



HP INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS
(Unaudited)
(In millions, except per share amounts)

	Three months ended		
	October 31, 2015	July 31, 2015	October 31, 2014
Net revenue	\$ 25,714	\$ 25,349	\$ 28,406
Costs and expenses:			
Cost of sales	19,363	19,317	21,425
Research and development	934	893	876
Selling, general and administrative	3,089	2,962	3,364
Amortization of intangible assets	246	242	226
Restructuring charges	591	25	604
Acquisition and other related charges	20	47	3
Separation costs	509	401	-
Defined benefit plan settlement charges	54	114	-
Impairment of data center assets	-	136	-
Total costs and expenses	24,806	24,137	26,498
Earnings from operations	908	1,212	1,908
Interest and other, net	(318)	(108)	(146)
Earnings before taxes	590	1,104	1,762
Valuation allowances, net, and separation taxes	803	-	-
Provision for taxes	(70)	(250)	(432)
Net earnings	\$ 1,323	\$ 854	\$ 1,330
Net earnings per share:			
Basic	\$ 0.73	\$ 0.47	\$ 0.71
Diluted	\$ 0.73	\$ 0.47	\$ 0.70
Cash dividends declared per share	\$ -	\$ 0.35	\$ -
Weighted-average shares used to compute net earnings per share:			
Basic	1,802	1,805	1,862
Diluted	1,821	1,828	1,896



HP INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS
(In millions, except per share amounts)

	Twelve months ended October 31,	
	2015	2014
	(Unaudited)	
Net revenue	\$ 103,355	\$ 111,454
Costs and expenses:		
Cost of sales	78,596	84,839
Research and development	3,502	3,447
Selling, general and administrative	12,185	13,353
Amortization of intangible assets	931	1,000
Restructuring charges	1,017	1,619
Acquisition and other related charges	90	11
Separation costs	1,259	-
Defined benefit plan settlement charges	168	-
Impairment of data center assets	136	-
Total costs and expenses	97,884	104,269
Earnings from operations	5,471	7,185
Interest and other, net	(739)	(628)
Earnings before taxes	4,732	6,557
Valuation allowances, net, and separation taxes	803	-
Provision for taxes	(981)	(1,544)
Net earnings	\$ 4,554	\$ 5,013
Net earnings per share:		
Basic	\$ 2.51	\$ 2.66
Diluted	\$ 2.48	\$ 2.62
Cash dividends declared per share	\$ 0.67	\$ 0.61
Weighted-average shares used to compute net earnings per share:		
Basic	1,814	1,882
Diluted	1,836	1,912



HP INC. AND SUBSIDIARIES
 ADJUSTMENTS TO GAAP NET EARNINGS, EARNINGS FROM OPERATIONS,
 OPERATING MARGIN AND DILUTED NET EARNINGS PER SHARE
 (Unaudited)
 (In millions, except per share amounts)

	Three months ended October 31, 2015	Diluted net earnings per share	Three months ended July 31, 2015	Diluted net earnings per share	Three months ended October 31, 2014	Diluted net earnings per share
GAAP net earnings	\$ 1,323	\$ 0.73	\$ 854	\$ 0.47	\$ 1,330	\$ 0.70
Non-GAAP adjustments:						
Amortization of intangible assets	246	0.14	242	0.13	226	0.12
Restructuring charges	591	0.33	25	0.01	604	0.32
Acquisition and other related charges	20	0.01	47	0.03	3	-
Separation costs	509	0.28	401	0.22	-	-
Defined benefit plan settlement charges	54	0.03	114	0.06	-	-
Impairment of data center assets	-	-	136	0.07	-	-
Separation costs in interest and other, net ^(a)	167	0.09	-	-	-	-
Adjustments for taxes	(420)	(0.23)	(215)	(0.11)	(149)	(0.08)
Valuation allowances, net, and separation taxes	(803)	(0.45)	-	-	-	-
Non-GAAP net earnings	<u>\$ 1,687</u>	<u>\$ 0.93</u>	<u>\$ 1,604</u>	<u>\$ 0.88</u>	<u>\$ 2,014</u>	<u>\$ 1.06</u>
GAAP earnings from operations	\$ 908		\$ 1,212		\$ 1,908	
Non-GAAP adjustments:						
Amortization of intangible assets	246		242		226	
Restructuring charges	591		25		604	
Acquisition and other related charges	20		47		3	
Separation costs	509		401		-	
Defined benefit plan settlement charges	54		114		-	
Impairment of data center assets	-		136		-	
Non-GAAP earnings from operations	<u>\$ 2,328</u>		<u>\$ 2,177</u>		<u>\$ 2,741</u>	
GAAP operating margin	4%		5%		7%	
Non-GAAP adjustments	5%		4%		3%	
Non-GAAP operating margin	<u>9%</u>		<u>9%</u>		<u>10%</u>	

