

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

	Three months ended		
	April 30, 2008	January 31, 2008	April 30, 2007
Net revenue	\$ 28,262	\$ 28,467	\$ 25,534
Costs and expenses <sup>(a)</sup> :			
Cost of sales	21,261	21,499	19,283
Research and development	908	898	903
Selling, general and administrative	3,275	3,241	3,044
Amortization of purchased intangible assets	211	206	212
In-process research and development charges	13	-	19
Restructuring	4	10	453
Pension curtailments and pension settlements, net	-	-	(508)
Total costs and expenses	25,672	25,854	23,406
Earnings from operations	2,590	2,613	2,128
Interest and other, net	3	72	100
Earnings before taxes	2,593	2,685	2,228
Provision for taxes <sup>(b)</sup>	536	552	453
Net earnings	\$ 2,057	\$ 2,133	\$ 1,775
Net earnings per share:			
Basic	\$ 0.83	\$ 0.83	\$ 0.67
Diluted	\$ 0.80	\$ 0.80	\$ 0.65
Cash dividends declared per share	\$ -	\$ 0.16	\$ -
Weighted-average shares used to compute net earnings per share:			
Basic	2,473	2,560	2,638
Diluted	2,557	2,655	2,731
(a) Stock-based compensation expense included under SFAS 123(R) was as follows:			
Cost of sales	\$ 36	\$ 36	\$ 42
Research and development	19	20	18
Selling, general and administrative	97	101	94
Total costs and expenses	\$ 152	\$ 157	\$ 154
(b) Tax benefit from stock-based compensation	\$ (45)	\$ (47)	\$ (44)

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

	Six months ended	
	April 30, 2008	April 30, 2007
Net revenue	\$ 56,729	\$ 50,616
Costs and expenses <sup>(a)</sup> :		
Cost of sales	42,760	38,419
Research and development	1,806	1,780
Selling, general and administrative	6,516	5,952
Amortization of purchased intangible assets	417	413
In-process research and development charges	13	186
Restructuring	14	412
Pension curtailments and pension settlements, net	-	(517)
Total costs and expenses	51,526	46,645
Earnings from operations	5,203	3,971
Interest and other, net	75	221
Earnings before taxes	5,278	4,192
Provision for taxes <sup>(b)</sup>	1,088	870
Net earnings	\$ 4,190	\$ 3,322
Net earnings per share:		
Basic	\$ 1.67	\$ 1.24
Diluted	\$ 1.61	\$ 1.20
Cash dividends declared per share	\$ 0.16	\$ 0.16
Weighted-average shares used to compute net earnings per share:		
Basic	2,516	2,672
Diluted	2,603	2,763
(a) Stock-based compensation expense included under SFAS 123(R) was as follows:		
Cost of sales	\$ 72	\$ 87
Research and development	39	37
Selling, general and administrative	198	193
Total costs and expenses	\$ 309	\$ 317
(b) Tax benefit from stock-based compensation	\$ (92)	\$ (92)

HEWLETT-PACKARD COMPANY AND SUBSIDIARIES  
ADJUSTMENTS TO GAAP NET EARNINGS, EARNINGS FROM OPERATIONS,  
OPERATING MARGIN AND EARNINGS PER SHARE  
(Unaudited)  
(In millions except per share amounts)

	Three months ended April 30, 2008	Diluted earnings per share	Three months ended January 31, 2008	Diluted earnings per share	Three months ended April 30, 2007	Diluted earnings per share
GAAP net earnings	\$ 2,057	\$ 0.80	\$ 2,133	\$ 0.80	\$ 1,775	\$ 0.65
Non-GAAP adjustments:						
Amortization of purchased intangible assets	211	0.08	206	0.08	212	0.08
In-process research and development charges	13	0.01	-	-	19	0.01
Restructuring	4	-	10	-	453	0.16
Pension curtailments and pension settlements, net	-	-	-	-	(508)	(0.19)
Adjustments for taxes	<u>(56)</u>	<u>(0.02)</u>	<u>(58)</u>	<u>(0.02)</u>	<u>(31)</u>	<u>(0.01)</u>
Non-GAAP net earnings	<u>\$ 2,229</u>	<u>\$ 0.87</u>	<u>\$ 2,291</u>	<u>\$ 0.86</u>	<u>\$ 1,920</u>	<u>\$ 0.70</u>
GAAP earnings from operations	\$ 2,590		\$ 2,613		\$ 2,128	
Non-GAAP adjustments:						
Amortization of purchased intangible assets	211		206		212	
In-process research and development charges	13		-		19	
Restructuring	4		10		453	
Pension curtailments and pension settlements, net	<u>-</u>		<u>-</u>		<u>(508)</u>	
Non-GAAP earnings from operations	<u>\$ 2,818</u>		<u>\$ 2,829</u>		<u>\$ 2,304</u>	
GAAP operating margin	9%		9%		8%	
Non-GAAP adjustments	<u>1%</u>		<u>1%</u>		<u>1%</u>	
Non-GAAP operating margin	<u>10%</u>		<u>10%</u>		<u>9%</u>	

