

HP Q4 FY11 Earnings Announcement

November 21, 2011

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



FORWARD LOOKING STATEMENTS

This presentation may contain forward-looking statements that involve risks, uncertainties 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, 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 the execution of cost reduction programs and restructuring and integration 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 restructuring and integration plans; the possibility that the expected benefits of business combination transactions may not materialize as expected; 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, 2010 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, 2011. 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, 2011. In particular, determining HP's actual tax balances and provisions as of October 31, 2011 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 net revenue, non-GAAP operating expense, non-GAAP OI&E, non-GAAP operating profit, non-GAAP net earnings, non-GAAP diluted earnings per share, and HP's non-GAAP tax rate to evaluate and forecast HP's performance before gains, losses or other charges that are considered by HP's management to be outside of HP's core business segment operating results. Gross cash, net cash and free cash flow are liquidity measures that provide useful information to management about the amount of cash available for investment in HP's businesses, funding 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 impairment of goodwill and purchased intangible assets and amortization of purchased intangible assets, though not directly affecting HP's cash position, represent the loss in value of intangible assets over time. The expense associated with this loss in value is not included in non-GAAP operating profit, non-GAAP net earnings, non-GAAP diluted earnings per share and HP's non-GAAP tax rate and therefore does not reflect the full economic effect of the loss in value of those intangible assets. In addition, items such as restructuring charges that are excluded from non-GAAP operating expense, non-GAAP operating profit, non-GAAP net earnings, non-GAAP diluted earnings per share and HP's non-GAAP tax rate can have a material impact on cash flows and earnings per share. HP may not be able to liquidate the long-term investments included in gross cash immediately, which may limit the usefulness of gross cash as a liquidity measure. In addition, free cash flow does not represent the total increase or decrease in the cash balance for the period. The non-GAAP financial information that we provide also may differ from the non-GAAP information provided by other companies.

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

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



EARNINGS HIGHLIGHTS

❑ **Mixed financial performance in FY11**

- ❑ FY11 non-GAAP net revenue grew 1%, non-GAAP EPS up 7%, and free cash flow up 8% Y/Y
- ❑ FY11 commercial business up 4%, offset by consumer decline of 14% Y/Y
- ❑ Non-GAAP gross margins flat, while non-GAAP operating margins down 60 bps Y/Y
- ❑ Generated \$12.6 billion cash flow from operations
- ❑ Expected to gain or hold share across the majority of HP businesses

❑ **Challenging Q4 financial results**

- ❑ Q4 non-GAAP revenue declined 3%, non-GAAP EPS down 12%, and free cash flow down 43% Y/Y
- ❑ Q4 commercial business down 2%, and consumer down 9% Y/Y
- ❑ Non-GAAP gross margins down 170 bps, and non-GAAP operating margins down 230 bps Y/Y
- ❑ Continue to evaluate future of webOS software; took \$1.4 billion in after-tax charges for webOS devices that are not included in non-GAAP financial results
- ❑ Continue to be impacted by macro uncertainties and other external pressures across the company

❑ **Driving greater clarity on HP's strategic direction**

- ❑ Ability to leverage HP's strong core hardware, software, and services franchises – leading market positions, customer relationships, intellectual property, people, and global scale and reach
- ❑ Closed Autonomy acquisition in October – well positioned to manage explosion of information
- ❑ Announced decision to keep PSG inside HP – better together strategy

❑ **Getting back to business fundamentals in FY12**

- ❑ Making targeted organic investments to drive longer-term profitable growth
- ❑ Planning prudently and focused on improving execution
- ❑ Expect to exit FY12 with ability to drive long-term financial model – grow revenue roughly in line with GDP, grow EPS faster than revenue with consistent cash flows
- ❑ Balanced and disciplined approach to capital allocation



Q4 FY11 RESULTS OVERVIEW

Financial Summary

- Non-GAAP⁽¹⁾ net revenue of \$32.3B, down 3% Y/Y, down 6% Y/Y in constant currency
- GAAP net revenue of \$32.1B, down 3% Y/Y, down 7% Y/Y in constant currency
- Non-GAAP⁽¹⁾ diluted EPS of \$1.17, down 12% Y/Y
- GAAP diluted EPS of \$0.12, down 89% Y/Y
- Cash flow from operations of \$2.4B, down 24% Y/Y
- \$0.5B in share repurchases and \$239M in dividends

\$ in millions	Q4 Non-GAAP Net Revenue	Growth Y/Y%	OP \$	OP % of rev	OP \$ Y/Y	OP % Y/Y
Services	\$9,281	2%	\$1,188	12.8%	(\$312)	(3.6) pts
Enterprise Servers, Storage and Networking	\$5,655	(4%)	\$733	13.0%	(\$155)	(2.1) pts
HP Software	\$976	28%	\$270	27.7%	\$9	(6.5) pts
Personal Systems Group	\$10,118	(2%)	\$578	5.7%	\$10	0.2 pts
Imaging and Printing Group	\$6,321	(10%)	\$808	12.8%	(\$412)	(4.6) pts
HP Financial Services	\$952	18%	\$98	10.3%	\$25	1.3 pts
Total HP ⁽¹⁾⁽²⁾	\$32,264	(3%)	\$3,139	9.7%	(\$866)	(2.3) pts

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.



FY11 RESULTS OVERVIEW

Financial Summary

- Non-GAAP⁽¹⁾ net revenue of \$127.4B, up 1% Y/Y, down 1% Y/Y in constant currency
- GAAP net revenue of \$127.2B, up 1% Y/Y, down 1% Y/Y in constant currency
- Non-GAAP⁽¹⁾ diluted EPS of \$4.88, up 7% Y/Y
- GAAP diluted EPS of \$3.32, down 10% Y/Y
- Cash flow from operations of \$12.6B, up 6% Y/Y
- \$10.1B in share repurchases and \$844M in dividends

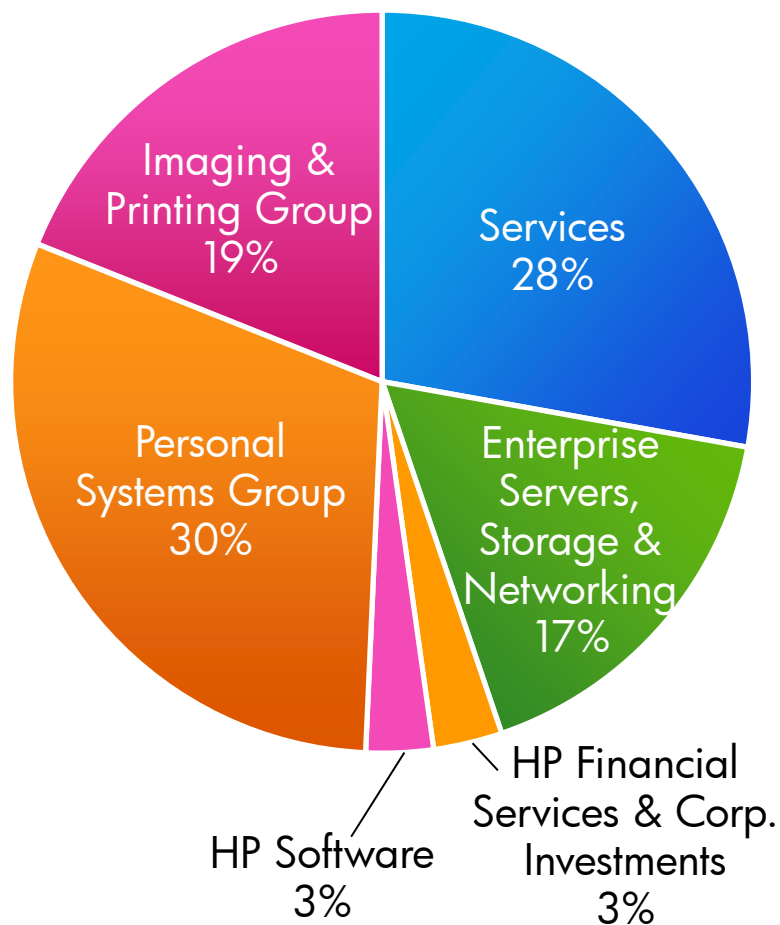
\$ in millions	FY11 Non-GAAP Net Revenue	Growth Y/Y%	OP \$	OP % of rev	OP \$ Y/Y	OP % Y/Y
Services	\$35,954	1%	\$5,149	14.3%	(\$512)	(1.6) pts
Enterprise Servers, Storage and Networking	\$22,241	9%	\$3,026	13.6%	\$201	(0.3) pts
HP Software	\$3,217	18%	\$698	21.7%	(\$84)	(7.0) pts
Personal Systems Group	\$39,574	(3%)	\$2,350	5.9%	\$318	0.9 pts
Imaging and Printing Group	\$25,783	0%	\$3,973	15.4%	(\$439)	(1.7) pts
HP Financial Services	\$3,596	18%	\$348	9.7%	\$67	0.5 pts
Total HP ^{(1) (2)}	\$127,387	1%	\$13,751	10.8%	(\$649)	(0.6) pts

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.

