



Hewlett Packard
Enterprise

Software

Chris Hsu

Executive Vice President, General Manager
and Chief Operating Officer

Executive Summary

1 Diverse portfolio with a mix of high-growth and high-margin products, significant recurring revenue, and an established customer base

2 Product segmentation strategy and stronger go-to-market execution will improve revenue and expand margins

3 Industry-changing spin-merge with Micro Focus will create one of the world's largest pure-play software companies

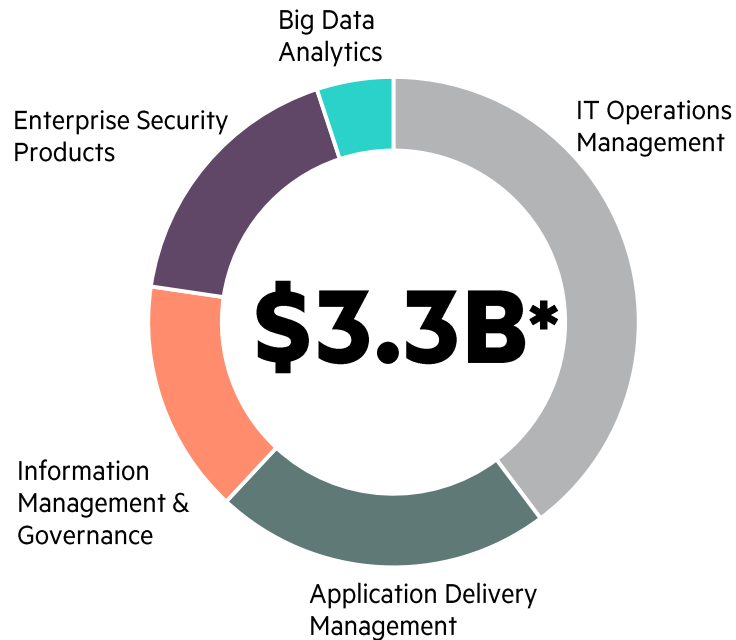
4 Divestiture activities are on track to complete our spin-merge with Micro Focus in the second half of FY17

Software Business

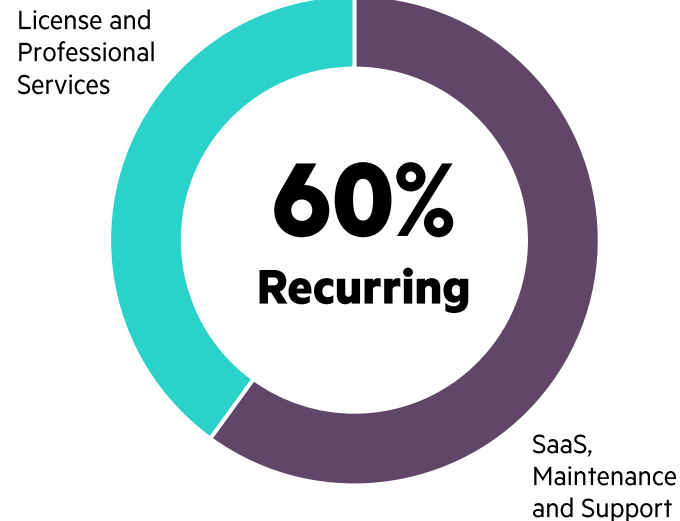
 Big Data Analytics	Allowing organizations to extract value from their Big Data through advanced analytics platforms			
 Enterprise Security Products	Enabling enterprises to protect interactions among users, applications and data across locations and devices	 	 	
 Information Management & Governance	Helping customers access, understand, organize, control, protect and recover information			
 Application Delivery Management	Providing quality and lifecycle tools for traditional and DevOps application development models			
 IT Operations Management	Facilitating management, automation and optimization across data centers and cloud environments			

Software Performance

Revenue by business



Revenue mix



Continuing to drive operating performance improvements

- Shifting headcount to low-cost locations
- Improving go-to-market execution, including moving to more inside sales
- Creating a single delivery and support team
- Implementing new, lower cost IT infrastructure
- Streamlining processes

