



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

	Three months ended		
	July 31, 2016	April 30, 2016	July 31, 2015
Net revenue	\$ 12,210	\$ 12,711	\$ 13,057
Costs and expenses:			
Cost of sales	8,638	9,068	9,307
Research and development	555	624	602
Selling, general and administrative	1,938	2,021	2,040
Amortization of intangible assets	210	201	225
Restructuring charges	369	161	24
Acquisition and other related charges	37	53	46
Separation costs	135	91	255
Defined benefit plan settlement charges	-	-	178
Impairment of data center assets	-	-	136
Gain on H3C divestiture	(2,169)	-	-
Total costs and expenses	<u>9,713</u>	<u>12,219</u>	<u>12,813</u>
Earnings from operations	2,497	492	244
Interest and other, net	(18)	(129)	4
Loss from equity interests ^(a)	<u>(72)</u>	<u>-</u>	<u>-</u>
Earnings before taxes	<u>2,407</u>	<u>363</u>	<u>248</u>
Provision for taxes	<u>(135)</u>	<u>(43)</u>	<u>(24)</u>
Net earnings	<u>\$ 2,272</u>	<u>\$ 320</u>	<u>\$ 224</u>
Net earnings per share: ^(b)			
Basic	\$ 1.35	\$ 0.19	\$ 0.13
Diluted	\$ 1.32	\$ 0.18	\$ 0.13
Cash dividends declared per share	\$ 0.06	\$ 0.06	\$ -
Weighted-average shares used to compute net earnings per share: ^(b)			
Basic	1,681	1,725	1,804
Diluted	1,715	1,751	1,834

(a) Represents the Company's ownership interest in the net earnings of H3C, which it records as an equity method investment.

(b) On November 1, 2015, HP Inc. (formerly Hewlett-Packard Company) distributed a total of 1.8 billion shares of Hewlett Packard Enterprise common stock to HP Inc. stockholders as of the record date. For comparative purposes, the same number of shares used to compute basic and diluted net earnings per share ("EPS") for the fiscal year ended October 31, 2015 is used for the calculation of basic and diluted net EPS for all periods in fiscal 2015.

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

	Nine months ended July 31,	
	2016	2015
Net revenue	\$ 37,645	\$ 38,659
Costs and expenses:		
Cost of sales	26,818	27,705
Research and development	1,764	1,686
Selling, general and administrative	5,957	5,987
Amortization of intangible assets	629	632
Restructuring charges	841	404
Acquisition and other related charges	127	69
Separation costs	305	458
Defined benefit plan settlement charges	-	178
Impairment of data center assets	-	136
Gain on H3C divestiture	(2,169)	-
Total costs and expenses	34,272	37,255
Earnings from operations	3,373	1,404
Interest and other, net	(212)	(42)
Loss from equity interests ^(a)	(72)	(2)
Earnings before taxes	3,089	1,360
Provision for taxes	(230)	(284)
Net earnings	\$ 2,859	\$ 1,076
Net earnings per share: ^(b)		
Basic	\$ 1.66	\$ 0.60
Diluted	\$ 1.64	\$ 0.59
Cash dividends declared per share	\$ 0.22	\$ -
Weighted-average shares used to compute net earnings per share: ^(b)		
Basic	1,722	1,804
Diluted	1,748	1,834

(a) Represents the Company's ownership interest in the net earnings of H3C, which it records as an equity method investment.

(a) On November 1, 2015, HP Inc. (formerly Hewlett-Packard Company) distributed a total of 1.8 billion shares of Hewlett Packard Enterprise common stock to HP Inc. stockholders as of the record date. For comparative purposes, the same number of shares used to compute basic and diluted net earnings per share ("EPS") for the fiscal year ended October 31, 2015 is used for the calculation of basic and diluted net EPS for all periods in fiscal 2015.

