




Q1 FY08 Earnings Announcement

February 19, 2008



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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 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 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



Q1 FY08 results overview

Financial Summary

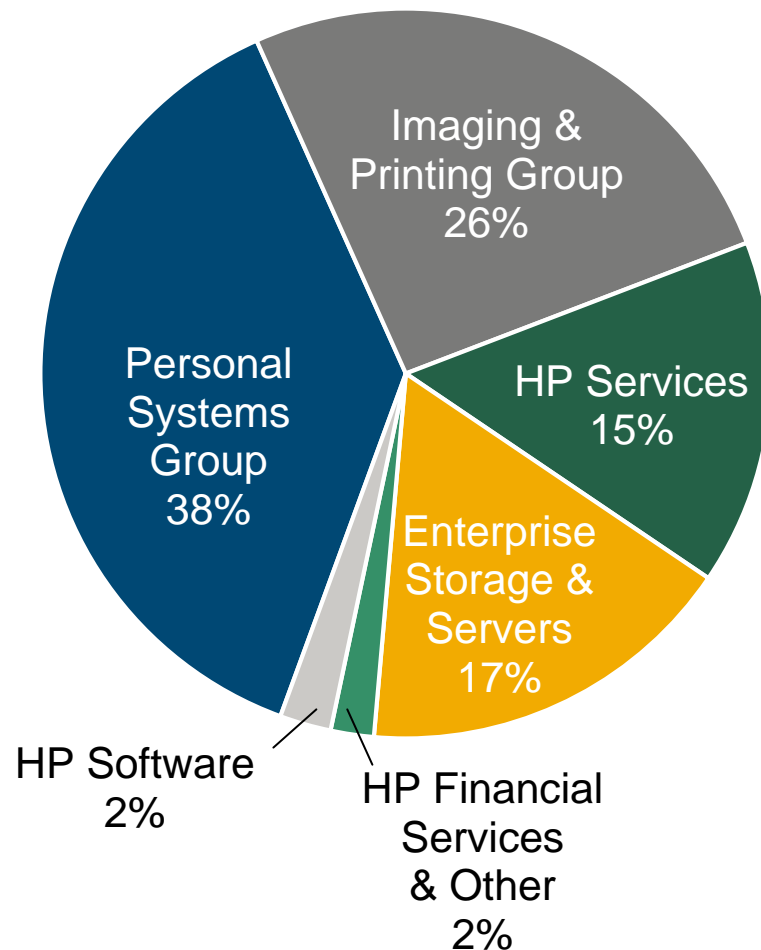
- Net revenue of \$28.5B, growth of \$3.4B, up 13% Y/Y; or 8% in constant currency
- Non-GAAP⁽¹⁾ diluted EPS of \$0.86; up 32% Y/Y
- GAAP diluted EPS of \$0.80; up 45% Y/Y
- Cash flow from operations \$3.2B
- \$3.3B in share repurchases, and \$206M in dividends

\$ in millions	Q1 Revenue	Growth Y/Y%	OP \$	OP % of rev	OP \$ Y/Y	OP % Y/Y
Enterprise Storage and Servers	\$4,820	9%	\$673	14.0%	\$220	3.8 pts
HP Software	\$666	11%	\$51	7.7%	\$33	4.7 pts
HP Services	\$4,378	11%	\$489	11.2%	\$83	0.9 pts
Technology Solutions Group	\$9,864	10%	\$1,213	12.3%	\$336	2.5 pts
Imaging and Printing Group	\$7,312	4%	\$1,150	15.7%	\$77	0.4 pts
Personal Systems Group	\$10,791	24%	\$628	5.8%	\$214	1.1 pts
HP Financial Services	\$642	17%	\$43	6.7%	\$11	0.8 pts
Total HP	\$28,467	13%	\$2,829⁽¹⁾	9.9%⁽¹⁾	\$668⁽¹⁾	1.3 pts⁽¹⁾

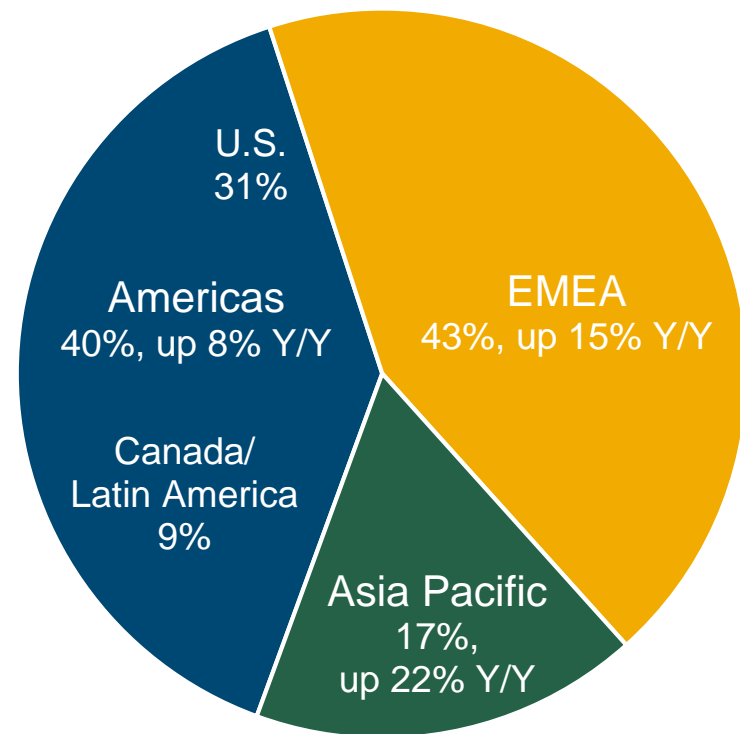
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Q1 FY08 revenue

