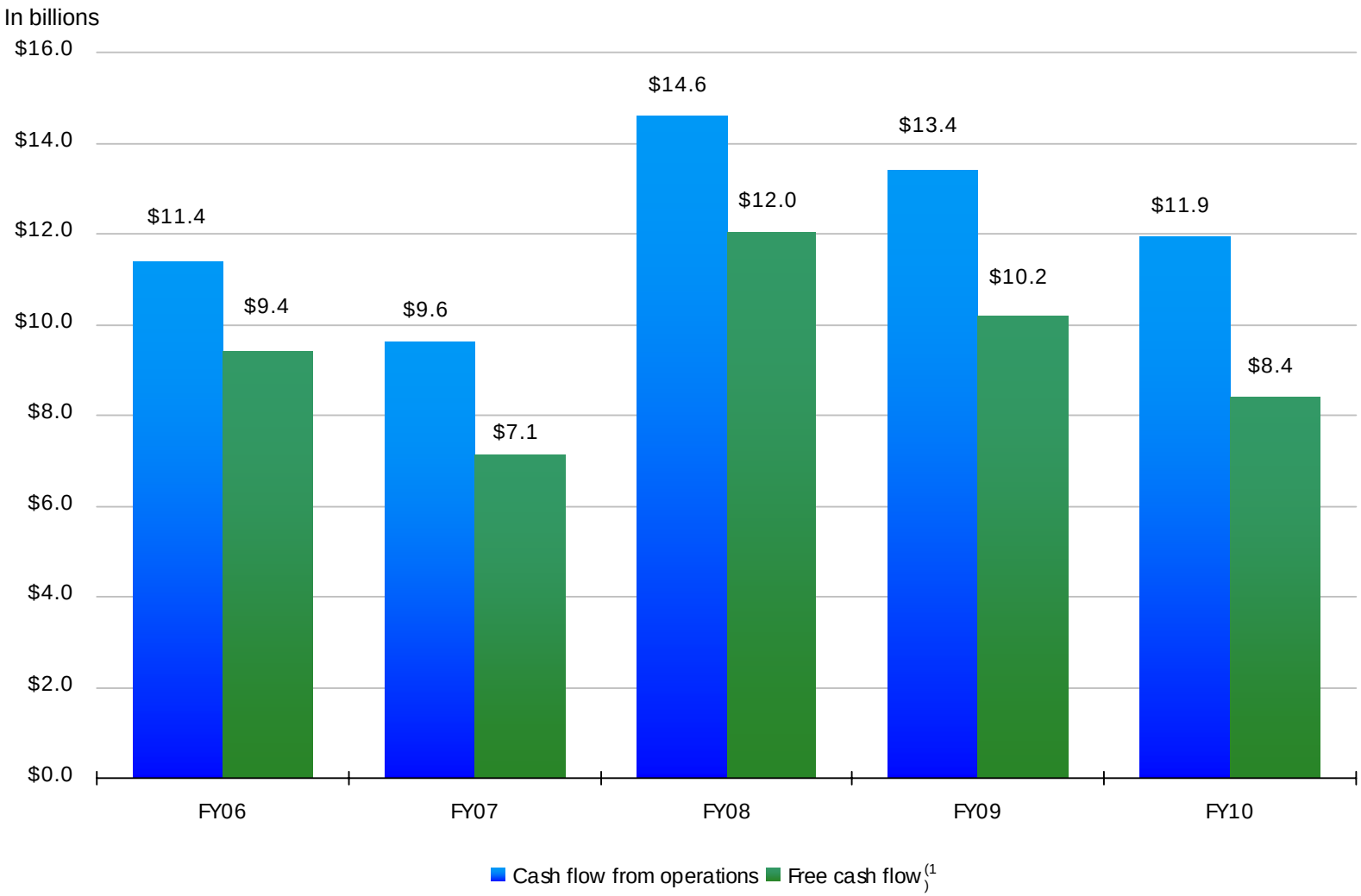
GROSS CASH & NET CASH



	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
Gross cash[1]	$10.3	$11.3	$13.0	$13.7	$13.4	$13.7	$14.3	$14.8	$11.0
Net cash[2]	($7.4)	($8.7)	($5.3)	($3.2)	($2.1)	($1.8)	($3.0)	($4.7)	($10.6)
Net cash excl. HPFS Debt[3]	($0.5)	($1.8)	$1.8	$4.3	$6.0	$6.6	$5.6	$4.0	($1.5)

