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

	Three months ended		
	January 31, 2018	October 31, 2017	January 31, 2017
Net revenue	$ 7,674	$ 7,660	$ 6,902
Costs and expenses:			
Cost of sales	5,491	5,383	4,689
Research and development	388	364	356
Selling, general and administrative	1,202	1,288	1,204
Amortization of intangible assets	78	86	66
Restructuring charges	3	113	83
Transformation costs[(a)]	245	328	—
Disaster charges[(b)]	—	93	—
Acquisition and other related charges	30	53	44
Separation costs	(24)	202	11
Defined benefit plan settlement charges and remeasurement (benefit)[(c)]	—	(26)	(4)
Total costs and expenses	7,413	7,884	6,449
Earnings (loss) from continuing operations	261	(224)	453
Interest and other, net	(21)	(76)	(78)
Tax indemnification adjustments[(d)]	(919)	(2)	(18)
Earnings (loss) from equity interests	22	1	(22)
(Loss) earnings from continuing operations before taxes	(657)	(301)	335
Benefit (provision) for taxes[(e)]	2,139	679	(84)
Net earnings from continuing operations	1,482	378	251
Net (loss) earnings from discontinued operations	(46)	146	16
Net earnings	$ 1,436	$ 524	$ 267
Net earnings (loss) per share:			
Basic			
Continuing operations	$ 0.93	$ 0.23	$ 0.15
Discontinued operations	(0.03)	0.09	0.01
Total basic net earnings per share	$ 0.90	$ 0.32	$ 0.16
Diluted			
Continuing operations	$ 0.92	$ 0.23	$ 0.15
Discontinued operations	(0.03)	0.09	0.01
Total diluted net earnings per share	$ 0.89	$ 0.32	$ 0.16
Cash dividends declared per share	$ 0.150	$ —	$ 0.130
Weighted-average shares used to compute net earnings per share:			
Basic	1,591	1,618	1,669
Diluted	1,619	1,647	1,700

(a) Represents amounts in connection with the HPE Next initiative and primarily includes costs related to labor and non-labor restructuring, program management and IT charges, partially offset by the gain on sale of real estate.

(b) Represents amounts in connection with damages sustained by the Company as a result of Hurricane Harvey.

(c) Represents adjustment to net periodic pension cost resulting from remeasurements of the Hewlett Packard Enterprise pension plans in connection with the spin-off of the software business, Seattle SpinCo, Inc., and the merger of Seattle SpinCo, Inc. with Micro Focus International plc and the spin-off of the enterprise services business, Everett SpinCo, Inc., and the merger of Everett SpinCo, Inc. with Computer Sciences Corporation.

(d) Represents the settlement of certain pre-separation Hewlett-Packard Company income tax liabilities indemnified through the Tax Matters Agreement with HP Inc.

(e) Includes tax amounts in connection with the spin-off of the enterprise services business, Everett SpinCo, Inc. and the software business, Seattle SpinCo, Inc., tax amounts related to the recently enacted U.S. tax reform, tax amounts related to the settlement of certain pre-separation Hewlett-Packard Company income tax liabilities indemnified through the Tax Matters Agreement with HP Inc. and excess tax benefits associated with stock-based compensation.

For the three months ended January 31, 2018, this amount includes a $920 million benefit following the resolution of certain pre-separation Hewlett-Packard Company income tax liabilities and a $244 million benefit primarily from foreign tax credits and from the release of non U.S. valuation allowances on deferred taxes established in connection with the Everett Transaction, following changes in foreign tax laws.

Further, as a result of the recently enacted U.S. tax reform, for the three months ended January 31, 2018, this amount includes an estimated tax benefit of $1.8 billion from the provisional application of the new tax rules including a lower federal tax rate to deferred tax assets and liabilities, partially offset by a provisional estimate of $1.0 billion of transition tax expense on accumulated non U.S. earnings, and a $203 million benefit as a result of the liquidation of an insolvent non U.S. subsidiary.