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 July 31, 2016	Diluted net earnings per share	Three months ended April 30, 2016	Diluted net earnings per share	Three months ended July 31, 2015	Diluted net earnings per share
GAAP net earnings	\$ 2,272	\$ 1.32	\$ 320	\$ 0.18	\$ 224	\$ 0.13
Non-GAAP adjustments:						
Amortization of intangible assets	210	0.12	201	0.11	225	0.12
Restructuring charges	369	0.22	161	0.09	24	0.01
Acquisition and other related charges	37	0.02	53	0.03	46	0.03
Separation costs	135	0.08	91	0.05	255	0.14
Defined benefit plan settlement charges	-	-	-	-	178	0.10
Impairment of data center assets	-	-	-	-	136	0.07
Gain on H3C divestiture	(2,169)	(1.26)	-	-	-	-
Loss from equity interests ^(a)	58	0.03	-	-	-	-
Tax indemnification adjustments	(60)	(0.03)	69	0.04	-	-
Adjustments for taxes	(12)	(0.01)	(164)	(0.08)	(217)	(0.13)
Non-GAAP net earnings	<u>\$ 840</u>	<u>\$ 0.49</u>	<u>\$ 731</u>	<u>\$ 0.42</u>	<u>\$ 871</u>	<u>\$ 0.47</u>
GAAP earnings from operations	\$ 2,497		\$ 492		\$ 244	
Non-GAAP adjustments:						
Amortization of intangible assets	210		201		225	
Restructuring charges	369		161		24	
Acquisition and other related charges	37		53		46	
Separation costs	135		91		255	
Defined benefit plan settlement charges	-		-		178	
Impairment of data center assets	-		-		136	
Gain on H3C divestiture	(2,169)		-		-	
Non-GAAP earnings from operations	<u>\$ 1,079</u>		<u>\$ 998</u>		<u>\$ 1,108</u>	
GAAP operating margin	20%		4%		2%	
Non-GAAP adjustments	(11%)		4%		6%	
Non-GAAP operating margin	<u>9%</u>		<u>8%</u>		<u>8%</u>	

(a) Primarily includes the amortization of the estimated basis difference and purchase accounting adjustments related to the H3C divestiture

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)

	Nine months ended July 31, 2016	Diluted net earnings per share	Nine months ended July 31, 2015	Diluted net earnings per share
GAAP net earnings	\$ 2,859	\$ 1.64	\$ 1,076	\$ 0.59
Non-GAAP adjustments:				
Amortization of intangible assets	629	0.36	632	0.34
Restructuring charges	841	0.48	404	0.22
Acquisition and other related charges	127	0.07	69	0.04
Separation costs	305	0.17	458	0.25
Defined benefit plan settlement charges	-	-	178	0.10
Impairment of data center assets	-	-	136	0.07
Gain on H3C divestiture	(2,169)	(1.24)	-	-
Loss from equity interests ^(a)	58	0.03	-	-
Tax indemnification adjustments	(6)	-	-	-
Adjustments for taxes	(342)	(0.19)	(418)	(0.23)
Non-GAAP net earnings	<u>\$ 2,302</u>	<u>\$ 1.32</u>	<u>\$ 2,535</u>	<u>\$ 1.38</u>
GAAP earnings from operations	\$ 3,373		\$ 1,404	
Non-GAAP adjustments:				
Amortization of intangible assets	629		632	
Restructuring charges	841		404	
Acquisition and other related charges	127		69	
Separation costs	305		458	
Defined benefit plan settlement charges	-		178	
Impairment of data center assets	-		136	
Gain on H3C divestiture	(2,169)		-	
Non-GAAP earnings from operations	<u>\$ 3,106</u>		<u>\$ 3,281</u>	
GAAP operating margin	9%		4%	
Non-GAAP adjustments	(1%)		4%	
Non-GAAP operating margin	<u>8%</u>		<u>8%</u>	

(a) Primarily includes the amortization of the estimated basis difference and purchase accounting adjustments related to the H3C divestiture