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

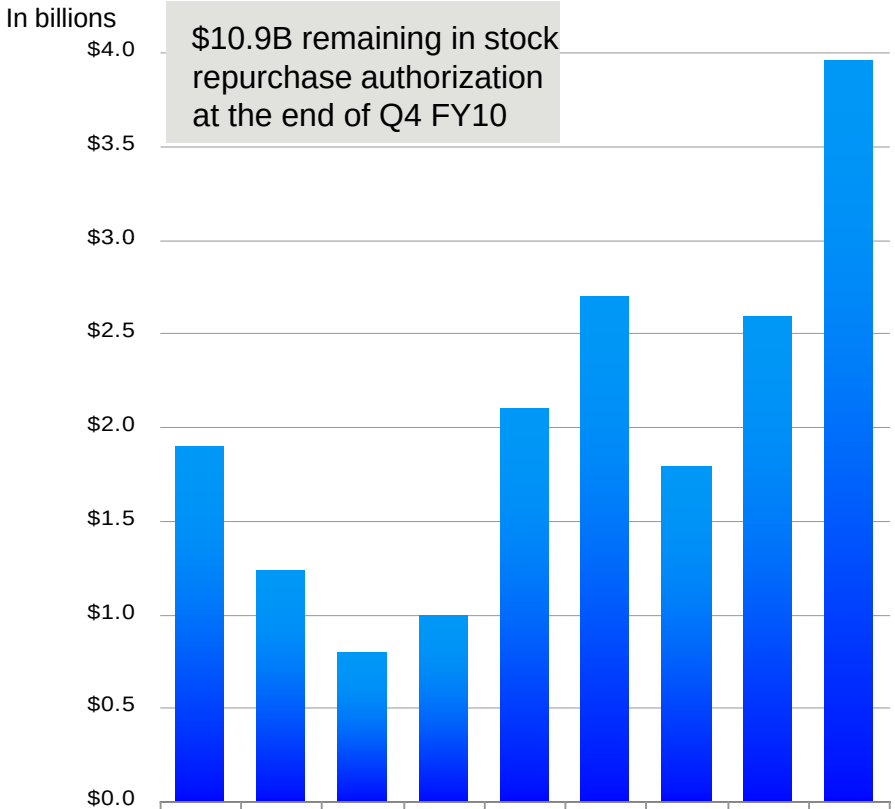
CASH FLOW



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

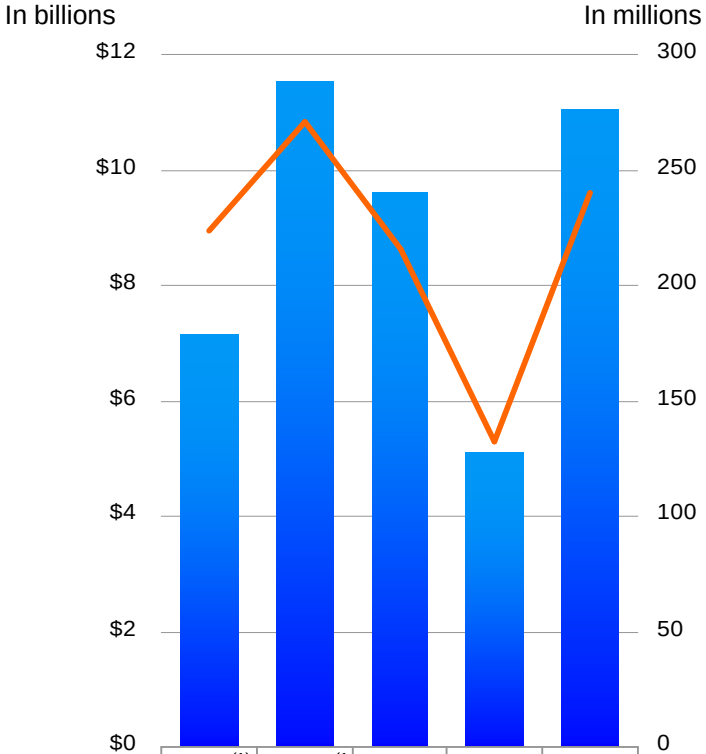
STOCK REPURCHASE

Quarterly trends



	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
Stock repurchase	$1.9	$1.2	$0.8	$1.0	$2.1	$2.7	$1.8	$2.6	$4.0