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)

	Six months ended April 30, 2008	Diluted earnings per share	Six months ended April 30, 2007	Diluted earnings per share
GAAP net earnings	\$ 4,190	\$ 1.61	\$ 3,322	\$ 1.20
Non-GAAP adjustments:				
Amortization of purchased intangible assets	417	0.16	413	0.15
In-process research and development charges	13	-	186	0.07
Restructuring	14	0.01	412	0.15
Pension curtailments and pension settlements, net	-	-	(517)	(0.19)
Adjustments for taxes	<u>(114)</u>	<u>(0.04)</u>	<u>(70)</u>	<u>(0.02)</u>
Non-GAAP net earnings	<u>\$ 4,520</u>	<u>\$ 1.74</u>	<u>\$ 3,746</u>	<u>\$ 1.36</u>
GAAP earnings from operations	\$ 5,203		\$ 3,971	
Non-GAAP adjustments:				
Amortization of purchased intangible assets	417		413	
In-process research and development charges	13		186	
Restructuring	14		412	
Pension curtailments and pension settlements, net	<u>-</u>		<u>(517)</u>	
Non-GAAP earnings from operations	<u>\$ 5,647</u>		<u>\$ 4,465</u>	
GAAP operating margin	9%		8%	
Non-GAAP adjustments	<u>1%</u>		<u>1%</u>	
Non-GAAP operating margin	<u>10%</u>		<u>9%</u>	

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

	April 30, 2008	October 31, 2007
	(unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 11,591	\$ 11,293
Short-term investments	56	152
Accounts receivable	13,558	13,420
Financing receivables	2,589	2,507
Inventory	7,678	8,033
Other current assets	11,577	11,997
Total current assets	47,049	47,402
Property, plant and equipment	7,906	7,798
Long-term financing receivables and other assets	10,318	7,647
Goodwill and purchased intangible assets	26,531	25,852
Total assets	\$ 91,804	\$ 88,699
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Notes payable and short-term borrowings	\$ 711	\$ 3,186
Accounts payable	12,425	11,787
Employee compensation and benefits	3,103	3,465
Taxes on earnings	798	1,891
Deferred revenue	5,446	5,025
Other accrued liabilities	14,663	13,906
Total current liabilities	37,146	39,260
Long-term debt	7,688	4,997
Other liabilities	8,817	5,916
Stockholders' equity	38,153	38,526
Total liabilities and stockholders' equity	\$ 91,804	\$ 88,699

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

	Three months ended April 30, 2008	Six months ended April 30, 2008
Cash flows from operating activities:		
Net earnings	\$ 2,057	\$ 4,190
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	760	1,509
Stock-based compensation expense	152	309
Provision for bad debt and inventory	107	185
In-process research and development charges	13	13
Restructuring	4	14
Deferred taxes on earnings	625	986
Excess tax benefit from stock-based compensation	(75)	(163)
Other, net	(29)	(23)
Changes in assets and liabilities:		
Accounts and financing receivables	(1,205)	(198)
Inventory	232	286
Accounts payable	1,217	558
Taxes on earnings	(278)	(370)
Restructuring	(24)	(55)
Other assets and liabilities	1,209	711
Net cash provided by operating activities	4,765	7,952
Cash flows from investing activities:		
Investment in property, plant and equipment	(704)	(1,315)
Proceeds from sale of property, plant and equipment	105	193
Purchases of available-for-sale securities and other investments	(58)	(78)
Maturities and sales of available-for-sale securities and other investments	85	191
Payments made in connection with business acquisitions, net	(1,001)	(1,265)
Net cash used in investing activities	(1,573)	(2,274)
Cash flows from financing activities:		
Issuance of commercial paper and notes payable, net	(999)	(1,898)
Issuance of debt	3,002	3,018
Payment of debt	(903)	(1,008)
Issuance of common stock under employee stock plans	363	917
Repurchase of common stock	(2,845)	(6,169)
Excess tax benefit from stock-based compensation	75	163
Dividends	(197)	(403)
Net cash used in financing activities	(1,504)	(5,380)
Increase in cash and cash equivalents	1,688	298
Cash and cash equivalents at beginning of period	9,903	11,293
Cash and cash equivalents at end of period	\$ 11,591	\$ 11,591