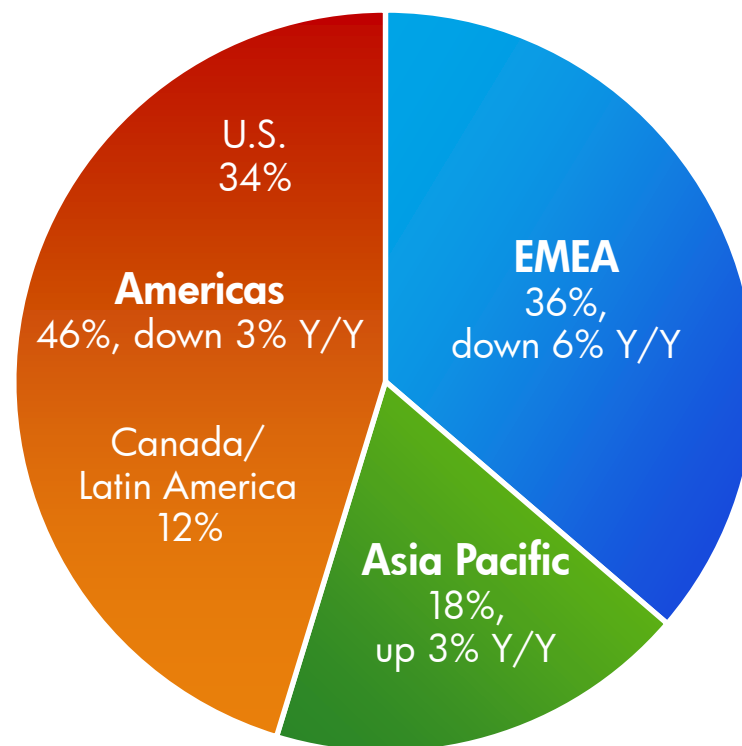


Q4 FY11 NON-GAAP⁽¹⁾ REVENUE

By Segment⁽²⁾



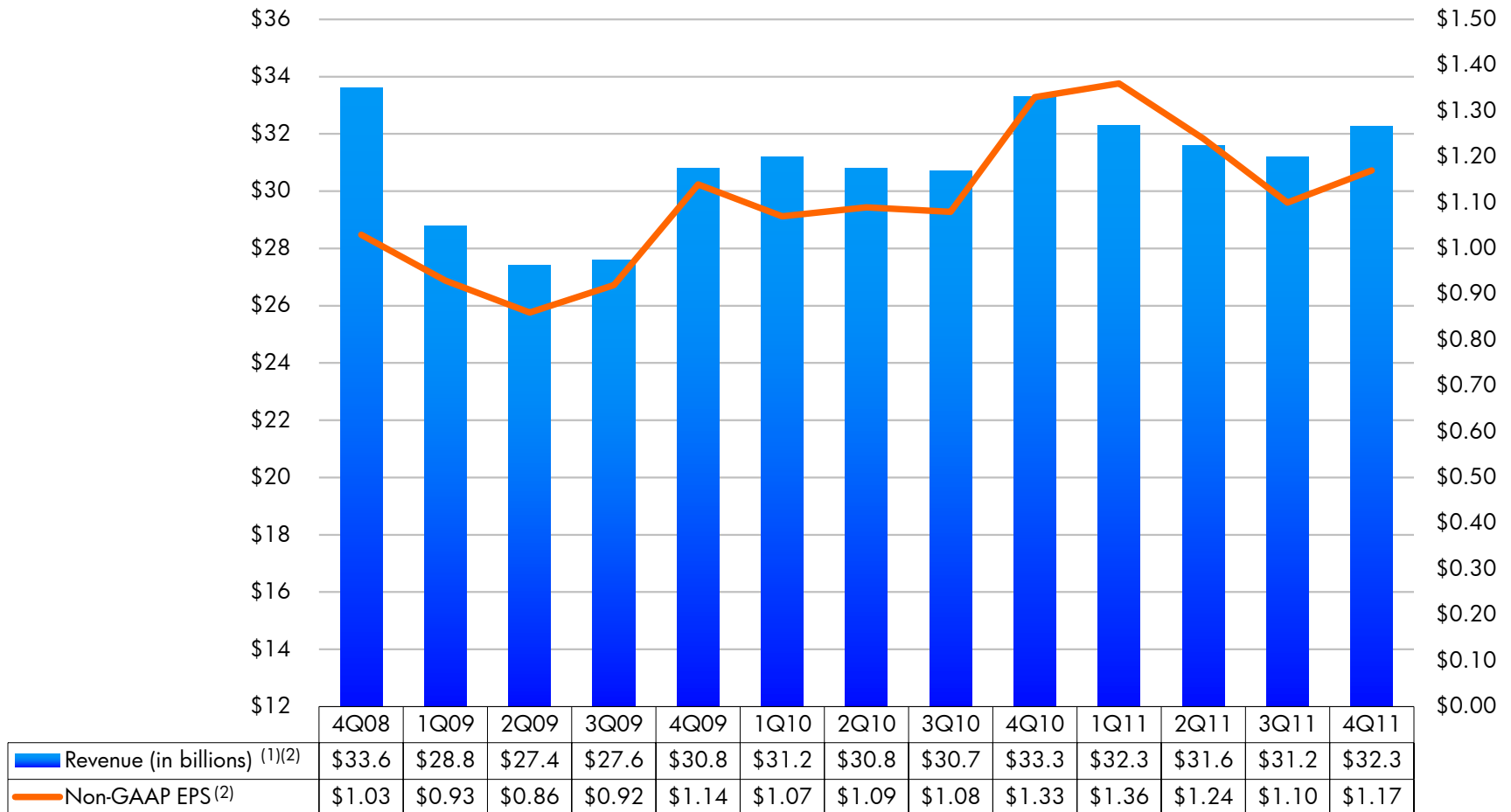
By Region



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2. Revenue mix calculated based on total segments, which excludes eliminations and other items not included in segment results.



REVENUE & EPS PERFORMANCE

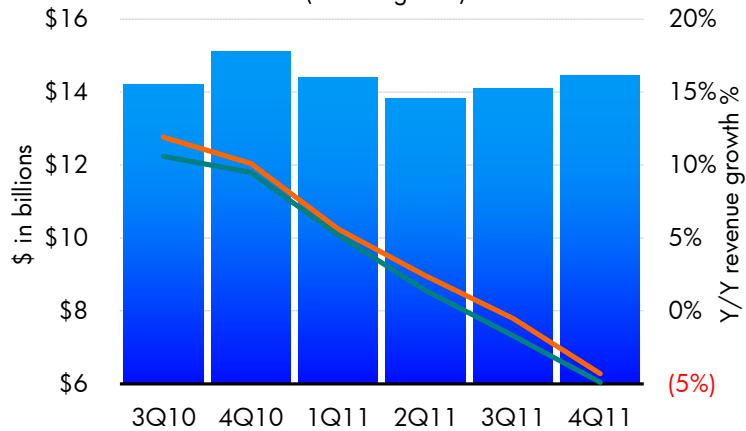


1. Q4 FY2011 amount shown is for non-GAAP net revenue. All other revenue amounts shown are GAAP net revenue.
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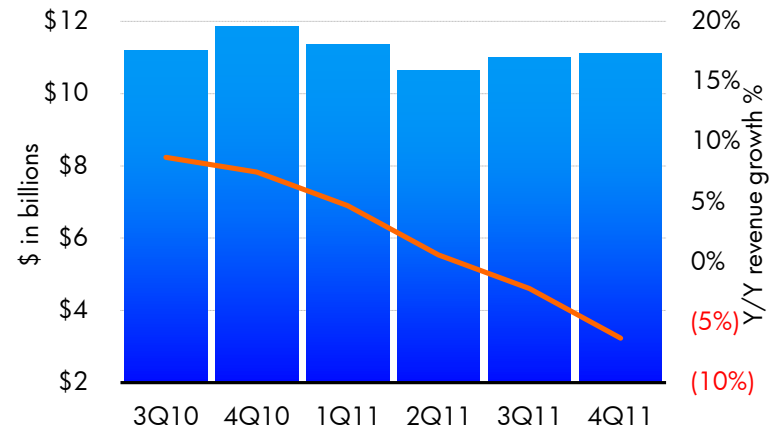


REGIONAL REVENUE TRENDS

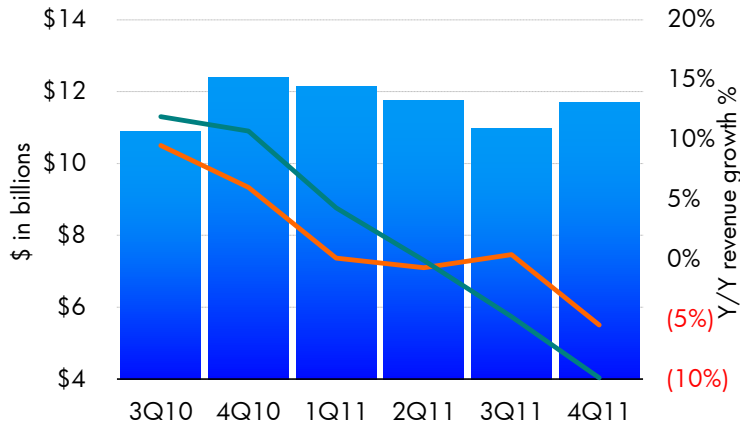
Americas (including U.S.)