(a) Includes costs related to early debt settlement.



HP INC. AND SUBSIDIARIES
ADJUSTMENTS TO GAAP NET EARNINGS, EARNINGS FROM OPERATIONS,
OPERATING MARGIN AND DILUTED NET EARNINGS PER SHARE
(Unaudited)
(In millions, except per share amounts)

	Twelve months ended October 31, 2015	Diluted net earnings per share	Twelve months ended October 31, 2014	Diluted net earnings per share
GAAP net earnings	\$ 4,554	\$ 2.48	\$ 5,013	\$ 2.62
Non-GAAP adjustments:				
Amortization of intangible assets	931	0.51	1,000	0.52
Restructuring charges	1,017	0.55	1,619	0.85
Acquisition and other related charges	90	0.05	11	0.01
Separation costs	1,259	0.69	-	-
Defined benefit plan settlement charges	168	0.09	-	-
Impairment of data center assets	136	0.07	-	-
Separation costs in interest and other, net ^(a)	167	0.09	-	-
Adjustments for taxes	(927)	(0.50)	(498)	(0.26)
Valuation allowances, net, and separation taxes	(803)	(0.44)	-	-
Non-GAAP net earnings	<u>\$ 6,592</u>	<u>\$ 3.59</u>	<u>\$ 7,145</u>	<u>\$ 3.74</u>
GAAP earnings from operations	\$ 5,471		\$ 7,185	
Non-GAAP adjustments:				
Amortization of intangible assets	931		1,000	
Restructuring charges	1,017		1,619	
Acquisition and other related charges	90		11	
Separation costs	1,259		-	
Defined benefit plan settlement charges	168		-	
Impairment of data center assets	136		-	
Non-GAAP earnings from operations	<u>\$ 9,072</u>		<u>\$ 9,815</u>	
GAAP operating margin	5%		6%	
Non-GAAP adjustments	4%		3%	
Non-GAAP operating margin	<u>9%</u>		<u>9%</u>	

(a) Includes costs related to early debt settlement.



HP INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(In millions)

	As of October 31,	
	2015	2014
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 17,433	\$ 15,133
Accounts receivable	13,363	13,832
Financing receivables	2,918	2,946
Inventory	6,485	6,415
Other current assets	11,588	11,819
Total current assets	51,787	50,145
Property, plant and equipment	11,090	11,340
Long-term financing receivables and other assets	9,050	8,454
Goodwill and intangible assets	34,955	33,267
Total assets	\$ 106,882	\$ 103,206
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable and short-term borrowings	\$ 2,885	\$ 3,486
Accounts payable	15,956	15,903
Employee compensation and benefits	3,608	4,209
Taxes on earnings	830	1,017
Deferred revenue	6,199	6,143
Other accrued liabilities	12,713	12,977
Total current liabilities	42,191	43,735
Long-term debt	21,780	16,039
Other liabilities	14,760	16,305
Stockholders' equity:		
HP stockholders' equity	27,768	26,731
Non-controlling interests	383	396
Total stockholders' equity	28,151	27,127
Total liabilities and stockholders' equity	\$ 106,882	\$ 103,206



HP INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)
(In millions)

