



Investor Relations Update

JUNE 2013



Second Quarter in Review

HP's second quarter results are another encouraging milestone on our multi-year journey to turn HP around. While we are pleased with our progress as we hit the mid-year mark of the "Fix and Rebuild" year, we still have a ways to go.

As Meg has mentioned, we have been focused on improving cash flow and continuing to implement critical programs that strengthen the balance sheet, optimize our supply chain, speed commercialization and demonstrate product innovation and leadership. In spite of the continued macroeconomic headwinds and a competitive environment, I think our second quarter results demonstrate our ability to execute on these strategies.

Hopefully you have seen by now that we have launched a new, more user-friendly look and format for our Investor Relations website. Our hope is that this update, along with our Investor Relations Update newsletter, will continue to keep you well informed.

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[Meg Whitman, President and CEO - HP Q2 2013 Earnings](#)

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[HP Cloud: Innovative Solutions](#)

Sincerely,

Rob Binns
Vice President, Hewlett-Packard Investor Relations

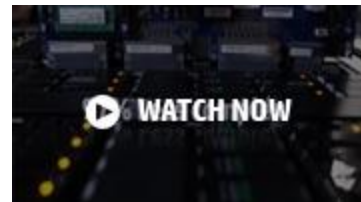


Second Quarter 2013 Earnings Recap

We believe that HP's second quarter earnings highlight the solid progress made in the company's evolving turnaround strategy.

Please click [here](#) to see an infographic of Q2's key takeaways, and see below for the top line results:

- Second quarter non-GAAP diluted earnings per share of \$0.87, down 11% from the prior year, above previously provided outlook of \$0.80 to \$0.82 per share.
- Second quarter GAAP diluted earnings per share of \$0.55, down 31% from the prior year, above previously provided outlook of \$0.38 to \$0.40 per share.
- Second quarter net revenue of \$27.6 billion (down 10% from the prior year and down 9% when adjusted for the effects of currency).
- Cash flow from operations of \$3.6 billion, up 44% from the prior year.
- Returned \$1.1 billion in cash to shareholders in the form of dividends and share repurchases.
- Improved operating company net debt position by \$1.8 billion, the fifth consecutive quarterly reduction of over



Introducing HP Moonshot



Meg Whitman, President and CEO - HP 2012 Global Citizenship

HP BLOG POSTS

[Behind the Scenes at Tech Con '13](#)

[Re-Thinking HP's Approach to Design](#)

WEBCASTS

HP Technology Briefing:
Cloud Technology - June 20

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\$1 billion.

- Declared a regular quarterly cash dividend of 14.52 cents per share on the company's common stock.

The [press release](#) describing the full quarterly results is available on HP's investor relations website.



Cathie Lesjak on Restoring HP's Balance Sheet

As a part of our communications around our earnings results, Cathie Lesjak took the opportunity to provide some additional detail around the progress being made in restoring HP's balance sheet. Cathie has said that cash flow is the lifeblood of HP, and that the progress we have made this fiscal year with our cash performance clearly indicates that we are well positioned. We are making the required investments for the long term, while maintaining a disciplined approach to capital allocation.

From a financial perspective, the progress is apparent as HP has lowered operating company net debt by \$1.8 billion quarter over quarter, to \$2.9 billion, while returning more than a billion dollars this quarter to shareholders in the form of share repurchases and dividends (raised by 14.52 cents).

For more insight from Cathie, please read her [HP Next blog post](#).



New Investor Relations Website

In April, HP launched [its new investor relations website](#). This new site is easier to navigate, integrated with social media channels to allow users to share content more easily, and features an [enhanced "News & Events" section](#). Our objective is to provide the investment community with access to HP financials, company news and timely updates from across our business. Through the site, investors can also access our regular [Technology Briefing webcasts](#) and join the conversation about our performance.

Meg Whitman at Sanford Bernstein's Annual Strategic Decisions Conference

On May 30th, Meg Whitman spoke at the Sanford Bernstein Decisions Conference. During the session, Meg highlighted topics such as:

- The changing technology landscape, the impact this will have on IT spending and the opportunities these changes present for HP
- The evolving business strategies, and how each of our businesses is addressing the current market opportunity
- The progress HP has made on our restructuring effort, our investments and the broader turnaround plan

The webcast of the discussion is available [here](#) on the HP Investor Relations website.

HP at Interop Las Vegas 2013

At Interop Las Vegas 2013, Senior Vice President and General Manager Bethany Mayer delivered a joint keynote and highlighted HP's new industry-leading data center network fabric built on HP [FlexNetwork architecture](#). In a [press release](#) prior to the event, Mayer noted that "for the past 20 years, data center networks have lagged in supporting new enterprise demands for cloud, virtualization and big data. Only HP is positioned to deliver a network foundation, will meet their needs

today and well into the future."

For more information, visit the [HP Interop webpage](#) and view [this post](#) on the HP Networking Blog.

Enterprise Group Changes

Effective May 1st, HP announced two organizational changes within its Enterprise Group (EG). By creating the HP Servers and HP Converged Systems organizations, our business is accelerating time-to-market for new solutions and sharpening focus on key growth opportunities.

[Senior Vice President and General Manager Mark Potter](#) is leading the new Servers global business unit (GBU), which combines Business Critical Systems and Industry-standard Servers and Software into a single unit. One HP server organization will help accelerate the speed of transformation of the server industry and drive profitable growth.

The new Converged Systems business unit has been created to build on progress and extend HP's leadership position in [converged infrastructure \(CI\)](#). The Converged Systems business brings together resources into a single team to accelerate momentum in the market and deliver new solutions for CI.



JUNE 5, 2013

[Cathie Lesjak to attend the Bank of America Merrill Lynch Technology Conference](#)

June 11 - 13, 2013



HP Discover 2013 Conference



JUNE 20, 2013

HP Technology Briefing: Cloud Technology

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