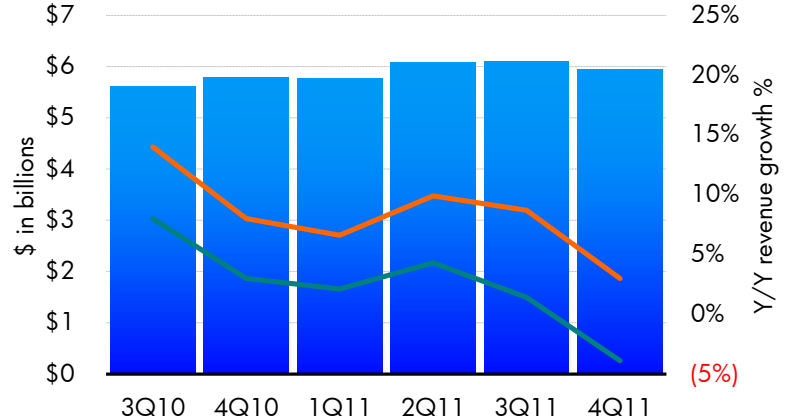
United States



EMEA



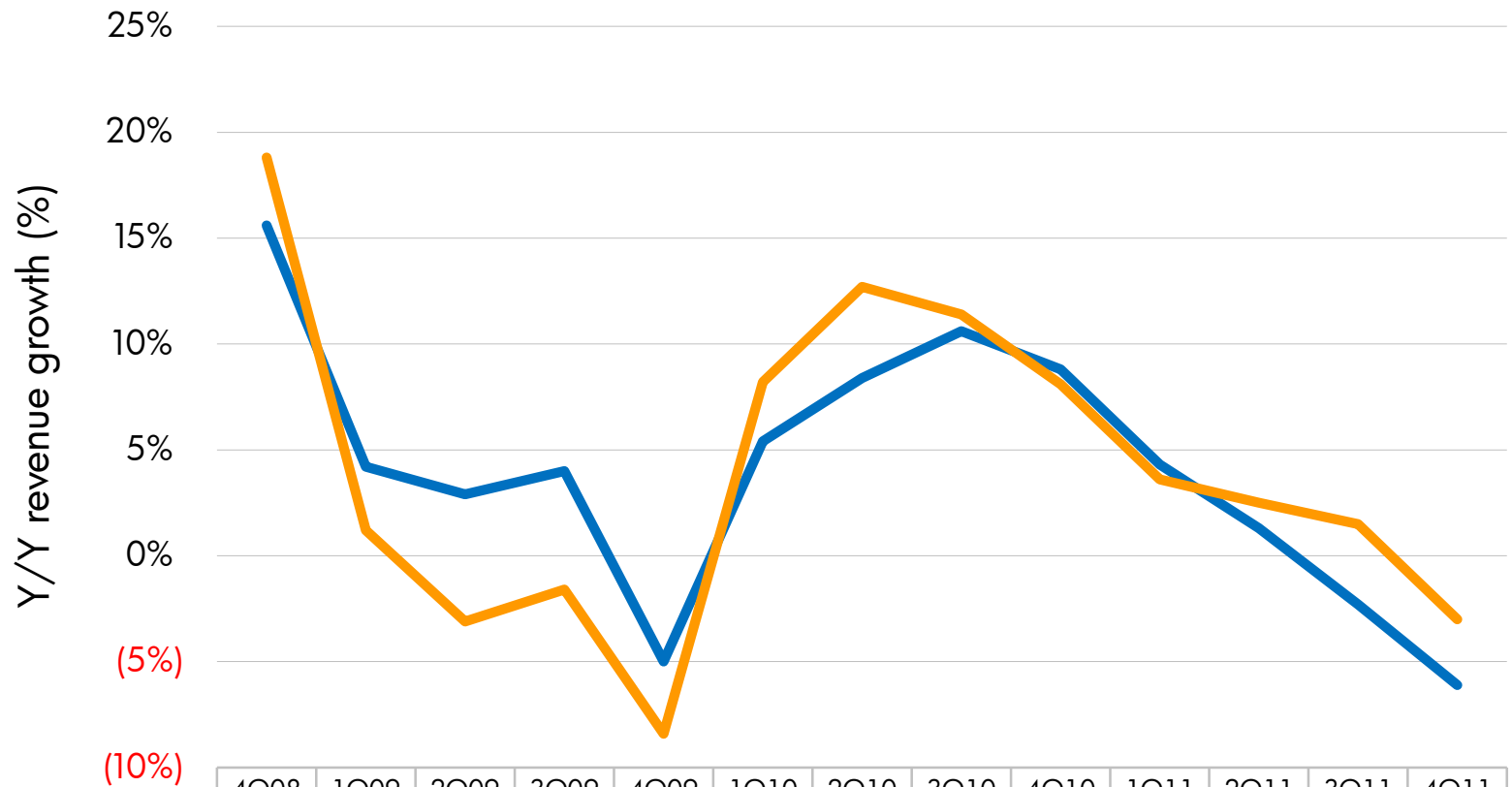
Asia Pacific



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



REVENUE GROWTH



	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
Constant currency (1)(2)	15.6%	4.2%	2.9%	4.0%	-5.0%	5.4%	8.4%	10.6%	8.8%	4.3%	1.3%	-2.3%	-6.1%
As reported (1)(2)	18.8%	1.2%	-3.1%	-1.6%	-8.4%	8.2%	12.7%	11.4%	8.1%	3.6%	2.5%	1.5%	-3.0%

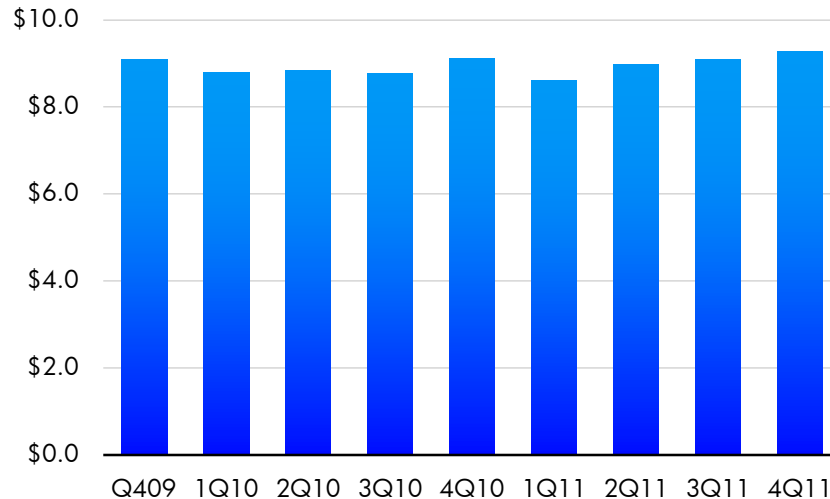
1. Q4 FY2011 percentage shown is for non-GAAP net revenue. All other percentages shown are for GAAP net revenue.
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SERVICES

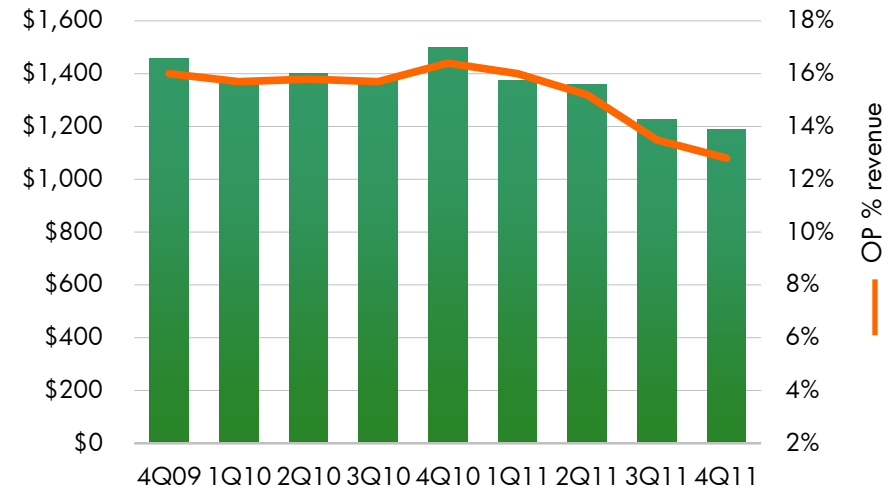
In billions

Revenue

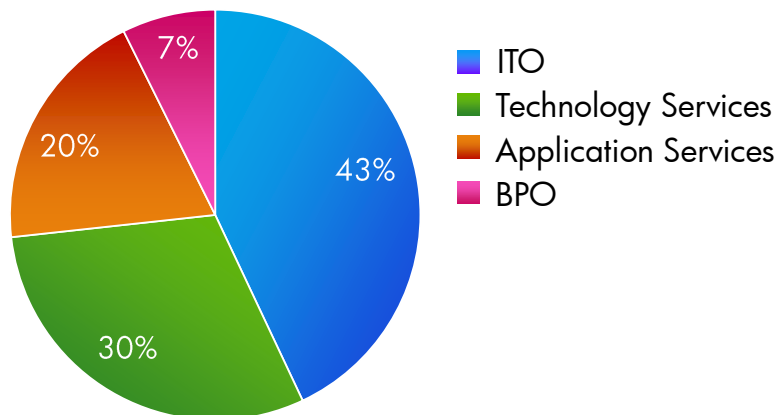


In millions

Operating profit



Q4 FY11 revenue by business

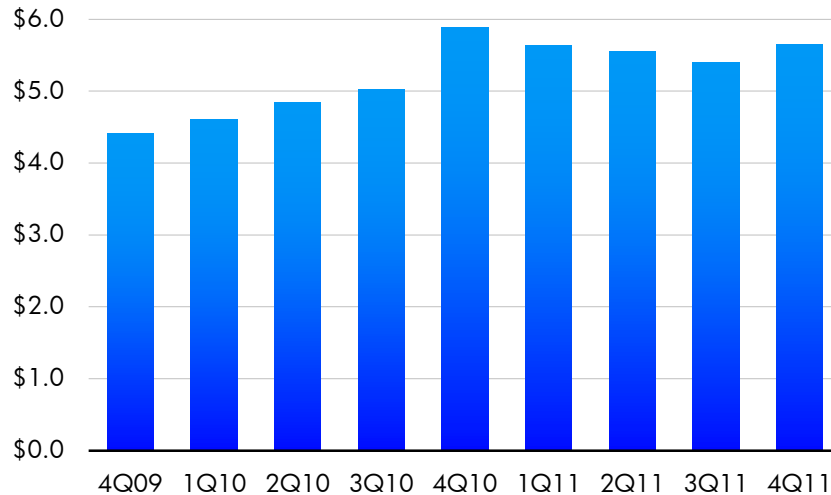


- Services revenue of \$9.3B, up 2% Y/Y
- Operating profit of \$1.2B, 12.8% of revenue
- ITO revenue up 1% Y/Y
- Technology Services revenue up 3% Y/Y
- Application Services revenue up 2% Y/Y
- BPO revenue down 2% Y/Y

ENTERPRISE SERVERS, STORAGE AND NETWORKING (ESSN)

