

**HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS**

(Unaudited)

(In millions, except per share amounts)

	Three months ended		
	April 30, 2020	January 31, 2020	April 30, 2019
Net revenue	\$ 6,009	\$ 6,949	\$ 7,150
Costs and expenses:			
Cost of sales	4,095	4,667	4,845
Research and development	450	485	457
Selling, general and administrative	1,109	1,218	1,214
Amortization of intangible assets	84	120	69
Impairment of goodwill <sup>(a)</sup>	865	—	—
Transformation costs	200	89	54
Disaster charges (recovery) <sup>(b)</sup>	22	—	(7)
Acquisition, disposition and other related charges	18	22	84
Total costs and expenses	<u>6,843</u>	<u>6,601</u>	<u>6,716</u>
(Loss) earnings from operations	(834)	348	434
Interest and other, net	(68)	(19)	(18)
Tax indemnification adjustments	(35)	(21)	4
Non-service net periodic benefit credit	36	37	17
(Loss) earnings from equity interests	(10)	33	3
(Loss) earnings before taxes	(911)	378	440
Benefit (provision) for taxes	90	(45)	(21)
Net (loss) earnings	<u>\$ (821)</u>	<u>\$ 333</u>	<u>\$ 419</u>
Net (loss) earnings per share:			
Basic	\$ (0.64)	\$ 0.26	\$ 0.31
Diluted <sup>(h)</sup>	\$ (0.64)	\$ 0.25	\$ 0.30
Cash dividends declared per share	\$ 0.1200	\$ 0.1200	\$ 0.1125
Weighted-average shares used to compute net (loss) earnings per share:			
Basic	1,291	1,300	1,367
Diluted <sup>(h)</sup>	1,291	1,315	1,382

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**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS**  
(Unaudited)  
(In millions, except per share amounts)

	<b>Six months ended April 30,</b>	
	<b>2020</b>	<b>2019</b>
Net revenue	\$ 12,958	\$ 14,703
Costs and expenses:		
Cost of sales	8,762	10,052
Research and development	935	923
Selling, general and administrative	2,327	2,425
Amortization of intangible assets	204	141
Impairment of goodwill <sup>(a)</sup>	865	—
Transformation costs	289	132
Disaster charges (recovery) <sup>(b)</sup>	22	(7)
Acquisition, disposition and other related charges	40	147
Total costs and expenses	<u>13,444</u>	<u>13,813</u>
(Loss) earnings from operations	(486)	890
Interest and other, net	(87)	(69)
Tax indemnification adjustments	(56)	223
Non-service net periodic benefit credit	73	33
Earnings from equity interests	23	18
(Loss) earnings before taxes	<u>(533)</u>	<u>1,095</u>
Benefit (provision) for taxes	45	(499)
Net (loss) earnings	<u>\$ (488)</u>	<u>\$ 596</u>
Net (loss) earnings per share:		
Basic	\$ (0.38)	\$ 0.43
Diluted <sup>(h)</sup>	\$ (0.38)	\$ 0.43
Cash dividends declared per share	\$0.2400	\$0.2250
Weighted-average shares used to compute net (loss) earnings per share:		
Basic	1,295	1,384
Diluted <sup>(h)</sup>	1,295	1,397

**HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP MEASURES**  
**(Unaudited)**  
**(In millions, except percentages and per share amounts)**

