

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

|   | Three months ended  |                  |                     |
|---|---------------------|------------------|---------------------|
|   | October 31,<br>2007 | July 31,<br>2007 | October 31,<br>2006 |
| Net revenue   | \$ 28,293           | \$ 25,377        | \$ 24,555           |
| Costs and expenses <sup>(a)</sup> :   |                     |                  |                     |
| Cost of sales   | 21,304              | 19,164           | 18,593              |
| Research and development  | 914                 | 917              | 870                 |
| Selling, general and administrative   | 3,272               | 3,002            | 2,886               |
| Amortization of purchased intangible assets                                     | 187                 | 183              | 153                 |
| In-process research and development charges                                     | 4                   | -                | -                   |
| Restructuring   | (20)                | (5)              | 152                 |
| Pension curtailments and pension settlements, net                               | -                   | -                | -                   |
| Total costs and expenses  | <u>25,661</u>       | <u>23,261</u>    | <u>22,654</u>       |
| Earnings from operations  | 2,632               | 2,116            | 1,901               |
| Interest and other, net   | 81                  | 165              | 190                 |
| (Losses) gains on investments   | <u>(14)</u>         | <u>5</u>         | <u>14</u>           |
| Earnings before taxes   | 2,699               | 2,286            | 2,105               |
| Provision for taxes <sup>(b)</sup>  | <u>535</u>          | <u>508</u>       | <u>408</u>          |
| Net earnings  | <u>\$ 2,164</u>     | <u>\$ 1,778</u>  | <u>\$ 1,697</u>     |
| Net earnings per share:   |                     |                  |                     |
| Basic   | \$ 0.84             | \$ 0.68          | \$ 0.62             |
| Diluted   | \$ 0.81             | \$ 0.66          | \$ 0.60             |
| Cash dividends declared per share   | \$ -                | \$ 0.16          | \$ -                |
| Weighted-average shares used to compute net earnings per share:                 |                     |                  |                     |
| Basic   | 2,576               | 2,600            | 2,730               |
| Diluted   | 2,678               | 2,697            | 2,816               |
| (a) Stock-based compensation expense included under SFAS 123(R) was as follows: |                     |                  |                     |
| Cost of sales   | \$ 40               | \$ 34            | \$ 37               |
| Research and development  | 18                  | 19               | 20                  |
| Selling, general and administrative   | <u>110</u>          | <u>91</u>        | <u>84</u>           |
| Total costs and expenses  | \$ 168              | \$ 144           | \$ 141              |
| (b) Tax benefit from stock-based compensation                                   | \$ (54)             | \$ (36)          | \$ (40)             |

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

|   | Twelve months ended<br>October 31, |                 |
|---|------------------------------------|-----------------|
|   | 2007                               | 2006            |
|   | (Unaudited)                        |                 |
| Net revenue   | \$ 104,286                         | \$ 91,658       |
| Costs and expenses <sup>(a)</sup> :   |                                    |                 |
| Cost of sales   | 78,887                             | 69,427          |
| Research and development  | 3,611                              | 3,591           |
| Selling, general and administrative   | 12,226                             | 11,266          |
| Amortization of purchased intangible assets                                     | 783                                | 604             |
| In-process research and development charges                                     | 190                                | 52              |
| Restructuring   | 387                                | 158             |
| Pension curtailments and pension settlements, net                               | (517)                              | -               |
| Total costs and expenses  | <u>95,567</u>                      | <u>85,098</u>   |
| Earnings from operations  | 8,719                              | 6,560           |
| Interest and other, net   | 444                                | 606             |
| Gains on investments  | <u>14</u>                          | <u>25</u>       |
| Earnings before taxes   | 9,177                              | 7,191           |
| Provision for taxes <sup>(b)</sup>  | <u>1,913</u>                       | <u>993</u>      |
| Net earnings  | <u>\$ 7,264</u>                    | <u>\$ 6,198</u> |
| Net earnings per share:   |                                    |                 |
| Basic   | \$ 2.76                            | \$ 2.23         |
| Diluted   | \$ 2.68                            | \$ 2.18         |
| Cash dividends declared per share   | \$ 0.32                            | \$ 0.32         |
| Weighted-average shares used to compute net earnings per share:                 |                                    |                 |
| Basic   | 2,630                              | 2,782           |
| Diluted   | 2,716                              | 2,852           |
| (a) Stock-based compensation expense included under SFAS 123(R) was as follows: |                                    |                 |
| Cost of sales   | \$ 161                             | \$ 144          |
| Research and development  | 74                                 | 70              |
| Selling, general and administrative   | <u>394</u>                         | <u>322</u>      |
| Total costs and expenses  | \$ 629                             | \$ 536          |
| (b) Tax benefit from stock-based compensation                                   | \$ (182)                           | \$ (160)        |