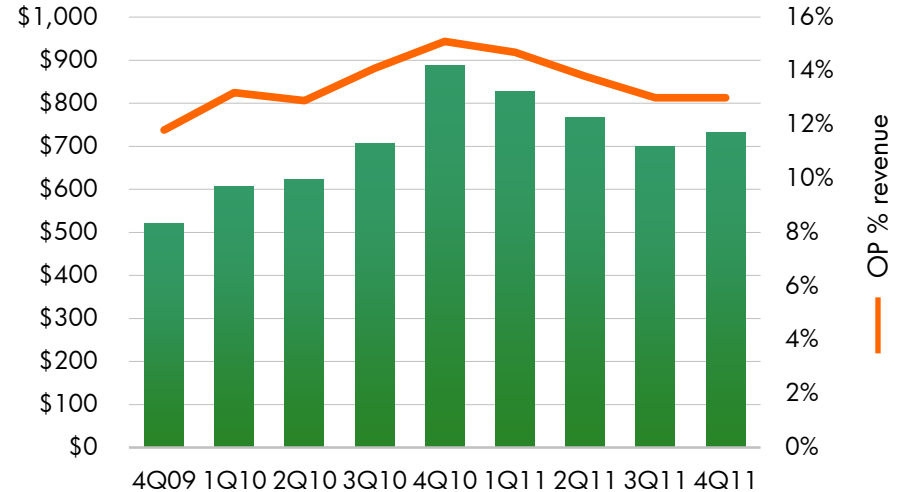
In billions

Revenue

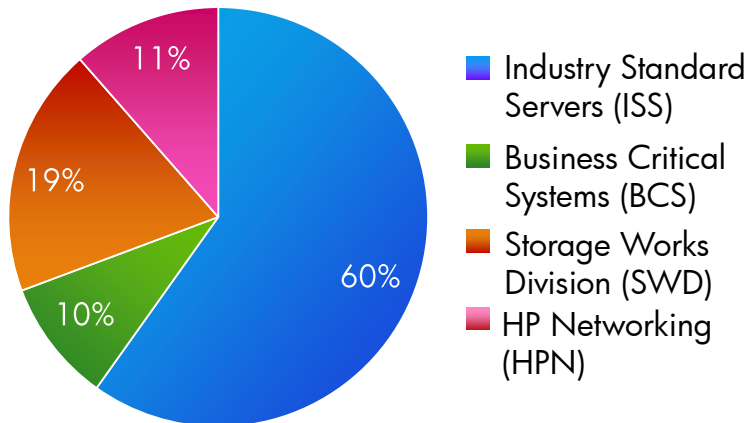


In millions

Operating profit



Q4 FY11 revenue by business

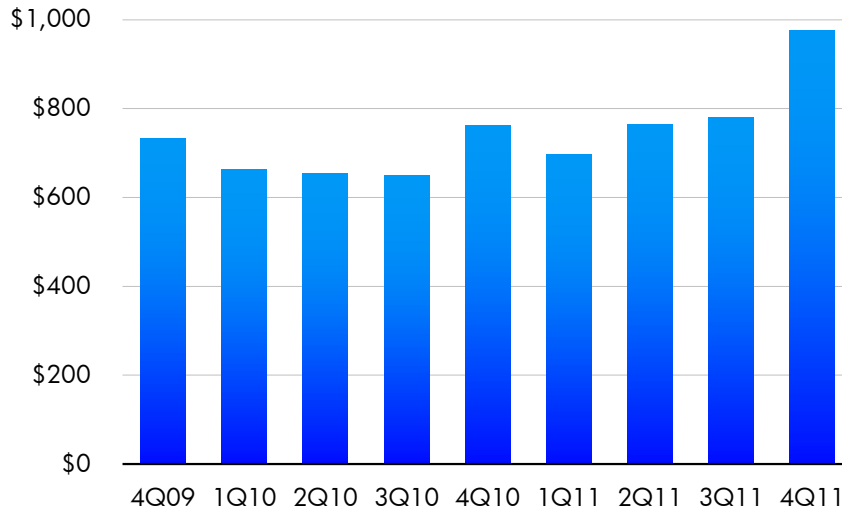


- ESSN revenue of \$5.7B, down 4% Y/Y
- Operating profit of \$733M, 13.0% of revenue
- ISS revenue down 4% Y/Y
- BCS revenue down 23% Y/Y
- Storage revenue up 4% Y/Y
- Networking revenue up 5% Y/Y

HP SOFTWARE

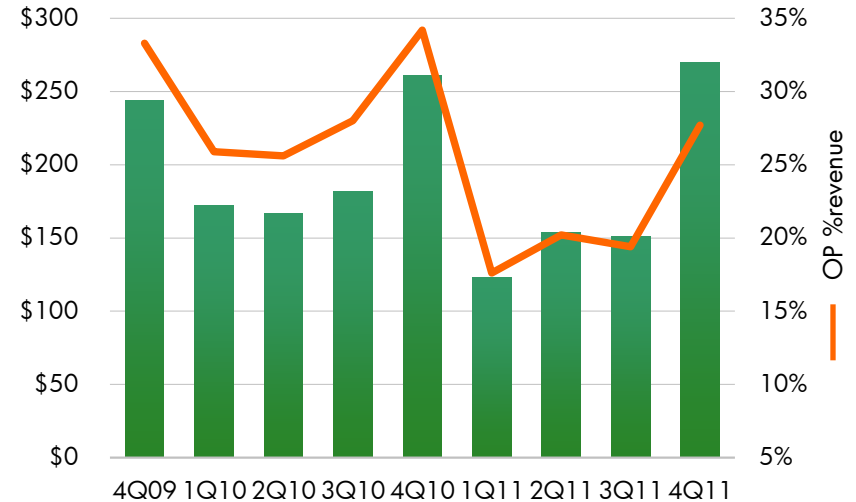
In millions

Revenue

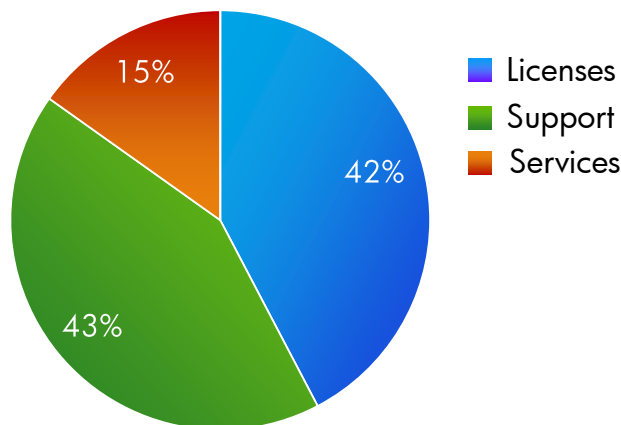


In millions

Operating profit



Q4 FY11 revenue by type

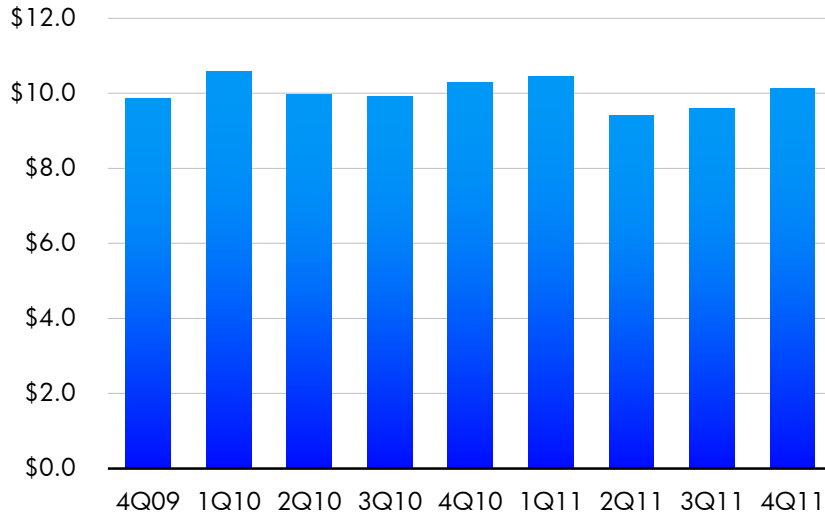


- Software revenue of \$976M, up 28% Y/Y
- Operating profit of \$270M, 27.7% of revenue
- Licenses revenue up 33% Y/Y
- Support revenue up 20% Y/Y
- Services revenue up 36% Y/Y

PERSONAL SYSTEMS GROUP (PSG)