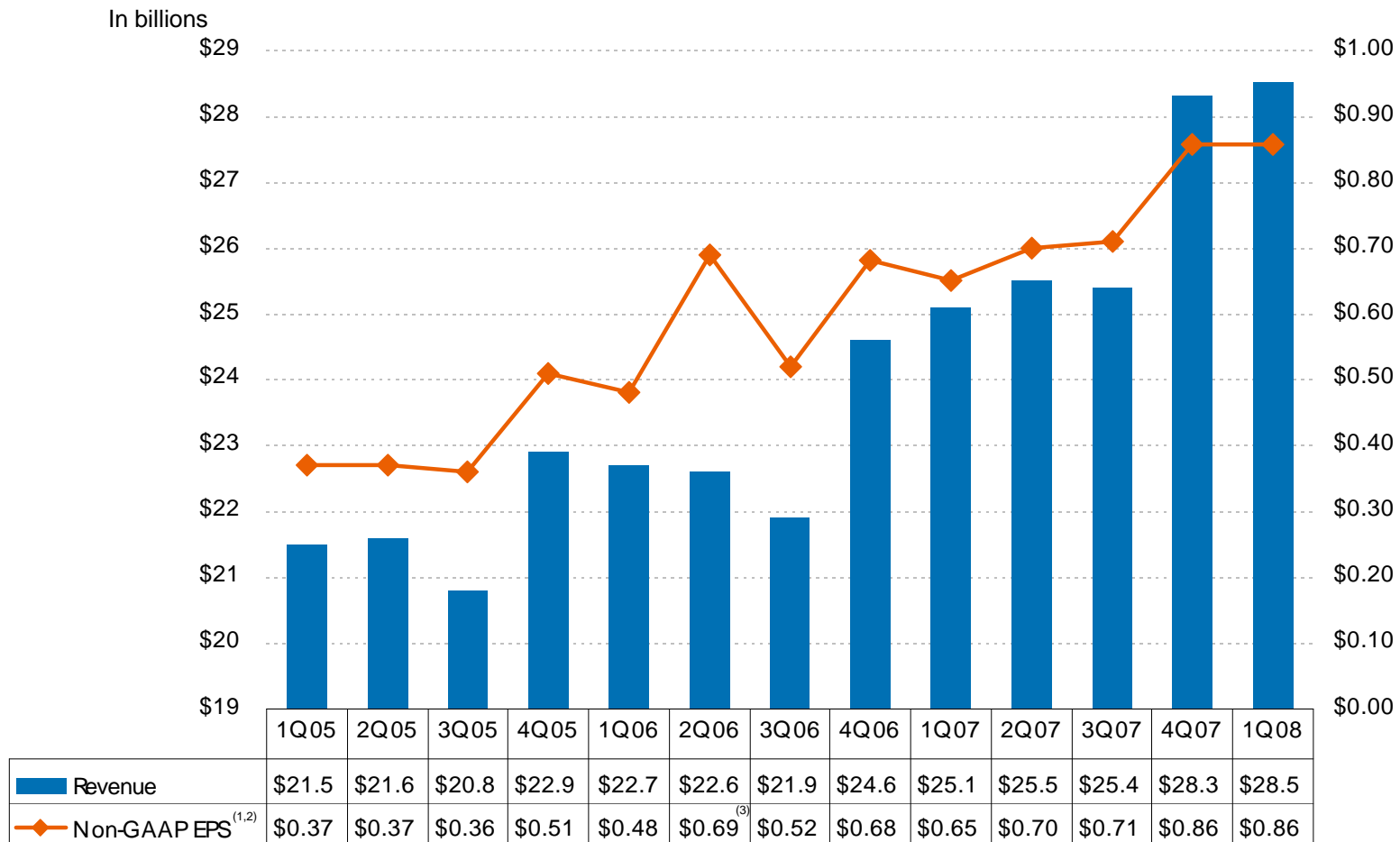
By segment



By region

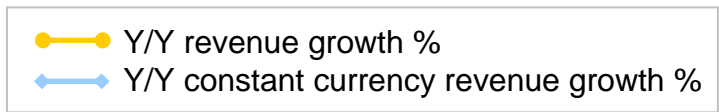
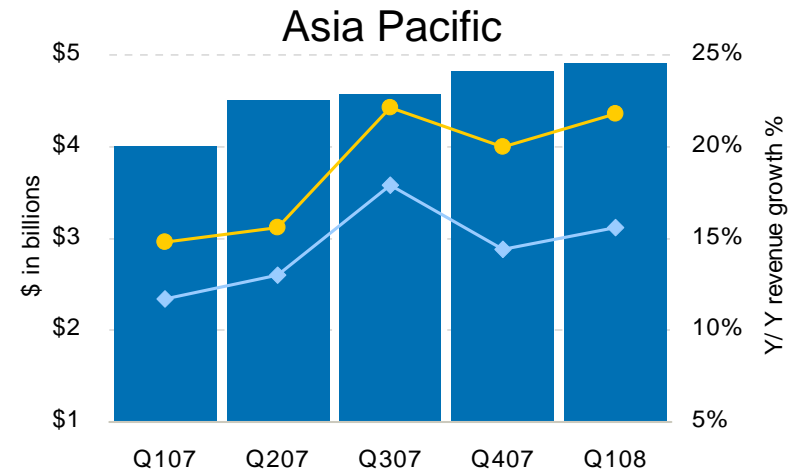
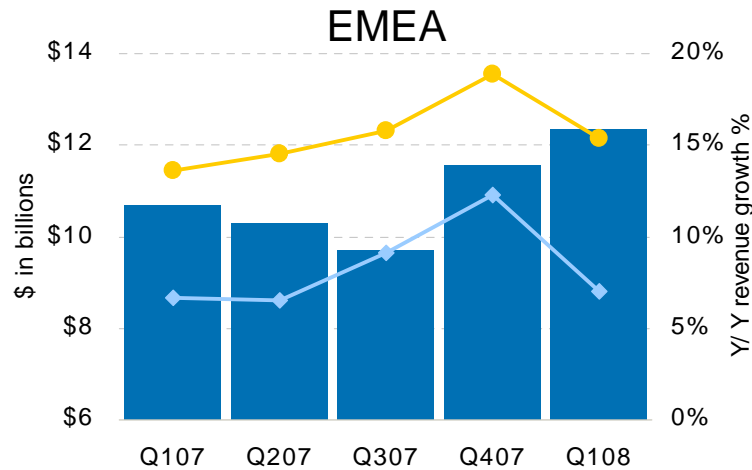
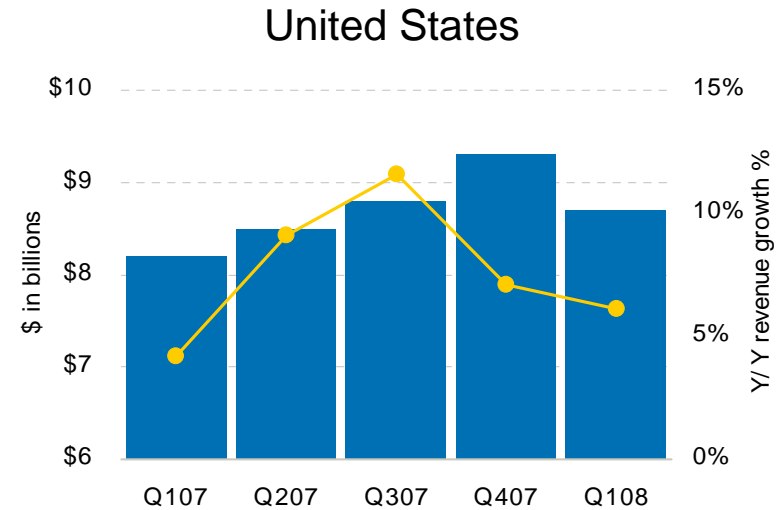
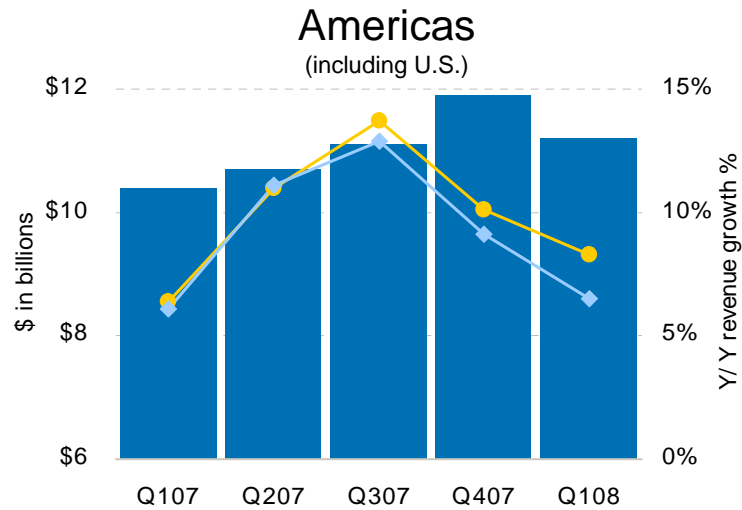


Revenue & EPS performance

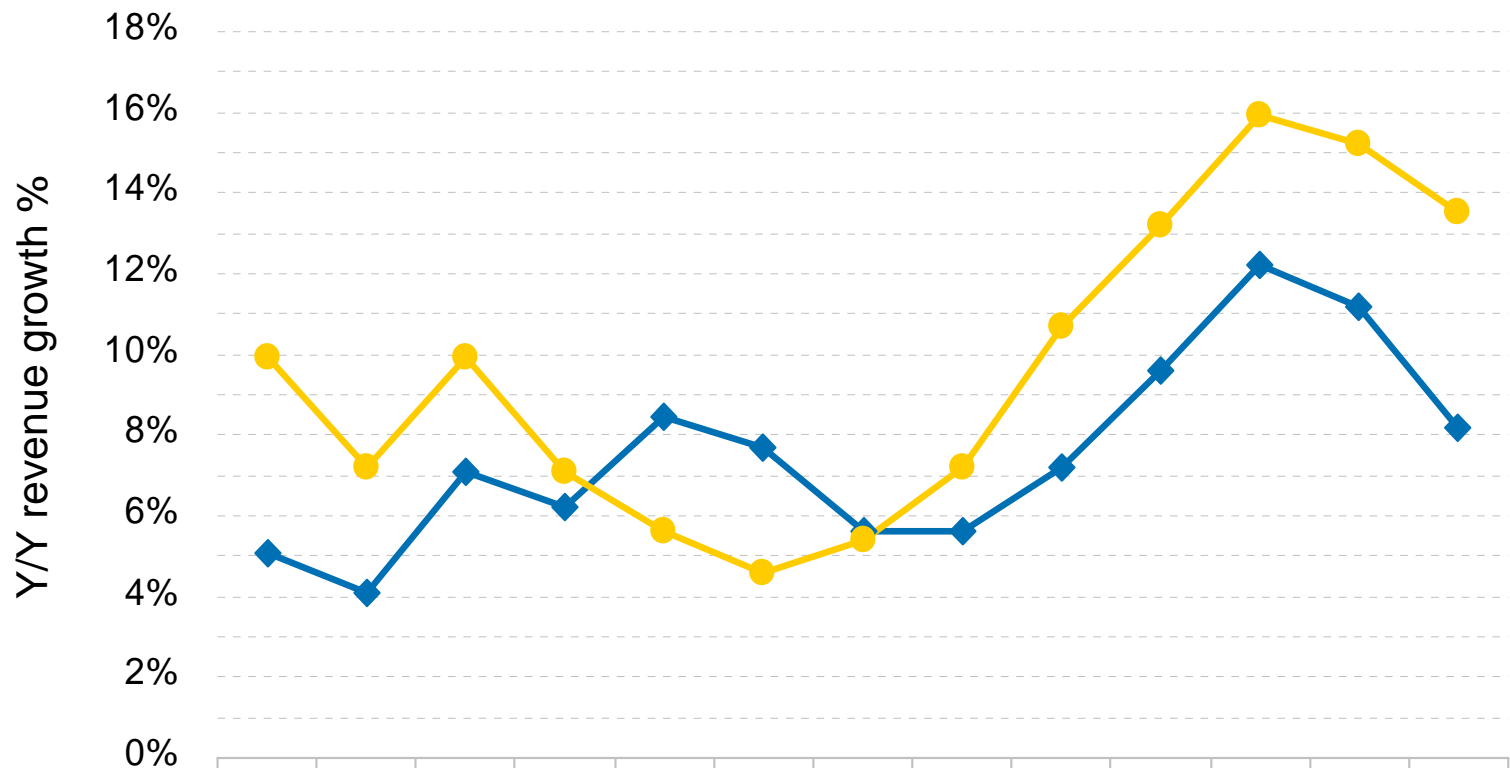


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2. FY05 results do not include the effects of stock-based compensation, which are included in FY06 and beyond.
3. On June 6, 2006, HP upwardly revised Q2 FY06 earnings following the signing of a settlement agreement by the Internal Revenue Service resolving federal income tax matters for HP's 1996 through 1998 tax years. Non-GAAP EPS for Q2 FY06 was previously reported as \$0.54. Notification from the IRS on June 1 prior to the filing of HP's Q2 FY06 Form 10-Q required this revision to HP's reported Q2 FY06 results.

Regional revenue trends

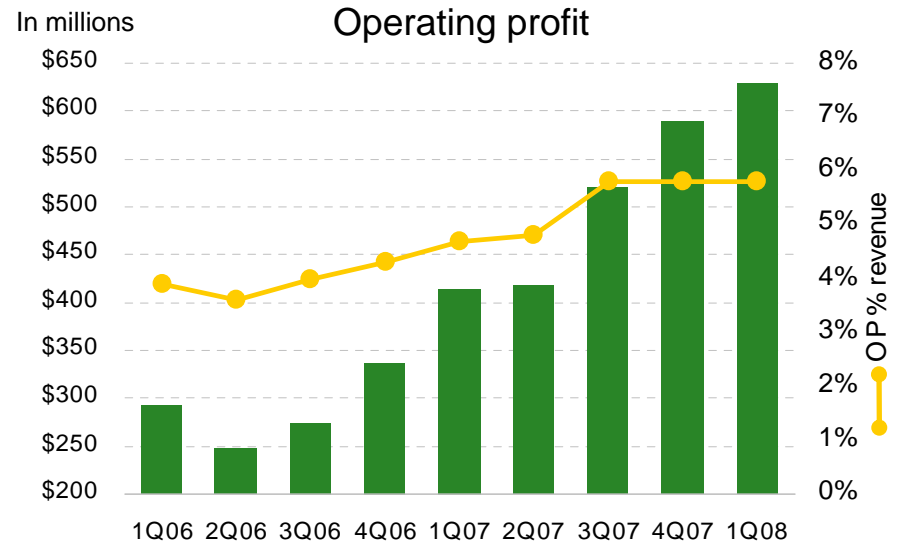
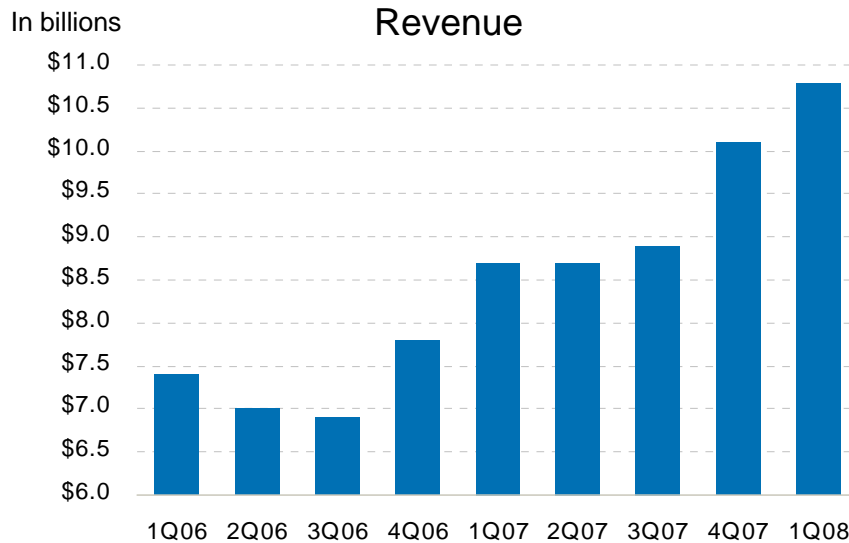


Revenue growth

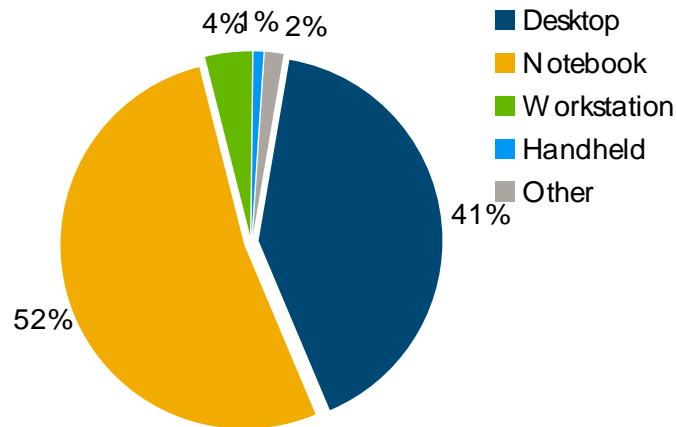


◆ Constant currency	5.1%	4.1%	7.1%	6.2%	8.5%	7.7%	5.6%	5.6%	7.2%	9.6%	12.2%	11.2%	8.2%
● As reported	9.9%	7.2%	9.9%	7.1%	5.6%	4.6%	5.4%	7.2%	10.7%	13.2%	15.9%	15.2%	13.5%