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<br>ended<br>October 31,<br>2007 | Diluted<br>earnings<br>per share | Three<br>months<br>ended<br>July 31,<br>2007 | Diluted<br>earnings<br>per share | Three months<br>ended<br>October 31,<br>2006 | Diluted<br>earnings<br>per<br>share |
|--|--|----------------------------------|--|----------------------------------|--|-------------------------------------|
| GAAP net earnings                                    | \$ 2,164                                     | \$ 0.81                          | \$ 1,778                                     | \$ 0.66                          | \$ 1,697                                     | \$ 0.60                             |
| Non-GAAP adjustments:                                |  |                                  |  |                                  |  |                                     |
| Amortization of purchased<br>intangible assets       | 187  | 0.07                             | 183  | 0.07                             | 153  | 0.05                                |
| In-process research and<br>development charges       | 4  | -                                | -  | -                                | -  | -                                   |
| Restructuring  | (20)   | (0.01)                           | (5)  | -                                | 152  | 0.05                                |
| Pension curtailments and<br>pension settlements, net | -  | -                                | -  | -                                | -  | -                                   |
| Gains on investments <sup>(a)</sup>                  | -  | -                                | -  | -                                | (14)   | -                                   |
| Adjustments for taxes                                | <u>(39)</u>                                  | <u>(0.01)</u>                    | <u>(44)</u>                                  | <u>(0.02)</u>                    | <u>(83)</u>                                  | <u>(0.02)</u>                       |
| Non-GAAP net earnings                                | <u>\$ 2,296</u>                              | <u>\$ 0.86</u>                   | <u>\$ 1,912</u>                              | <u>\$ 0.71</u>                   | <u>\$ 1,905</u>                              | <u>\$ 0.68</u>                      |
| GAAP earnings from operations                        | \$ 2,632                                     |                                  | \$ 2,116                                     |                                  | \$ 1,901                                     |                                     |
| Non-GAAP adjustments:                                |  |                                  |  |                                  |  |                                     |
| Amortization of purchased<br>intangible assets       | 187  |                                  | 183  |                                  | 153  |                                     |
| In-process research and<br>development charges       | 4  |                                  | -  |                                  | -  |                                     |
| Restructuring  | (20)   |                                  | (5)  |                                  | 152  |                                     |
| Pension curtailments and<br>pension settlements, net | <u>-</u>                                     |                                  | <u>-</u>                                     |                                  | <u>-</u>                                     |                                     |
| Non-GAAP earnings from operations                    | <u>\$ 2,803</u>                              |                                  | <u>\$ 2,294</u>                              |                                  | <u>\$ 2,206</u>                              |                                     |
| GAAP operating margin                                | 9%   |                                  | 8%   |                                  | 8%   |                                     |
| Non-GAAP adjustments                                 | <u>1%</u>                                    |                                  | <u>1%</u>                                    |                                  | <u>1%</u>                                    |                                     |
| Non-GAAP operating margin                            | <u>10%</u>                                   |                                  | <u>9%</u>                                    |                                  | <u>9%</u>                                    |                                     |

(a) Beginning in fiscal 2007, HP no longer excludes gains or losses on investments when calculating financial measures presented on a non-GAAP basis.