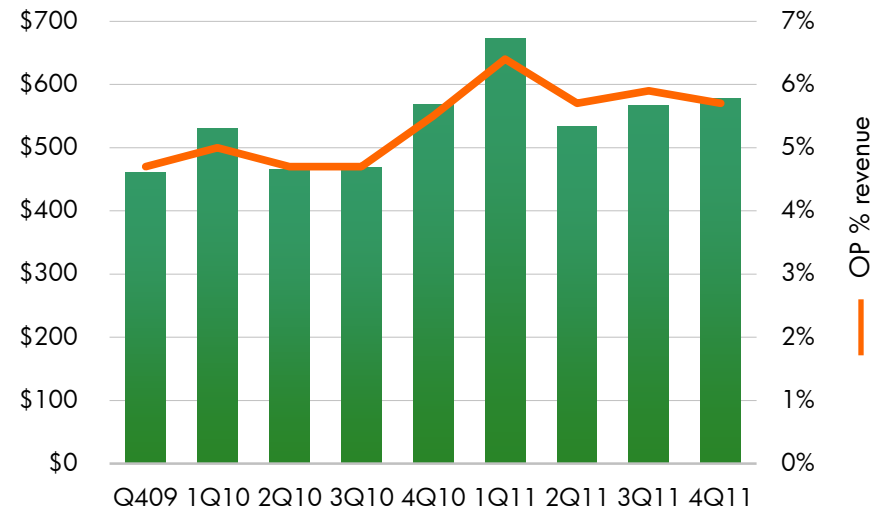
In billions

Revenue

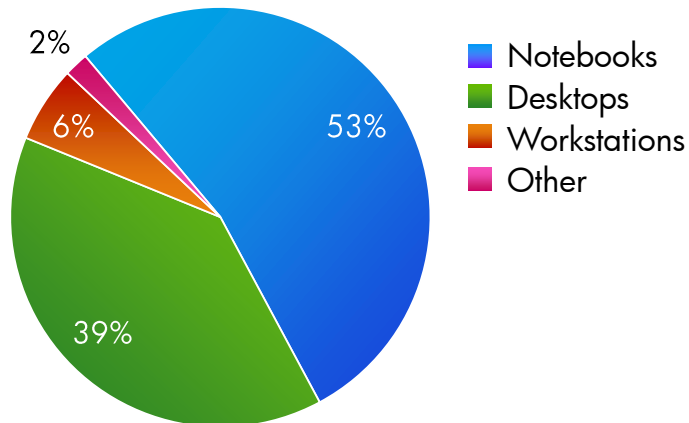


In millions

Operating profit



Q4 FY11 revenue by business

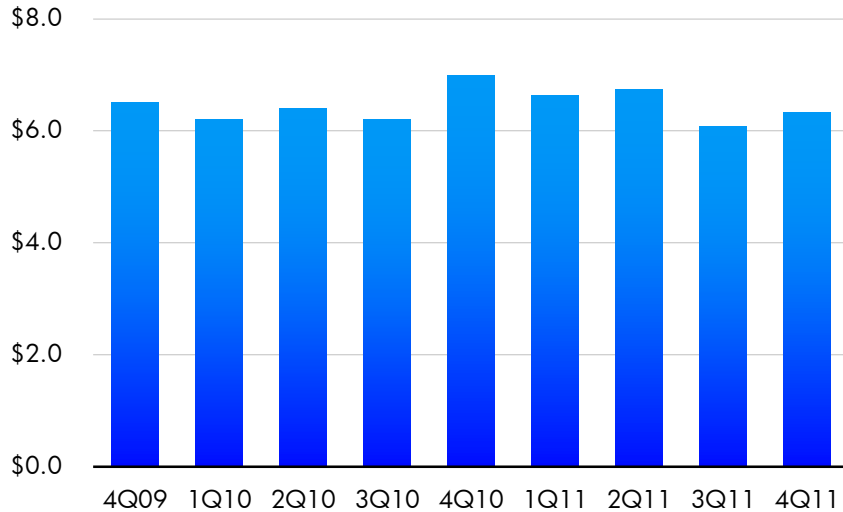


- PSG revenue of \$10.1B, down 2% Y/Y
- Operating profit of \$578M, 5.7% of revenue
- Total units up 2% Y/Y
- Notebook revenue down 4%, units up 1% Y/Y
- Desktop revenue flat, units up 5% Y/Y
- Consumer client revenue down 9% Y/Y, Commercial client revenue up 5% Y/Y

IMAGING & PRINTING GROUP (IPG)

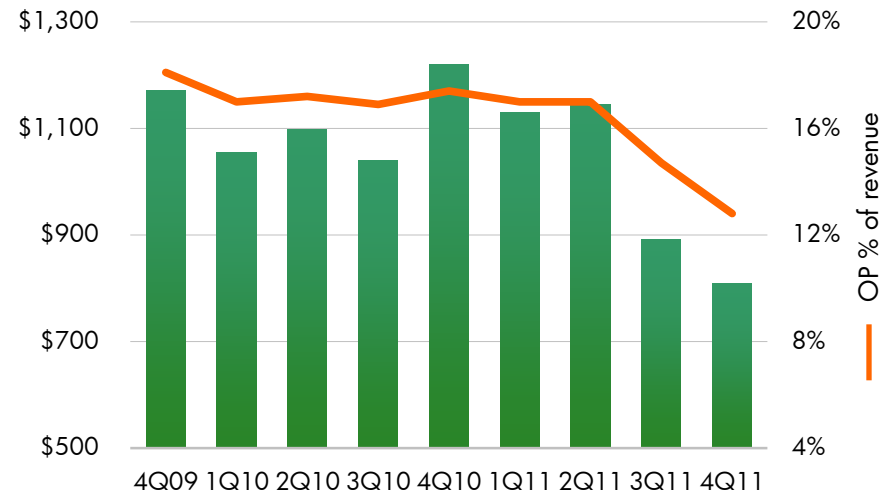
In billions

Revenue

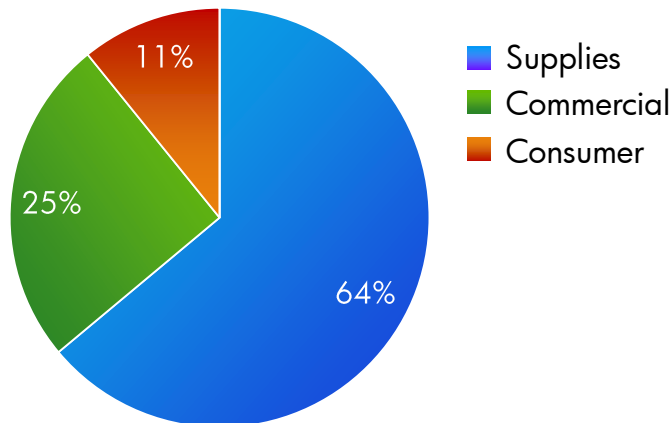


In millions

Operating profit



Q4 FY11 revenue by business

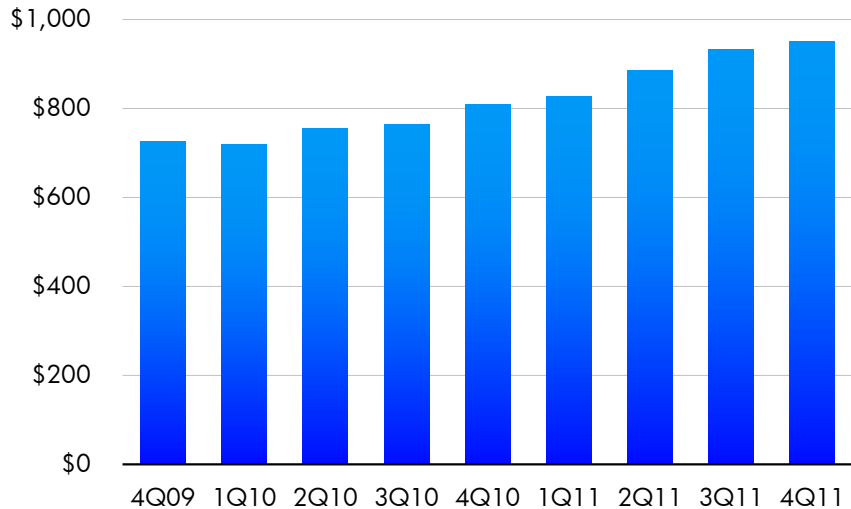


- IPG revenue of \$6.3B, down 10% Y/Y
- Operating profit of \$808M, 12.8% of revenue
- Supplies revenue down 14% Y/Y
- Total printer hardware units down 5% Y/Y, Consumer printer hardware units down 8% Y/Y, Commercial printer hardware units up 5% Y/Y
- Color LaserJet units down 8% Y/Y
- Printer-based MFP units up 48% Y/Y
- Indigo digital press page volume up 20% Y/Y

HP FINANCIAL SERVICES (HPFS)

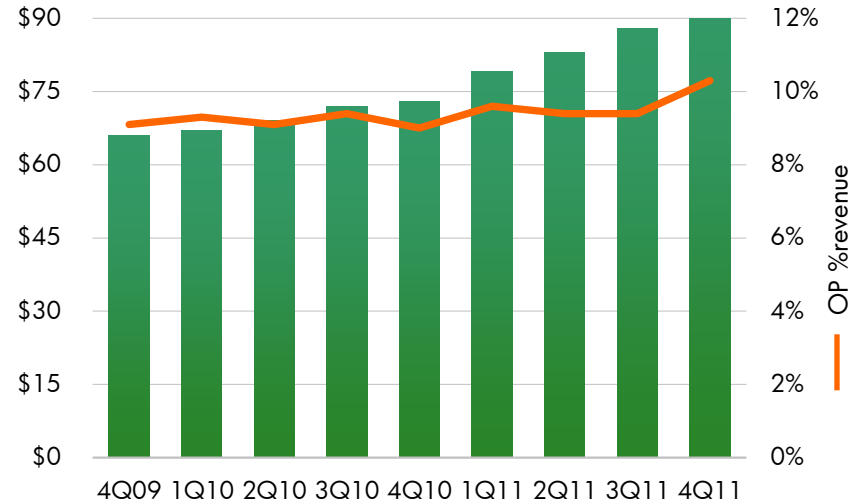
In millions

Revenue

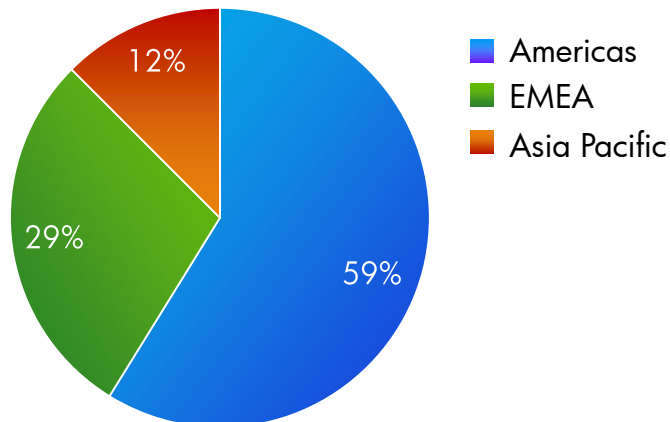


In millions

Operating profit



Q4 FY11 revenue by region



- HPFS revenue of \$952M, up 18% Y/Y
- Operating profit of \$98M, 10.3% of revenue
- Financing volume up 12% Y/Y
- Net portfolio assets of \$12.5B, up 12% Y/Y