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

	Three months ended		
	April 30, 2008	January 31, 2008	April 30, 2007 <sup>(a)</sup>
Net revenue:			
Enterprise Storage and Servers	\$ 4,780	\$ 4,820	\$ 4,594
HP Services	4,627	4,378	4,125
HP Software	727	666	568
Technology Solutions Group	<u>10,134</u>	<u>9,864</u>	<u>9,287</u>
Personal Systems Group	10,071	10,791	8,663
Imaging and Printing Group	7,591	7,312	7,161
HP Financial Services	685	642	550
Corporate Investments	<u>230</u>	<u>218</u>	<u>175</u>
Total Segments	28,711	28,827	25,836
Eliminations of intersegment net revenue and other	<u>(449)</u>	<u>(360)</u>	<u>(302)</u>
Total HP Consolidated	<u>\$ 28,262</u>	<u>\$ 28,467</u>	<u>\$ 25,534</u>
Earnings (Loss) from operations:			
Enterprise Storage and Servers	\$ 655	\$ 673	\$ 452
HP Services	508	489	449
HP Software	93	51	7
Technology Solutions Group	<u>1,256</u>	<u>1,213</u>	<u>908</u>
Personal Systems Group	544	628	417
Imaging and Printing Group	1,230	1,150	1,167
HP Financial Services	47	43	36
Corporate Investments	<u>6</u>	<u>8</u>	<u>(18)</u>
Total Segments	3,083	3,042	2,510
Corporate and unallocated costs and eliminations	(134)	(89)	(75)
Unallocated costs related to stock-based compensation expense	(131)	(124)	(131)
Amortization of purchased intangible assets	(211)	(206)	(212)
In-process research and development charges	(13)	-	(19)
Restructuring	(4)	(10)	(453)
Pension curtailments and pension settlements, net	-	-	508
Interest and other, net	<u>3</u>	<u>72</u>	<u>100</u>
Total HP Consolidated Earnings Before Taxes	<u>\$ 2,593</u>	<u>\$ 2,685</u>	<u>\$ 2,228</u>

(a) Certain fiscal 2008 organizational reclassifications have been reflected retroactively to provide improved visibility and comparability. For each of the quarters in fiscal year 2007, the reclassifications resulted in the transfer of revenue and operating profit among the Enterprise Storage and Servers, HP Services and HP Software segments within the Technology Solutions Group. There was no impact on the previously reported financial results for the other segments.

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

	Six months ended April 30,	
	2008	2007 <sup>(a)</sup>
Net revenue:		
Enterprise Storage and Servers	\$ 9,600	\$ 9,015
HP Services	9,005	8,057
HP Software	1,393	1,166
Technology Solutions Group	19,998	18,238
Personal Systems Group	20,862	17,382
Imaging and Printing Group	14,903	14,160
HP Financial Services	1,327	1,097
Corporate Investments	448	332
Total Segments	57,538	51,209
Eliminations of intersegment net revenue and other	(809)	(593)
 Total HP Consolidated	 \$ 56,729	 \$ 50,616
Earnings (Loss) from operations:		
Enterprise Storage and Servers	\$ 1,328	\$ 905
HP Services	997	855
HP Software	144	25
Technology Solutions Group	2,469	1,785
Personal Systems Group	1,172	831
Imaging and Printing Group	2,380	2,240
HP Financial Services	90	68
Corporate Investments	14	(47)
Total Segments	6,125	4,877
Corporate and unallocated costs and eliminations	(223)	(141)
Unallocated costs related to stock-based compensation expense	(255)	(271)
Amortization of purchased intangible assets	(417)	(413)
In-process research and development charges	(13)	(186)
Restructuring	(14)	(412)
Pension curtailments and pension settlements, net	-	517
Interest and other, net	75	221
 Total HP Consolidated Earnings Before Taxes	 \$ 5,278	 \$ 4,192

(a) Certain fiscal 2008 organizational reclassifications have been reflected retroactively to provide improved visibility and comparability. For each of the quarters in fiscal year 2007, the reclassifications resulted in the transfer of revenue and operating profit among the Enterprise Storage and Servers, HP Services and HP Software segments within the Technology Solutions Group. There was no impact on the previously reported financial results for the other segments.

