

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

	Three months ended		
	October 31, 2017	July 31, 2017	October 31, 2016
Net revenue	\$ 7,660	\$ 7,501	\$ 7,324
Costs and expenses:			
Cost of sales	5,383	5,306	4,996
Research and development	364	390	401
Selling, general and administrative	1,288	1,285	1,253
Amortization of intangible assets	86	97	57
Restructuring charges	113	152	128
Transformation costs <sup>(a)</sup>	328	31	—
Disaster charges <sup>(b)</sup>	93	—	—
Acquisition and other related charges	53	56	46
Separation costs	202	5	118
Defined benefit plan settlement charges and rereasurement (benefit) <sup>(c)</sup>	(26)	(22)	—
Gain on H3C and MphasiS divestitures	—	—	(251)
Total costs and expenses	7,884	7,300	6,748
(Loss) earnings from continuing operations	(224)	201	576
Interest and other, net	(76)	(87)	(91)
Tax indemnification adjustments	(2)	10	311
Earnings (loss) from equity interests <sup>(d)</sup>	1	1	(4)
(Loss) earnings from continuing operations before taxes	(301)	125	792
Tax valuation allowances and separation taxes <sup>(e)</sup>	619	189	—
Tax settlements	—	—	(647)
Benefit (provision) for taxes	60	(29)	181
Net earnings from continuing operations	378	285	326
Net earnings (loss) from discontinued operations	146	(120)	(24)
Net earnings	\$ 524	\$ 165	\$ 302
Net earnings (loss) per share:			
Basic			
Continuing operations	\$ 0.23	\$ 0.17	\$ 0.19
Discontinued operations	0.09	(0.07)	(0.01)
Total basic net earnings per share	\$ 0.32	\$ 0.10	\$ 0.18
Diluted			
Continuing operations	\$ 0.23	\$ 0.17	\$ 0.19
Discontinued operations	0.09	(0.07)	(0.01)
Total diluted net earnings per share	\$ 0.32	\$ 0.10	\$ 0.18
Cash dividends declared per share	\$ —	\$ 0.065	\$ —
Weighted-average shares used to compute net earnings per share:			
Basic	1,618	1,641	1,672
Diluted	1,647	1,667	1,709

- (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 a 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) Primarily represents the Company's ownership interest in the net earnings of H3C, which the Company records as an equity method investment.
- (e) Represents tax amounts in connection with the spin-off of the enterprise services business, Everett SpinCo, Inc. and the software business, Seattle SpinCo, Inc. For the three months ended October 31, 2017, this amount primarily includes the income tax benefit related to U.S. foreign tax credits generated.

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

	Twelve months ended October 31,	
	2017	2016
Net revenue	\$ 28,871	\$ 30,280
Costs and expenses:		
Cost of sales	20,177	20,507
Research and development	1,486	1,714
Selling, general and administrative	5,006	5,380
Amortization of intangible assets	321	272
Restructuring charges	417	417
Transformation costs <sup>(a)</sup>	359	—
Disaster charges <sup>(b)</sup>	93	—
Acquisition and other related charges	203	145
Separation costs	248	362
Defined benefit plan settlement charges and rereasurement (benefit) <sup>(c)</sup>	(64)	—
Gain on H3C and MphasiS divestitures	—	(2,420)
Total costs and expenses	28,246	26,377
Earnings from continuing operations	625	3,903
Interest and other, net	(327)	(284)
Tax indemnification adjustments	(3)	317
Loss from equity interests <sup>(d)</sup>	(23)	(76)
Earnings from continuing operations before taxes	272	3,860
Tax valuation allowances and separation taxes <sup>(e)</sup>	215	—
Tax settlements	—	(647)
(Provision) benefit for taxes	(51)	24
Net earnings from continuing operations	436	3,237
Net loss from discontinued operations	(92)	(76)
Net earnings	\$ 344	\$ 3,161
Net earnings (loss) per share:		
Basic		
Continuing operations	\$ 0.26	\$ 1.89
Discontinued operations	(0.05)	(0.05)
Total basic net earnings per share	\$ 0.21	\$ 1.84
Diluted		
Continuing operations	\$ 0.26	\$ 1.86
Discontinued operations	(0.05)	(0.04)
Total diluted net earnings per share	\$ 0.21	\$ 1.82
Cash dividends declared per share	\$ 0.26	\$ 0.22
Weighted-average shares used to compute net earnings per share:		
Basic	1,646	1,715
Diluted	1,674	1,739