	Three months ended October 31,	
	2015	2014
Cash flows from operating activities:		
Net earnings	\$ 1,323	\$ 1,330
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	1,007	1,075
Stock-based compensation expense	234	128
Provision for doubtful accounts and inventory	111	62
Restructuring charges	591	604
Deferred taxes on earnings	(1,598)	95
Excess tax benefit from stock-based compensation	(21)	(9)
Other, net	355	16
Changes in operating assets and liabilities (net of acquisitions):		
Accounts receivable	(627)	355
Financing receivables	(257)	80
Inventory	137	(211)
Accounts payable	389	716
Taxes on earnings	938	18
Restructuring	(237)	(456)
Other assets and liabilities	264	(1,102)
Net cash provided by operating activities	<u>2,609</u>	<u>2,701</u>
Cash flows from investing activities:		
Investment in property, plant and equipment	(961)	(956)
Proceeds from sale of property, plant and equipment	114	141
Purchases of available-for-sale securities and other investments	(79)	(79)
Maturities and sales of available-for-sale securities and other investments	56	123
Payments made in connection with business acquisitions, net of cash acquired	(27)	(29)
Proceeds from business divestitures, net	90	6
Net cash used in investing activities	<u>(807)</u>	<u>(794)</u>
Cash flows from financing activities:		
Short-term borrowings with original maturities less than 90 days, net	(2,559)	59
Proceeds from debt, net of issuance costs	14,765	272
Payment of debt	(13,225)	(583)
Settlement of cash flow hedge	28	-
Issuance of common stock under employee stock plans	68	54
Repurchase of common stock	(301)	(750)
Excess tax benefit from stock-based compensation	21	9
Cash dividends paid	(337)	(309)
Net cash used in financing activities	<u>(1,540)</u>	<u>(1,248)</u>
Increase in cash and cash equivalents	262	659
Cash and cash equivalents at beginning of period	17,171	14,474
Cash and cash equivalents at end of period	<u>\$ 17,433</u>	<u>\$ 15,133</u>



HP INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(In millions)

	Twelve months ended October 31,	
	2015	2014
	(Unaudited)	
Cash flows from operating activities:		
Net earnings	\$ 4,554	\$ 5,013
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	4,061	4,334
Stock-based compensation expense	709	560
Provision for doubtful accounts and inventory	376	266
Restructuring charges	1,017	1,619
Deferred taxes on earnings	(700)	(34)
Excess tax benefit from stock-based compensation	(145)	(58)
Other, net	1,031	81
Changes in operating assets and liabilities (net of acquisitions):		
Accounts receivable	572	2,017
Financing receivables	(65)	420
Inventory	(330)	(580)
Accounts payable	31	1,912
Taxes on earnings	(137)	310
Restructuring	(1,243)	(1,506)
Other assets and liabilities	(3,241)	(2,021)
Net cash provided by operating activities	6,490	12,333
Cash flows from investing activities:		
Investment in property, plant and equipment	(3,603)	(3,853)
Proceeds from sale of property, plant and equipment	424	843
Purchases of available-for-sale securities and other investments	(259)	(1,086)
Maturities and sales of available-for-sale securities and other investments	302	1,347
Payments made in connection with business acquisitions, net of cash acquired	(2,644)	(49)
Proceeds from business divestitures, net	246	6
Net cash used in investing activities	(5,534)	(2,792)
Cash flows from financing activities:		
Short-term borrowings with original maturities less than 90 days, net	74	148
Proceeds from debt, net of issuance costs	20,758	2,875
Payment of debt	(15,867)	(6,037)
Settlement of cash flow hedge	(4)	-
Issuance of common stock under employee stock plans	371	297
Repurchase of common stock	(2,883)	(2,728)
Excess tax benefit from stock-based compensation	145	58
Cash dividends paid	(1,250)	(1,184)
Net cash provided by (used in) financing activities	1,344	(6,571)
Increase in cash and cash equivalents	2,300	2,970
Cash and cash equivalents at beginning of period	15,133	12,163
Cash and cash equivalents at end of period	\$ 17,433	\$ 15,133



HP INC. AND SUBSIDIARIES
SEGMENT INFORMATION
(Unaudited)
(In millions)