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<br>ended<br>October 31,<br>2007 | Diluted<br>earnings per<br>share | Twelve months<br>ended<br>October 31,<br>2006 | Diluted<br>earnings<br>per share |
|---|---|----------------------------------|---|----------------------------------|
| GAAP net earnings                                 | \$ 7,264                                      | \$ 2.68                          | \$ 6,198                                      | \$ 2.18                          |
| Non-GAAP adjustments:                             |   |                                  |   |                                  |
| Amortization of purchased intangible assets       | 783   | 0.29                             | 604   | 0.21                             |
| In-process research and development charges       | 190   | 0.07                             | 52  | 0.02                             |
| Restructuring                                     | 387   | 0.14                             | 158   | 0.06                             |
| Pension curtailments and pension settlements, net | (517)   | (0.19)                           | -   | -                                |
| Gains on investments <sup>(a)</sup>               | -   | -                                | (25)  | (0.01)                           |
| Adjustments for taxes                             | <u>(153)</u>                                  | <u>(0.06)</u>                    | <u>(210)</u>                                  | <u>(0.08)</u>                    |
| Non-GAAP net earnings                             | <u>\$ 7,954</u>                               | <u>\$ 2.93</u>                   | <u>\$ 6,777</u>                               | <u>\$ 2.38</u>                   |
| GAAP earnings from operations                     | \$ 8,719                                      |                                  | \$ 6,560                                      |                                  |
| Non-GAAP adjustments:                             |   |                                  |   |                                  |
| Amortization of purchased intangible assets       | 783   |                                  | 604   |                                  |
| In-process research and development charges       | 190   |                                  | 52  |                                  |
| Restructuring                                     | 387   |                                  | 158   |                                  |
| Pension curtailments and pension settlements, net | <u>(517)</u>                                  |                                  | <u>-</u>                                      |                                  |
| Non-GAAP earnings from operations                 | <u>\$ 9,562</u>                               |                                  | <u>\$ 7,374</u>                               |                                  |
| GAAP operating margin                             | 8%  |                                  | 7%  |                                  |
| Non-GAAP adjustments                              | <u>1%</u>                                     |                                  | <u>1%</u>                                     |                                  |
| Non-GAAP operating margin                         | <u>9%</u>                                     |                                  | <u>8%</u>                                     |                                  |

(a) Beginning in fiscal 2007, HP no longer excludes gains or losses on investments when calculating financial measures presented on a non-GAAP basis.

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

|  | October 31,<br>2007<br>(unaudited) | October 31,<br>2006 |
|--|------------------------------------|---------------------|
| ASSETS   |                                    |                     |
| Current assets:                                  |                                    |                     |
| Cash and cash equivalents                        | \$ 11,293                          | \$ 16,400           |
| Short-term investments                           | 152                                | 22                  |
| Accounts receivable                              | 13,420                             | 10,873              |
| Financing receivables                            | 2,507                              | 2,440               |
| Inventory  | 8,033                              | 7,750               |
| Other current assets                             | <u>11,997</u>                      | <u>10,779</u>       |
| Total current assets                             | <u>47,402</u>                      | <u>48,264</u>       |
| Property, plant and equipment                    | 7,798                              | 6,863               |
| Long-term financing receivables and other assets | 7,647                              | 6,649               |
| Goodwill and purchased intangible assets         | <u>25,852</u>                      | <u>20,205</u>       |
| Total assets                                     | <u>\$ 88,699</u>                   | <u>\$ 81,981</u>    |
| LIABILITIES AND STOCKHOLDERS' EQUITY             |                                    |                     |
| Current liabilities:                             |                                    |                     |
| Notes payable and short-term borrowings          | \$ 3,186                           | \$ 2,705            |
| Accounts payable                                 | 11,787                             | 12,102              |
| Employee compensation and benefits               | 3,465                              | 3,148               |
| Taxes on earnings                                | 1,891                              | 1,905               |
| Deferred revenue                                 | 5,025                              | 4,309               |
| Accrued restructuring                            | 123                                | 547                 |
| Other accrued liabilities                        | <u>13,783</u>                      | <u>11,134</u>       |
| Total current liabilities                        | <u>39,260</u>                      | <u>35,850</u>       |
| Long-term debt                                   | 4,997                              | 2,490               |
| Other liabilities                                | 5,916                              | 5,497               |
| Stockholders' equity                             | <u>38,526</u>                      | <u>38,144</u>       |
| Total liabilities and stockholders' equity       | <u>\$ 88,699</u>                   | <u>\$ 81,981</u>    |