During the first quarter of fiscal 2018, the Company adopted ASU 2016-09 on a prospective basis, except for the statement of cash flows for which it was retrospectively adopted for the prior comparative periods, which requires the excess tax benefits or tax deficiencies associated with stock-based compensation to be recognized as a component of the provision for income taxes in the Statement of Earnings rather than additional paid-in capital in the Balance Sheet. For the three months ended January 31, 2018, this amount includes $14 million, which represents the net excess tax benefits from stock-based compensation.

For the three months ended October 31, 2017, this amount primarily includes $619 million of income tax benefit related to U.S. foreign tax credits generated.

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

	Three months ended January 31, 2018	Diluted net earnings per share	Three months ended October 31, 2017	Diluted net earnings per share	Three months ended January 31, 2017	Diluted net earnings per share
GAAP net earnings from continuing operations	$ 1,482	$ 0.92	$ 378	$ 0.23	$ 251	$ 0.15
Non-GAAP adjustments:						
Amortization of intangible assets	78	0.05	86	0.05	66	0.04
Restructuring charges	3	—	113	0.07	83	0.05
Transformation costs[a]	245	0.15	328	0.20	—	—
Disaster charges[b]	—	—	93	0.06	—	—
Acquisition and other related charges	30	0.02	53	0.03	44	0.03
Separation costs	(24)	(0.01)	202	0.12	11	0.01
Defined benefit plan settlement charges and remeasurement (benefit)[c]	—	—	(26)	(0.02)	(4)	—
Tax indemnification adjustments[d]	919	0.57	2	—	18	0.01
Loss from equity interests[e]	37	0.02	43	0.03	35	0.02
Adjustments for taxes[f]	(2,223)	(1.38)	(799)	(0.48)	(31)	(0.03)
Non-GAAP net earnings from continuing operations	$ 547	$ 0.34	$ 473	$ 0.29	$ 473	$ 0.28
GAAP earnings (loss) from continuing operations	$ 261		$ (224)		$ 453	
Non-GAAP adjustments related to continuing operations:						
Amortization of intangible assets	78		86		66	
Restructuring charges	3		113		83	
Transformation costs[a]	245		328		—	
Disaster charges[b]	—		93		—	
Acquisition and other related charges	30		53		44	
Separation costs	(24)		202		11	
Defined benefit plan settlement charges and remeasurement (benefit)[c]	—		(26)		(4)	
Non-GAAP earnings from continuing operations	$ 593		$ 625		$ 653	
GAAP operating margin from continuing operations	3%		(3)%		7%	
Non-GAAP adjustments from continuing operations	5%		11%		2%	
Non-GAAP operating margin from continuing operations	8%		8 %		9%	
GAAP net (loss) earnings from discontinued operations	$ (46)	$ (0.03)	$ 146	$ 0.09	$ 16	$ 0.01
Non-GAAP adjustments related to discontinued operations:						
Amortization of intangible assets	—	—	10	0.01	35	0.02

Restructuring charges	—	—	(2)	—	94	0.06
Separation costs	51	0.03	70	0.04	265	0.16
Defined benefit plan settlement charges and remeasurement (benefit)[c]	—	—	(1)	—	(2)	—
Interest expense on Seattle debt	—	—	8	—	—	—
Tax indemnification adjustments[d]	(4)	—	15	0.01	—	—
Adjustments for taxes	(1)	—	(216)	(0.13)	(109)	(0.08)
Non-GAAP net earnings from discontinued operations	$ —	$ —	$ 30	$ 0.02	$ 299	$ 0.17
Total GAAP net earnings	$ 1,436	$ 0.89	$ 524	$ 0.32	$ 267	$ 0.16
Total Non-GAAP net earnings	$ 547	$ 0.34	$ 503	$ 0.31	$ 772	$ 0.45

(a) Represents amounts in connection with the HPE Next initiative and includes costs related to labor and non-labor restructuring, program management and IT charges, partially offset by the gain on sale of real estate.