	Three months ended		
	October 31, 2015	July 31, 2015	October 31, 2014
Net revenue: ^{(a)(b)}			
Personal Systems	\$ 7,694	\$ 7,491	\$ 8,948
Printing	4,965	5,163	5,801
Total Printing and Personal Systems Group	12,659	12,654	14,749
Enterprise Group	7,358	7,007	7,248
Enterprise Services	5,020	4,976	5,511
Software	958	845	1,026
HP Financial Services	802	806	906
Corporate Investments	5	4	5
Total segments	26,802	26,292	29,445
Elimination of intersegment net revenue and other	(1,088)	(943)	(1,039)
Total HP consolidated net revenue	\$ 25,714	\$ 25,349	\$ 28,406
Earnings before taxes: ^{(a)(b)}			
Personal Systems	\$ 294	\$ 222	\$ 355
Printing	862	921	1,056
Total Printing and Personal Systems Group	1,156	1,143	1,411
Enterprise Group	1,029	912	1,072
Enterprise Services	412	297	377
Software	288	174	322
HP Financial Services	87	87	110
Corporate Investments	(149)	(148)	(107)
Total segment earnings from operations	2,823	2,465	3,185
Corporate and unallocated costs and eliminations	(261)	(129)	(316)
Stock-based compensation expense	(234)	(159)	(128)
Amortization of intangible assets	(246)	(242)	(226)
Restructuring charges	(591)	(25)	(604)
Acquisition and other related charges	(20)	(47)	(3)
Separation costs	(509)	(401)	-
Defined benefit plan settlement charges	(54)	(114)	-
Impairment of data center assets	-	(136)	-
Interest and other, net	(151)	(108)	(146)
Separation costs – early debt settlement	(167)	-	-
Total HP consolidated earnings before taxes	\$ 590	\$ 1,104	\$ 1,762

- (a) Effective at the beginning of its first quarter of fiscal 2015, HP implemented an organizational change to align its segment financial reporting more closely with its current business structure. This organizational change resulted in the transfer of third party multi-vendor support arrangements from the Technology Services business unit within the Enterprise Group segment to the Infrastructure Technology Outsourcing business unit within the Enterprise Services segment. HP reflected this change to its segment information in prior reporting periods on an as-if basis, which resulted in the removal of intersegment revenue from the Technology Services business unit within the Enterprise Group segment and the related corporate intersegment revenue eliminations, and the transfer of operating profit from the Technology Services business unit within the Enterprise Group segment to the Infrastructure Technology Outsourcing business unit within the Enterprise Services segment. This change had no impact on HP's previously reported consolidated net revenue, earnings from operations, net earnings or net earnings per share.
- (b) In connection with the separation, effective at the beginning of its fourth quarter of fiscal 2015, HP implemented an organizational change which resulted in the transfer of marketing optimization solutions business from the Software segment to the Commercial Hardware business unit within the Printing segment. HP reflected this change to its segment information in prior reporting periods on an as-if basis, which resulted in the transfer of net revenue from the Software segment to the Commercial Hardware business unit within the Printing segment. This change also resulted in the transfer of operating profit from the Software segment to the Commercial Hardware business unit within the Printing segment. This change had no impact on HP's previously reported consolidated net revenue, earnings from operations, net earnings or net earnings per share.



HP INC. AND SUBSIDIARIES
SEGMENT INFORMATION
(Unaudited)
(In millions)

	Twelve months ended October 31,	
	2015	2014
Net revenue: ^{(a)(b)}		
Personal Systems	\$ 31,469	\$ 34,303
Printing	21,232	23,211
Total Printing and Personal Systems Group	52,701	57,514
Enterprise Group	27,907	27,723
Enterprise Services	19,806	22,398
Software	3,458	3,701
HP Financial Services	3,216	3,498
Corporate Investments	27	302
Total segments	107,115	115,136
Elimination of intersegment net revenue and other	(3,760)	(3,682)
Total HP consolidated net revenue	\$ 103,355	\$ 111,454
Earnings before taxes: ^{(a)(b)}		
Personal Systems	\$ 1,064	\$ 1,270
Printing	3,865	4,229
Total Printing and Personal Systems Group	4,929	5,499
Enterprise Group	3,981	3,995
Enterprise Services	1,051	816
Software	760	828
HP Financial Services	349	389
Corporate Investments	(565)	(199)
Total segment earnings from operations	10,505	11,328
Corporate and unallocated costs and eliminations	(724)	(953)
Stock-based compensation expense	(709)	(560)
Amortization of intangible assets	(931)	(1,000)
Restructuring charges	(1,017)	(1,619)
Acquisition and other related charges	(90)	(11)
Separation costs	(1,259)	-
Defined benefit plan settlement charges	(168)	-
Impairment of data center assets	(136)	-
Interest and other, net	(572)	(628)
Separation costs – early debt settlement	(167)	-
Total HP consolidated earnings before taxes	\$ 4,732	\$ 6,557