Spin-merge with Micro Focus delivers HPE \$8.7 billion in value

Value to HPE Shareholders

~\$6.2B* + **\$2.5B**
stock to HPE shareholders cash payment to HPE

~\$8.7B
current transaction value

Key Points

- Transaction is targeted to be **completed in 2H'17**
- Transaction expected to be **tax-free for HPE**
- HPE **shareholders expected to own ~50.1%** of the combined company
- **Micro Focus American Depository Shares (ADSs)** to be received by HPE shareholders **will be listed on the NYSE**
- An HPE senior executive will serve on the board, and **HPE will nominate 50% of independent directors** of the new company

Micro Focus + HPE Software

One of the world's largest pure-play software companies

Leadership



Kevin Loosemore
Executive Chairman



Annual Revenue
\$4.5 billion*



FTSE
100 company



Customers
50,000



Recurring revenue
>60%



Op. Margin Improvement
20pt**



- Stronger go-to Market
- Deeper R&D resources
- Synergies from Scale

Designed to address customers' challenges across key areas:



IT Operations



Security



Information Management



Big Data Analytics



Cloud

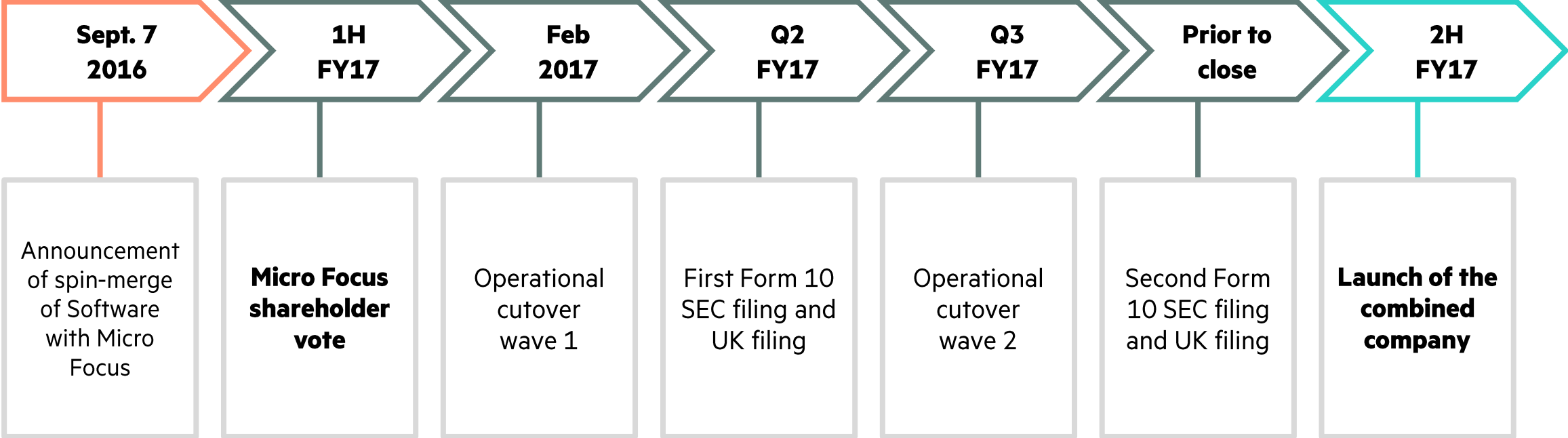


Open Source

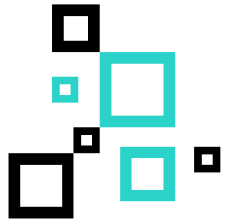


Development

Software Divestiture Timeline and Major Milestones



FY17 Software Priorities



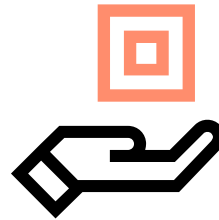
Excite

customers, partners, and employees about the future of the business



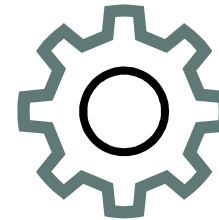
Improve

the revenue trend and begin expanding margins to align with benchmarks of peer software companies



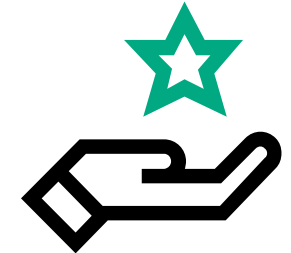
Deliver

against the product segmentation strategy through targeted R&D and go-to-market execution



Transform

the business processes and IT infrastructure for Software to enable a lower cost structure



Execute

the spin-off and merger without disruption and prepare for the integration