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

	As of	
	July 31, 2016 (Unaudited)	October 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 10,743	\$ 9,842
Accounts receivable	6,951	8,538
Financing receivables	3,030	2,918
Inventory	1,848	2,198
Assets held for sale ^(b)	906	-
Other current assets ^(a)	4,992	6,468
Total current assets	28,470	29,964
Property, plant and equipment	9,579	9,886
Long-term financing receivables and other assets ^(a)	12,715	10,875
Investments in equity interests	2,675	-
Goodwill and intangible assets	25,382	29,191
Total assets ^(a)	\$ 78,821	\$ 79,916
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable and short-term borrowings	\$ 911	\$ 691
Accounts payable	5,030	5,828
Employee compensation and benefits	2,206	2,902
Taxes on earnings ^(a)	366	476
Deferred revenue	4,749	5,154
Liabilities held for sale ^(b)	197	-
Other accrued liabilities	6,025	6,942
Total current liabilities	19,484	21,993
Long-term debt	15,354	15,103
Other liabilities ^(a)	11,157	8,902
Stockholders' equity		
HPE stockholders' equity:		
Preferred stock, \$0.01 par value (300 shares authorized; none issued and outstanding at July 31, 2016)		
Common stock, \$0.01 par value (9,600 shares authorized; 1,664 issued and outstanding at July 31, 2016)	17	-
Additional paid-in capital	35,100	-
Retained earnings	2,486	-
Former Parent company investment	-	38,550
Accumulated other comprehensive loss	(5,177)	(5,015)
Total HPE stockholders' equity	32,426	33,535
Non-controlling interests	400	383
Total stockholders' equity	32,826	33,918
Total liabilities and stockholders' equity ^(a)	\$ 78,821	\$ 79,916

(a) During the first quarter of fiscal 2016, the Company early adopted the guidance on the balance sheet classification of deferred taxes and elected to apply it retrospectively to all periods presented. As such, prior period amounts have been reclassified to conform to the current presentation.

(b) During the third quarter of fiscal 2016, the Company signed a definitive agreement with The Blackstone Group to sell at least 84% of its equity stake in MphasiS Limited and as such, the transaction met all of the held for sale criteria.

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

	Three months ended July 31, 2016	Nine months ended July 31, 2016
Cash flows from operating activities:		
Net earnings	\$ 2,272	\$ 2,859
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	954	2,903
Stock-based compensation expense	129	432
Provision for doubtful accounts and inventory	57	166
Restructuring charges	369	841
Deferred taxes on earnings	(981)	(1,012)
Excess tax benefit from stock-based compensation	(5)	(9)
Gain from H3C divestiture	(2,169)	(2,169)
Loss from equity interests	72	72
Other, net	35	114
Changes in operating assets and liabilities, net of acquisitions: ^(a)		
Accounts receivable	622	988
Financing receivables	(43)	(252)
Inventory	189	3
Accounts payable	(271)	(683)
Taxes on earnings	1,128	781
Restructuring	(257)	(746)
Other assets and liabilities	(387)	(1,542)
Net cash provided by operating activities	1,714	2,746
Cash flows from investing activities:		
Investment in property, plant and equipment	(860)	(2,412)
Proceeds from sale of property, plant and equipment	117	317
Purchases of available-for-sale securities and other investments	(199)	(540)
Maturities and sales of available-for-sale securities and other investments	229	499
Payments made in connection with business acquisitions, net of cash acquired	(9)	(22)
Proceeds from business divestitures, net	2,473	2,788
Net cash provided by investing activities	1,751	630
Cash flows from financing activities:		
Short-term borrowings with original maturities less than 90 days, net	(15)	(51)
Issuance of debt	212	782
Payment of debt	(214)	(568)
Settlement of cash flow hedge	-	3
Issuance of common stock under employee stock plans	61	79
Repurchase of common stock	(1,450)	(2,662)
Net transfer from former Parent	-	491
Excess tax benefit from stock-based compensation	5	9
Cash dividends paid	(91)	(281)
Net cash used in financing activities	(1,492)	(2,198)
Increase in cash and cash equivalents	1,973	1,178
Cash held for sale ^(a)	(240)	(277)
Cash and cash equivalents at beginning of period	9,010	9,842
Cash and cash equivalents at end of period	\$ 10,743	\$ 10,743

(a) During the third quarter of fiscal 2016, the Company signed a definitive agreement with The Blackstone Group to sell at least 84% of its equity stake in MphasiS Limited and as such, the transaction met all of the held for sale criteria. The impact of assets and liabilities reclassified as held for sale during the period was not considered in the changes in operating assets and liabilities, net of acquisitions, reconciliation within cash flows from operating activities.