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

|  | Three months ended<br>October 31, 2007 | Twelve months ended<br>October 31, 2007 |
|--|--|---|
| Cash flows from operating activities:  |  |   |
| Net earnings   | \$ 2,164                               | \$ 7,264                                |
| Adjustments to reconcile net earnings to<br>net cash provided by operating activities: |  |   |
| Depreciation and amortization  | 699                                    | 2,705                                   |
| Stock-based compensation expense   | 168                                    | 629                                     |
| Provision for bad debt and inventory   | 137                                    | 409                                     |
| Losses (gains) on investments  | 14                                     | (14)                                    |
| In-process research and development charges  | 4                                      | 190                                     |
| Restructuring  | (20)                                   | 387                                     |
| Pension curtailments and pension settlements, net                                      | -                                      | (517)                                   |
| Deferred taxes on earnings   | 116                                    | 415                                     |
| Excess tax benefit from stock-based compensation                                       | (141)                                  | (481)                                   |
| Other, net   | 38                                     | (86)                                    |
| Changes in assets and liabilities:   |  |   |
| Accounts and financing receivables   | (1,843)                                | (2,808)                                 |
| Inventory  | (130)                                  | (633)                                   |
| Accounts payable   | 100                                    | (346)                                   |
| Taxes on earnings  | 321                                    | 502                                     |
| Restructuring  | (67)                                   | (606)                                   |
| Other assets and liabilities   | 2,049                                  | 2,605                                   |
| Net cash provided by operating activities  | <u>3,609</u>                           | <u>9,615</u>                            |
| Cash flows from investing activities:  |  |   |
| Investment in property, plant and equipment  | (813)                                  | (3,040)                                 |
| Proceeds from sale of property, plant and equipment                                    | 65                                     | 568                                     |
| Purchases of available-for-sale securities<br>and other investments                    | (247)                                  | (283)                                   |
| Maturities and sales of available-for-sale<br>securities and other investments         | 22                                     | 425                                     |
| Payments made in connection with business<br>acquisitions, net                         | (1,900)                                | (6,793)                                 |
| Net cash used in investing activities  | <u>(2,873)</u>                         | <u>(9,123)</u>                          |
| Cash flows from financing activities:  |  |   |
| Issuance of commercial paper and notes payable, net                                    | (461)                                  | 1,863                                   |
| Issuance of debt   | -                                      | 4,106                                   |
| Payment of debt  | (37)                                   | (3,419)                                 |
| Issuance of common stock under employee stock plans                                    | 710                                    | 3,103                                   |
| Repurchase of common stock   | (2,040)                                | (10,887)                                |
| Excess tax benefit from stock-based compensation                                       | 141                                    | 481                                     |
| Dividends  | (206)                                  | (846)                                   |
| Net cash used in financing activities  | <u>(1,893)</u>                         | <u>(5,599)</u>                          |
| Decrease in cash and cash equivalents  | (1,157)                                | (5,107)                                 |
| Cash and cash equivalents at beginning of period                                       | <u>12,450</u>                          | <u>16,400</u>                           |
| Cash and cash equivalents at end of period   | <u>\$ 11,293</u>                       | <u>\$ 11,293</u>                        |



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

|  | Three months ended  |                  |                                    |
|--|---------------------|------------------|------------------------------------|
|  | October 31,<br>2007 | July 31,<br>2007 | October 31,<br>2006 <sup>(a)</sup> |
| Net revenue:   |                     |                  |                                    |
| Enterprise Storage and Servers                                   | \$ 5,150            | \$ 4,547         | \$ 4,670                           |
| HP Services  | 4,367               | 4,186            | 4,080                              |
| HP Software  | 698                 | 554              | 349                                |
| Technology Solutions Group                                       | 10,215              | 9,287            | 9,099                              |
| Personal Systems Group   | 10,133              | 8,894            | 7,823                              |
| Imaging and Printing Group                                       | 7,554               | 6,751            | 7,283                              |
| HP Financial Services  | 657                 | 582              | 545                                |
| Corporate Investments  | 210                 | 220              | 160                                |
| Total Segments   | 28,769              | 25,734           | 24,910                             |
| Eliminations of intersegment<br>net revenue and other            | (476)               | (357)            | (355)                              |
| Total HP Consolidated  | <u>\$ 28,293</u>    | <u>\$ 25,377</u> | <u>\$ 24,555</u>                   |
| Earnings from operations:  |                     |                  |                                    |
| Enterprise Storage and Servers                                   | \$ 693              | \$ 464           | \$ 502                             |
| HP Services  | 526                 | 430              | 505                                |
| HP Software  | 177                 | 81               | 60                                 |
| Technology Solutions Group                                       | 1,396               | 975              | 1,067                              |
| Personal Systems Group   | 589                 | 519              | 336                                |
| Imaging and Printing Group                                       | 1,094               | 981              | 1,080                              |
| HP Financial Services  | 48                  | 39               | 35                                 |
| Corporate Investments  | (5)                 | (5)              | (36)                               |
| Total Segments   | 3,122               | 2,509            | 2,482                              |
| Corporate and unallocated costs and<br>eliminations              | (197)               | (101)            | (156)                              |
| Unallocated costs related to stock-based<br>compensation expense | (122)               | (114)            | (120)                              |
| Amortization of purchased intangible assets                      | (187)               | (183)            | (153)                              |
| In-process research and development charges                      | (4)                 | -                | -                                  |
| Restructuring  | 20                  | 5                | (152)                              |
| Pension curtailments and pension settlements, net                | -                   | -                | -                                  |
| Interest and other, net  | 81                  | 165              | 190                                |
| (Losses) gains on investments                                    | (14)                | 5                | 14                                 |
| Total HP Consolidated Earnings Before Taxes                      | <u>\$ 2,699</u>     | <u>\$ 2,286</u>  | <u>\$ 2,105</u>                    |