NON-GAAP⁽¹⁾ FINANCIAL INFORMATION

In millions except per share amounts	Q4 FY11		Q3 FY11		Q4 FY10	
Revenue	\$32,264	100%	\$31,189	100%	\$33,278	100%
Cost of sales	24,784	76.8%	23,929	76.7%	24,995	75.1%
Total OpEx	4,341	13.5%	4,214	13.5%	4,278	12.9%
Operating profit	3,139	9.7%	3,046	9.8%	4,005	12.0%
Interest & other, net	(125)		(121)		(81)	
Pre-tax earnings	3,014	9.3%	2,925	9.4%	3,924	11.8%
Income tax	664		643		860	
Net earnings	2,350	7.3%	2,282	7.3%	3,064	9.2%
EPS	\$1.17		\$1.10		\$1.33	

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Q4 FY11 GAAP to NON-GAAP BRIDGE

In millions except per share amounts	GAAP	WebOS hardware wind down	Impair. of goodwill and purchased intangible assets	Amort. of purchased intangibles	Restructuring charges	Acquisition related charges	Non-GAAP
Revenue	\$32,122	142					\$32,264
Cost of sales	25,332	(548)					24,784
Total OpEx	5,995	(65)	(885)	(411)	(179)	(114)	4,341
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
EPS	\$0.12						\$1.17



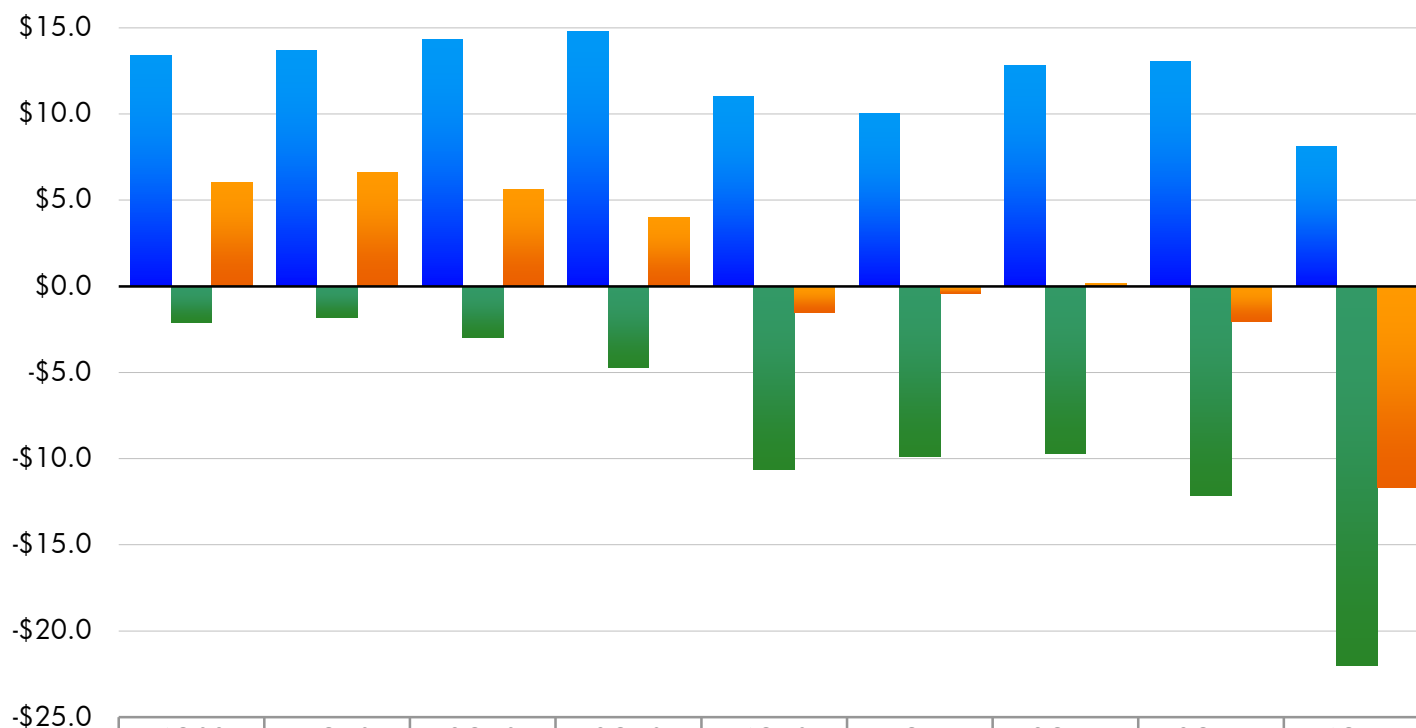
FY11 GAAP to NON-GAAP BRIDGE

In millions except per share amounts	GAAP	WebOS hardware wind down	Impair. of goodwill and purchased intangible assets	Amort. of purchased intangibles	Restructuring charges	Acquisition related charges	Non-GAAP
Revenue	\$127,245	142					\$127,387
Cost of sales	97,529	(548)					96,981
Total OpEx	20,039	(65)	(885)	(1,607)	(645)	(182)	16,655
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
EPS	\$3.32						\$4.88