	Three months ended April 30, 2020	Diluted net earnings per share	Three months ended January 31, 2020	Diluted net earnings per share	Three months ended April 30, 2019	Diluted net earnings per share
<b>GAAP net (loss) earnings</b>	\$ (821)	\$ (0.64)	333	\$ 0.25	\$ 419	\$ 0.30
Non-GAAP adjustments:						
Amortization of initial direct costs	3	—	3	—	—	—
Amortization of intangible assets	84	0.07	120	0.09	69	0.05
Impairment of goodwill <sup>(a)</sup>	865	0.67	—	—	—	—
Transformation costs	200	0.15	89	0.07	54	0.04
Disaster charges (recovery) <sup>(b)</sup>	22	0.02	—	—	(7)	(0.01)
Acquisition, disposition and other related charges	25	0.02	42	0.03	84	0.06
Tax indemnification adjustments	35	0.03	21	0.02	(4)	—
Non-service net periodic benefit credit	(36)	(0.03)	(37)	(0.03)	(17)	(0.01)
Loss from equity interests <sup>(c)</sup>	37	0.03	37	0.03	38	0.03
Adjustments for taxes	\$ (129)	(0.10)	(33)	(0.02)	(57)	(0.04)
<b>Non-GAAP net earnings</b>	<u>\$ 285</u>	<u>\$ 0.22</u>	<u>\$ 575</u>	<u>\$ 0.44</u>	<u>\$ 579</u>	<u>\$ 0.42</u>
<b>GAAP (loss) earnings from operations</b>						
	\$ (834)		\$ 348		\$ 434	
Non-GAAP adjustments						
Amortization of initial direct costs	3		3		—	
Amortization of intangible assets	84		120		69	
Impairment of goodwill <sup>(a)</sup>	865		—		—	
Transformation costs	200		89		54	
Disaster charges (recovery) <sup>(b)</sup>	22		—		(7)	
Acquisition, disposition and other related charges	25		42		84	
<b>Non-GAAP earnings from operations</b>	<u>\$ 365</u>		<u>\$ 602</u>		<u>\$ 634</u>	
<b>GAAP operating profit margin</b>	(13.9)%		5.0 %		6.1 %	
Non-GAAP adjustments	20.0 %		3.7 %		2.8 %	
<b>Non-GAAP operating profit margin</b>	<u>6.1 %</u>		<u>8.7 %</u>		<u>8.9 %</u>	

**HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP MEASURES**  
**(Unaudited)**  
**(In millions, except percentages and per share amounts)**

	Three months ended April 30, 2020	Three months ended January 31, 2020	Three months ended April 30, 2019
GAAP net revenue	\$ 6,009	\$ 6,949	\$ 7,150
GAAP cost of sales	4,095	4,667	4,845
<b>GAAP gross profit</b>	<b>1,914</b>	<b>\$ 2,282</b>	<b>\$ 2,305</b>
<b>Non-GAAP adjustments</b>			
Amortization of initial direct costs	\$ 3	\$ 3	\$ —
Acquisition, disposition and other related charges <sup>(d)</sup>	7	20	—
<b>Non-GAAP gross profit</b>	<b>\$ 1,924</b>	<b>\$ 2,305</b>	<b>\$ 2,305</b>
<b>GAAP gross profit margin</b>	<b>31.9 %</b>	<b>32.8 %</b>	<b>32.2 %</b>
Non-GAAP adjustments	0.1 %	0.4 %	— %
<b>Non-GAAP gross profit margin</b>	<b>32.0 %</b>	<b>33.2 %</b>	<b>32.2 %</b>
<b>Net cash provided (used in) by operating activities</b>	<b>\$ 100</b>	<b>\$ (79)</b>	<b>\$ 987</b>
Investment in property, plant and equipment	(591)	(568)	(799)
Proceeds from sale of property, plant and equipment	89	462	214
<b>Free cash flow</b>	<b>\$ (402)</b>	<b>\$ (185)</b>	<b>\$ 402</b>

**HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP MEASURES**  
**(Unaudited)**  
**(In millions, except percentages and per share amounts)**

	Six months ended April 30, 2020	Diluted net earnings per share	Six months ended April 30, 2019	Diluted net earnings per share
<b>GAAP net (loss) earnings</b>	\$ (488)	\$ (0.38)	\$ 596	\$ 0.43
Non-GAAP adjustments:				
Amortization of initial direct costs	6	—	—	—
Amortization of intangible assets	204	0.17	141	0.11
Impairment of goodwill <sup>(a)</sup>	865	0.67	—	—
Transformation costs	289	0.22	132	0.09
Disaster charges (recovery) <sup>(b)</sup>	22	0.02	(7)	(0.01)
Acquisition, disposition and other related charges	67	0.05	147	0.11
Tax indemnification adjustments	56	0.04	(223)	(0.16)
Non-service net periodic benefit credit	(73)	(0.06)	(33)	(0.02)
Loss from equity interests <sup>(c)</sup>	74	0.06	76	0.05
Adjustments for taxes	(162)	(0.13)	340	0.24
<b>Non-GAAP net earnings</b>	<u>\$ 860</u>	<u>\$ 0.66</u>	<u>\$ 1,169</u>	<u>\$ 0.84</u>
<b>GAAP (loss) earnings from operations</b>	\$ (486)		\$ 890	
Non-GAAP adjustments				
Amortization of initial direct costs	6		—	
Amortization of intangible assets	204		141	
Impairment of goodwill <sup>(a)</sup>	865		—	
Transformation costs	289		132	
Disaster charges (recovery) <sup>(b)</sup>	22		(7)	
Acquisition, disposition and other related charges	67		147	
<b>Non-GAAP earnings from operations</b>	<u>\$ 967</u>		<u>\$ 1,303</u>	
<b>GAAP operating profit margin</b>	(3.8)%		6.1 %	
Non-GAAP adjustments	11.3 %		2.8 %	
<b>Non-GAAP operating profit margin</b>	<u>7.5 %</u>		<u>8.9 %</u>	

**HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP MEASURES**  
(Unaudited)  
(In millions, except percentages and per share amounts)

	Six months ended April 30, 2020	Six months ended April 30, 2019
GAAP net revenue	\$ 12,958	\$ 14,703
GAAP cost of sales	8,762	10,052
<b>GAAP gross profit</b>	<b>\$ 4,196</b>	<b>\$ 4,651</b>
Non-GAAP adjustments		
Amortization of initial direct costs	\$ 6	\$ —
Acquisition, disposition and other related charges <sup>(d)</sup>	27	—
<b>Non-GAAP gross profit</b>	<b>\$ 4,229</b>	<b>\$ 4,651</b>
<b>GAAP gross profit margin</b>	<b>32.4 %</b>	<b>31.6 %</b>
Non-GAAP adjustments	0.2 %	— %
<b>Non-GAAP gross profit margin</b>	<b>32.6 %</b>	<b>31.6 %</b>
<b>Net cash provided by operating activities</b>	<b>\$ 21</b>	<b>\$ 1,369</b>
Investment in property, plant and equipment	(1,159)	(1,528)
Proceeds from sale of property, plant and equipment	551	371
<b>Free cash flow</b>	<b>\$ (587)</b>	<b>\$ 212</b>

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

	As of	
	April 30, 2020	October 31, 2019
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 5,131	\$ 3,753
Accounts receivable, net of allowance for doubtful accounts	2,610	2,957
Financing receivables, net of allowance for doubtful accounts	3,630	3,572
Inventory	3,476	2,387
Assets held for sale	6	46
Other current assets	3,130	2,428
Total current assets	17,983	15,143
Property, plant and equipment	5,588	6,054
Long-term financing receivables and other assets <sup>(e)</sup>	10,295	8,918
Investments in equity interests	2,276	2,254
Goodwill and intangible assets	18,373	19,434
Total assets	\$ 54,515	\$ 51,803
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Notes payable and short-term borrowings	\$ 5,162	\$ 4,425
Accounts payable	5,482	5,595
Employee compensation and benefits	968	1,522
Taxes on earnings	202	186
Deferred revenue	3,268	3,234
Accrued restructuring	198	195
Other accrued liabilities <sup>(e)</sup>	4,917	4,002
Total current liabilities	20,197	19,159
Long-term debt	11,553	9,395
Other non-current liabilities <sup>(e)</sup>	6,507	6,100
Stockholders' equity		
HPE stockholders' equity:		
Preferred stock, \$0.01 par value (300 shares authorized; none issued)	—	—
Common stock, \$0.01 par value (9,600 shares authorized; 1,282 and 1,294 shares issued and outstanding at April 30, 2020 and October 31, 2019, respectively)	13	13
Additional paid-in capital	28,207	28,444
Accumulated deficit <sup>(f)</sup>	(8,385)	(7,632)
Accumulated other comprehensive loss <sup>(f)</sup>	(3,625)	(3,727)
Total HPE stockholders' equity	16,210	17,098
Non-controlling interests	48	51
Total stockholders' equity	16,258	17,149
Total liabilities and stockholders' equity	\$ 54,515	\$ 51,803