(a) Certain fiscal 2007 organizational realignments have been reflected retroactively to provide improved visibility and comparability. For each of the quarters in fiscal year 2006, the realignments primarily resulted in revenue movement within business units within the ESS and HPS segments. There was no impact to total segment revenue.



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

|  | Twelve months ended<br>October 31, |                     |
|--|------------------------------------|---------------------|
|  | 2007                               | 2006 <sup>(a)</sup> |
| Net revenue:   |                                    |                     |
| Enterprise Storage and Servers                                   | \$ 18,769                          | \$ 17,308           |
| HP Services  | 16,646                             | 15,617              |
| HP Software  | <u>2,325</u>                       | <u>1,301</u>        |
| Technology Solutions Group                                       | <u>37,740</u>                      | <u>34,226</u>       |
| Personal Systems Group   | 36,409                             | 29,166              |
| Imaging and Printing Group                                       | 28,465                             | 26,786              |
| HP Financial Services  | 2,336                              | 2,078               |
| Corporate Investments  | <u>762</u>                         | <u>566</u>          |
| Total Segments   | 105,712                            | 92,822              |
| Eliminations of intersegment<br>net revenue and other            | <u>(1,426)</u>                     | <u>(1,164)</u>      |
| Total HP Consolidated  | <u>\$ 104,286</u>                  | <u>\$ 91,658</u>    |
| Earnings from operations:  |                                    |                     |
| Enterprise Storage and Servers                                   | \$ 1,980                           | \$ 1,446            |
| HP Services  | 1,829                              | 1,507               |
| HP Software  | <u>347</u>                         | <u>85</u>           |
| Technology Solutions Group                                       | <u>4,156</u>                       | <u>3,038</u>        |
| Personal Systems Group   | 1,939                              | 1,152               |
| Imaging and Printing Group                                       | 4,315                              | 3,978               |
| HP Financial Services  | 155                                | 147                 |
| Corporate Investments  | <u>(57)</u>                        | <u>(151)</u>        |
| Total Segments   | 10,508                             | 8,164               |
| Corporate and unallocated costs and<br>eliminations              | (439)                              | (331)               |
| Unallocated costs related to stock-based<br>compensation expense | (507)                              | (459)               |
| Amortization of purchased intangible assets                      | (783)                              | (604)               |
| In-process research and development charges                      | (190)                              | (52)                |
| Restructuring  | (387)                              | (158)               |
| Pension curtailments and pension settlements, net                | 517                                | -                   |
| Interest and other, net  | 444                                | 606                 |
| (Losses) gains on investments                                    | <u>14</u>                          | <u>25</u>           |
| Total HP Consolidated Earnings Before Taxes                      | <u>\$ 9,177</u>                    | <u>\$ 7,191</u>     |

(a) Certain fiscal 2007 organizational realignments have been reflected retroactively to provide improved visibility and comparability. For fiscal year 2006, the realignments primarily resulted in revenue movement within business units within the ESS and HPS segments. There was no impact to total segment revenue.