FY06 – FY10



	FY06[1]	FY07[1]	FY08	FY09	FY10
Stock repurchase	$7.2	$11.5	$9.6	$5.1	$11.0
Shares received	224	271	216	132	240

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

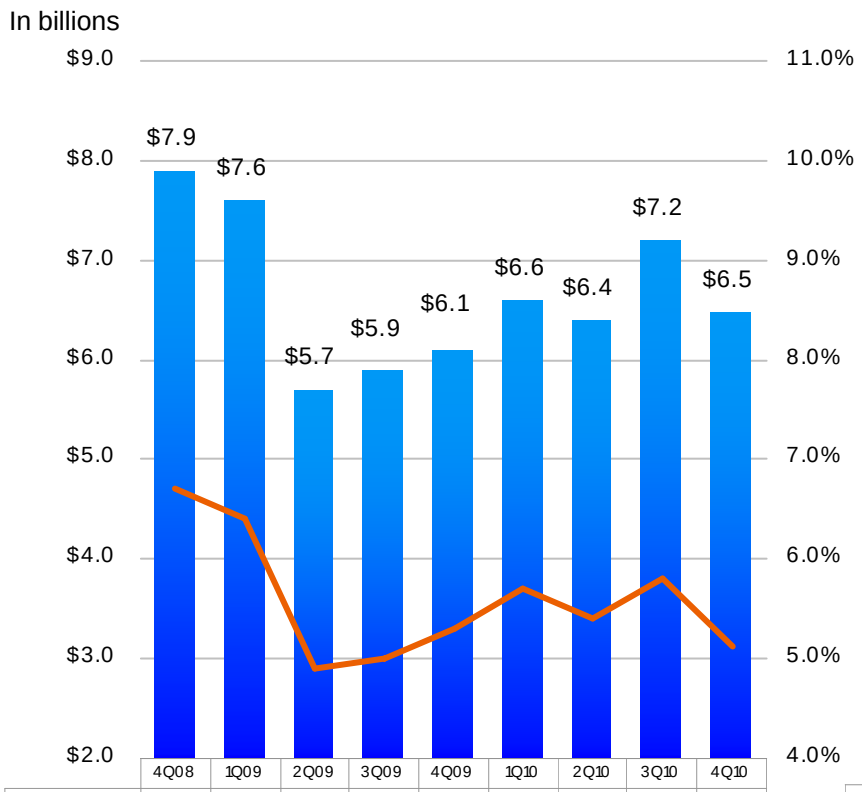
Q1 FY11 guidance	
Revenue	$32.8B – $33.0B
GAAP EPS	$1.06 - $1.08
Non-GAAP EPS[1]	$1.28 – $1.30
Full year FY11 guidance	
Revenue	$132.0B - $133.5B
GAAP EPS	$4.42 – $4.52
Non-GAAP EPS[2]	$5.16 – $5.26

1. Q1 FY11 non-GAAP diluted earnings per share estimates exclude after-tax costs of approximately $0.22 per share, related primarily to the amortization of purchased intangible assets, restructuring charges and acquisition-related charges.
2. Full year FY11 non-GAAP diluted earnings per share estimates exclude after-tax costs of approximately $0.74 per share, related primarily to the amortization of purchased intangible assets, restructuring charges and acquisition-related charges.