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

	Three months ended		
	July 31, 2016	April 30, 2016	July 31, 2015
Net revenue: ^(a)			
Enterprise Group	\$ 6,476	\$ 7,010	\$ 7,007
Enterprise Services	4,725	4,723	4,976
Software	738	774	901
Financial Services	812	788	807
Corporate Investments	-	2	1
Total segment net revenue	<u>12,751</u>	<u>13,297</u>	<u>13,692</u>
Elimination of intersegment net revenue and other	<u>(541)</u>	<u>(586)</u>	<u>(635)</u>
Total Hewlett Packard Enterprise consolidated and combined net revenue	<u>\$ 12,210</u>	<u>\$ 12,711</u>	<u>\$ 13,057</u>
Earnings before taxes: ^(a)			
Enterprise Group	\$ 815	\$ 817	\$ 881
Enterprise Services	393	317	285
Software	131	192	185
Financial Services	80	73	87
Corporate Investments	(83)	(87)	(109)
Total segment earnings from operations	<u>1,336</u>	<u>1,312</u>	<u>1,329</u>
Corporate and unallocated costs and eliminations	(128)	(176)	(104)
Stock-based compensation expense	(129)	(138)	(117)
Amortization of intangible assets	(210)	(201)	(225)
Restructuring charges	(369)	(161)	(24)
Acquisition and other related charges	(37)	(53)	(46)
Separation costs	(135)	(91)	(255)
Defined benefit plan settlement charges	-	-	(178)
Impairment of data center assets	-	-	(136)
Gain on H3C Divestiture	2,169	-	-
Interest and other, net	<u>(18)</u>	<u>(129)</u>	<u>4</u>
Loss from equity interests ^(b)	<u>(72)</u>	<u>-</u>	<u>-</u>
Total Hewlett Packard Enterprise consolidated and combined earnings before taxes	<u>\$ 2,407</u>	<u>\$ 363</u>	<u>\$ 248</u>

(a) Effective at the beginning of the first quarter of fiscal 2016, HPE implemented organizational changes to align its segment financial reporting more closely with its current business structure. These organizational changes resulted in: (i) within the Enterprise Group segment, the consolidation of the Industry Standard Servers and Business Critical Systems business units into the newly formed Servers business unit; and (ii) the transfer of certain Cloud-related marketing headcount activities from the Corporate Investment segment to the Enterprise Group segment. HPE reflected these changes to its segment information retrospectively to the earliest period presented, which resulted in: (i) the consolidation of net revenue from the Industry Standard Servers and Business Critical Systems business units into the Servers business unit within the Enterprise Group segment; and (ii) the transfer of operating expenses from the Corporate Investment segment to the Enterprise Group segment. These changes had no impact on HPE's previously reported consolidated and combined net revenue, earnings from operations, net earnings or net earnings per share.

(b) Represents the Company's ownership interest in the net earnings of H3C, which it records as an equity method investment.