(b) Represents amounts in connection with damages sustained by the Company as a result of Hurricane Harvey.

(c) Represents adjustment to net periodic pension cost resulting from remeasurements of the Hewlett Packard Enterprise pension plans in connection with the spin-off of the software business, Seattle SpinCo, Inc., and the merger of Seattle SpinCo, Inc. with Micro Focus International plc and the spin-off of the enterprise services business, Everett SpinCo, Inc., and the merger of Everett SpinCo, Inc. with Computer Sciences Corporation.

(d) Represents the settlement of certain pre-separation Hewlett-Packard Company income tax liabilities indemnified through the Tax Matters Agreement with HP Inc.

(e) Represents the amortization of basis difference adjustments related to the H3C divestiture.

(f) Includes tax amounts in connection with the spin-off of the enterprise services business, Everett SpinCo, Inc. and the software business, Seattle SpinCo, Inc., tax amounts related to the recently enacted U.S. tax reform, tax amounts related to the settlement of certain pre-separation Hewlett-Packard Company income tax liabilities indemnified through the Tax Matters Agreement with HP Inc. and excess tax benefits associated with stock-based compensation.

For the three months ended January 31, 2018, this amount includes a $920 million benefit following the resolution of certain pre-separation Hewlett-Packard Company income tax liabilities and a $244 million benefit primarily from foreign tax credits and from the release of non U.S. valuation allowances on deferred taxes established in connection with the Everett Transaction, following changes in foreign tax laws.

Further, as a result of the recently enacted U.S. tax reform, for the three months ended January 31, 2018, this amount includes an estimated tax benefit of $1.8 billion from the provisional application of the new tax rules including a lower federal tax rate to deferred tax assets and liabilities, partially offset by a provisional estimate of $1.0 billion of transition tax expense on accumulated non U.S. earnings, and a $203 million benefit as a result of the liquidation of an insolvent non U.S. subsidiary.

During the first quarter of fiscal 2018, the Company adopted ASU 2016-09 on a prospective basis, except for the statement of cash flows for which it was retrospectively adopted for the prior comparative periods, which requires the excess tax benefits or tax deficiencies associated with stock-based compensation to be recognized as a component of the provision for income taxes in the Statement of Earnings rather than additional paid-in capital in the Balance Sheet. For the three months ended January 31, 2018, this amount includes $14 million, which represents the net excess tax benefits from stock-based compensation.

For the three months ended October 31, 2017, this amount primarily includes $619 million of income tax benefit related to U.S. foreign tax credits generated.

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In millions, except par value)

	As of	
	January 31, 2018	**October 31, 2017**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,673	$ 9,579
Accounts receivable	3,098	3,073
Financing receivables	3,515	3,378
Inventory	2,431	2,315
Assets held for sale[(a)]	34	14
Other current assets	3,748	3,085
Total current assets	20,499	21,444
Property, plant and equipment	6,338	6,269
Long-term financing receivables and other assets	13,740	12,600
Investments in equity interests	2,561	2,535
Goodwill and intangible assets	18,481	18,558
Total assets	$ 61,619	$ 61,406
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable and short-term borrowings	$ 3,915	$ 3,850
Accounts payable	5,948	6,072
Employee compensation and benefits	1,034	1,156
Taxes on earnings	410	429
Deferred revenue	3,135	3,128
Accrued restructuring	412	445
Other accrued liabilities	4,489	3,844
Total current liabilities	19,343	18,924
Long-term debt	10,040	10,182
Other non-current liabilities	8,247	8,795
Stockholders' equity		
HPE stockholders' equity:		
Preferred stock, $0.01 par value (300 shares authorized; none issued and outstanding at January 31, 2018)	—	—
Common stock, $0.01 par value (9,600 shares authorized; 1,567 and 1,666 shares issued and outstanding at January 31, 2018 and October 31, 2017, respectively)	16	16
Additional paid-in capital	32,947	33,583
Retained earnings	(6,057)	(7,238)
Accumulated other comprehensive loss	(2,955)	(2,895)
Total HPE stockholders' equity	23,951	23,466
Non-controlling interests	38	39
Total stockholders' equity	23,989	23,505
Total liabilities and stockholders' equity	$ 61,619	$ 61,406

(a) In connection with the HPE Next initiative, the Company determined that certain properties within its real estate portfolio met the criteria to be classified as Assets held for sale. The Company expects these properties to be sold within the next twelve months.