SUPPLEMENTAL SLIDES

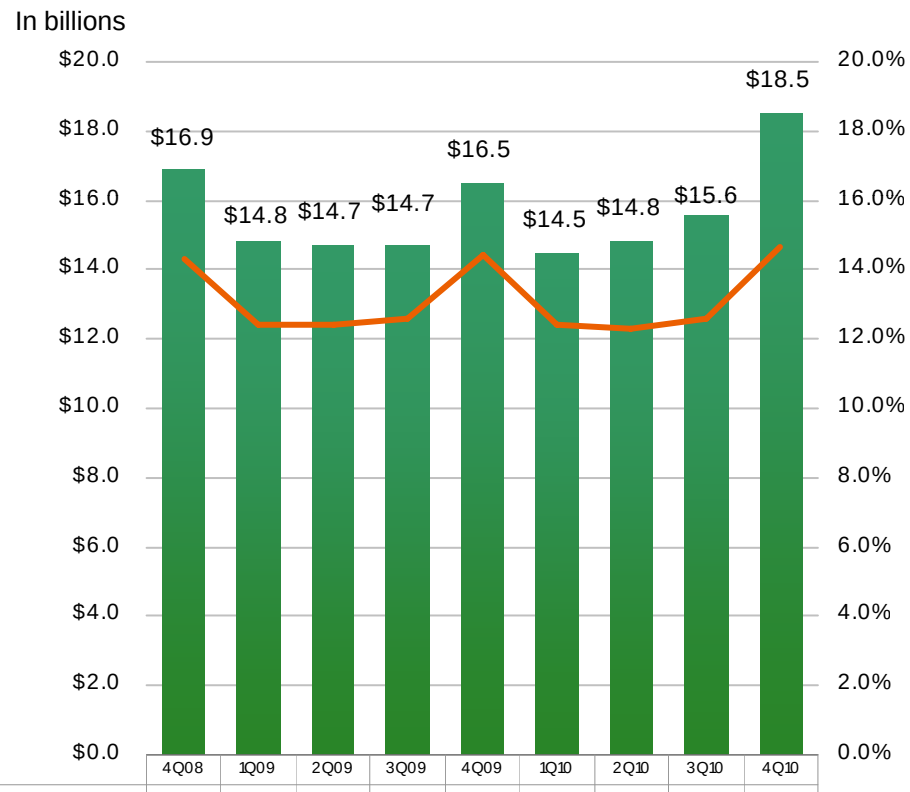
INVENTORY & ACCOUNTS RECEIVABLE

Inventory



	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
Inventory	$7.9	$7.6	$5.7	$5.9	$6.1	$6.6	$6.4	$7.2	$6.5
% of Rev	6.7%	6.4%	4.9%	5.0%	5.3%	5.7%	5.4%	5.8%	5.1%

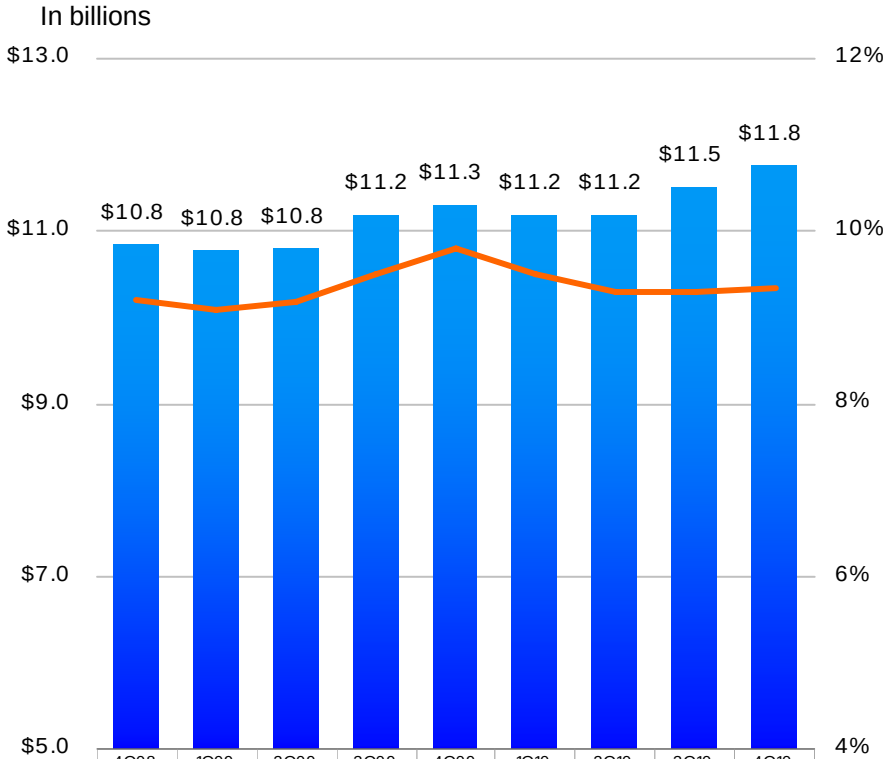
Accounts receivable



	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
Receivables	$16.9	$14.8	$14.7	$14.7	$16.5	$14.5	$14.8	$15.6	$18.5
% of Rev	14.3%	12.4%	12.4%	12.6%	14.4%	12.4%	12.3%	12.6%	14.7%