(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 a 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) Primarily represents the Company's ownership interest in the net earnings of H3C, which the Company records as an equity method investment.
- (e) Represents tax amounts in connection with the spin-off of the enterprise services business, Everett SpinCo, Inc. and the software business, Seattle SpinCo, Inc. This amount primarily includes the income tax benefit related to U.S. foreign tax credits generated partially offset by income tax expense as a result of recording valuation allowances on certain U.S. deferred tax assets.

**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 October 31, 2017	Diluted net earnings per share	Three months ended July 31, 2017	Diluted net earnings per share	Three months ended October 31, 2016	Diluted net earnings per share
GAAP net earnings from continuing operations	\$ 378	\$ 0.23	\$ 285	\$ 0.17	\$ 326	\$ 0.19
Non-GAAP adjustments:						
Amortization of intangible assets	86	0.05	97	0.06	57	0.03
Restructuring charges	113	0.07	152	0.09	128	0.07
Transformation costs <sup>(a)</sup>	328	0.20	31	0.02	—	—
Disaster charges <sup>(b)</sup>	93	0.06	—	—	—	—
Acquisition and other related charges	53	0.03	56	0.03	46	0.03
Separation costs	202	0.12	5	—	118	0.07
Defined benefit plan settlement charges and rereasurement (benefit) <sup>(c)</sup>	(26)	(0.02)	(22)	(0.01)	—	—
Gain on H3C and Mphasis divestitures	—	—	—	—	(251)	(0.15)
Tax indemnification adjustments	2	—	(10)	(0.01)	(311)	(0.18)
Loss from equity interests <sup>(d)</sup>	43	0.03	39	0.02	35	0.02
Adjustments for taxes	(180)	(0.10)	(69)	(0.04)	(406)	(0.23)
Tax valuation allowances and separation taxes <sup>(e)</sup>	(619)	(0.38)	(189)	(0.11)	—	—
Tax settlements	—	—	—	—	647	0.38
Non-GAAP net earnings from continuing operations	<u>\$ 473</u>	<u>\$ 0.29</u>	<u>\$ 375</u>	<u>\$ 0.22</u>	<u>\$ 389</u>	<u>\$ 0.23</u>
GAAP (loss) earnings from continuing operations	\$ (224)		\$ 201		\$ 576	
Non-GAAP adjustments related to continuing operations:						
Amortization of intangible assets	86		97		57	
Restructuring charges	113		152		128	
Transformation costs <sup>(a)</sup>	328		31		—	
Disaster charges <sup>(b)</sup>	93		—		—	
Acquisition and other related charges	53		56		46	
Separation costs	202		5		118	
Defined benefit plan settlement charges and rereasurement (benefit) <sup>(c)</sup>	(26)		(22)		—	
Gain on H3C and Mphasis divestitures	—		—		(251)	
Non-GAAP earnings from continuing operations	<u>\$ 625</u>		<u>\$ 520</u>		<u>\$ 674</u>	
GAAP operating margin from continuing operations	(3)%		3%		8%	
Non-GAAP adjustments from continuing operations	11 %		4%		1%	
Non-GAAP operating margin from continuing operations	<u>8 %</u>		<u>7%</u>		<u>9%</u>	