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

	Three months ended April 30, 2020	Six months ended April 30, 2020
Cash flows from operating activities:		
Net loss	\$ (821)	\$ (488)
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	641	1,331
Impairment of goodwill	865	865
Stock-based compensation expense	67	160
Provision for doubtful accounts and inventory	87	128
Restructuring charges	164	248
Deferred taxes on earnings	(75)	(103)
Loss (earnings) from equity interests	10	(23)
Other, net	44	8
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	241	323
Financing receivables	31	(73)
Inventory	(992)	(1,196)
Accounts payable	177	(73)
Taxes on earnings	(98)	(125)
Restructuring	(157)	(244)
Other assets and liabilities	(84)	(717)
Net cash provided by operating activities	<u>100</u>	<u>21</u>
Cash flows from investing activities:		
Investment in property, plant and equipment	(591)	(1,159)
Proceeds from sale of property, plant and equipment	89	551
Purchases of available-for-sale securities and other investments	(14)	(73)
Maturities and sales of available-for-sale securities and other investments	20	28
Financial collateral posted	(3)	(51)
Financial collateral received	466	613
Payments made in connection with business acquisitions, net of cash acquired	(7)	(13)
Net cash used in investing activities	<u>(40)</u>	<u>(104)</u>
Cash flows from financing activities:		
Short-term borrowings with original maturities less than 90 days, net	(45)	82
Proceeds from debt, net of issuance costs	3,225	3,565
Payment of debt	(481)	(931)
Net proceeds related to stock-based award activities	(4)	(47)
Repurchase of common stock	(151)	(355)
Cash dividends paid to non-controlling interests	(8)	(8)
Contributions from non-controlling interests	—	1
Cash dividends paid	(154)	(310)
Net cash provided by financing activities	<u>2,382</u>	<u>1,997</u>
Increase in cash, cash equivalents and restricted cash	2,442	1,914
Cash, cash equivalents and restricted cash at beginning of period	3,548	4,076
Cash, cash equivalents and restricted cash at end of period	<u>\$ 5,990</u>	<u>\$ 5,990</u>

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

	Three months ended		
	April 30, 2020	January 31, 2020	April 30, 2019
Net revenue: <sup>(g)</sup>			
Compute	\$ 2,640	\$ 3,011	\$ 3,318
HPC & MCS	589	823	721
Storage	1,086	1,250	1,318
A & PS	237	243	260
Intelligent Edge	665	720	685
Financial Services	833	859	896
Corporate Investments	124	121	125
Total segment net revenue	<u>6,174</u>	<u>7,027</u>	<u>7,323</u>
Elimination of intersegment net revenue	(165)	(78)	(173)
Total Hewlett Packard Enterprise consolidated net revenue	<u>\$ 6,009</u>	<u>\$ 6,949</u>	<u>\$ 7,150</u>
Earnings before taxes: <sup>(g)</sup>			
Compute	\$ 125	\$ 286	\$ 307
HPC & MCS	33	49	92
Storage	145	226	244
A & PS	2	(2)	(14)
Intelligent Edge	73	70	36
Financial Services	75	73	77
Corporate Investments	(28)	(27)	(29)
Total segment earnings from operations	<u>425</u>	<u>675</u>	<u>713</u>
Unallocated corporate costs and eliminations	(48)	(52)	(64)
Unallocated stock-based compensation expense	(12)	(21)	(15)
Amortization of initial direct costs	(3)	(3)	—
Amortization of intangible assets	(84)	(120)	(69)
Impairment of goodwill <sup>(a)</sup>	(865)	—	—
Transformation costs	(200)	(89)	(54)
Disaster (charges) recovery <sup>(b)</sup>	(22)	—	7
Acquisition, disposition and other related charges	(25)	(42)	(84)
Interest and other, net	(68)	(19)	(18)
Tax indemnification adjustments	(35)	(21)	4
Non-service net periodic benefit credit	36	37	17
(Loss) earnings from equity interests	(10)	33	3
Total Hewlett Packard Enterprise consolidated (loss) earnings before taxes	<u>\$ (911)</u>	<u>\$ 378</u>	<u>\$ 440</u>