Personal Systems Group (PSG)

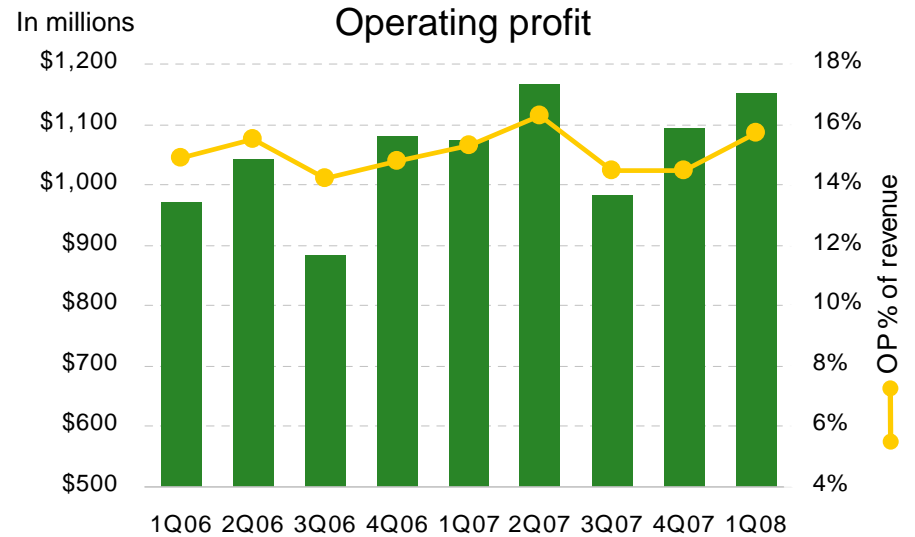
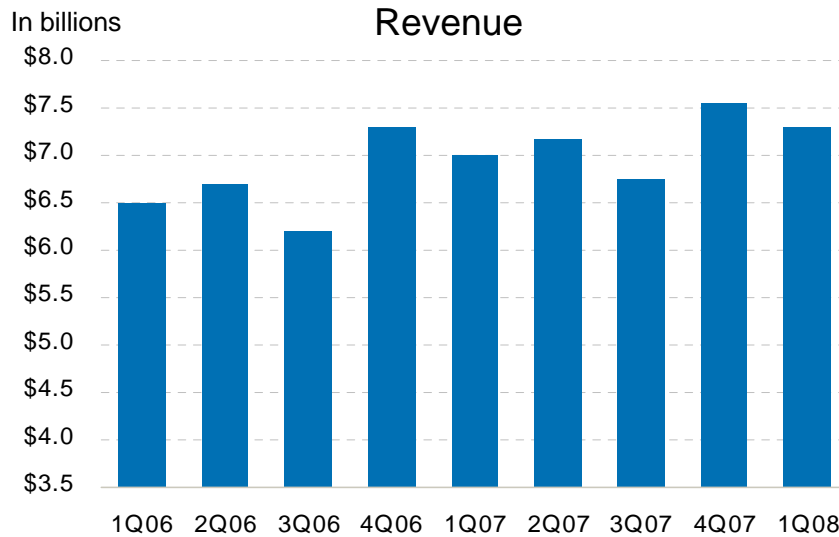


Q1 FY08 revenue by business

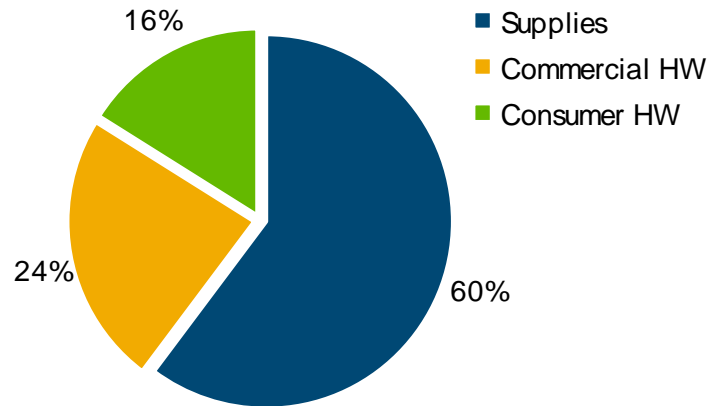


- PSG revenue of \$10.8B; up 24% Y/Y
- Operating profit of \$628M; 5.8% of revenue
- Total units up 27% Y/Y
- Notebook revenue up 37% Y/Y; units up 49%; Desktop revenue up 15% Y/Y; units up 15%
- Consumer client revenue up 29% Y/Y; Commercial client revenue up 22% Y/Y

Imaging and Printing Group (IPG)

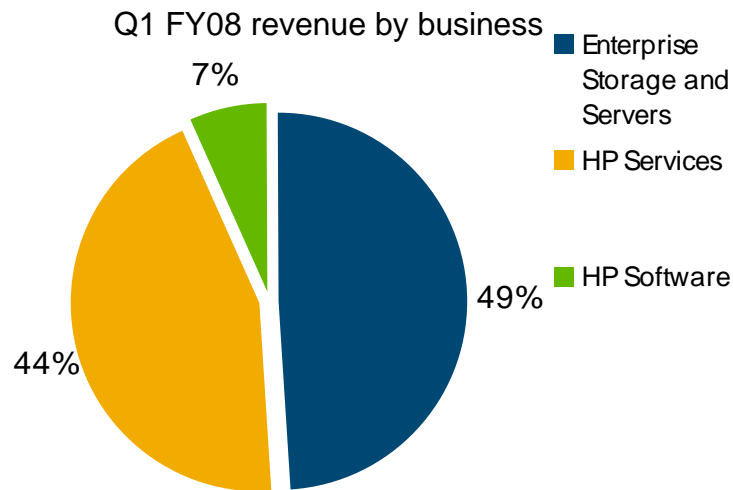
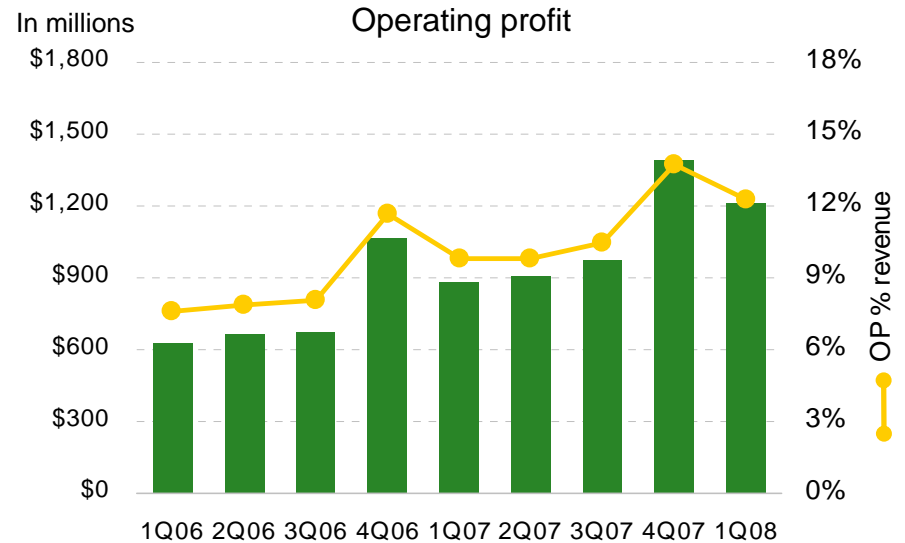
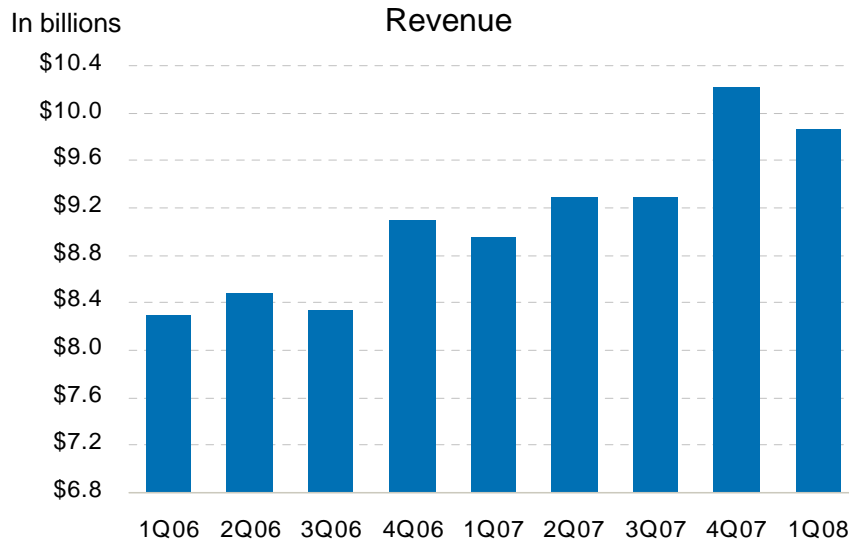


Q1 FY08 revenue by business



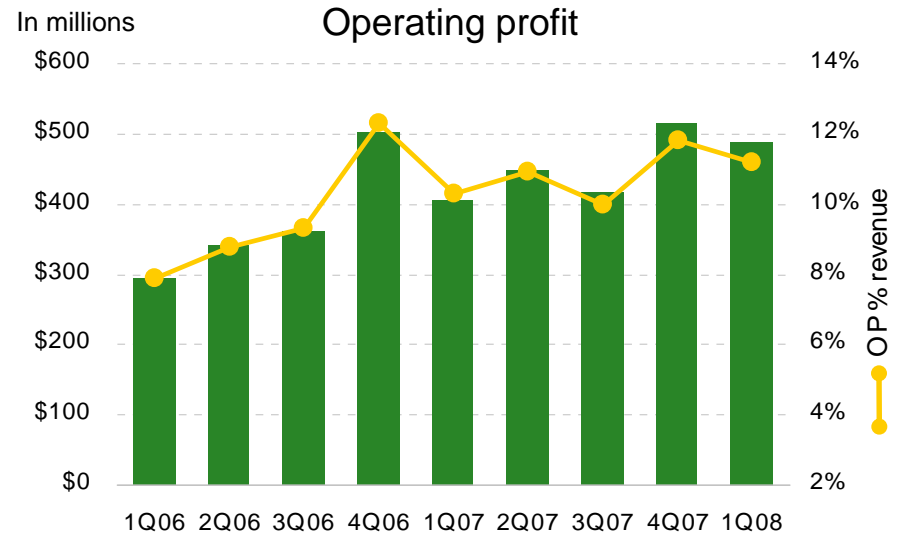
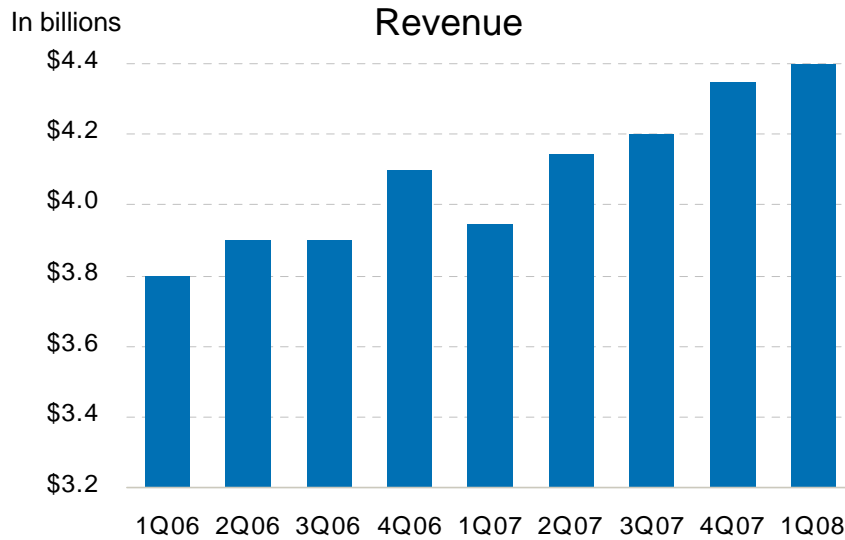
- IPG revenue of \$7.3B; up 4% Y/Y
- Operating profit of \$1,150M; 15.7% of revenue
- Total printer hardware units up 1% Y/Y; Consumer printer hardware units down 2% Y/Y; Commercial printer hardware units up 13% Y/Y
- Color LaserJet units up 14% Y/Y
- Printer-based MFPs units up 23% Y/Y
- Indigo digital press page volume up 43% Y/Y
- Supplies revenue up 6% Y/Y
- Closed Colorspan