PP&E & ACCOUNTS PAYABLE

Net PP&E

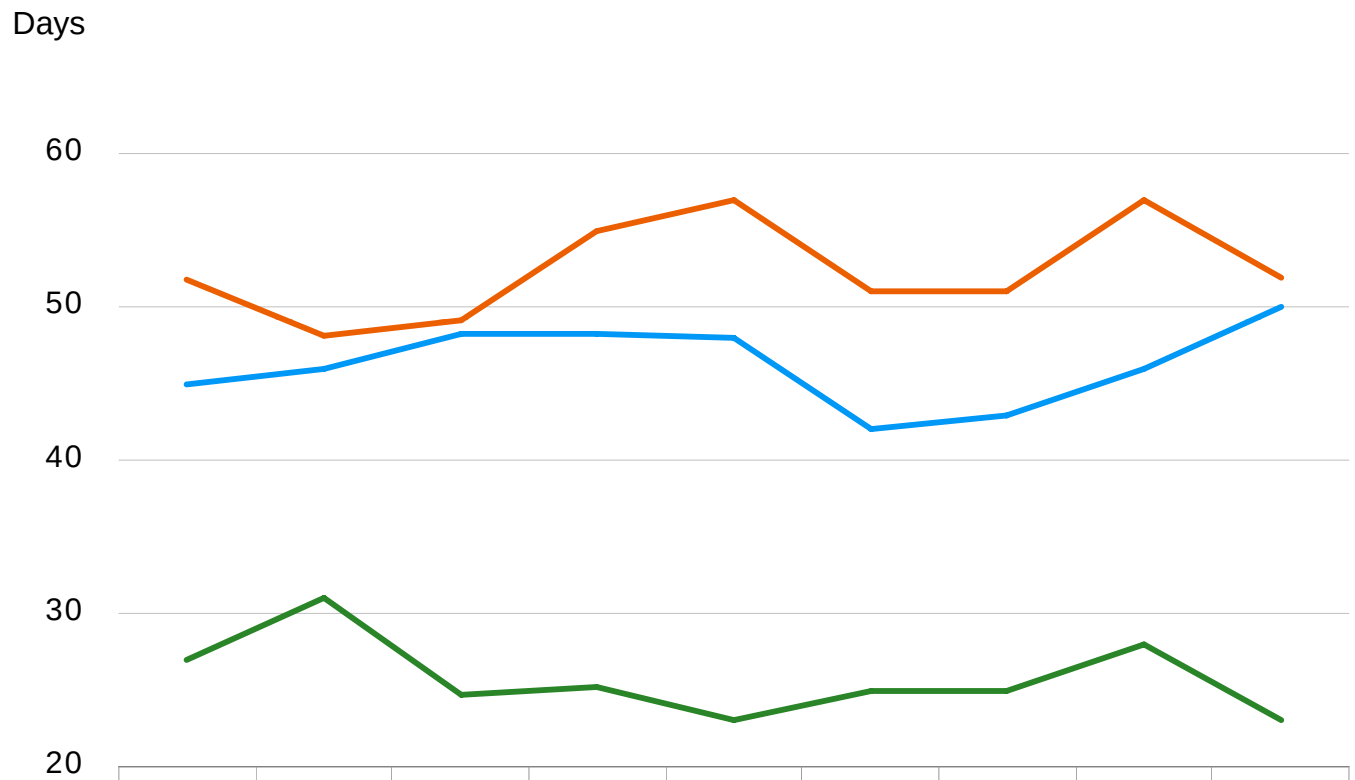


	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
PP&E	$10.8	$10.8	$10.8	$11.2	$11.3	$11.2	$11.2	$11.5	$11.8
% of Rev	9.2%	9.1%	9.2%	9.5%	9.8%	9.5%	9.3%	9.3%	9.3%

Accounts payable

	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
Payables	$14.9	$11.8	$11.4	$12.8	$14.8	$13.6	$13.4	$14.9	$14.4

WORKING CAPITAL METRICS



	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
Days receivables	45	46	48	48	48	42	43	46	50
Days inventory	27	31	25	25	23	25	25	28	23
Days payable	52	48	49	55	57	51	51	57	52

HPFS SUPPLEMENTAL DATA

In millions	Q4 FY10	Q4 FY09	Q3 FY10
Depreciation [1]	$376	$316	$351
Net capital expenditures [1]	$539	$471	$521
Sequential increase (decrease) in net financing receivables	$433	$360	$(7)