(a) Effective at the beginning of its first quarter of fiscal 2015, HP implemented an organizational change to align its segment financial reporting more closely with its current business structure. This organizational change resulted in the transfer of third party multi-vendor support arrangements from the Technology Services business unit within the Enterprise Group segment to the Infrastructure Technology Outsourcing business unit within the Enterprise Services segment. HP reflected this change to its segment information in prior reporting periods on an as-if basis, which resulted in the removal of intersegment revenue from the Technology Services business unit within the Enterprise Group segment and the related corporate intersegment revenue eliminations, and the transfer of operating profit from the Technology Services business unit within the Enterprise Group segment to the Infrastructure Technology Outsourcing business unit within the Enterprise Services segment. This change had no impact on HP's previously reported consolidated net revenue, earnings from operations, net earnings or net earnings per share.

(b) In connection with the separation, effective at the beginning of its fourth quarter of fiscal 2015, HP implemented an organizational change which resulted in the transfer of marketing optimization solutions business from the Software segment to the Commercial Hardware business unit within the Printing segment. HP reflected this change to its segment information in prior reporting periods on an as-if basis, which resulted in the transfer of net revenue from the Software segment to the Commercial Hardware business unit within the Printing segment. This change also resulted in the transfer of operating profit from the Software segment to the Commercial Hardware business unit within the Printing segment. This change had no impact on HP's previously reported consolidated net revenue, earnings from operations, net earnings or net earnings per share.



HP INC. AND SUBSIDIARIES
SEGMENT/BUSINESS UNIT INFORMATION
(Unaudited)
(In millions)

	Three months ended			Change (%)	
	October 31, 2015	July 31, 2015	October 31, 2014	Q/Q	Y/Y
Net revenue: ^{(a)(b)}					
Printing and Personal Systems Group					
Personal Systems					
Notebooks	\$ 4,384	\$ 3,993	\$ 4,869	10%	(10%)
Desktops	2,530	2,700	3,185	(6%)	(21%)
Workstations	472	507	558	(7%)	(15%)
Other	308	291	336	6%	(8%)
Total Personal Systems	7,694	7,491	8,948	3%	(14%)
Printing					
Supplies	3,239	3,455	3,596	(6%)	(10%)
Commercial Hardware	1,345	1,305	1,628	3%	(17%)
Consumer Hardware	381	403	577	(5%)	(34%)
Total Printing	4,965	5,163	5,801	(4%)	(14%)
Total Printing and Personal Systems Group	12,659	12,654	14,749	0%	(14%)
Enterprise Group					
Industry Standard Servers	3,552	3,335	3,370	7%	5%
Technology Services	1,862	1,881	2,093	(1%)	(11%)
Storage	819	784	878	4%	(7%)
Networking	905	823	669	10%	35%
Business Critical Systems	220	184	238	20%	(8%)
Total Enterprise Group	7,358	7,007	7,248	5%	2%
Enterprise Services					
Infrastructure Technology Outsourcing	3,068	3,036	3,446	1%	(11%)
Application and Business Services	1,952	1,940	2,065	1%	(5%)
Total Enterprise Services	5,020	4,976	5,511	1%	(9%)
Software	958	845	1,026	13%	(7%)
HP Financial Services	802	806	906	0%	(11%)
Corporate Investments	5	4	5	25%	0%
Total segments	26,802	26,292	29,445	2%	(9%)
Elimination of intersegment net revenue and other	(1,088)	(943)	(1,039)	15%	5%
Total HP consolidated net revenue	\$ 25,714	\$ 25,349	\$ 28,406	1%	(9%)