Technology Solutions Group (TSG)

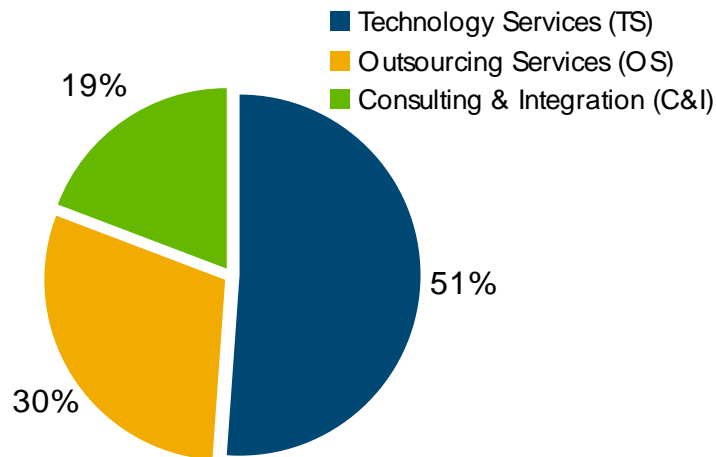


- TSG revenue of \$9.9B, up 10% Y/Y
- Operating profit of \$1,213M, up 38% Y/Y and equal to 12.3% of revenue
- ESS revenue up 9% Y/Y and OP% of 14.0%; ISS revenue up 11% Y/Y, BCS revenue up 1% Y/Y and SWD up 10% Y/Y
- HPS revenue up 11% Y/Y and OP% of 11.2%; Technology Services revenue up 9% Y/Y, Outsourcing revenue up 15% Y/Y and C&I revenue up 13% Y/Y
- Software revenue up 11% Y/Y and OP% of 7.7%; BTO revenue up 19% Y/Y, other SW revenue down 14% Y/Y

HP Services (HPS)

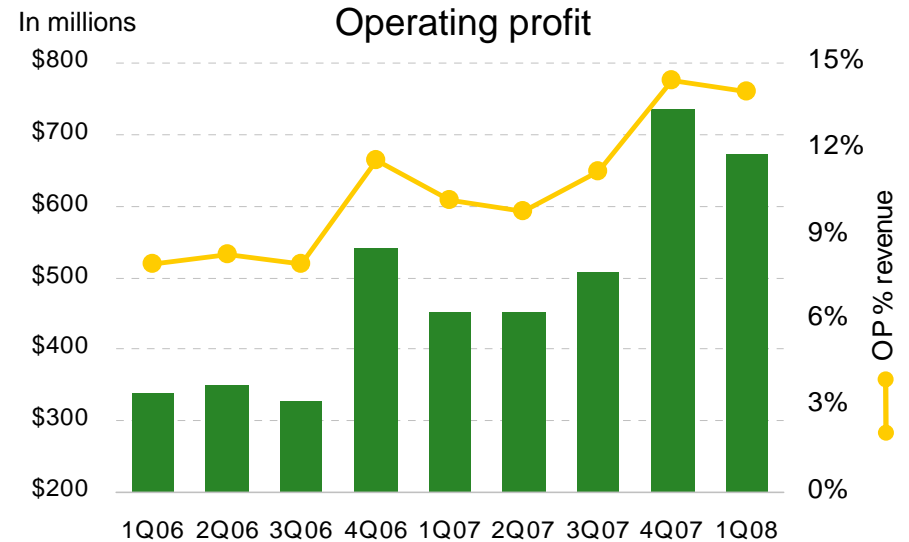
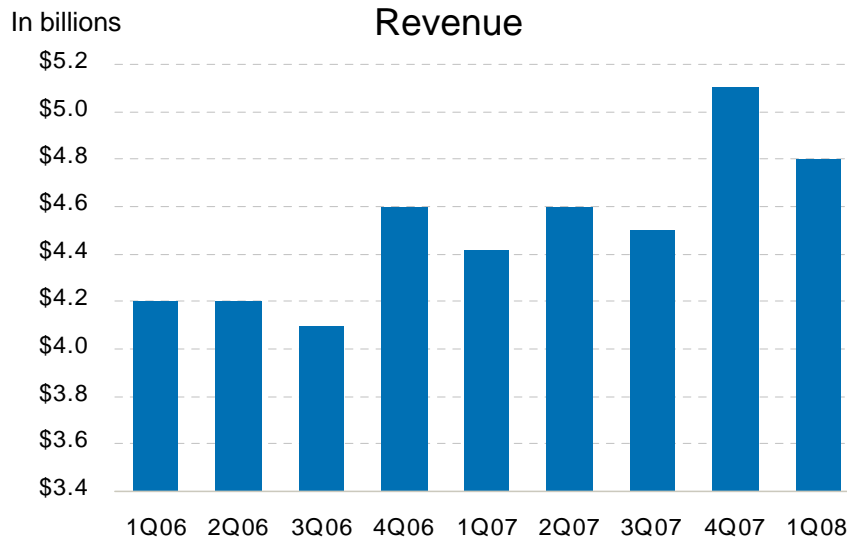


Q1 FY08 revenue by business

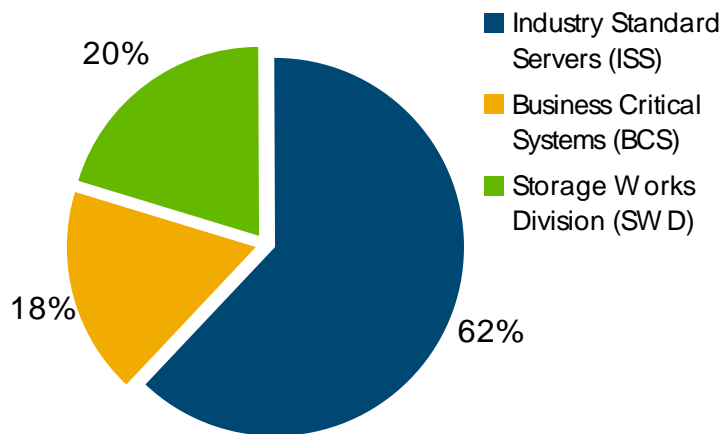


- HPS revenue of \$4.4B, up 11% Y/Y
- Operating profit of \$489M; 11.2% of revenue
- Outsourcing revenue up 15% Y/Y
- Consulting & Integration revenue up 13% Y/Y
- Technology Services revenue up 9% Y/Y
- Closed Atos Orgin Middle East (AOME)

Enterprise Storage and Servers (ESS)

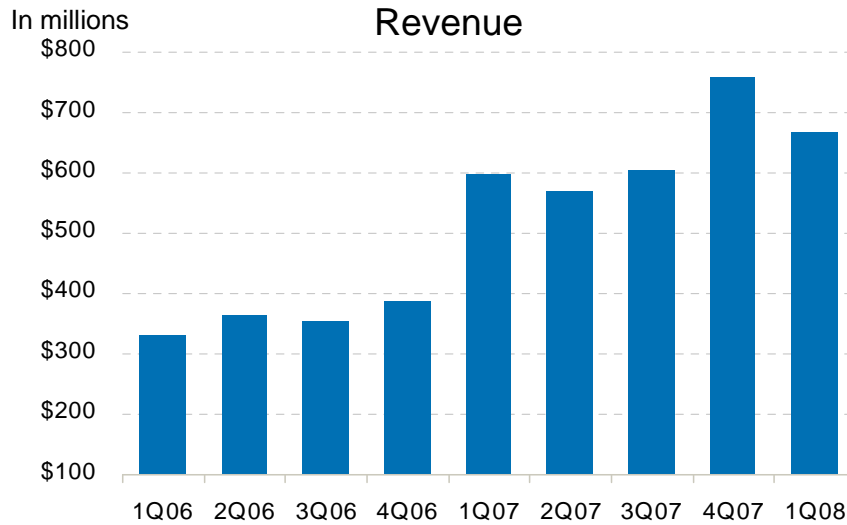


Q1 FY08 revenue by business

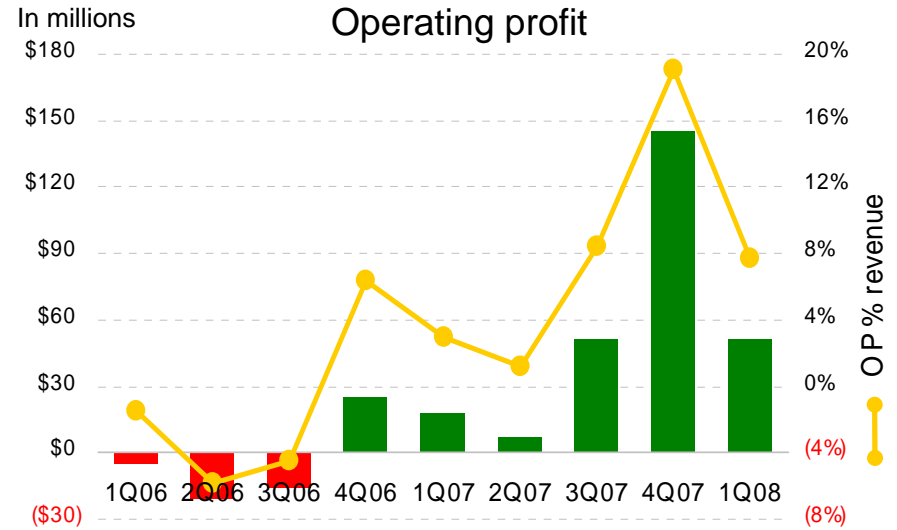
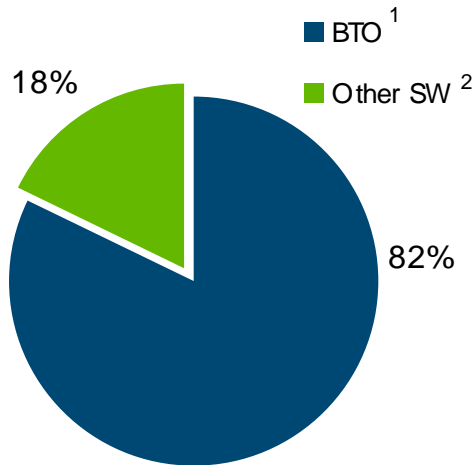