GROSS CASH & NET CASH

In billions



■ Gross cash⁽¹⁾

■ Net cash⁽²⁾

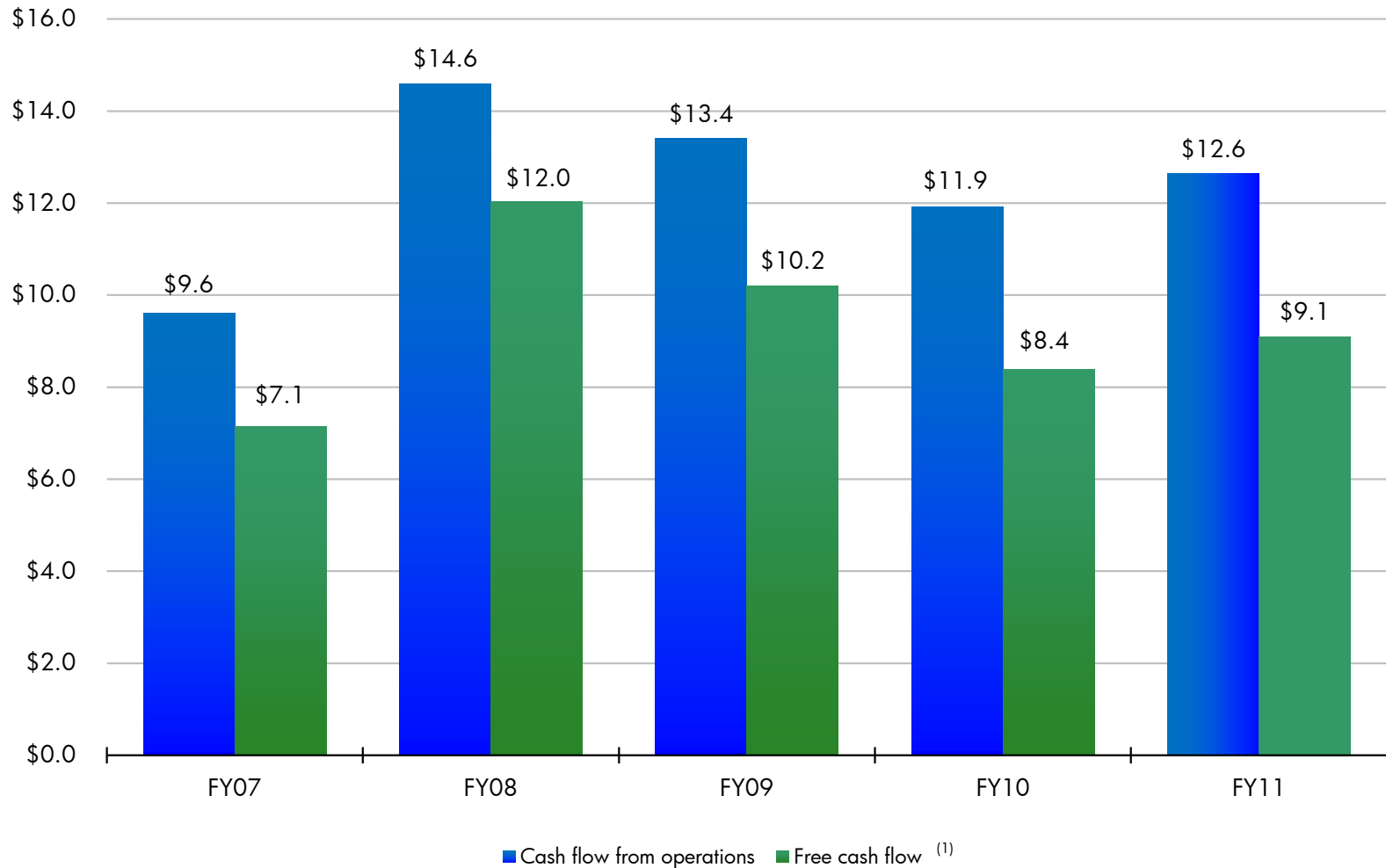
■ Net cash excl. HPFS Debt⁽³⁾

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

In billions

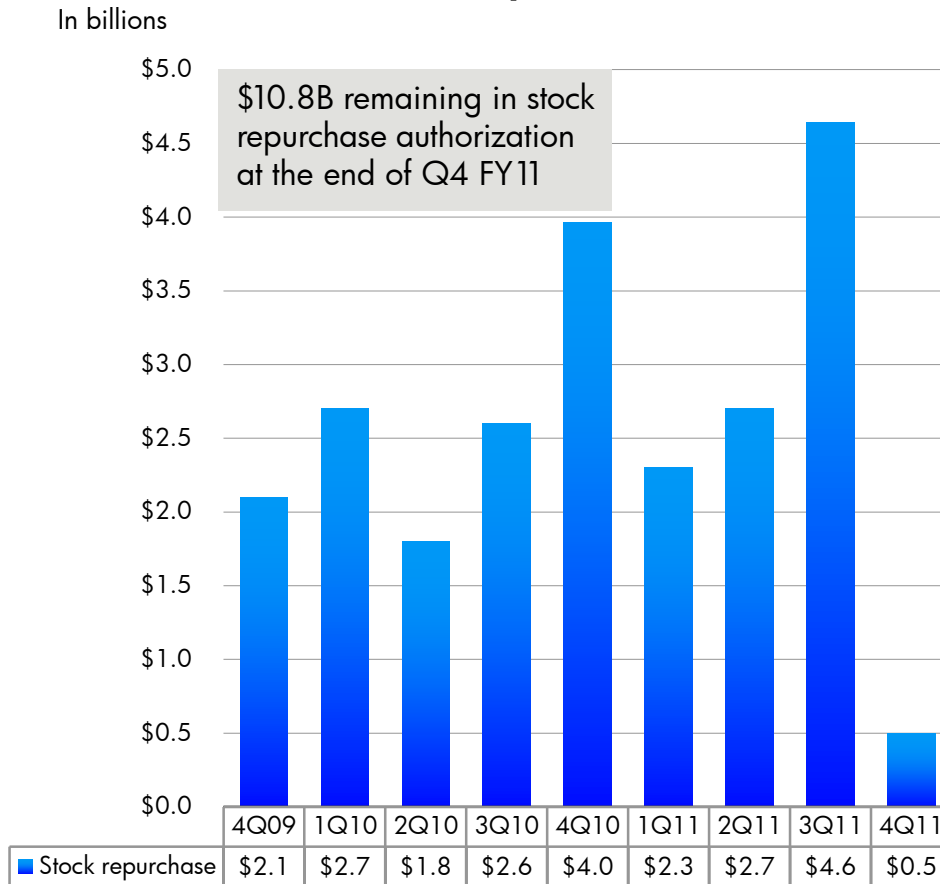


1. Free cash flow = cash flow from operations less net capital expenditures

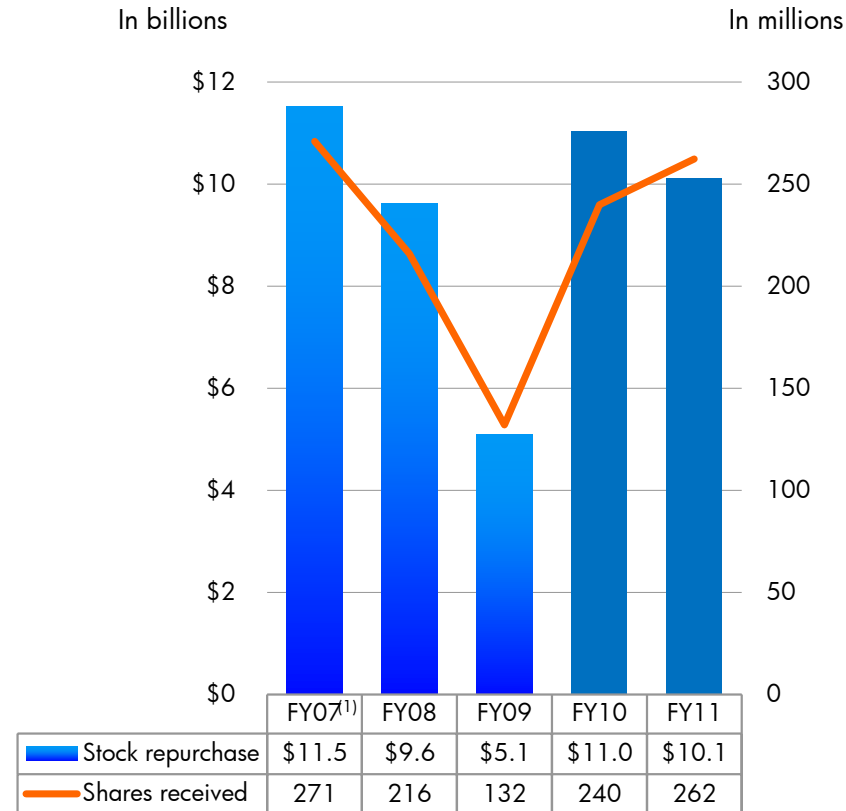


STOCK REPURCHASE

Quarterly trends



FY07 – FY11



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 FY12 outlook

GAAP EPS	\$0.61 – \$0.64
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Non-GAAP EPS ⁽¹⁾	\$0.83 – \$0.86
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Full year FY12 outlook

GAAP EPS	At least \$3.20
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Non-GAAP EPS ⁽²⁾	At least \$4.00
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1. First quarter fiscal 2012 non-GAAP diluted EPS estimates exclude after-tax costs of approximately \$0.22 per share, related primarily to the amortization and impairment of purchased intangibles, restructuring charges and acquisition-related charges.
2. Full year fiscal 2012 non-GAAP diluted EPS estimates exclude after-tax costs of approximately \$0.80 per share, related primarily the amortization and impairment of purchased intangibles, restructuring charges and acquisition-related charges.