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

	Three Months Ended January 31,	
	2018	**2017**
Cash flows from operating activities:		
Net earnings	$ 1,436	$ 267
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	635	840
Stock-based compensation expense	103	145
Provision for doubtful accounts and inventory	41	7
Restructuring charges	174	177
Deferred taxes on earnings	(1,335)	(125)
(Earnings) loss from equity interests	(22)	22
Other, net	102	125
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(34)	466
Financing receivables	(287)	126
Inventory	(146)	(132)
Accounts payable	(107)	(231)
Taxes on earnings	(1,009)	(22)
Restructuring	(226)	(326)
Other assets and liabilities[a]	817	(2,529)
Net cash provided by (used in) operating activities	142	(1,190)
Cash flows from investing activities:		
Investment in property, plant and equipment	(669)	(923)
Proceeds from sale of property, plant and equipment	115	84
Purchases of available-for-sale securities and other investments	(3)	(7)
Maturities and sales of available-for-sale securities and other investments	—	1
Financial collateral posted	(706)	—
Financial collateral returned	144	—
Payments made in connection with business acquisitions, net of cash acquired	—	(292)
Proceeds from business divestitures, net[b]	—	(20)
Net cash used in investing activities	(1,119)	(1,157)
Cash flows from financing activities:		
Short-term borrowings with original maturities less than 90 days, net	(3)	24
Proceeds from debt, net of issuance costs	270	248
Payment of debt	(253)	(262)
Net proceeds (payments) related to stock-based award activities[c]	17	(42)
Repurchase of common stock	(742)	(641)
Net transfer of cash and cash equivalents to Everett	(28)	—
Net transfer of cash and cash equivalents to Seattle	(70)	—
Cash dividends paid	(120)	(109)
Net cash used in financing activities	(929)	(782)
Decrease in cash and cash equivalents	(1,906)	(3,129)

Cash and cash equivalents at beginning of period	9,579	12,987
Cash and cash equivalents at end of period	$ 7,673	$ 9,858

(a) For the three months ended January 31, 2017, the amount includes $1.9 billion of pension funding payments associated with the separation and merger of Everett SpinCo, Inc. with Computer Sciences Corporation.

(b) Primarily relates to an H3C working capital adjustment payment.

(c) During the first quarter of fiscal 2018, the Company adopted ASU 2016-09, as a result of which, excess tax benefits from stock-based compensation is presented as an operating activity, rather than as a financing activity, and the payment of withholding taxes is presented as a financing activity, rather than as an operating activity. The Company adopted the standard retrospectively for the prior comparative periods. As such, prior period amounts have been reclassified to conform to the current presentation.