- ESS revenue of \$4.8B, up 9% Y/Y
- Operating profit of \$673M; 14.0% of revenue
- ISS revenue up 11% Y/Y; ISS Blades up 79% Y/Y
- BCS revenue up 1% Y/Y; Integrity revenue up 37% Y/Y; 75% of BCS revenue
- Storage revenue up 10% Y/Y; mid-range storage arrays (EVA) up 14% with Y/Y increases in high-end storage (XP) and in tape
- ESS Blades revenue up 81% Y/Y

HP Software



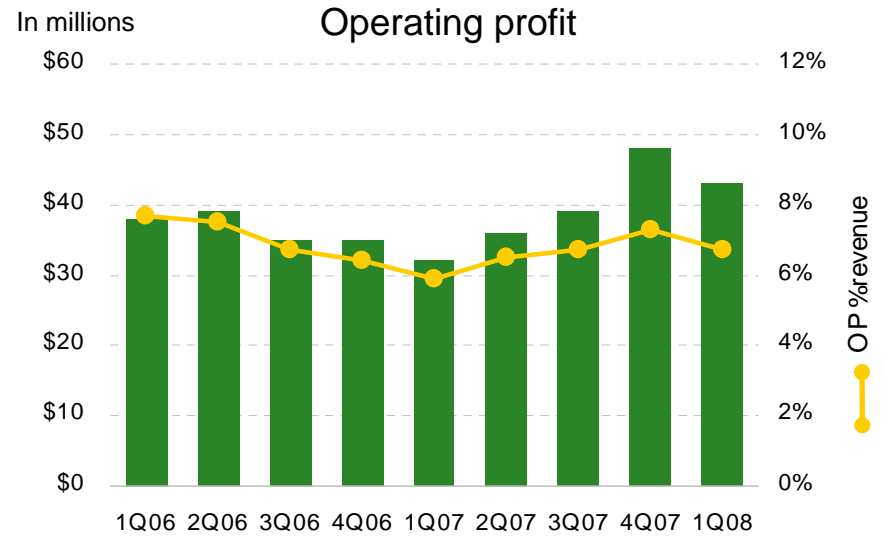
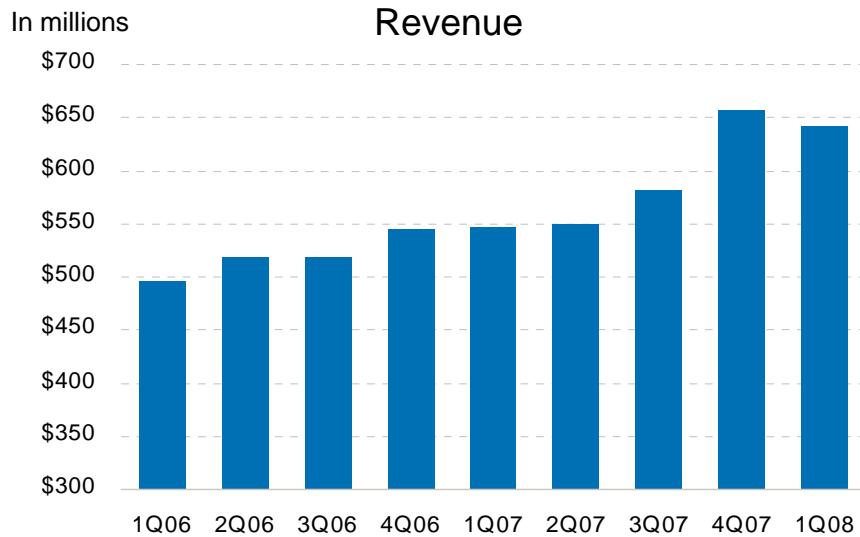
Q1 FY08 revenue by business



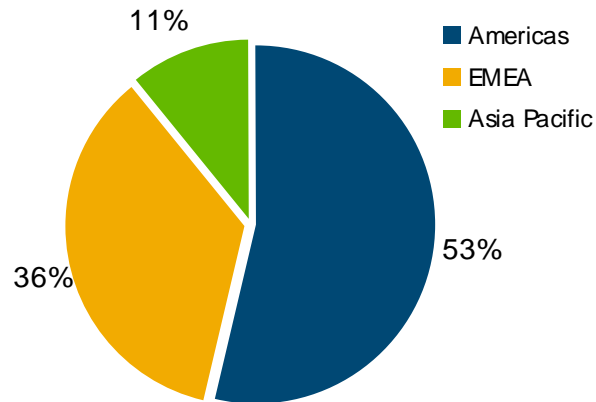
- Software revenue of \$666M, up 11% Y/Y
- Operating profit of \$51M; 7.7% of revenue
- BTO¹ revenue up 19% Y/Y
- Other SW² revenue down 14% Y/Y
- HPSW operating profit without the Q108 software reclassification is 12.7% of revenue

1. BTO: Formerly reported as Openview, includes legacy Openview + Opware + SPI Dynamics
 2. Other SW: Includes legacy OpenCall, Business Intelligence and Information Management businesses

HP Financial Services (HPFS)



Q1 FY08 revenue by region



- HPFS revenue of \$642M, up 17.4% Y/Y
- Operating profit of \$43M; 6.7% of revenue
- Financing volume up 5% Y/Y
- Net portfolio assets \$8.4B, up 14% Y/Y

HPFS supplemental data

In millions

	Q1 FY08	Q1 FY07	Q4 FY07
Depreciation ⁽¹⁾	\$284	\$229	\$263
Net capital expenditures ⁽¹⁾	\$301	\$236	\$402
Increase (decrease) in net financing receivables	\$62	\$120	\$300

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

Non-GAAP⁽¹⁾ financial information

In millions except
per share amounts

	Q1 FY08		Q4 FY07		Q1 FY07	
Revenue	\$28,467	100%	\$28,293	100%	\$25,082	100%
Cost of sales	21,499	75.5%	21,304	75.3%	19,136	76.3%
Total OpEx	4,139	14.6%	4,186	14.8%	3,785	15.1%
Operating profit	2,829	9.9%	2,803	9.9%	2,161	8.6%
Interest & other, net	72		67		121	
Pre-tax earnings	2,901	10.2%	2,870	10.1%	2,282	9.1%
Income tax	610		574		456	
EPS	\$0.86		\$0.86		\$0.65	

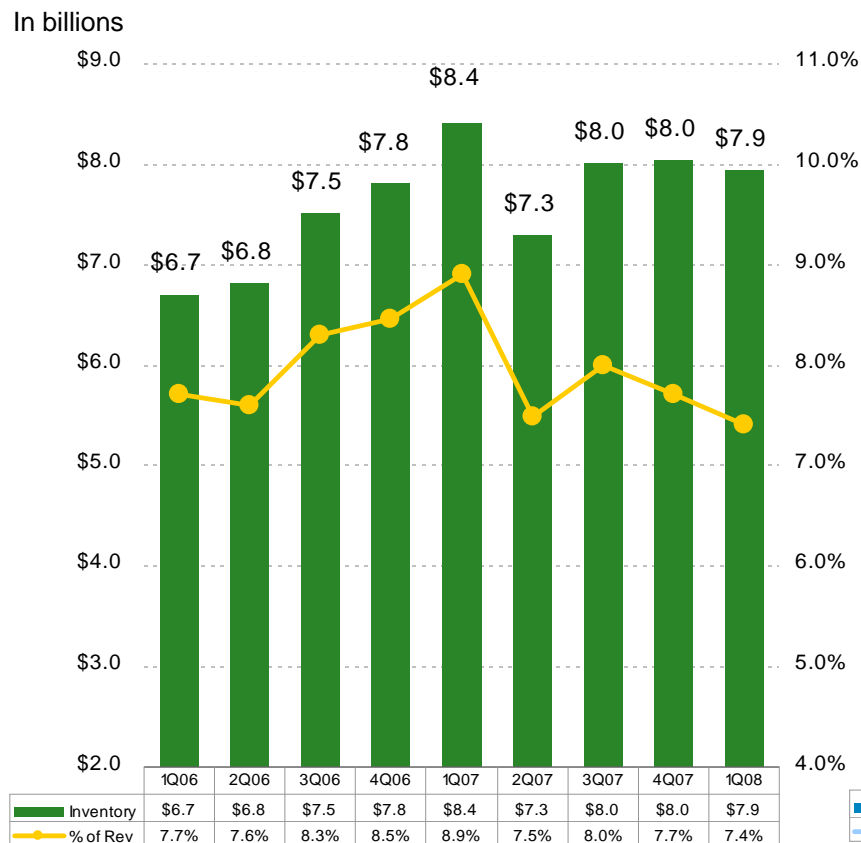
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Q1 FY08 GAAP to non-GAAP bridge

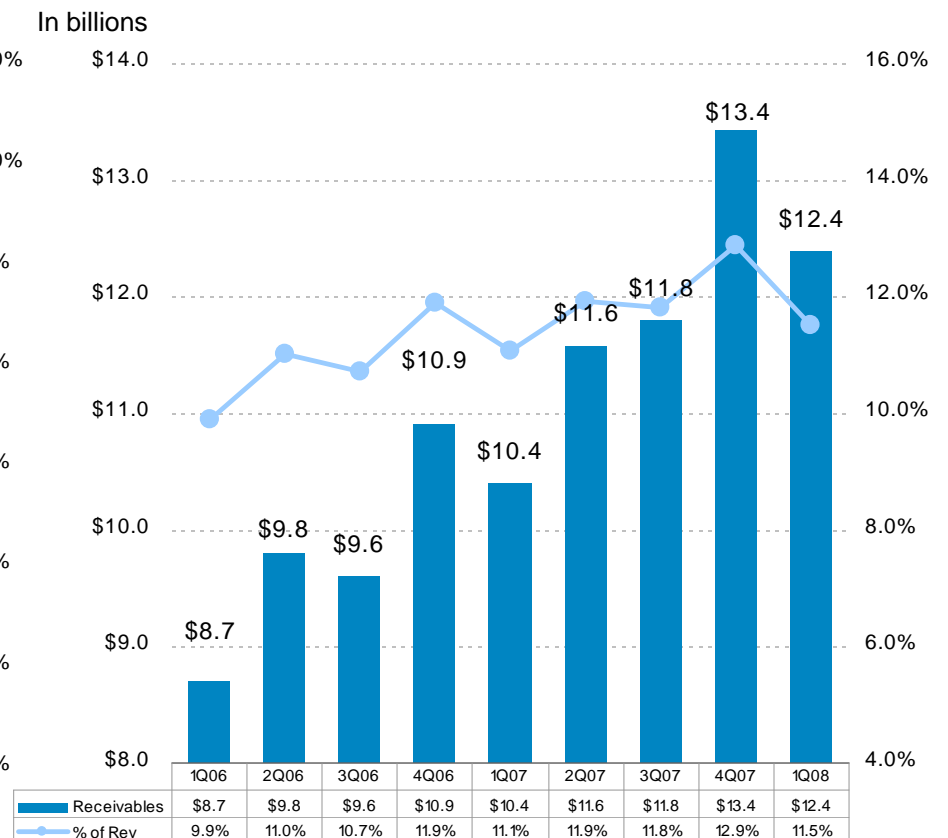
In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring	Non-GAAP
Revenue	28,467			28,467
Cost of sales	21,499			21,499
Total OpEx	4,355	(206)	(10)	4,139
Operating profit	2,613	206	10	2,829
Interest & other, net	72			72
Pre-tax earnings	2,685	206	10	2,901
Income tax	552	55	3	610
Tax rate	20.6%			21.0%
Net earnings	2,133			2,291
EPS	\$0.80			\$0.86