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

	Nine months ended July 31,	
	2016	2015
Net revenue: ^(a)		
Enterprise Group	\$ 20,537	\$ 20,549
Enterprise Services	14,136	14,786
Software	2,292	2,663
Financial Services	2,376	2,415
Corporate Investments	<u>3</u>	<u>6</u>
Total segment net revenue	39,344	40,419
Elimination of intersegment net revenue and other	<u>(1,699)</u>	<u>(1,760)</u>
Total Hewlett Packard Enterprise consolidated and combined net revenue	<u>\$ 37,645</u>	<u>\$ 38,659</u>
Earnings before taxes: ^(a)		
Enterprise Group	\$ 2,576	\$ 2,862
Enterprise Services	948	607
Software	459	501
Financial Services	253	262
Corporate Investments	<u>(269)</u>	<u>(308)</u>
Total segment earnings from operations	3,967	3,924
Corporate and unallocated costs and eliminations	(429)	(290)
Stock-based compensation expense	(432)	(353)
Amortization of intangible assets	(629)	(632)
Restructuring charges	(841)	(404)
Acquisition and other related charges	(127)	(69)
Separation costs	(305)	(458)
Defined benefit plan settlement charges	-	(178)
Impairment of data center assets	-	(136)
Gain on H3C Divestiture	2,169	-
Interest and other, net	<u>(212)</u>	<u>(42)</u>
Loss from equity interests ^(b)	<u>(72)</u>	<u>(2)</u>
Total Hewlett Packard Enterprise consolidated and combined earnings before taxes	<u>\$ 3,089</u>	<u>\$ 1,360</u>

(a) Effective at the beginning of the first quarter of fiscal 2016, HPE implemented organizational changes to align its segment financial reporting more closely with its current business structure. These organizational changes resulted in: (i) within the Enterprise Group segment, the consolidation of the Industry Standard Servers and Business Critical Systems business units into the newly formed Servers business unit; and (ii) the transfer of certain Cloud-related marketing headcount activities from the Corporate Investment segment to the Enterprise Group segment. HPE reflected these changes to its segment information retrospectively to the earliest period presented, which resulted in: (i) the consolidation of net revenue from the Industry Standard Servers and Business Critical Systems business units into the Servers business unit within the Enterprise Group segment; and (ii) the transfer of operating expenses from the Corporate Investment segment to the Enterprise Group segment. These changes had no impact on HPE's previously reported consolidated and combined net revenue, earnings from operations, net earnings or net earnings per share.

(b) Represents the Company's ownership interest in the net earnings of H3C, which it records as an equity method investment.

HEWLETT PACKARD ENTERPRISE COMPANY AND SUBSIDIARIES
SEGMENT/BUSINESS UNIT INFORMATION

(Unaudited)

(In millions, except percentages)

	Three months ended			Change (%)	
	July 31, 2016	April 30, 2016	July 31, 2015	Q/Q	Y/Y
Net revenue: ^(a)					
Enterprise Group					
Servers	\$ 3,368	\$ 3,561	\$ 3,520	(5%)	(4%)
Technology Services	1,745	1,823	1,880	(4%)	(7%)
Networking	639	874	823	(27%)	(22%)
Storage	724	752	784	(4%)	(8%)
Total Enterprise Group	<u>6,476</u>	<u>7,010</u>	<u>7,007</u>	(8%)	(8%)
Enterprise Services					
Infrastructure Technology Outsourcing	2,866	2,839	3,036	1%	(6%)
Application and Business Services	1,859	1,884	1,940	(1%)	(4%)
Total Enterprise Services	<u>4,725</u>	<u>4,723</u>	<u>4,976</u>	0%	(5%)
Software	738	774	901	(5%)	(18%)
Financial Services	812	788	807	3%	1%
Corporate Investments	-	2	1	(100%)	(100%)
Total segment net revenue	<u>12,751</u>	<u>13,297</u>	<u>13,692</u>	(4%)	(7%)
Elimination of intersegment net revenue and other	<u>(541)</u>	<u>(586)</u>	<u>(635)</u>	(8%)	(15%)
Total Hewlett Packard Enterprise consolidated and combined net revenue	<u>\$ 12,210</u>	<u>\$ 12,711</u>	<u>\$ 13,057</u>	(4%)	(6%)