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

	Three months ended		
	January 31, 2018	October 31, 2017	January 31, 2017
Net revenue:[a]			
Hybrid IT	$ 6,331	$ 6,155	$ 5,755
Intelligent Edge	620	697	570
Financial Services	888	1,010	823
Corporate Investments	(1)	3	—
Total segment net revenue	7,838	7,865	7,148
Elimination of intersegment net revenue and other	(164)	(205)	(246)
Total Hewlett Packard Enterprise consolidated net revenue	$ 7,674	$ 7,660	$ 6,902
Earnings from continuing operations before taxes:[a] [b]			
Hybrid IT	$ 608	$ 602	$ 733
Intelligent Edge	18	87	16
Financial Services	72	77	76
Corporate Investments	(21)	(21)	(33)
Total segment earnings from operations	677	745	792
Unallocated corporate costs and eliminations[b]	(54)	(100)	(96)
Unallocated stock-based compensation expense[b]	(30)	(20)	(43)
Amortization of intangible assets	(78)	(86)	(66)
Restructuring charges	(3)	(113)	(83)
Transformation costs[c]	(245)	(328)	—
Disaster charges[d]	—	(93)	—
Acquisition and other related charges	(30)	(53)	(44)
Separation costs	24	(202)	(11)
Defined benefit plan settlement charges and remeasurement (benefit)[e]	—	26	4
Interest and other, net	(21)	(76)	(78)
Tax indemnification adjustments[f]	(919)	(2)	(18)
Earnings (loss) from equity interests	22	1	(22)
Total Hewlett Packard Enterprise consolidated (loss) earnings from continuing operations before taxes [b]	$ (657)	$ (301)	$ 335

(a) Effective at the beginning of the first quarter of fiscal 2018, the Company implemented organizational changes to align its segment financial reporting more closely with its current business structure. These organizational changes primarily include: (i) the transfer of the former Servers and Storage business units, the Pointnext and Communications and Media Solutions ("CMS") businesses within the former Technology Services business unit, and the data center networking business within the former Networking business unit, all of which were previously reported within the former Enterprise Group ("EG") segment, to the newly formed Hybrid IT segment; (ii) the transfer of the remaining networking products businesses, which include wireless LAN, campus and branch switching and edge compute within the former Networking business unit, and Aruba services within the former Technology Services business unit, all of which were previously reported within the former EG segment, to the newly formed Intelligent Edge segment; and (iii) the transfer of cloud-related activities previously reported within Corporate Investments to the Hybrid IT segment.

The Company reflected these changes to its segment information retrospectively to the earliest period presented, which primarily resulted in: (i) the transfer of net revenue, related eliminations of intersegment revenues and operating profit from the former Servers and Storage business units, the Pointnext and CMS businesses within the former Technology Services business unit and the data center networking business within the former Networking business unit, all of which were previously reported within the former EG segment, to the Hybrid IT segment; (ii) the transfer of net revenue, related eliminations of intersegment revenues and operating profit from the remaining networking products businesses within the former Networking business unit, and Aruba services within the former Technology Services business unit, all of which were previously reported within the former EG segment, to the Intelligent Edge segment; and (iii) the transfer of the operating loss from cloud-related activities previously reported within Corporate Investments to the Hybrid IT segment.

These changes had no impact on Hewlett Packard Enterprise's previously reported consolidated net revenue, earnings from operations, net earnings or net earnings per share.

(b) Effective at the beginning of the first quarter of fiscal 2018, the Company implemented certain changes to its allocation methodology for stock-based compensation expense and certain corporate costs, which align to its segment financial reporting and are consistent with the manner in which the operating segments will be evaluated for performance on a prospective basis.

The Company reflected these changes retrospectively to the earliest period presented, which resulted in: (i) the transfer of a portion of stock-based compensation expense, which under the prior allocation methodology was not allocated to the segments, to the Hybrid IT, Intelligent Edge and Financial Services segments; and (ii) the transfer of certain corporate function costs previously allocated to the segments to unallocated corporate costs.

These changes had no impact on Hewlett Packard Enterprise's previously reported consolidated and combined earnings from operations, net earnings or net earnings per share.

(c) Represents amounts in connection with the HPE Next initiative and primarily includes costs related to labor and non-labor restructuring, program management and IT charges, partially offset by the gain on sale of real estate.

(d) Represents amounts in connection with damages sustained by the Company as a result of Hurricane Harvey.

(e) Represents adjustment to net periodic pension cost resulting from remeasurements of the Hewlett Packard Enterprise pension plans in connection with the spin-off of the software business, Seattle SpinCo, Inc., and the merger of Seattle SpinCo, Inc. with Micro Focus International plc and the spin-off of the enterprise services business, Everett SpinCo, Inc., and the merger of Everett SpinCo, Inc. with Computer Sciences Corporation.