Inventory and accounts receivable

Inventory

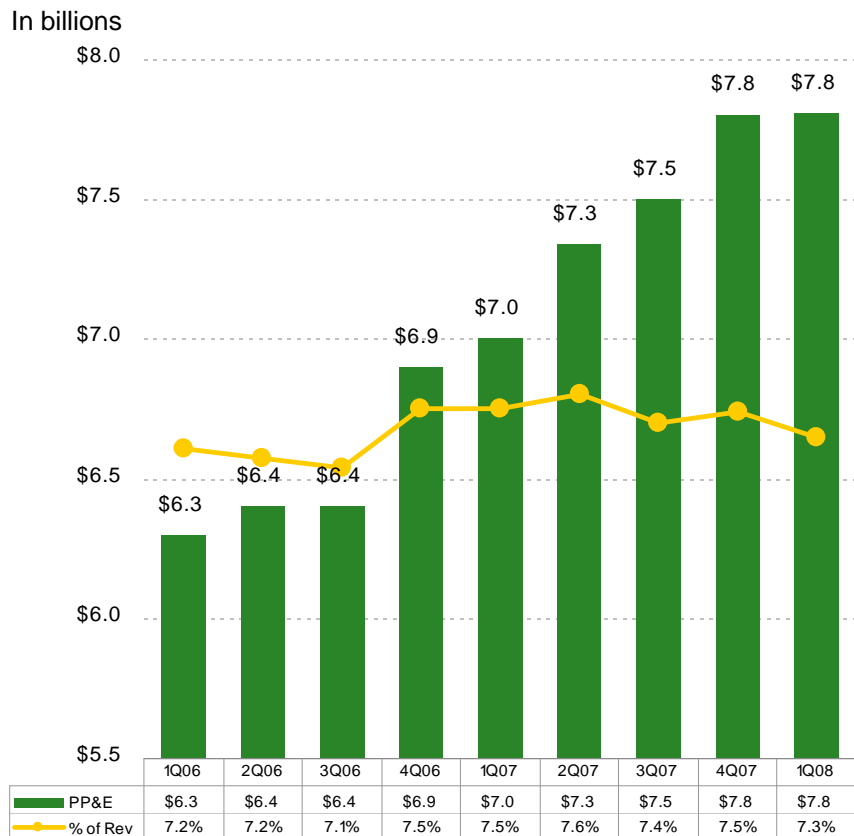


Accounts receivable

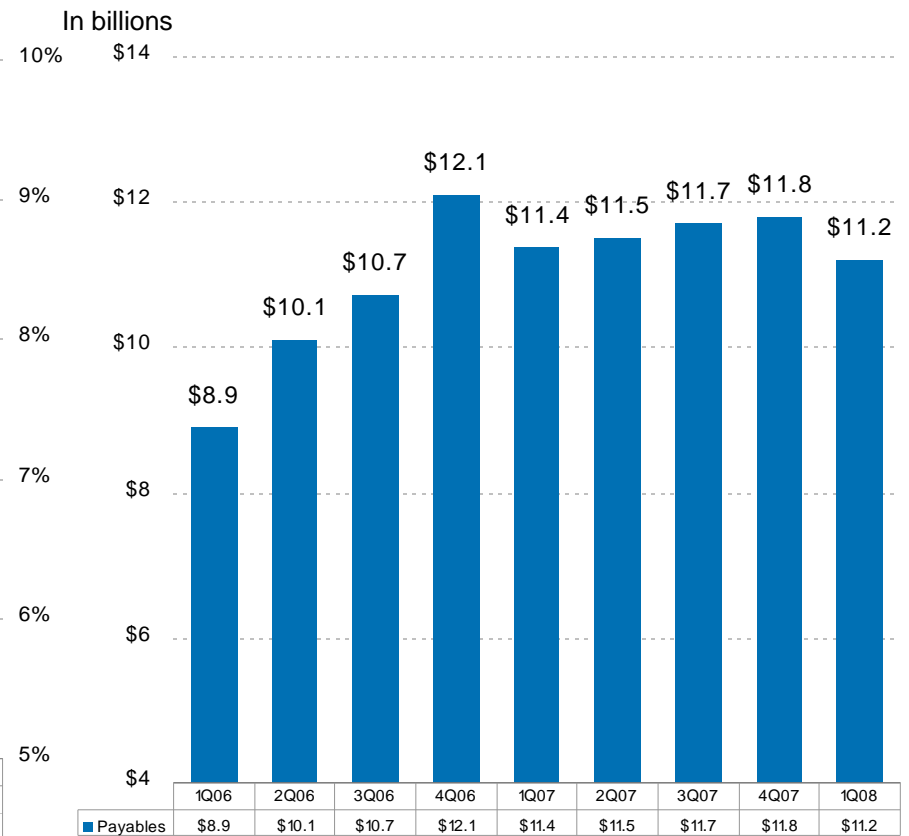


PP&E and accounts payable

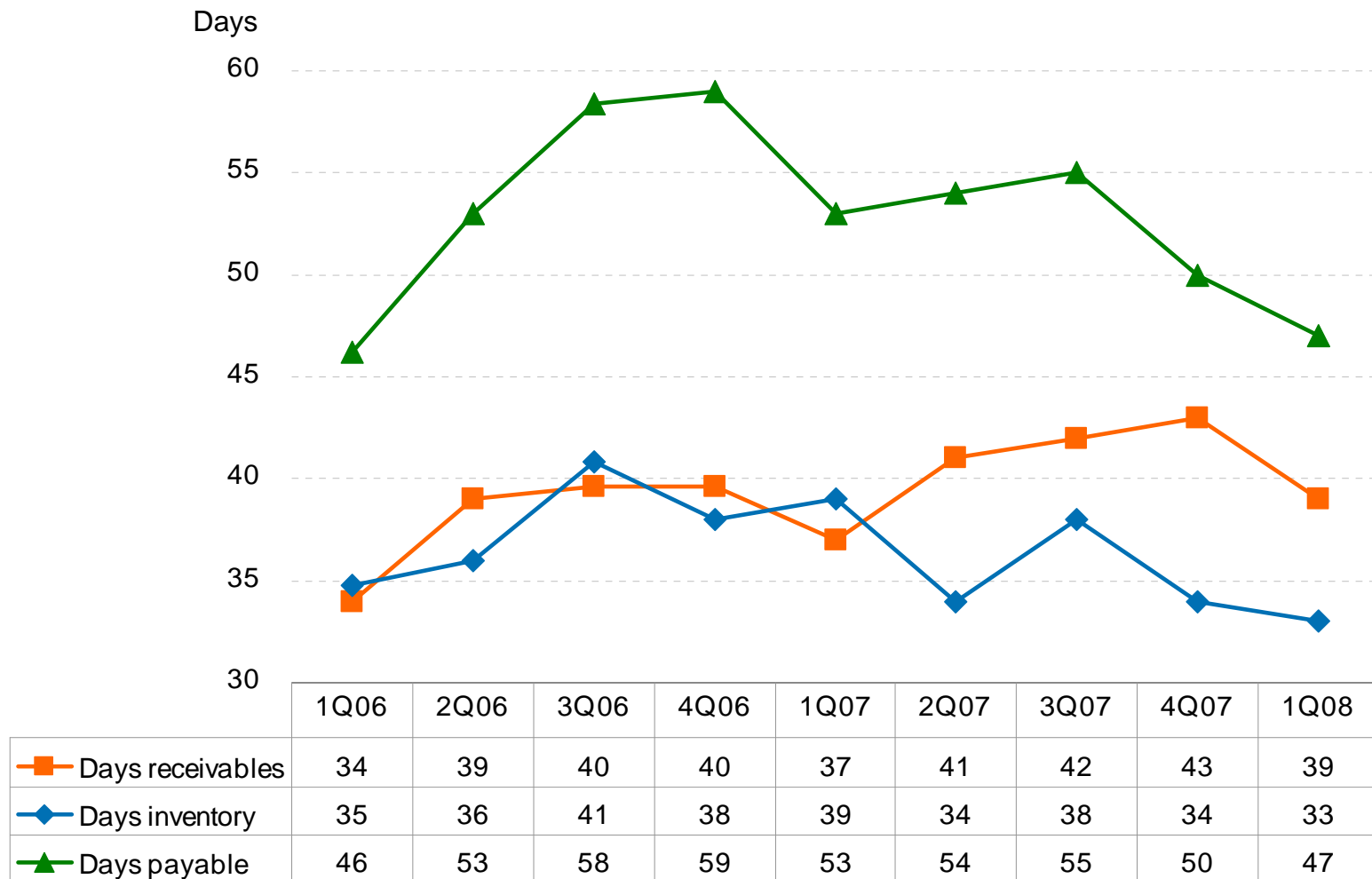
Net PP&E



Accounts payable

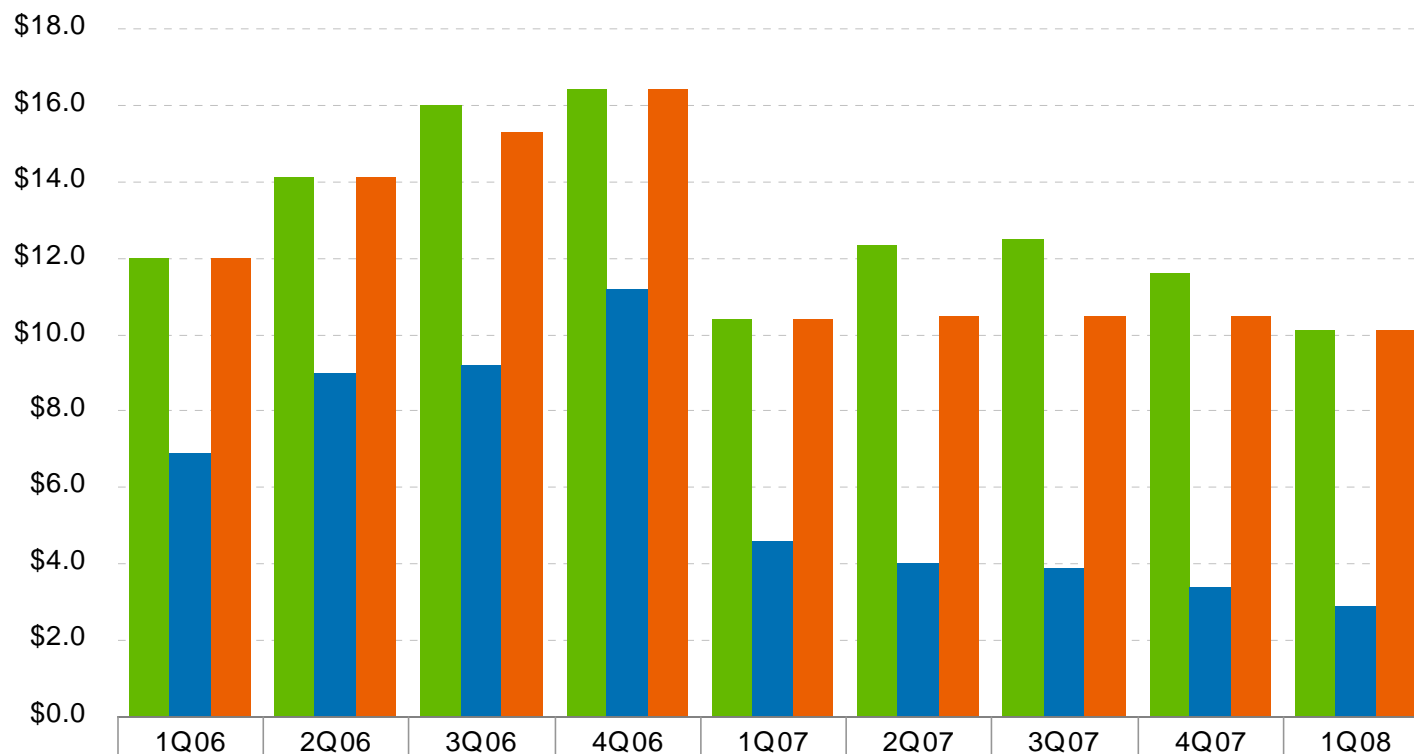


Working capital metrics



Gross cash and net cash

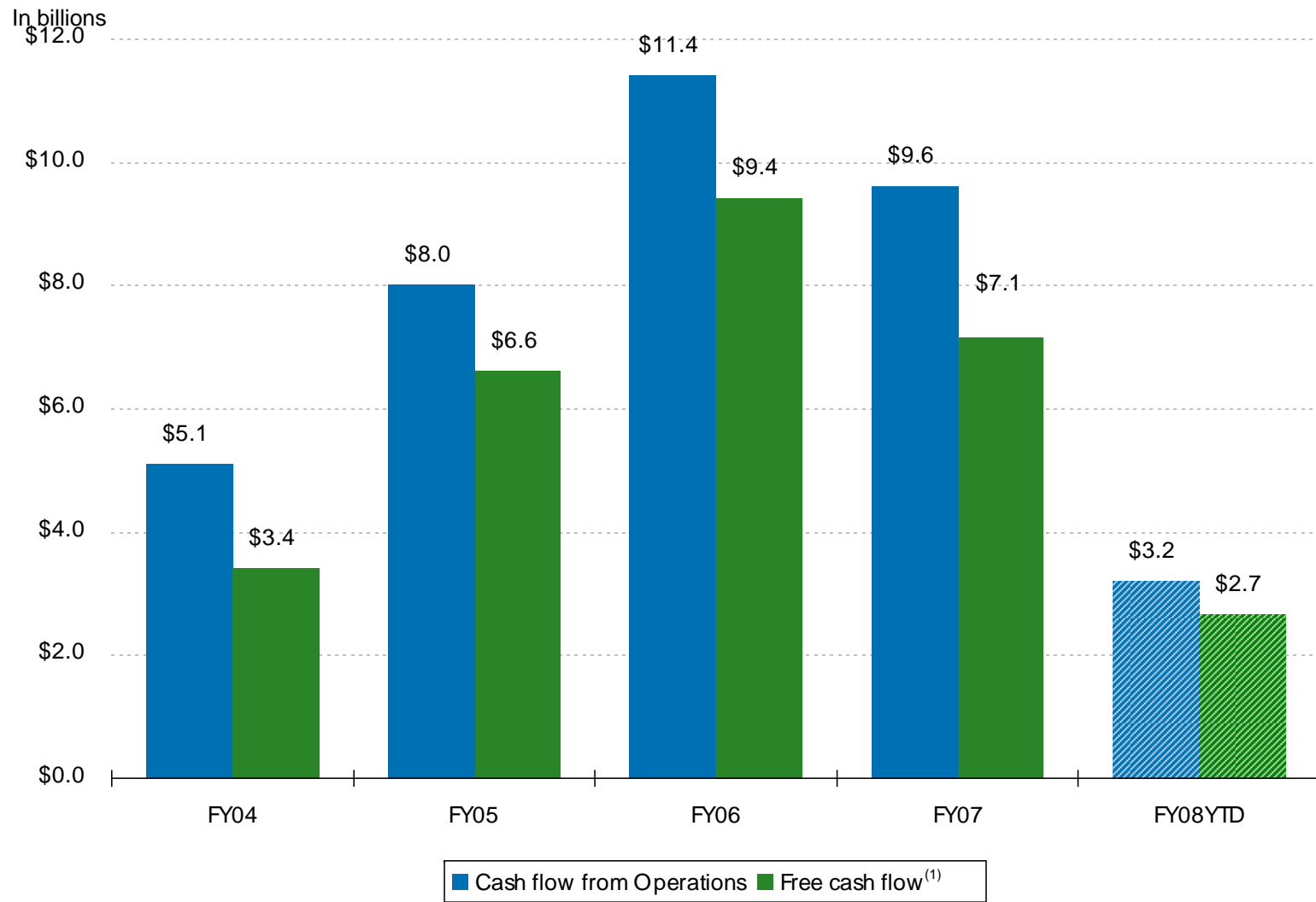
In billions



■ Gross cash ⁽¹⁾	\$12.0	\$14.1	\$16.0	\$16.4	\$10.4	\$12.3	\$12.5	\$11.6	\$10.1
■ Net cash ⁽²⁾	\$6.9	\$9.0	\$9.2	\$11.2	\$4.6	\$4.0	\$3.9	\$3.4	\$2.9
■ Net cash excl. HPFS Debt ⁽³⁾	\$12.0	\$14.1	\$15.3	\$16.4	\$10.4	\$10.5	\$10.5	\$10.5	\$10.1

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
3. Net cash excluding HPFS debt is calculated as net cash + lower of HP total company debt or HPFS debt

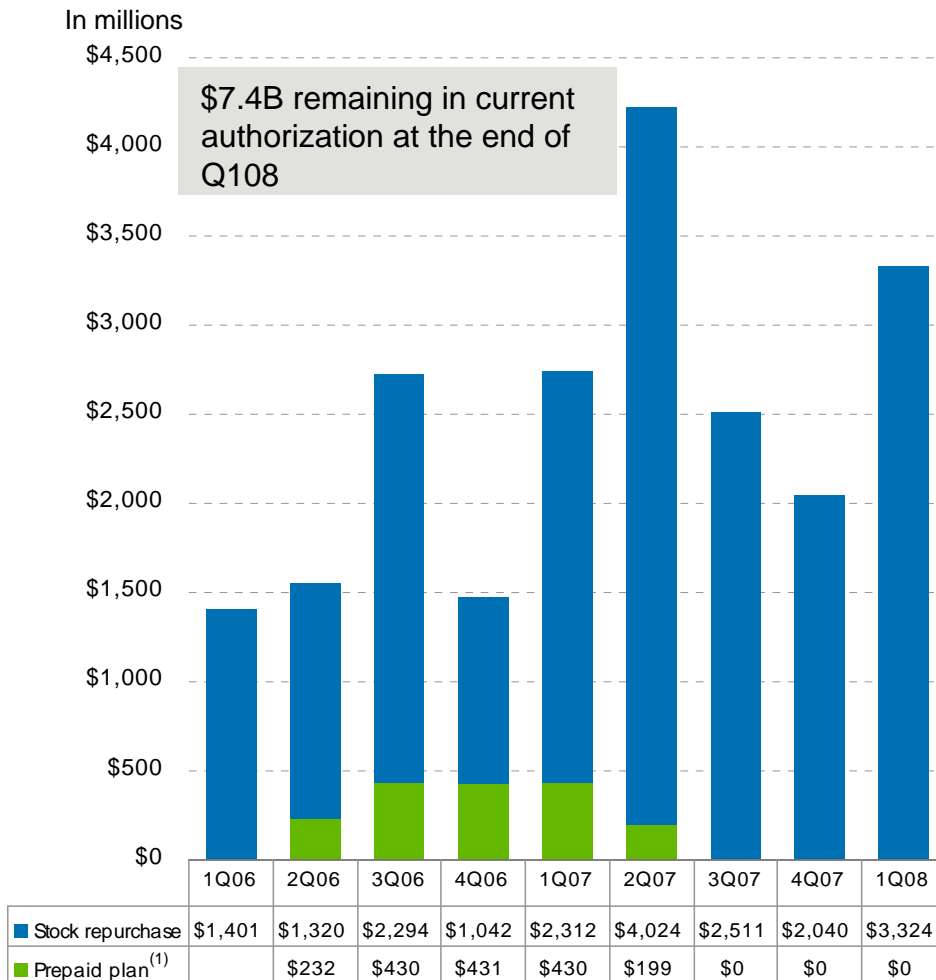
Cash flow



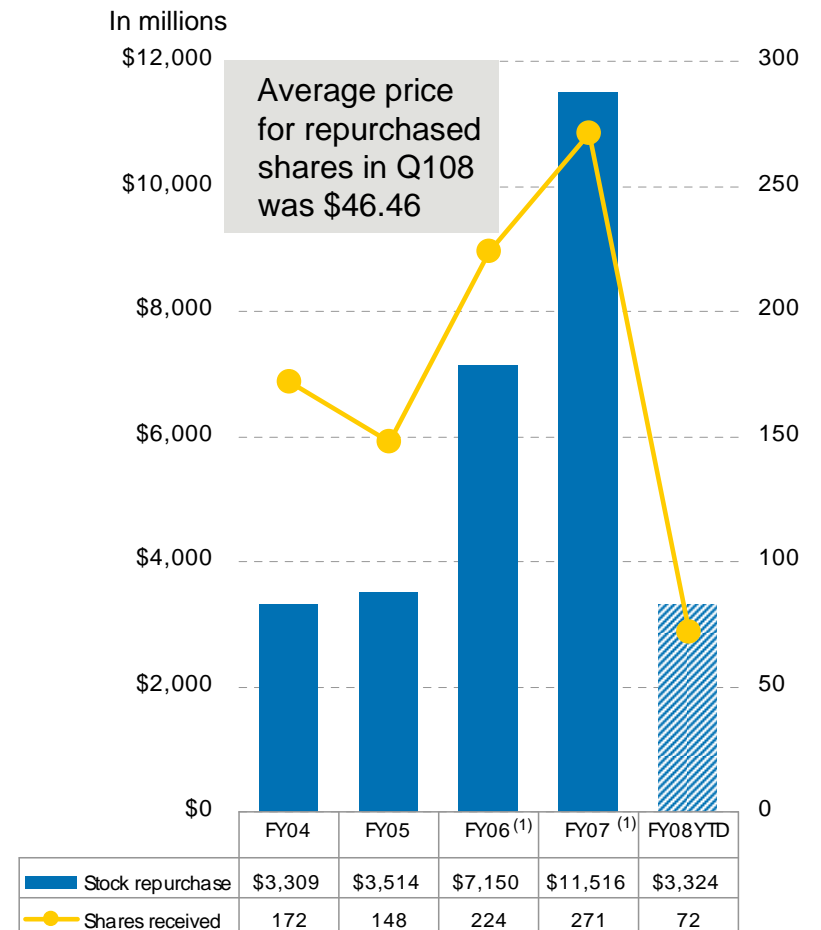
1. Free cash flow = cash flow from operations – net capital expenditures