(a) Effective at the beginning of the first quarter of fiscal 2016, HPE implemented organizational changes to align its segment financial reporting more closely with its current business structure. These organizational changes resulted in: (i) within the Enterprise Group segment, the consolidation of the Industry Standard Servers and Business Critical Systems business units into the newly formed Servers business unit; and (ii) the transfer of certain Cloud-related marketing headcount activities from the Corporate Investment segment to the Enterprise Group segment. HPE reflected these changes to its segment information retrospectively to the earliest period presented, which resulted in: (i) the consolidation of net revenue from the Industry Standard Servers and Business Critical Systems business units into the Servers business unit within the Enterprise Group segment; and (ii) the transfer of operating expenses from the Corporate Investment segment to the Enterprise Group segment. These changes had no impact on HPE's previously reported consolidated and combined net revenue, earnings from operations, net earnings or net earnings per share.

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

	Nine months ended July 31,		Change (%)
	2016	2015	Y/Y
Net revenue: ^(a)			
Enterprise Group			
Servers	\$ 10,497	\$ 10,447	0%
Technology Services	5,378	5,800	(7%)
Networking	2,376	1,941	22%
Storage	2,286	2,361	(3%)
Total Enterprise Group	<u>20,537</u>	<u>20,549</u>	0%
Enterprise Services			
Infrastructure Technology Outsourcing	8,579	9,039	(5%)
Application and Business Services	5,557	5,747	(3%)
Total Enterprise Services	<u>14,136</u>	<u>14,786</u>	(4%)
Software	<u>2,292</u>	<u>2,663</u>	(14%)
Financial Services	<u>2,376</u>	<u>2,415</u>	(2%)
Corporate Investments	<u>3</u>	<u>6</u>	(50%)
Total segment net revenue	<u>39,344</u>	<u>40,419</u>	(3%)
Elimination of intersegment net revenue and other	<u>(1,699)</u>	<u>(1,760)</u>	(3%)
Total Hewlett Packard Enterprise consolidated and combined net revenue	<u>\$ 37,645</u>	<u>\$ 38,659</u>	(3%)

(a) Effective at the beginning of the first quarter of fiscal 2016, HPE implemented organizational changes to align its segment financial reporting more closely with its current business structure. These organizational changes resulted in (i) within the Enterprise Group segment, the consolidation of the Industry Standard Servers and Business Critical Systems business units into the newly formed Servers business unit; and (ii) the transfer of certain Cloud-related marketing headcount activities from the Corporate Investment segment to the Enterprise Group segment. HPE reflected these changes to its segment information retrospectively to the earliest period presented, which resulted in: (i) the consolidation of net revenue from the Industry Standard Servers and Business Critical Systems business units into the Servers business unit within the Enterprise Group segment; and (ii) the transfer of operating expenses from the Corporate Investment segment to the Enterprise Group segment. These changes had no impact on HPE's previously reported consolidated and combined 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)	
	July 31, 2016	Q/Q	Y/Y
Segment operating margin: ^(a)			
Enterprise Group	12.6%	0.9 pts	0.0 pts
Enterprise Services	8.3%	1.6 pts	2.6 pts
Software	17.8%	(7.0) pts	(2.7) pts
Financial Services	9.9%	0.6 pts	(0.9) pts
Corporate Investments ^(b)	NM	NM	NM
Total segment operating margin	10.5%	0.6 pts	0.8 pts

(a) Effective at the beginning of the first quarter of fiscal 2016, HPE implemented organizational changes to align its segment financial reporting more closely with its current business structure. These organizational changes resulted in: (i) within the Enterprise Group segment, the consolidation of the Industry Standard Servers and Business Critical Systems business units into the newly formed Servers business unit; and (ii) the transfer of certain Cloud-related marketing headcount activities from the Corporate Investment segment to the Enterprise Group segment. HPE reflected these changes to its segment information retrospectively to the earliest period presented, which resulted in: (i) the consolidation of net revenue from the Industry Standard Servers and Business Critical Systems business units into the Servers business unit within the Enterprise Group segment; and (ii) the transfer of operating expenses from the Corporate Investment segment to the Enterprise Group segment. These changes had no impact on HPE's previously reported consolidated and combined 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 PER SHARE
(Unaudited)
(In millions, except per share amounts)