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

|   | Three months ended  |                  |                                    |
|---|---------------------|------------------|------------------------------------|
|   | October 31,<br>2007 | July 31,<br>2007 | October 31,<br>2006 <sup>(a)</sup> |
| Net revenue:  |                     |                  |                                    |
| Industry Standard Servers                             | \$ 3,059            | \$ 2,814         | \$ 2,694                           |
| Business Critical Systems                             | 1,043               | 811              | 997                                |
| Storage   | <u>1,048</u>        | <u>922</u>       | <u>979</u>                         |
| Enterprise Storage and Servers                        | <u>5,150</u>        | <u>4,547</u>     | <u>4,670</u>                       |
| Technology Services                                   | 2,266               | 2,164            | 2,117                              |
| Outsourcing Services <sup>(b)</sup>                   | 1,267               | 1,234            | 1,185                              |
| Consulting and Integration                            | <u>834</u>          | <u>788</u>       | <u>778</u>                         |
| HP Services   | <u>4,367</u>        | <u>4,186</u>     | <u>4,080</u>                       |
| OpenView  | 616                 | 481              | 251                                |
| OpenCall and Other                                    | <u>82</u>           | <u>73</u>        | <u>98</u>                          |
| HP Software   | <u>698</u>          | <u>554</u>       | <u>349</u>                         |
| Technology Solutions Group                            | <u>10,215</u>       | <u>9,287</u>     | <u>9,099</u>                       |
| Desktops  | 4,210               | 3,924            | 3,675                              |
| Notebooks   | 5,161               | 4,253            | 3,463                              |
| Workstations  | 473                 | 441              | 362                                |
| Handhelds   | 97                  | 105              | 139                                |
| Other   | <u>192</u>          | <u>171</u>       | <u>184</u>                         |
| Personal Systems Group                                | <u>10,133</u>       | <u>8,894</u>     | <u>7,823</u>                       |
| Commercial Hardware                                   | 1,968               | 1,738            | 1,873                              |
| Consumer Hardware                                     | 1,237               | 982              | 1,296                              |
| Supplies  | 4,335               | 4,017            | 4,100                              |
| Other   | <u>14</u>           | <u>14</u>        | <u>14</u>                          |
| Imaging and Printing Group                            | <u>7,554</u>        | <u>6,751</u>     | <u>7,283</u>                       |
| HP Financial Services                                 | 657                 | 582              | 545                                |
| Corporate Investments                                 | <u>210</u>          | <u>220</u>       | <u>160</u>                         |
| Total Segments  | <u>28,769</u>       | <u>25,734</u>    | <u>24,910</u>                      |
| Eliminations of intersegment<br>net revenue and other | <u>(476)</u>        | <u>(357)</u>     | <u>(355)</u>                       |
| Total HP Consolidated                                 | <u>\$ 28,293</u>    | <u>\$ 25,377</u> | <u>\$ 24,555</u>                   |

(a) Certain fiscal 2007 organizational realignments have been reflected retroactively to provide improved visibility and comparability. For each of the quarters in fiscal year 2006, the realignments primarily resulted in revenue movement within business units within the ESS and HPS segments. There was no impact to total segment revenue.

(b) Reflects name change from Managed Services to Outsourcing Services effective in fiscal 2007.