Stock re-purchase

Quarterly trends



FY04 – FY08YTD



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

FY08 Inter-Segment Reclassification

In millions inc./ <i>(dec.)</i>	Segment	FY06			FY07 Previousl y Reported		
		Revised Amount	Previously Reported	Variance	Revised Amount	Previously Reported	Variance
Net Revenue	ESS	\$17,211	\$17,308	<i>(\$97)</i>	\$18,639	\$18,769	<i>(\$130)</i>
	HPS	\$15,578	\$15,617	<i>(\$39)</i>	\$16,570	\$16,646	<i>(\$76)</i>
	HPSW	\$1,437	\$1,301	\$136	\$2,531	\$2,325	\$206
	TSG	\$34,226	\$34,226	\$0	\$37,740	\$37,740	\$0
Operating Profit	ESS	\$1,557	\$1,446	\$111	\$2,148	\$1,980	\$168
	HPS	\$1,498	\$1,507	<i>(\$9)</i>	\$1,787	\$1,829	<i>(\$42)</i>
	HPSW	<i>(\$17)</i>	\$85	<i>(\$102)</i>	\$221	\$347	<i>(\$126)</i>
	TSG	\$3,038	\$3,038	\$0	\$4,156	\$4,156	\$0

Inter-segment reclassification reflects the shift of Business Intelligence and Information Management from ESS and HPS to HPSW.