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

	Three months ended		
	April 30, 2008	January 31, 2008	April 30, 2007 <sup>(a)</sup>
Net revenue:			
Industry standard servers	\$ 2,818	\$ 2,988	\$ 2,818
Business critical systems	919	855	862
Storage	<u>1,043</u>	<u>977</u>	<u>914</u>
Enterprise Storage and Servers	<u>4,780</u>	<u>4,820</u>	<u>4,594</u>
Technology services	2,331	2,241	2,120
Outsourcing services	1,370	1,303	1,200
Consulting and integration	<u>926</u>	<u>834</u>	<u>805</u>
HP Services	<u>4,627</u>	<u>4,378</u>	<u>4,125</u>
Business technology optimization <sup>(b)</sup>	593	548	437
Other <sup>(b)</sup>	<u>134</u>	<u>118</u>	<u>131</u>
HP Software	<u>727</u>	<u>666</u>	<u>568</u>
Technology Solutions Group	<u>10,134</u>	<u>9,864</u>	<u>9,287</u>
Notebooks	5,373	5,664	4,086
Desktops	3,921	4,401	3,913
Workstations	494	467	402
Handhelds	102	89	116
Other	<u>181</u>	<u>170</u>	<u>146</u>
Personal Systems Group	<u>10,071</u>	<u>10,791</u>	<u>8,663</u>
Commercial Hardware	1,811	1,726	1,709
Consumer Hardware	974	1,180	1,008
Supplies	4,812	4,399	4,444
Other	<u>(6)</u>	<u>7</u>	<u>-</u>
Imaging and Printing Group	<u>7,591</u>	<u>7,312</u>	<u>7,161</u>
HP Financial Services	685	642	550
Corporate Investments	<u>230</u>	<u>218</u>	<u>175</u>
Total Segments	<u>28,711</u>	<u>28,827</u>	<u>25,836</u>
Eliminations of intersegment net revenue and other	<u>(449)</u>	<u>(360)</u>	<u>(302)</u>
Total HP Consolidated	<u>\$ 28,262</u>	<u>\$ 28,467</u>	<u>\$ 25,534</u>

(a) Certain fiscal 2008 organizational reclassifications have been reflected retroactively to provide improved visibility and comparability. For each of the quarters in fiscal year 2007, the reclassifications resulted in the transfer of revenue among Enterprise Storage and Servers, HP Services and HP Software segments within the Technology Solutions Group. In addition, revenue was transferred among the business units within the Imaging and Printing Group and among the business units within the Personal Systems Group, but there was no change to the previously reported revenue for either segment as a whole. There was no impact on the previously reported financial results for the HP Financial Services and Corporate Investments segments.

(b) The OpenView business unit was renamed as "Business Technology Optimization" and the OpenCall and Other business unit was renamed as "Other" effective in fiscal 2008. The renamed "Other" business unit includes primarily the OpenCall and Business Information Optimization products.

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

	Six months ended April 30,	
	2008	2007 <sup>(a)</sup>
Net revenue:		
Industry standard servers	\$ 5,806	\$ 5,507
Business critical systems	1,774	1,708
Storage	2,020	1,800
Enterprise Storage and Servers	9,600	9,015
Technology services	4,572	4,182
Outsourcing services	2,673	2,329
Consulting and integration	1,760	1,546
HP Services	9,005	8,057
Business technology optimization <sup>(b)</sup>	1,141	897
Other <sup>(b)</sup>	252	269
HP Software	1,393	1,166
Technology Solutions Group	19,998	18,238
Notebooks	11,037	8,232
Desktops	8,322	7,734
Workstations	961	807
Handhelds	191	307
Other	351	302
Personal Systems Group	20,862	17,382
Commercial Hardware	3,537	3,325
Consumer Hardware	2,154	2,249
Supplies	9,211	8,586
Other	1	-
Imaging and Printing Group	14,903	14,160
HP Financial Services	1,327	1,097
Corporate Investments	448	332
Total Segments	57,538	51,209
Eliminations of intersegment net revenue and other	(809)	(593)
Total HP Consolidated	\$ 56,729	\$ 50,616

(a) Certain fiscal 2008 organizational reclassifications have been reflected retroactively to provide improved visibility and comparability. For each of the quarters in fiscal year 2007, the reclassifications resulted in the transfer of revenue among Enterprise Storage and Servers, HP Services and HP Software segments within the Technology Solutions Group. In addition, revenue was transferred among the business units within the Imaging and Printing Group and among the business units within the Personal Systems Group, but there was no change to the previously reported revenue for either segment as a whole. There was no impact on the previously reported financial results for the HP Financial Services and Corporate Investments segments.

