



HP Securities Analyst Meeting

Supplemental slides
December 13, 2005

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These materials contain forward-looking statements that involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results of HP may differ materially from those expressed or implied by such forward-looking statements and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including but not limited to any projections of revenue, margins, expenses, charges, earnings, or other financial items; any statements of the plans, strategies, and objectives of management for future operations, including execution of any restructuring plans; any statements concerning the expected development, performance or market share relating to products or services; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. Risks, uncertainties and assumptions include macroeconomic and geopolitical trends and events; execution and performance of contracts by suppliers, customers and partners; employee management issues; the challenge of managing asset levels, including inventory; the difficulty of aligning expense levels with revenue changes; assumptions related to pension and other post-retirement costs; and other risks that are described from time to time in HP's Securities and Exchange Commission reports, including but not limited to the risks described in HP's Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2005 and other reports filed after HP's Annual Report on Form 10-K for the fiscal year ended October 31, 2004. HP assumes no obligation and does not intend to update these forward looking statements.

Use of non-GAAP terms

To supplement HP's consolidated condensed financial statements presented on a GAAP basis, HP uses non-GAAP additional measures of operating results, net earnings and earnings per share adjusted to exclude certain costs, expenses, gains or losses it believes appropriate to enhance an overall understanding of HP's past financial performance and also its prospects for the future. These adjustments to HP's GAAP results are made with the intent of providing both management and investors a more complete understanding of the underlying operational results and trends and HP's marketplace performance. For example, the non-GAAP results are an indication of HP's baseline performance before gains, losses or other charges that are considered by management to be outside of HP's core business segment operational results. In addition, these non-GAAP results are among the primary indicators management uses as a basis for planning and forecasting future periods. The presentation of this additional information is not meant to be considered in isolation or as a substitute for net earnings or diluted earnings per share prepared in accordance with generally accepted accounting principles in the United States.



Combined company

In order to provide additional information relating to our operating results, we present certain consolidated and segment operating results as if HP and Compaq had been a combined company in fiscal 2002 and 2001. We have included this additional information in order to provide further insight into our operating results, prior period trends and current position. Due to different fiscal period ends for HP and Compaq, the results for the twelve months ended October 31, 2002 combine the results of HP for the twelve months ended October 31, 2002 and the historical quarterly results of Compaq for the six-month period ended March 31, 2002 and for the period May 3, 2002 (the acquisition date) to October 31, 2002. In addition, the results for the twelve months ended October 31, 2001 combine the results of HP for the twelve months ended October 31, 2001 and the historical quarterly results of Compaq for the four quarters ended September 30, 2001.



FY04 GAAP to non-GAAP bridge

All data in \$Ms except
per share amount
FY04

	GAAP	Amort. of Intangibles	Re- structuring charges	Acq. related charges	IPR&D	G/L Invest.	Non- GAAP
Revenue	79,905						79,905
Cost of Sales	60,811						60,811
Total OpEx	14,867	(603)	(114)	(54)	(37)		14,059
Operating profit	4,227	603	114	54	37		5,035
Interest & other, net	39					(4)	35
Settlement	(70)						(70)
Pre-tax earnings	4,196	603	114	54	37	(4)	5,000
Income tax	699	175	38	14	10	(3)	933
Tax rate	17%						19%
EPS	\$1.15						\$1.33



FY03 GAAP to non-GAAP bridge

All data in \$Ms except per share amount FY03

	GAAP	Amort. of Intangibles	Re-structuring charges	Acq. related charges	IPR&D	G/L Invest.	Accrued tax benefit	Non-GAAP
Revenue	73,061							73,061
Cost of Sales	54,393							54,393
Total OpEx	15,772	(563)	(800)	(280)	(1)			14,128
Operating profit	2,896	563	800	280	1			4,540
Interest & other, net	(8)					29		21
Pre-tax earnings	2,888	563	800	280	1	29		4,561
Income tax	349	159	262	97		6	131	1,004
Tax rate	12%							22%
EPS	\$0.83							\$1.16



FY02 GAAP to non-GAAP bridge ⁽¹⁾

All data in \$Ms except per share amount FY02	GAAP	Amort. of Intangibles	Re- structuring charges	Acq. related charges	IPR&D	G/L Invest.	COS	Non- GAAP
Revenue	72,346							72,346
Cost of Sales	54,311						(147)	54,164
Total OpEx	19,053	(664)	(1,780)	(772)	(793)			15,044
Op (loss) profit	(1,018)	664	1,780	772	793		147	3,138
Interest & other, net	(36)					56		20
Pre-tax (loss) earnings	(1,054)	664	1,780	772	793	56	147	3,158
Income tax	(126)	166	479	194		(16)	52	749
Tax rate	(12%)							24%
EPS	(\$0.31)							\$0.79

Stated on a combined company basis. See slide 5.