	Three months ended		
	July 31, 2016	April 30, 2016	July 31, 2015
Numerator:			
GAAP net earnings	\$ 2,272	\$ 320	\$ 224
Non-GAAP net earnings	\$ 840	\$ 731	\$ 871
Denominator: ^(a)			
Weighted-average shares used to compute basic net earnings per share ^(b)	1,681	1,725	1,804
Dilutive effect of employee stock plans ^{(c)(d)}	34	26	30
Weighted-average shares used to compute diluted net earnings per share	1,715	1,751	1,834
GAAP diluted net earnings per share	\$ 1.32	\$ 0.18	\$ 0.13
Non-GAAP diluted net earnings per share	\$ 0.49	\$ 0.42	\$ 0.47

(a) On November 1, 2015, HP Inc. (formerly Hewlett-Packard Company) distributed a total of 1.8 billion shares of Hewlett Packard Enterprise common stock to HP Inc. stockholders as of the record date. For comparative purposes, the same number of shares used to compute diluted net earnings per share for the three months ended October 31, 2015 is used for the calculation of basic and diluted net EPS for all periods in fiscal 2015.

(b) For all periods in fiscal 2015, the number of shares outstanding is the number of Hewlett-Packard Company shares outstanding at October 31, 2015.

(c) Includes any dilutive effect of restricted stock awards, stock options and performance-based awards.

(d) For all periods in fiscal 2015, the Company calculates the weighted-average dilutive effect of employee stock plans after conversion, by multiplying the fiscal 2015 dilutive Hewlett-Packard Company stock-based awards attributable to Hewlett Packard Enterprise employees by the price conversion ratio used to convert those awards to equivalent units of Hewlett Packard Enterprise awards on the separation date. The price conversion ratio was calculated using the closing price of Hewlett-Packard Company common shares on October 31, 2015 divided by the opening price of Hewlett Packard Enterprise common shares on November 2, 2015.

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

	Nine months ended July 31,	
	2016	2015
Numerator:		
GAAP net earnings	\$ 2,859	\$ 1,076
Non-GAAP net earnings	<u>\$ 2,302</u>	<u>\$ 2,535</u>
Denominator: ^(a)		
Weighted-average shares used to compute basic net earnings per share ^(b)	1,722	1,804
Dilutive effect of employee stock plans ^{(c)(d)}	<u>26</u>	<u>30</u>
Weighted-average shares used to compute diluted net earnings per share	<u>1,748</u>	<u>1,834</u>
GAAP diluted net earnings per share	<u>\$ 1.64</u>	<u>\$ 0.59</u>
Non-GAAP diluted net earnings per share	<u>\$ 1.32</u>	<u>\$ 1.38</u>

(a) On November 1, 2015, HP Inc. (formerly Hewlett-Packard Company) distributed a total of 1.8 billion shares of Hewlett Packard Enterprise common stock to HP Inc. stockholders as of the record date. For comparative purposes, the same number of shares used to compute diluted net earnings per share for the three months ended October 31, 2015 is used for the calculation of basic and diluted net EPS for all periods in fiscal 2015.

(b) For all periods in fiscal 2015, the number of shares outstanding is the number of Hewlett-Packard Company shares outstanding at October 31, 2015.

(c) Includes any dilutive effect of restricted stock awards, stock options and performance-based awards.

(d) For all periods in fiscal 2015, the Company calculates the weighted-average dilutive effect of employee stock plans after conversion, by multiplying the fiscal 2015 dilutive Hewlett-Packard Company stock-based awards attributable to Hewlett Packard Enterprise employees by the price conversion ratio used to convert those awards to equivalent units of Hewlett Packard Enterprise awards on the separation date. The price conversion ratio was calculated using the closing price of Hewlett-Packard Company common shares on October 31, 2015 divided by the opening price of Hewlett Packard Enterprise common shares on November 2, 2015.