(f) Represents the settlement of certain pre-separation Hewlett-Packard Company income tax liabilities indemnified through the Tax Matters Agreement with HP Inc.

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES
SEGMENT/BUSINESS UNIT INFORMATION
(Unaudited)
(In millions, except percentages)

	Three months ended			Change (%)	
	January 31, 2018	October 31, 2017	January 31, 2017	Q/Q	Y/Y
Net revenue:[a]					
Hybrid IT					
Hybrid IT Product					
Compute	3,492	3,321	3,143	5%	11%
Storage	948	905	764	5%	24%
DC Networking	62	57	49	9%	27%
Total Hybrid IT Product	4,502	4,283	3,956	5%	14%
Pointnext	1,829	1,872	1,799	(2%)	2%
Total Hybrid IT	6,331	6,155	5,755	3%	10%
Intelligent Edge					
HPE Aruba Product	549	624	503	(12%)	9%
HPE Aruba Services	71	73	67	(3%)	6%
Total Intelligent Edge	620	697	570	(11%)	9%
Financial Services	888	1,010	823	(12%)	8%
Corporate Investments	(1)	3	—	(133%)	NM
Total segment net revenue	7,838	7,865	7,148	—%	10%
Elimination of intersegment net revenue and other	(164)	(205)	(246)	(20%)	(33%)
Total Hewlett Packard Enterprise consolidated net revenue	$ 7,674	$ 7,660	$ 6,902	—%	11%

(a) Effective at the beginning of the first quarter of fiscal 2018, the Company implemented organizational changes to align its segment financial reporting more closely with its current business structure. These organizational changes primarily include: (i) the transfer of the former Servers and Storage business units, the Pointnext and CMS businesses within the former Technology Services business unit, and the data center networking business within the former Networking business unit, all of which were previously reported within the former EG segment, to the newly formed Hybrid IT segment; (ii) the transfer of the remaining networking products businesses, which include wireless LAN, campus and branch switching and edge compute within the former Networking business unit, and Aruba services within the former Technology Services business unit, all of which were previously reported within the former EG segment, to the newly formed Intelligent Edge segment; and (iii) the transfer of cloud-related activities previously reported within Corporate Investments to the Hybrid IT segment.

The Company reflected these changes to its segment information retrospectively to the earliest period presented, which primarily resulted in: (i) the transfer of net revenue, related eliminations of intersegment revenues and operating profit from the former Servers and Storage business units, the Pointnext and CMS businesses within the former Technology Services business unit and the data center networking business within the former Networking business unit, all of which were previously reported within the former EG segment, to the Hybrid IT segment; (ii) the transfer of net revenue, related eliminations of intersegment revenues and operating profit from the remaining networking products businesses within the former Networking business unit, and Aruba services within the former Technology Services business unit, all of which were previously reported within the former EG segment, to the Intelligent Edge segment; and (iii) the transfer of the operating loss from cloud-related activities previously reported within Corporate Investments to the Hybrid IT segment.

These changes had no impact on Hewlett Packard Enterprise's previously reported consolidated net revenue, earnings from operations, net earnings or net earnings per share.

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES
SEGMENT OPERATING MARGIN SUMMARY DATA
(Unaudited)

	Three months ended	Change in Operating Margin (pts)	
	January 31, 2018	Q/Q	Y/Y
Segment operating margin:[a]			
Hybrid IT	9.6%	(0.2) pts	(3.1) pts
Intelligent Edge	2.9%	(9.6) pts	0.1 pts
Financial Services	8.1%	0.5 pts	(1.1) pts
Corporate Investments[b]	NM	NM	NM
Total segment operating margin	8.6%	(0.9) pts	(2.5) pts