(a) Effective at the beginning of its first quarter of fiscal 2015, HP implemented an organizational change to align its segment financial reporting more closely with its current business structure. This organizational change resulted in the transfer of third party multi-vendor support arrangements from the Technology Services business unit within the Enterprise Group segment to the Infrastructure Technology Outsourcing business unit within the Enterprise Services segment. HP reflected this change to its segment information in prior reporting periods on an as-if basis, which resulted in the removal of intersegment revenue from the Technology Services business unit within the Enterprise Group segment and the related corporate intersegment revenue eliminations. This change had no impact on HP's previously reported consolidated net revenue, earnings from operations, net earnings or net earnings per share.

(b) In connection with the separation, effective at the beginning of its fourth quarter of fiscal 2015, HP implemented an organizational change which resulted in the transfer of marketing optimization solutions business from the Software segment to the Commercial Hardware business unit within the Printing segment. HP reflected this change to its segment information in prior reporting periods on an as-if basis, which resulted in the transfer of net revenue from the Software segment to the Commercial Hardware business unit within the Printing segment. This change had no impact on HP's previously reported consolidated net revenue, earnings from operations, net earnings or net earnings per share.



HP INC. AND SUBSIDIARIES
SEGMENT/BUSINESS UNIT INFORMATION
(Unaudited)
(In millions)

	Twelve months ended October 31,	
	2015	2014
Net revenue: ^{(a)(b)}		
Printing and Personal Systems Group		
Personal Systems		
Notebooks	\$ 17,271	\$ 17,540
Desktops	10,941	13,197
Workstations	2,018	2,218
Other	1,239	1,348
Total Personal Systems	<u>31,469</u>	<u>34,303</u>
Printing		
Supplies	13,979	14,917
Commercial Hardware	5,378	5,949
Consumer Hardware	1,875	2,345
Total Printing	<u>21,232</u>	<u>23,211</u>
Total Printing and Personal Systems Group	<u>52,701</u>	<u>57,514</u>
Enterprise Group		
Industry Standard Servers	13,412	12,474
Technology Services	7,662	8,375
Storage	3,180	3,316
Networking	2,846	2,629
Business Critical Systems	807	929
Total Enterprise Group	<u>27,907</u>	<u>27,723</u>
Enterprise Services		
Infrastructure Technology Outsourcing	12,107	14,038
Application and Business Services	7,699	8,360
Total Enterprise Services	<u>19,806</u>	<u>22,398</u>
Software	<u>3,458</u>	<u>3,701</u>
HP Financial Services	<u>3,216</u>	<u>3,498</u>
Corporate Investments	<u>27</u>	<u>302</u>
Total segments	<u>107,115</u>	<u>115,136</u>
Elimination of intersegment net revenue and other	<u>(3,760)</u>	<u>(3,682)</u>
Total HP consolidated net revenue	\$ <u>103,355</u>	\$ <u>111,454</u>

(a) Effective at the beginning of its first quarter of fiscal 2015, HP implemented an organizational change to align its segment financial reporting more closely with its current business structure. This organizational change resulted in the transfer of third party multi-vendor support arrangements from the Technology Services business unit within the Enterprise Group segment to the Infrastructure Technology Outsourcing business unit within the Enterprise Services segment. HP reflected this change to its segment information in prior reporting periods on an as-if basis, which resulted in the removal of intersegment revenue from the Technology Services business unit within the Enterprise Group segment and the related corporate intersegment revenue eliminations. This change had no impact on HP's previously reported consolidated net revenue, earnings from operations, net earnings or net earnings per share.

(b) In connection with the separation, effective at the beginning of its fourth quarter of fiscal 2015, HP implemented an organizational change which resulted in the transfer of marketing optimization solutions business from the Software segment to the Commercial Hardware business unit within the Printing segment. HP reflected this change to its segment information in prior reporting periods on an as-if basis, which resulted in the transfer of net revenue from the Software segment to the Commercial Hardware business unit within the Printing segment. This change had no impact on HP's previously reported consolidated net revenue, earnings from operations, net earnings or net earnings per share.