FY08 Intra-Segment Reclassification

In millions inc./(dec.)	Segment	FY06			FY07 Previous y		
		Revised Amount	Previously Reported	Variance	Revised Amount	Reported	Variance
Net Revenue	Consumer HW	\$4,485	\$4,427	\$58	\$4,496	\$4,442	\$54
	Commercial HW	\$6,717	\$6,899	(\$182)	\$6,863	\$7,181	(\$318)
	Supplies	\$15,584	\$15,402	\$182	\$17,106	\$16,788	\$318
	Other	\$0	\$58	(\$58)	\$0	\$54	(\$54)
	IPG	\$26,786	\$26,786	\$0	\$28,465	\$28,465	\$0
Net Revenue	Notebooks	\$12,005	\$12,000	\$5	\$17,650	\$17,642	\$8
	Desktops	\$14,641	\$14,613	\$28	\$15,889	\$15,850	\$39
	Handhelds	\$650	\$620	\$30	\$531	\$490	\$41
	Workstations	\$1,368	\$1,368	\$0	\$1,721	\$1,721	\$0
	Other	\$502	\$565	(\$63)	\$618	\$706	(\$88)
	PSG	\$29,166	\$29,166	\$0	\$36,409	\$36,409	\$0

Intra-segment reclassifications for IPG reflect the shift of graphic arts supplies from Commercial HW to Supplies and the movement of consumer support from Other to Consumer HW. For PSG, intra-segment reclassifications reflect the movement of Calculators from Other to Handhelds and the shift of Attach logistics from Other to Notebooks, Desktops and Handhelds.

Outlook

Q2 FY08 guidance

Revenue	\$27.7 - \$27.9 billion
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GAAP EPS ⁽¹⁾	\$0.77 - \$0.78
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Non-GAAP EPS ⁽¹⁾	\$0.83 - \$0.84
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Full year FY08 guidance

Revenue	\$113.5 - \$114.0 billion
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GAAP EPS ⁽²⁾	\$3.26 - \$3.30
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Non-GAAP EPS ⁽²⁾	\$3.50 - \$3.54
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1. Q2 FY08 non-GAAP diluted earnings per share estimates exclude after-tax costs of approximately \$0.06 per share, related primarily to the amortization of purchased intangible assets.
2. Full year FY08 non-GAAP diluted earnings per share estimates exclude after-tax costs of approximately \$0.24 per share, related primarily to the amortization of purchased intangible assets.

Supplemental slides



FY07 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring charges	In-process R&D	Pension Curtail.	Non-GAAP
Revenue	104,286					104,286
Cost of sales	78,887					78,887
Total OpEx	16,680	(783)	(387)	(190)	517	15,837
Operating profit	8,719	783	387	190	(517)	9,562
Interest & other, net	458					458
Pre-tax earnings	9,177	783	387	190	(517)	10,020
Income tax	1,913	197	136		(180)	2,066
Tax rate	20.8%					20.6%
Net earnings	7,264					7,954
EPS	\$2.68					\$2.93

Q4 FY07 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring	In-process R&D	Non-GAAP
Revenue	28,293				28,293
Cost of sales	21,304				21,304
Total OpEx	4,357	(187)	20	(4)	4,186
Operating profit	2,632	187	(20)	4	2,803
Interest & other, net	67				67
Pre-tax earnings	2,699	187	(20)	4	2,870
Income tax	535	46	(7)		574
Tax rate	19.8%				20.0%
Net earnings	2,164				2,296
EPS	\$0.81				\$0.86

Q3 FY07 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring	In-process R&D	Non-GAAP
Revenue	25,377				25,377
Cost of sales	19,164				19,164
Total OpEx	4,097	(183)	5		3,919
Operating profit	2,116	183	(5)		2,294
Interest & other, net	170				170
Pre-tax earnings	2,286	183	(5)		2,464
Income tax	508	48	(4)		552
Tax rate	22.2%				22.4%
Net earnings	1,778				1,912
EPS	\$0.66				\$0.71

Q2 FY07 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring	In-process R&D	Pension curtail- ment	Non-GAAP
Revenue	25,534					25,534
Cost of sales	19,283					19,283
Total OpEx	4,123	(212)	(453)	(19)	508	3,947
Operating profit	2,128	212	453	19	(508)	2,304
Interest & other, net	100					100
Pre-tax earnings	2,228	212	453	19	(508)	2,404
Income tax	453	53	155	–	(177)	484
Tax rate	20.3%					20.1%
Net earnings	1,775					1,920
EPS	\$0.65					\$0.70

Q1 FY07 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring	In-process R&D	Pension curtail- ment	Non-GAAP
Revenue	25,082					25,082
Cost of sales	19,136					19,136
Total OpEx	4,103	(201)	41	(167)	9	3,785
Operating profit	1,843	201	(41)	167	(9)	2,161
Interest & other, net	121					121
Pre-tax earnings	1,964	201	(41)	167	(9)	2,282
Income tax	417	50	(8)	–	(3)	456
Tax rate	21.2%					20%
Net earnings	1,547					1,826
EPS	\$0.55					\$0.65

FY06 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring charges	In-process R&D	(G)/L Invest.	Non-GAAP
Revenue	91,658					91,658
Cost of sales	69,427					69,427
Total OpEx	15,671	(604)	(158)	(52)		14,857
Operating profit	6,560	604	158	52		7,374
Interest & other, net	631				(25)	606
Pre-tax earnings	7,191	604	158	52	(25)	7,980
Income tax	993	175	45		(10)	1,203
Tax rate	13.8%					15.1%
Net earnings	6,198					6,777
EPS	\$2.18					\$2.38

Q4 FY06 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring	(G)/L Invest.	Non-GAAP
Revenue	24,555				24,555
Cost of sales	18,593				18,593
Total OpEx	4,061	(153)	(152)		3,756
Operating profit	1,901	153	152		2,206
Interest & other, net	204			(14)	190
Pre-tax earnings	2,105	153	152	(14)	2,396
Income tax	408	45	43	(5)	491
Tax rate	19.4%				20.5%
Net earnings	1,697				1,905
EPS	\$0.60				\$0.68

Q3 FY06 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring	(G)/L Invest.	Non-GAAP
Revenue	21,890				21,890
Cost of sales	16,472				16,472
Total OpEx	3,908	(153)	(5)		3,750
Operating profit	1,510	153	5		1,668
Interest & other, net	228			(7)	221
Pre-tax earnings	1,738	153	5	(7)	1,889
Income tax	363	43	2	(2)	406
Tax rate	20.9%				21.5%
Net earnings	1,375				1,483
EPS	\$0.48				\$0.52

Q2 FY06 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring	In-process R&D	(G)/L Invest.	Non-GAAP
Revenue	22,554					22,554
Cost of sales	16,970					16,970
Total OpEx	3,927	(151)	14	(2)		3,788
Operating profit	1,657	151	(14)	2		1,796
Interest & other, net	163				(6)	157
Pre-tax earnings	1,820	151	(14)	2	(6)	1,953
Income tax ⁽¹⁾	(79)	44	(4)		(4)	(43)
Tax rate ⁽¹⁾	NM					NM
Net earnings ⁽¹⁾	1,899					1,996
EPS ⁽¹⁾	\$0.66					\$0.69

1. On June 6, HP upwardly revised Q2 FY06 earnings following the signing of a settlement agreement by the Internal Revenue Service resolving federal income tax matters for HP's 1996 through 1998 tax years. GAAP and Non-GAAP EPS for Q2 FY06 were previously reported as \$0.51 and \$0.54, respectively. Notification from the IRS on June 1 prior to the filing of HP's Q2 FY06 Form 10-Q required this revision to HP's reported Q2 FY06 results.

Q1 FY06 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring charges	In-process R&D	(G)/L Invest.	Non-GAAP
Revenue	22,659					22,659
Cost of sales	17,392					17,392
Total OpEx	3,775	(147)	(15)	(50)		3,563
Operating profit	1,492	147	15	50		1,704
Interest & other, net	36				2	38
Pre-tax earnings	1,528	147	15	50	2	1,742
Income tax	301	43	4		1	349
Tax rate	20%					20%
Net earnings	1,227					1,393
EPS	\$0.42					\$0.48

FY05 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structurin g charges	In-process R&D	(G)/L Invest.	Pensio n curtail- ment	AJCA Adj	Non-GAAP
Revenue	86,696							86,696
Cost of sales	66,440							66,440
Total OpEx	16,783	(622)	(1,684)	(2)		199		14,674
Operating profit	3,473	622	1,684	2		(199)		5,582
Settlement	(106)							(106)
Interest & other, net	176				13			189
Pre-tax earnings	3,543	622	1,684	2	13	(199)		5,665
Income tax	1,145	185	466		3	(54)	(788)	957
Tax rate	32%							17%
Net earnings	2,398							4,708
EPS	\$0.82							\$1.62

Q4 FY05 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re-structuring charges	In-process R&D	(G)/L Invest.	Pension curtailment	Non-GAAP
Revenue	22,913						22,913
Cost of sales	17,532						17,532
Total OpEx	5,149	(136)	(1,565)	(2)		199	3,645
Operating profit	232	136	1,565	2		(199)	1,736
Settlement	3						3
Interest & other, net	146				(14)		132
Pre-tax earnings	381	136	1,565	2	(14)	(199)	1,871
Income tax	(35)	40	429		(5)	(54)	375
Tax rate	(9%)						20%
Net earnings	416						1,496
EPS	\$0.14						\$0.51

Q3 FY05 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring charges	(G)/L Invest.	AJCA Tax Adj.	Non-GAAP
Revenue	20,759					20,759
Cost of sales	15,942					15,942
Total OpEx	3,904	(168)	(112)			3,624
Operating profit	913	168	112			1,193
Settlement	7					7
Interest & other, net	113			6		119
Pre-tax earnings	1,033	168	112	6		1,319
Income tax	960	50	34	2	(788)	258
Tax rate	93%					20%
Net earnings	73					1,061
EPS	\$0.03					\$0.36

Q2 FY05 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring charges	(G)/L Invest.	Non-GAAP
Revenue	21,570				21,570
Cost of sales	16,429				16,429
Total OpEx	3,978	(151)	(4)		3,823
Operating profit	1,163	151	4		1,318
Interest & other, net	(84)			(3)	(87)
Pre-tax earnings	1,079	151	4	(3)	1,231
Income tax	113	46	1	(2)	158
Tax rate	10%				13%
Net earnings	966				1,073
EPS	\$0.33				\$0.37

Q1 FY05 GAAP to non-GAAP bridge

In millions except per share amounts	GAAP	Amort. of Intangibles	Re- structuring charges	(G)/L Invest.	Non-GAAP
Revenue	21,454				21,454
Cost of sales	16,537				16,537
Total OpEx	3,752	(167)	(3)		3,582
Operating profit	1,165	167	3		1,335
Settlement	(116)				(116)
Interest & other, net	1			24	25
Pre-tax earnings	1,050	167	3	24	1,244
Income tax	107	49	2	8	166
Tax rate	10%				13%
Net earnings	943				1,078
EPS	\$0.32				\$0.37



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