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

	Six months ended April 30,	
	2020	2019
Net revenue: <sup>(g)</sup>		
Compute	5,651	6,893
HPC & MCS	1,412	1,500
Storage	2,336	2,674
A & PS	480	501
Intelligent Edge	1,385	1,390
Financial Services	1,692	1,815
Corporate Investments	245	243
Total segment net revenue	13,201	15,016
Elimination of intersegment net revenue	(243)	(313)
Total Hewlett Packard Enterprise consolidated net revenue	<u>\$ 12,958</u>	<u>\$ 14,703</u>
Earnings before taxes: <sup>(g)</sup>		
Compute	411	647
HPC & MCS	82	190
Storage	371	498
A & PS	—	(46)
Intelligent Edge	143	60
Financial Services	148	154
Corporate Investments	(55)	(57)
Total segment earnings from operations	1,100	1,446
Unallocated corporate costs and eliminations	(100)	(114)
Unallocated stock-based compensation expense	(33)	(29)
Amortization of initial direct costs	(6)	—
Amortization of intangible assets	(204)	(141)
Impairment of goodwill <sup>(a)</sup>	(865)	—
Transformation costs	(289)	(132)
Disaster (charges) recovery <sup>(b)</sup>	(22)	7
Acquisition, disposition and other related charges	(67)	(147)
Interest and other, net	(87)	(69)
Tax indemnification adjustments	(56)	223
Non-service net periodic benefit credit	73	33
Earnings from equity interests	23	18
Total Hewlett Packard Enterprise consolidated (loss) earnings before taxes	<u>\$ (533)</u>	<u>\$ 1,095</u>

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

	Three months ended			Change (%)	
	April 30, 2020	January 31, 2020	April 30, 2019	Q/Q	Y/Y
Net revenue: <sup>(e)</sup>					
Compute	\$ 2,640	\$ 3,011	\$ 3,318	(12%)	(20%)
HPC & MCS	589	823	721	(28%)	(18%)
Storage	1,086	1,250	1,318	(13%)	(18%)
A & PS	237	243	260	(2%)	(9%)
Intelligent Edge	665	720	685	(8%)	(3%)
Financial Services	833	859	896	(3%)	(7%)
Corporate Investments	124	121	125	2%	(1%)
Total segment net revenue	6,174	7,027	7,323	(12%)	(16%)
Elimination of intersegment net revenue	(165)	(78)	(173)	112%	(5%)
Total Hewlett Packard Enterprise consolidated net revenue	\$ 6,009	\$ 6,949	\$ 7,150	(14%)	(16%)

	Six months ended April 30,		
	2020	2019	Y/Y
Net revenue: <sup>(e)</sup>			
Compute	\$ 5,651	\$ 6,893	(18%)
HPC & MCS	1,412	1,500	(6%)
Storage	2,336	2,674	(13%)
A&PS	480	501	(4%)
Intelligent Edge	1,385	1,390	—%
Financial Services	1,692	1,815	(7%)
Corporate Investments	245	243	1%
Total segment net revenue	13,201	15,016	(12%)
Elimination of intersegment net revenue	(243)	(313)	(22%)
Total Hewlett Packard Enterprise consolidated net revenue	\$ 12,958	\$ 14,703	(12%)

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

	Three months ended	Change in Operating Margin (pts)	
	April 30, 2020	Q/Q	Y/Y
Segment operating profit margin: <sup>(g)</sup>			
Compute	4.7 %	-4.8 pts.	-4.6 pts.
HPC & MCS	5.6 %	-0.4 pts.	-7.2 pts.
Storage	13.4 %	-4.7 pts.	-5.1 pts.
A & PS	0.8 %	1.6 pts.	6.2 pts.
Intelligent Edge	11.0 %	1.3 pts.	5.7 pts.
Financial Services	9.0 %	0.5 pts.	0.4 pts.
Corporate Investments	(22.6)%	-0.3 pts.	0.6 pts.
Total segment operating profit margin	6.9 %	-2.7 pts.	-2.8 pts.