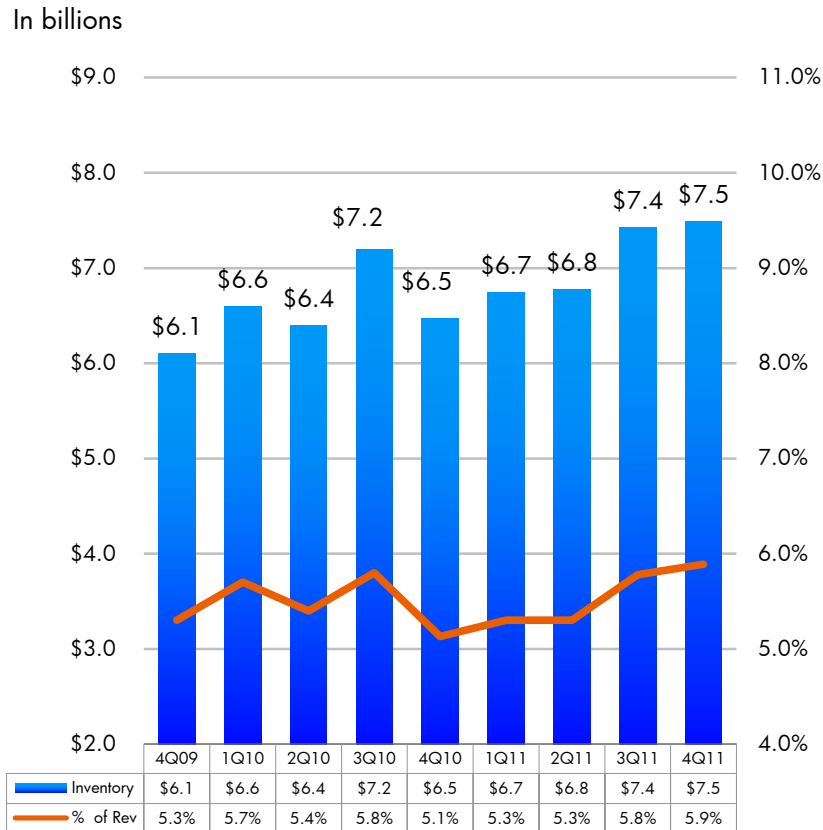


SUPPLEMENTAL SLIDES

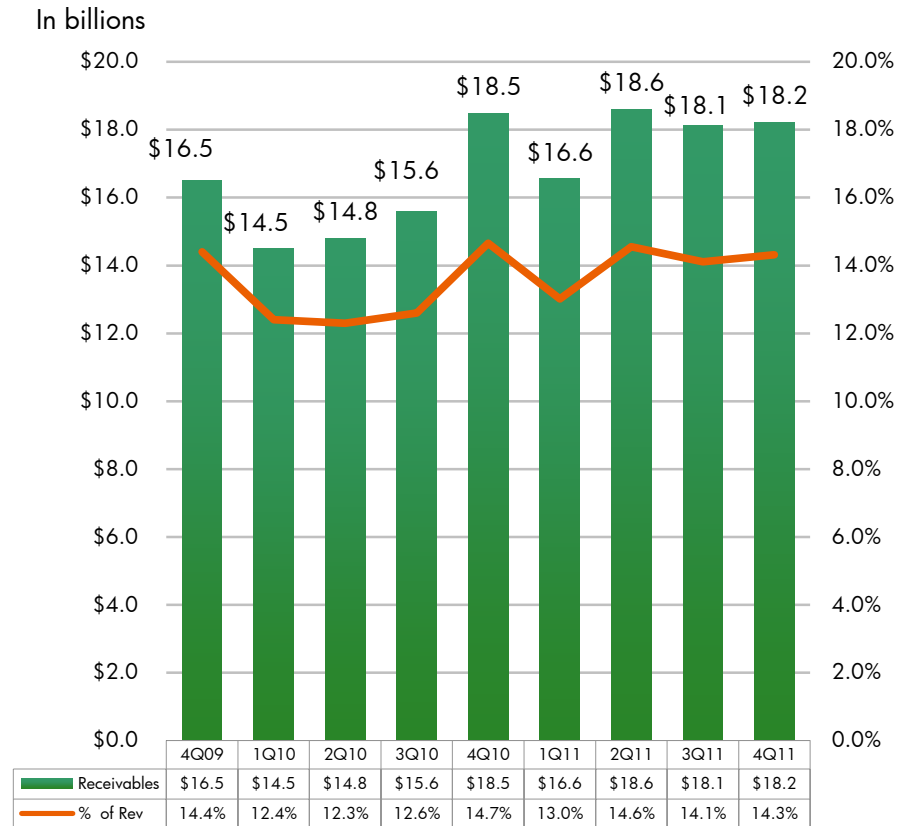


INVENTORY & ACCOUNTS RECEIVABLE

Inventory

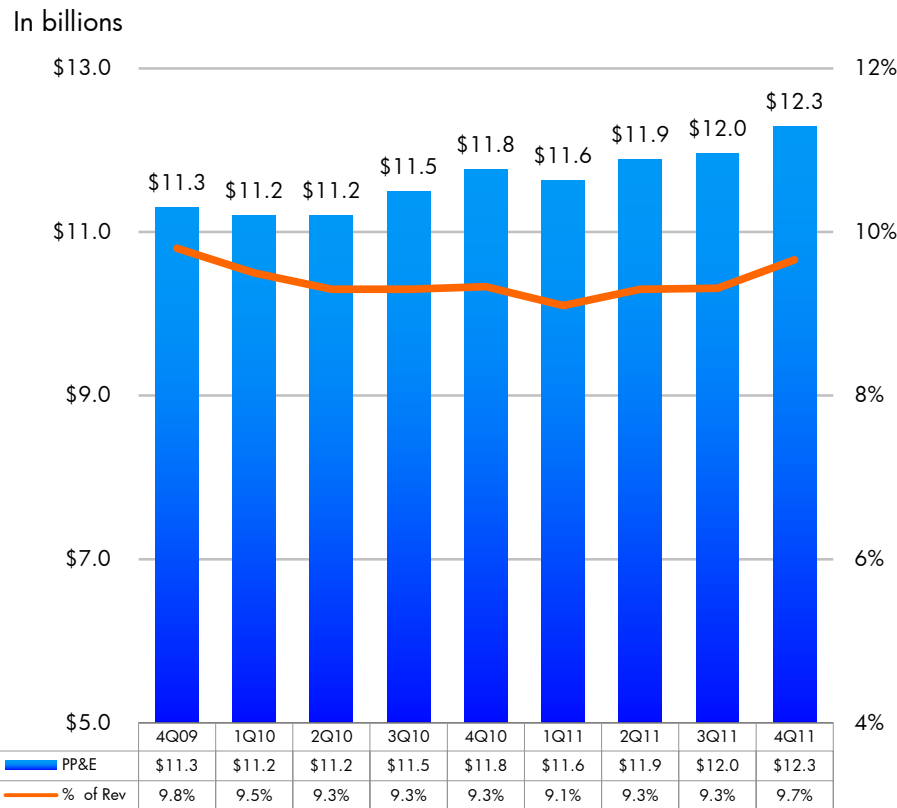


Accounts receivable

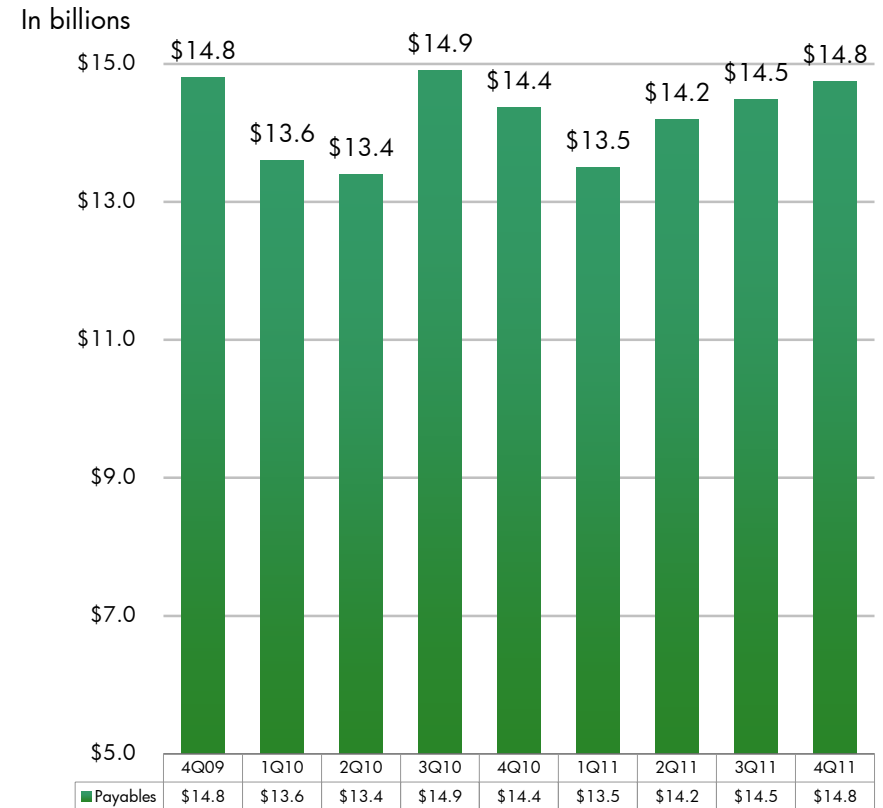


PP&E & ACCOUNTS PAYABLE

Net PP&E

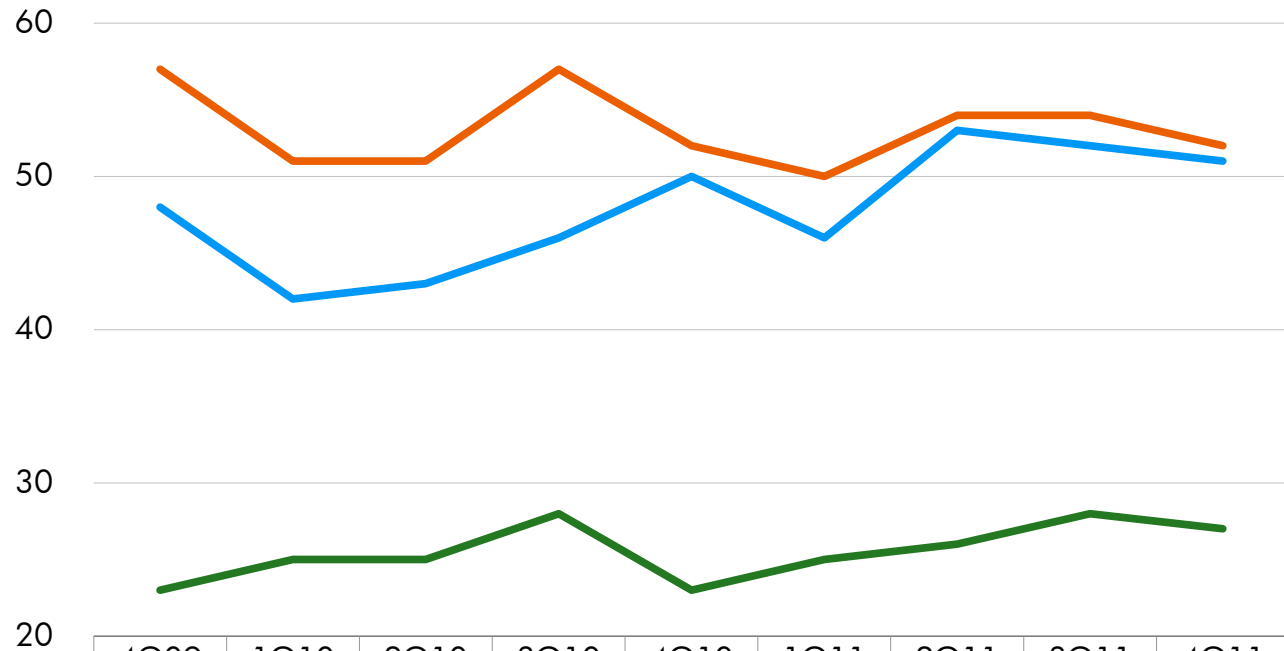


Accounts payable



WORKING CAPITAL METRICS

Days



	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
Days receivables	48	42	43	46	50	46	53	52	51
Days inventory	23	25	25	28	23	25	26	28	27
Days payable	57	51	51	57	52	50	54	54	52



HPFS SUPPLEMENTAL DATA

In millions	Q4 FY11	Q3 FY11	Q4 FY10
Depreciation ⁽¹⁾	\$448	\$450	\$376
Net capital expenditures ⁽¹⁾	\$585	\$530	\$539
Sequential increase in net financing receivables	\$63	\$66	\$433

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



Q3 FY11 GAAP to NON-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	\$31,189				\$31,189
Cost of sales	23,929				23,929
Total OpEx	4,740	(358)	(150)	(18)	4,214
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
EPS	\$0.93				\$1.10



Q2 FY11 GAAP to NON-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	\$31,632				\$31,632
Cost of sales	23,860				23,860
Total OpEx	4,804	(413)	(158)	(21)	4,212
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
EPS	\$1.05				\$1.24



Q1 FY11 GAAP to NON-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	\$32,302				\$32,302
Cost of sales	24,408				24,408
Total OpEx	4,500	(425)	(158)	(29)	3,888
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
EPS	\$1.17				\$1.36



FY10 GAAP to NON-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	\$126,033				\$126,033
Cost of sales	95,956				95,956
Total OpEx	18,598	(1,484)	(1,144)	(293)	15,677
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



Q4 FY10 GAAP to NON-GAAP BRIDGE

In millions except per share amounts	GAAP	Amort. of Purchased Intangibles	Restructuring	Acquisition related charges	Non-GAAP
Revenue	\$33,278				\$33,278
Cost of sales	24,995				24,995
Total OpEx	4,988	(424)	(235)	(51)	4,278
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



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	23,365				23,365
Total OpEx	5,041	(383)	(598)	(127)	3,933
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	23,569				23,569
Total OpEx	4,422	(347)	(180)	(77)	3,818
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	24,027				24,027
Total OpEx	4,147	(330)	(131)	(38)	3,648
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	87,489				87,489
Total OpEx	16,927	(1,578)	(640)	(242)	14,467
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	23,466				23,466
Total OpEx	4,178	(401)	(38)	(60)	3,679
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	21,022				21,022
Total OpEx	4,350	(379)	(362)	(59)	3,550
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	20,937				20,937
Total OpEx	4,153	(380)	(94)	(75)	3,604
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	22,064				22,064
Total OpEx	4,246	(418)	(146)	(48)	3,634
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