HP INC. AND SUBSIDIARIES
SEGMENT OPERATING MARGIN SUMMARY DATA
(Unaudited)

	Three months ended	Change in Operating Margin (pts)	
	October 31, 2015	Q/Q	Y/Y
Segment operating margin:^{(a)(b)}			
Personal Systems	3.8%	0.8 pts	(0.2 pts)
Printing	17.4%	(0.4 pts)	(0.8 pts)
Total Printing & Personal Systems Group	9.1%	0.1 pts	(0.4 pts)
Enterprise Group	14.0%	1.0 pts	(0.8 pts)
Enterprise Services	8.2%	2.2 pts	1.4 pts
Software	30.1%	9.5 pts	(1.3 pts)
HP Financial Services	10.8%	0.0 pts	(1.3 pts)
Corporate Investments ^(c)	NM	NM	NM
Total segments	10.5%	1.1 pts	(0.3 pts)

- (a) Effective at the beginning of its first quarter of fiscal 2015, HP implemented an organizational change to align its segment financial reporting more closely with its current business structure. This organizational change resulted in the transfer of third party multi-vendor support arrangements from the Technology Services business unit within the Enterprise Group segment to the Infrastructure Technology Outsourcing business unit within the Enterprise Services segment. HP reflected this change to its segment information in prior reporting periods on an as-if basis, which resulted in the removal of intersegment revenue from the Technology Services business unit within the Enterprise Group segment and the related corporate intersegment revenue eliminations, and the transfer of operating profit from the Technology Services business unit within the Enterprise Group segment to the Infrastructure Technology Outsourcing business unit within the Enterprise Services segment. This change had no impact on HP's previously reported consolidated net revenue, earnings from operations, net earnings or net earnings per share.
- (b) In connection with the separation, effective at the beginning of its fourth quarter of fiscal 2015, HP implemented an organizational change which resulted in the transfer of marketing optimization solutions business from the Software segment to the Commercial Hardware business unit within the Printing segment. HP reflected this change to its segment information in prior reporting periods on an as-if basis, which resulted in the transfer of net revenue from the Software segment to the Commercial Hardware business unit within the Printing segment. This change also resulted in the transfer of operating profit from the Software segment to the Commercial Hardware business unit within the Printing segment. This change had no impact on HP's previously reported consolidated net revenue, earnings from operations, net earnings or net earnings per share.
- (c) "NM" represents not meaningful.



HP INC. AND SUBSIDIARIES
CALCULATION OF DILUTED NET EARNINGS PER SHARE
(Unaudited)
(In millions, except per share amounts)

	Three months ended		
	October 31, 2015	July 31, 2015	October 31, 2014
Numerator:			
GAAP net earnings	\$ 1,323	\$ 854	\$ 1,330
Non-GAAP net earnings	\$ 1,687	\$ 1,604	\$ 2,014
Denominator:			
Weighted-average shares outstanding during the reporting period	1,802	1,805	1,862
Dilutive effect of employee stock plans ^(a)	19	23	34
Weighted-average shares used to compute diluted net earnings per share	1,821	1,828	1,896
GAAP diluted net earnings per share	\$ 0.73	\$ 0.47	\$ 0.70
Non-GAAP diluted net earnings per share	\$ 0.93	\$ 0.88	\$ 1.06

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



HP INC. AND SUBSIDIARIES
CALCULATION OF DILUTED NET EARNINGS PER SHARE
(In millions, except per share amounts)

	Twelve months ended October 31,	
	2015	2014
	(Unaudited)	
Numerator:		
GAAP net earnings	\$ 4,554	\$ 5,013
Non-GAAP net earnings	\$ 6,592	\$ 7,145
Denominator:		
Weighted-average shares outstanding during the reporting period	1,814	1,882
Dilutive effect of employee stock plans ^(a)	22	30
Weighted-average shares used to compute diluted net earnings per share	1,836	1,912
GAAP diluted net earnings per share	\$ 2.48	\$ 2.62
Non-GAAP diluted net earnings per share	\$ 3.59	\$ 3.74

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