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

	Three months ended		
	April 30, 2020	January 31, 2020	April 30, 2019
<b>Numerator:</b>			
GAAP net (loss) earnings	\$ (821)	\$ 333	\$ 419
Non-GAAP net earnings	\$ 285	\$ 575	\$ 579
<b>Denominator:</b>			
Weighted-average shares used to compute basic net (loss) earnings per share	1,291	1,300	1,367
Dilutive effect of employee stock plans <sup>(h)</sup>	7	15	15
Weighted-average shares used to compute diluted net (loss) earnings per share	<u>1,298</u>	<u>1,315</u>	<u>1,382</u>
<b>GAAP net (loss) earnings per share</b>			
Basic	\$ (0.64)	\$ 0.26	\$ 0.31
Diluted <sup>(h)</sup>	\$ (0.64)	\$ 0.25	\$ 0.30
<b>Non-GAAP net earnings per share</b>			
Basic	\$ 0.22	\$ 0.44	\$ 0.42
Diluted <sup>(h)</sup>	\$ 0.22	\$ 0.44	\$ 0.42

	Six months ended April 30,	
	2020	2019
<b>Numerator:</b>		
GAAP net (loss) earnings	\$ (488)	\$ 596
Non-GAAP net earnings	\$ 860	\$ 1,169
<b>Denominator:</b>		
Weighted-average shares used to compute basic net (loss) earnings per share	1,295	1,384
Dilutive effect of employee stock plans <sup>(h)</sup>	11	13
Weighted-average shares used to compute diluted net (loss) earnings per share	<u>1,306</u>	<u>1,397</u>
<b>GAAP net earnings (loss) per share</b>		
Basic	\$ (0.38)	\$ 0.43
Diluted <sup>(h)</sup>	\$ (0.38)	\$ 0.43
<b>Non-GAAP net earnings per share</b>		
Basic	\$ 0.66	\$ 0.84
Diluted <sup>(h)</sup>	\$ 0.66	\$ 0.84

- (a) The Company recorded \$865 million of partial goodwill impairment charge in the second quarter of fiscal 2020 as it was determined that the fair value of the HPC & MCS reporting unit was below the carrying value of its net assets.
- (b) Disaster charges (recovery) for the three and six months ended April 30, 2020 primarily include direct costs resulting from COVID-19, as a result of HPE hosted, co-hosted, or sponsored event cancellations and shift to a virtual format. For the three and six months ended April 30, 2019, represents insurance recoveries in relation to damage to our facilities in Houston, Texas due to Hurricane Harvey in fiscal 2017
- (c) Represents the amortization of basis difference adjustments related to the H3C divestiture.
- (d) For the periods presented, amounts represent Acquisition, disposition and other related charges related to a non-cash inventory fair value adjustment in connection with the acquisition of Cray, Inc., which was included in Cost of Sales.
- (e) The Company adopted the new accounting standard for leases in the first quarter of fiscal 2020 which requires lessees to recognize a lease liability and a right-of-use ("ROU") asset for the lease term. The Company elected the modified retrospective transition method whereby prior comparative periods are not restated. Adoption of the new lease standard resulted in the recognition of \$1.0 billion of ROU assets and \$1.1 billion of lease liabilities on the Company's Condensed Consolidated Balance Sheet at November 1, 2019.
- (f) The Company adopted an accounting standard update in the first quarter of fiscal 2020 that allowed it to reclassify \$43 million of stranded tax effects resulting from U.S. tax reform from accumulated other comprehensive loss into accumulated deficit.
- (g) Effective at the beginning of the first quarter of fiscal 2020, Hewlett Packard Enterprise Company ("HPE") implemented certain organizational changes to align its segment financial reporting more closely with its current business structure. As a result of these organizational changes, HPE replaced the Hybrid IT reportable segment (and the Compute, Storage and HPE Pointnext business units within it) with four new financial reporting segments: Compute, High Performance Compute & Mission-Critical Systems ("HPC & MCS"), Storage, and Advisory and Profession Services ("A & PS").

In addition, the Intelligent Edge segment now includes the Data Center Networking ("DC Networking") operational services business that was previously a part of the Hybrid IT Segment. The DC Networking business, other than operational services, had been transferred to the Intelligent Edge segment in a prior realignment.

The Company reflected these changes to its segment information retrospectively to the earliest period presented, which primarily resulted in the transfer of net revenue and operating profit for each of the businesses as described above. These changes had no impact on Hewlett Packard Enterprise's previously reported consolidated net revenue, net earnings or net earnings per share ("EPS").

- (h) Diluted net earnings per share reflects any dilutive effect of restricted stock awards, stock options and performance-based awards, but the effect is excluded when calculating GAAP diluted net (loss) per share because it would be anti-dilutive.