(b) The OpenView business unit was renamed as "Business Technology Optimization" and the OpenCall and Other business unit was renamed as "Other" effective in fiscal 2008. The renamed "Other" business unit includes primarily the OpenCall and Business Information Optimization products.

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

	Three months ended		
	April 30, 2008	January 31, 2008	April 30, 2007
Numerator:			
Net earnings	\$ 2,057	\$ 2,133	\$ 1,775
Adjustment for interest expense on zero-coupon subordinated convertible notes, net of taxes	<u>1</u>	<u>2</u>	<u>2</u>
Net earnings, adjusted	<u>\$ 2,058</u>	<u>\$ 2,135</u>	<u>\$ 1,777</u>
Denominator:			
Weighted-average shares used to compute basic EPS	2,473	2,560	2,638
Effect of dilutive securities:			
Dilution from employee stock plans	79	87	85
Zero-coupon subordinated convertible notes	<u>5</u>	<u>8</u>	<u>8</u>
Dilutive potential common shares	<u>84</u>	<u>95</u>	<u>93</u>
Weighted-average shares used to compute diluted EPS	<u>2,557</u>	<u>2,655</u>	<u>2,731</u>
Net earnings per share:			
Basic <sup>(a)</sup>	\$ 0.83	\$ 0.83	\$ 0.67
Diluted <sup>(b)</sup>	\$ 0.80	\$ 0.80	\$ 0.65

(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  
(Unaudited)  
(In millions except per share amounts)

	Six months ended April 30,	
	2008	2007
Numerator:		
Net earnings	\$ 4,190	\$ 3,322
Adjustment for interest expense on zero-coupon subordinated convertible notes, net of taxes	3	4
Net earnings, adjusted	\$ 4,193	\$ 3,326
Denominator:		
Weighted-average shares used to compute basic EPS	2,516	2,672
Effect of dilutive securities:		
Dilution from employee stock plans	81	83
Zero-coupon subordinated convertible notes	6	8
Dilutive potential common shares	87	91
Weighted-average shares used to compute diluted EPS	2,603	2,763
Net earnings per share:		
Basic <sup>(a)</sup>	\$ 1.67	\$ 1.24
Diluted <sup>(b)</sup>	\$ 1.61	\$ 1.20

(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		
	April 30, 2008	January 31, 2008	April 30, 2007
Numerator:			
Non-GAAP net earnings	\$ 2,229	\$ 2,291	\$ 1,920
Adjustment for interest expense on zero-coupon subordinated convertible notes, net of taxes	<u>1</u>	<u>2</u>	<u>2</u>
Non-GAAP net earnings, adjusted	<u>\$ 2,230</u>	<u>\$ 2,293</u>	<u>\$ 1,922</u>
Denominator:			
Weighted-average shares used to compute basic EPS	2,473	2,560	2,638
Effect of dilutive securities:			
Dilution from employee stock plans	79	87	85
Zero-coupon subordinated convertible notes	<u>5</u>	<u>8</u>	<u>8</u>
Dilutive potential common shares	<u>84</u>	<u>95</u>	<u>93</u>
Weighted-average shares used to compute diluted EPS	<u>2,557</u>	<u>2,655</u>	<u>2,731</u>
Non-GAAP net earnings per share:			
Basic <sup>(a)</sup>	\$ 0.90	\$ 0.89	\$ 0.73
Diluted <sup>(b)</sup>	\$ 0.87	\$ 0.86	\$ 0.70

(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)

	Six months ended April 30,	
	2008	2007
Numerator:		
Non-GAAP net earnings	\$ 4,520	\$ 3,746
Adjustment for interest expense on zero-coupon subordinated convertible notes, net of taxes	3	4
Non-GAAP net earnings, adjusted	\$ 4,523	\$ 3,750
Denominator:		
Weighted-average shares used to compute basic EPS	2,516	2,672
Effect of dilutive securities:		
Dilution from employee stock plans	81	83
Zero-coupon subordinated convertible notes	6	8
Dilutive potential common shares	87	91
Weighted-average shares used to compute diluted EPS	2,603	2,763
Non-GAAP net earnings per share:		
Basic <sup>(a)</sup>	\$ 1.80	\$ 1.40
Diluted <sup>(b)</sup>	\$ 1.74	\$ 1.36

(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.