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

|   | Twelve months ended<br>October 31, |                     |
|---|------------------------------------|---------------------|
|   | 2007                               | 2006 <sup>(a)</sup> |
| Net revenue:  |                                    |                     |
| Industry Standard Servers                             | \$ 11,380                          | \$ 9,982            |
| Business Critical Systems                             | 3,564                              | 3,656               |
| Storage   | <u>3,825</u>                       | <u>3,670</u>        |
| Enterprise Storage and Servers                        | <u>18,769</u>                      | <u>17,308</u>       |
| Technology Services                                   | 8,678                              | 8,348               |
| Outsourcing Services <sup>(b)</sup>                   | 4,821                              | 4,382               |
| Consulting and Integration                            | <u>3,147</u>                       | <u>2,887</u>        |
| HP Services   | <u>16,646</u>                      | <u>15,617</u>       |
| OpenView  | 1,988                              | 899                 |
| OpenCall and Other                                    | <u>337</u>                         | <u>402</u>          |
| HP Software   | <u>2,325</u>                       | <u>1,301</u>        |
| Technology Solutions Group                            | <u>37,740</u>                      | <u>34,226</u>       |
| Desktops  | 15,850                             | 14,613              |
| Notebooks   | 17,642                             | 12,000              |
| Workstations  | 1,721                              | 1,368               |
| Handhelds   | 490                                | 620                 |
| Other   | <u>706</u>                         | <u>565</u>          |
| Personal Systems Group                                | <u>36,409</u>                      | <u>29,166</u>       |
| Commercial Hardware                                   | 7,181                              | 6,899               |
| Consumer Hardware                                     | 4,442                              | 4,427               |
| Supplies  | 16,788                             | 15,402              |
| Other   | <u>54</u>                          | <u>58</u>           |
| Imaging and Printing Group                            | <u>28,465</u>                      | <u>26,786</u>       |
| HP Financial Services                                 | 2,336                              | 2,078               |
| Corporate Investments                                 | <u>762</u>                         | <u>566</u>          |
| Total Segments  | <u>105,712</u>                     | <u>92,822</u>       |
| Eliminations of intersegment<br>net revenue and other | <u>(1,426)</u>                     | <u>(1,164)</u>      |
| Total HP Consolidated                                 | <u>\$ 104,286</u>                  | <u>\$ 91,658</u>    |

(a) Certain fiscal 2007 organizational realignments have been reflected retroactively to provide improved visibility and comparability. For fiscal year 2006, the realignments primarily resulted in revenue movement within business units within the ESS and HPS segments. There was no impact to total segment revenue.

(b) Reflects name change from Managed Services to Outsourcing Services effective in fiscal 2007.



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

|  | Three months ended  |                  |                     |
|--|---------------------|------------------|---------------------|
|  | October 31,<br>2007 | July 31,<br>2007 | October 31,<br>2006 |
| Numerator:   |                     |                  |                     |
| Net earnings   | \$ 2,164            | \$ 1,778         | \$ 1,697            |
| Adjustment for interest expense on zero-coupon<br>subordinated convertible notes, net of taxes | <u>2</u>            | <u>1</u>         | <u>2</u>            |
| Net earnings, adjusted   | <u>\$ 2,166</u>     | <u>\$ 1,779</u>  | <u>\$ 1,699</u>     |
| Denominator:   |                     |                  |                     |
| Weighted-average shares used to compute<br>basic EPS   | 2,576               | 2,600            | 2,730               |
| Effect of dilutive securities:   |                     |                  |                     |
| Dilution from employee stock plans   | 94                  | 89               | 78                  |
| Zero-coupon subordinated convertible notes   | <u>8</u>            | <u>8</u>         | <u>8</u>            |
| Dilutive potential common shares   | <u>102</u>          | <u>97</u>        | <u>86</u>           |
| Weighted-average shares used to compute<br>diluted EPS   | <u>2,678</u>        | <u>2,697</u>     | <u>2,816</u>        |
| Net earnings per share:  |                     |                  |                     |
| Basic <sup>(a)</sup>   | \$ 0.84             | \$ 0.68          | \$ 0.62             |
| Diluted <sup>(b)</sup>   | \$ 0.81             | \$ 0.66          | \$ 0.60             |

(a) HP's basic earnings per share was calculated based on net earnings and the weighted-average number of shares outstanding during the reporting period.

(b) The diluted earnings per share included additional dilution from potential issuance of common stock, such as stock issuable pursuant to exercise of stock options and conversion of debt, except when such issuances would be antidilutive.

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

|  | Twelve months ended<br>October 31, |                 |
|--|------------------------------------|-----------------|
|  | 2007                               | 2006            |
|  | (Unaudited)                        |                 |
| Numerator:   |                                    |                 |
| Net earnings   | \$ 7,264                           | \$ 6,198        |
| Adjustment for interest expense on zero coupon<br>subordinated convertible notes, net of taxes | <u>7</u>                           | <u>7</u>        |
| Net earnings, adjusted   | <u>\$ 7,271</u>                    | <u>\$ 6,205</u> |
| Denominator:   |                                    |                 |
| Weighted-average shares used to compute<br>basic EPS   | 2,630                              | 2,782           |
| Effect of dilutive securities:   |                                    |                 |
| Dilution from employee stock plans   | 78                                 | 62              |
| Zero-coupon subordinated convertible notes   | <u>8</u>                           | <u>8</u>        |
| Dilutive potential common shares   | <u>86</u>                          | <u>70</u>       |
| Weighted-average shares used to compute<br>diluted EPS   | <u>2,716</u>                       | <u>2,852</u>    |
| Net earnings per share:  |                                    |                 |
| Basic <sup>(a)</sup>   | \$ 2.76                            | \$ 2.23         |
| Diluted <sup>(b)</sup>   | \$ 2.68                            | \$ 2.18         |

(a) HP's basic earnings per share was calculated based on net earnings and the weighted-average number of shares outstanding during the reporting period.