(a) Effective at the beginning of the first quarter of fiscal 2018, the Company implemented organizational changes to align its segment financial reporting more closely with its current business structure. These organizational changes primarily include: (i) the transfer of the former Servers and Storage business units, the Pointnext and CMS businesses within the former Technology Services business unit, and the data center networking business within the former Networking business unit, all of which were previously reported within the former EG segment, to the newly formed Hybrid IT segment; (ii) the transfer of the remaining networking products businesses, which include wireless LAN, campus and branch switching and edge compute within the former Networking business unit, and Aruba services within the former Technology Services business unit, all of which were previously reported within the former EG segment, to the newly formed Intelligent Edge segment; and (iii) the transfer of cloud-related activities previously reported within Corporate Investments to the Hybrid IT segment.

The Company reflected these changes to its segment information retrospectively to the earliest period presented, which primarily resulted in: (i) the transfer of net revenue, related eliminations of intersegment revenues and operating profit from the former Servers and Storage business units, the Pointnext and CMS businesses within the former Technology Services business unit and the data center networking business within the former Networking business unit, all of which were previously reported within the former EG segment, to the Hybrid IT segment; (ii) the transfer of net revenue, related eliminations of intersegment revenues and operating profit from the remaining networking products businesses within the former Networking business unit, and Aruba services within the former Technology Services business unit, all of which were previously reported within the former EG segment, to the Intelligent Edge segment; and (iii) the transfer of the operating loss from cloud-related activities previously reported within Corporate Investments to the Hybrid IT segment.

These changes had no impact on Hewlett Packard Enterprise's previously reported consolidated net revenue, earnings from operations, net earnings or net earnings per share.

(b) “NM” represents not meaningful.

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

	Three months ended		
	January 31, 2018	**October 31, 2017**	**January 31, 2017**
Numerator:			
GAAP net earnings from continuing operations	$ 1,482	$ 378	$ 251
GAAP net (loss) earnings from discontinued operations	$ (46)	$ 146	$ 16
Non-GAAP net earnings from continuing operations	$ 547	$ 473	$ 473
Non-GAAP net earnings from discontinued operations	$ —	$ 30	$ 299
Denominator:			
Weighted-average shares used to compute basic net earnings per share and diluted net earnings (loss) per share	1,591	1,618	1,669
Dilutive effect of employee stock plans(a)	28	29	31
Weighted-average shares used to compute diluted net earnings per share	1,619	1,647	1,700
GAAP net earnings per share from continuing operations			
Basic	$ 0.93	$ 0.23	$ 0.15
Diluted(a)	$ 0.92	$ 0.23	$ 0.15
GAAP net (loss) earnings per share from discontinued operations			
Basic	$ (0.03)	$ 0.09	$ 0.01
Diluted(a)	$ (0.03)	$ 0.09	$ 0.01
Non-GAAP net earnings per share from continuing operations			
Basic	$ 0.34	$ 0.29	$ 0.28
Diluted(b)	$ 0.34	$ 0.29	$ 0.28
Non-GAAP net earnings per share from discontinued operations			
Basic	$ —	$ 0.02	$ 0.18
Diluted(b)	$ —	$ 0.02	$ 0.17
Total Hewlett Packard Enterprise GAAP basic net earnings per share	$ 0.90	$ 0.32	$ 0.16
Total Hewlett Packard Enterprise GAAP diluted net earnings per share	$ 0.89	$ 0.32	$ 0.16
Total Hewlett Packard Enterprise Non-GAAP basic net earnings per share	$ 0.34	$ 0.31	$ 0.46
Total Hewlett Packard Enterprise Non-GAAP diluted net earnings per share	$ 0.34	$ 0.31	$ 0.45

(a) GAAP diluted net earnings per share reflects any dilutive effect of restricted stock awards, stock options and performance-based stock awards, but the effect is excluded when there is a net (loss) from continuing operations and discontinued operations because it would be anti-dilutive.

(b) Non-GAAP diluted net earnings per share reflects any dilutive effect of restricted stock awards, stock options and performance-based awards.