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

Q3 FY10 GAAP to non-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	$30,729				$30,729
Cost of sales	23,402				23,402
Total OpEx	5,004	(383)	(598)	(127)	3,896
Operating profit	2,323	383	598	127	3,431
Interest & other, net	(134)				(134)
Pre-tax earnings	2,189	383	598	127	3,297
Income tax	416	100	175	31	722
Tax rate	19.0%				21.9%
Net earnings	1,773				2,575
EPS	$0.75				$1.08

Q2 FY10 GAAP to non-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	$30,849				$30,849
Cost of sales	23,601				23,601
Total OpEx	4,390	(347)	(180)	(77)	3,786
Operating profit	2,858	347	180	77	3,462
Interest & other, net	(91)				(91)
Pre-tax earnings	2,767	347	180	77	3,371
Income tax	567	92	57	22	738
Tax rate	20.5%				21.9%
Net earnings	2,200				2,633
EPS	$0.91				$1.09

Q1 FY10 GAAP to non-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	$31,177				$31,177
Cost of sales	24,062				24,062
Total OpEx	4,112	(330)	(131)	(38)	3,613
Operating profit	3,003	330	131	38	3,502
Interest & other, net	(199)				(199)
Pre-tax earnings	2,804	330	131	38	3,303
Income tax	554	101	42	12	709
Tax rate	19.8%				21.5%
Net earnings	2,250				2,594
EPS	$0.93				$1.07

FY09 GAAP to non-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	$114,552				$114,552
Cost of sales	87,524				87,524
Total OpEx	16,892	(1,578)	(640)	(242)	14,432
Operating profit	10,136	1,578	640	242	12,596
Interest & other, net	(721)				(721)
Pre-tax earnings	9,415	1,578	640	242	11,875
Income tax	1,755	451	197	79	2,482
Tax rate	18.6%				20.9%
Net earnings	7,660				9,393
EPS	$3.14				$3.85

Q4 FY09 GAAP to non-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	$30,777				$30,777
Cost of sales	23,475				23,475
Total OpEx	4,169	(401)	(38)	(60)	3,670
Operating profit	3,133	401	38	60	3,632
Interest & other, net	(132)				(132)
Pre-tax earnings	3,001	401	38	60	3,500
Income tax	589	117	11	19	736
Tax rate	19.6%				21.0%
Net earnings	2,412				2,764
EPS	$0.99				$1.14

Q3 FY09 GAAP to non-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	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

Q2 FY09 GAAP to non-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	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

Q1 FY09 GAAP to non-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	$28,807				$28,807
Cost of sales	22,073				22,073
Total OpEx	4,237	(418)	(146)	(48)	3,625
Operating profit	2,497	418	146	48	3,109
Interest & other, net	(232)				(232)
Pre-tax earnings	2,265	418	146	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

FY08 GAAP to non-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	$118,364				$118,364
Cost of sales	89,699				89,699
Total OpEx	18,192	(1,012)	(270)	(41)	16,869
Operating profit	10,473	1,012	270	41	11,796
Interest & other, net	-				-
Pre-tax earnings	10,473	1,012	270	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

Q4 FY08 GAAP to non-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	$33,603				$33,603
Cost of sales	25,853				25,853
Total OpEx	5,009	(369)	(251)	(41)	4,348
Operating profit	2,741	369	251	41	3,402
Interest & other, net	(98)				(98)
Pre-tax earnings	2,643	369	251	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

Q3 FY08 GAAP to non-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	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

Q2 FY08 GAAP to non-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Non-GAAP
Revenue	$28,262			$28,262
Cost of sales	21,205			21,205
Total OpEx	4,467	(224)	(4)	4,239
Operating profit	2,590	224	4	2,818
Interest & other, net	3			3
Pre-tax earnings	2,593	224	4	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

Q1 FY08 GAAP to non-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	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

FY07 GAAP to non-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Pension Curtail.	Non-GAAP
Revenue	$104,286				$104,286
Cost of sales	78,683				78,683
Total OpEx	16,884	(973)	(387)	517	16,041
Operating profit	8,719	973	387	(517)	9,562
Interest & other, net	458				458
Pre-tax earnings	9,177	973	387	(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

Q4 FY07 GAAP to non-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Non-GAAP
Revenue	$28,293			$28,293
Cost of sales	21,250			21,250
Total OpEx	4,411	(191)	20	4,240
Operating profit	2,632	191	(20)	2,803
Interest & other, net	67			67
Pre-tax earnings	2,699	191	(20)	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