(b) The diluted earnings per share included additional dilution from potential issuance of common stock, such as stock issuable pursuant to exercise of stock options and conversion of debt, except when such issuances would be antidilutive.

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

|   | Three months ended  |                  |                     |
|---|---------------------|------------------|---------------------|
|   | October 31,<br>2007 | July 31,<br>2007 | October 31,<br>2006 |
| Numerator:  |                     |                  |                     |
| Non-GAAP net earnings   | \$ 2,296            | \$ 1,912         | \$ 1,905            |
| Adjustment for interest expense on zero-coupon subordinated convertible notes, net of taxes | <u>2</u>            | <u>1</u>         | <u>2</u>            |
| Non-GAAP net earnings, adjusted   | <u>\$ 2,298</u>     | <u>\$ 1,913</u>  | <u>\$ 1,907</u>     |
| Denominator:  |                     |                  |                     |
| Weighted-average shares used to compute basic EPS   | 2,576               | 2,600            | 2,730               |
| Effect of dilutive securities:  |                     |                  |                     |
| Dilution from employee stock plans  | 94                  | 89               | 78                  |
| Zero-coupon subordinated convertible notes  | <u>8</u>            | <u>8</u>         | <u>8</u>            |
| Dilutive potential common shares  | <u>102</u>          | <u>97</u>        | <u>86</u>           |
| Weighted-average shares used to compute diluted EPS   | <u>2,678</u>        | <u>2,697</u>     | <u>2,816</u>        |
| Non-GAAP net earnings per share:  |                     |                  |                     |
| Basic <sup>(a)</sup>  | \$ 0.89             | \$ 0.74          | \$ 0.70             |
| Diluted <sup>(b)</sup>  | \$ 0.86             | \$ 0.71          | \$ 0.68             |

(a) HP's basic non-GAAP earnings per share was calculated based on non-GAAP net earnings and the weighted-average number of shares outstanding during the reporting period.

(b) HP's diluted non-GAAP earnings per share included additional dilution from potential issuance of common stock, such as stock issuable pursuant to exercise of stock options and conversion of debt, except when such issuances would be antidilutive.

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

|   | Twelve months ended<br>October 31, |                 |
|---|------------------------------------|-----------------|
|   | 2007                               | 2006            |
| Numerator:  |                                    |                 |
| Non-GAAP net earnings   | \$ 7,954                           | \$ 6,777        |
| Adjustment for interest expense on zero<br>coupon subordinated convertible notes,<br>net of taxes | <u>7</u>                           | <u>7</u>        |
| Non-GAAP net earnings, adjusted   | <u>\$ 7,961</u>                    | <u>\$ 6,784</u> |
| Denominator:  |                                    |                 |
| Weighted-average shares used to compute<br>basic EPS  | 2,630                              | 2,782           |
| Effect of dilutive securities:  |                                    |                 |
| Dilution from employee stock plans  | 78                                 | 62              |
| Zero-coupon subordinated convertible notes  | <u>8</u>                           | <u>8</u>        |
| Dilutive potential common shares  | <u>86</u>                          | <u>70</u>       |
| Weighted-average shares used to compute<br>diluted EPS  | <u>2,716</u>                       | <u>2,852</u>    |
| Non-GAAP net earnings per share:  |                                    |                 |
| Basic <sup>(a)</sup>  | \$ 3.02                            | \$ 2.44         |
| Diluted <sup>(b)</sup>  | \$ 2.93                            | \$ 2.38         |

(a) HP's basic non-GAAP earnings per share was calculated based on non-GAAP net earnings and the weighted-average number of shares outstanding during the reporting period.

(b) HP's diluted non-GAAP EPS included additional dilution from potential issuance of common stock, such as stock issuable pursuant to exercise of stock options and conversion of debt, except when such issuances would be antidilutive.