GAAP net earnings (loss) from discontinued operations	\$ 146	\$ 0.09	\$ (120)	\$ (0.07)	\$ (24)	\$ (0.01)
Non-GAAP adjustments related to discontinued operations:						
Amortization of intangible assets	10	0.01	35	0.02	69	0.04
Restructuring charges	(2)	—	13	0.01	267	0.16
Acquisition and other related charges	—	—	—	—	5	—
Separation costs	70	0.04	254	0.15	175	0.10
Defined benefit plan settlement charges and remeasurement (benefit) <sup>(c)</sup>	(1)	—	(2)	—	—	—
Interest expense on Seattle debt	8	—	11	0.01	—	—
Tax indemnification adjustments	15	0.01	—	—	—	—
Adjustments for taxes	(50)	(0.03)	(81)	(0.05)	154	0.09
Tax valuation allowances and separation taxes <sup>(e)</sup>	(166)	(0.10)	12	0.01	—	—
Non-GAAP net earnings from discontinued operations	<u>\$ 30</u>	<u>\$ 0.02</u>	<u>\$ 122</u>	<u>\$ 0.08</u>	<u>\$ 646</u>	<u>\$ 0.38</u>
Total GAAP net earnings	<u>\$ 524</u>	<u>\$ 0.32</u>	<u>\$ 165</u>	<u>\$ 0.10</u>	<u>\$ 302</u>	<u>\$ 0.18</u>
Total Non-GAAP net earnings	<u>\$ 503</u>	<u>\$ 0.31</u>	<u>\$ 497</u>	<u>\$ 0.30</u>	<u>\$ 1,035</u>	<u>\$ 0.61</u>

- (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 a 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 amortization of basis difference adjustments related to the H3C divestiture.
- (e) Represents tax amounts in connection with the spin-off of the enterprise services business, Everett SpinCo, Inc. and the software business, Seattle SpinCo, Inc. For the three months ended October 31, 2017, this amount primarily includes the 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)**

	Twelve months ended October 31, 2017	Diluted net earnings per share	Twelve months ended October 31, 2016	Diluted net earnings per share
GAAP net earnings from continuing operations	\$ 436	\$ 0.26	\$ 3,237	\$ 1.86
Non-GAAP adjustments:				
Amortization of intangible assets	321	0.19	272	0.16
Restructuring charges	417	0.25	417	0.24
Transformation costs <sup>(a)</sup>	359	0.21	—	—
Disaster charges <sup>(b)</sup>	93	0.06	—	—
Acquisition and other related charges	203	0.12	145	0.08
Separation costs	248	0.15	362	0.21
Defined benefit plan settlement charges and remeasurement (benefit) <sup>(c)</sup>	(64)	(0.04)	—	—
Gain on H3C and MphasiS divestitures	—	—	(2,420)	(1.39)
Tax indemnification adjustments	3	—	(317)	(0.18)
Loss from equity interests <sup>(d)</sup>	155	0.09	93	0.05
Adjustments for taxes	(348)	(0.20)	(537)	(0.31)
Tax valuation allowances and separation taxes <sup>(e)</sup>	(215)	(0.13)	—	—
Tax settlements	—	—	647	0.37
Non-GAAP net earnings from continuing operations	<u>\$ 1,608</u>	<u>\$ 0.96</u>	<u>\$ 1,899</u>	<u>\$ 1.09</u>
GAAP earnings from continuing operations	\$ 625		\$ 3,903	
Non-GAAP adjustments related to continuing operations:				
Amortization of intangible assets	321		272	
Restructuring charges	417		417	
Transformation costs <sup>(a)</sup>	359		—	
Disaster charges <sup>(b)</sup>	93		—	
Acquisition and other related charges	203		145	
Separation costs	248		362	
Defined benefit plan settlement charges and remeasurement (benefit) <sup>(c)</sup>	(64)		—	
Gain on H3C and MphasiS divestitures	—		(2,420)	
Non-GAAP earnings from continuing operations	<u>\$ 2,202</u>		<u>\$ 2,679</u>	
GAAP operating margin from continuing operations	2%		13 %	
Non-GAAP adjustments from continuing operations	6%		(4)%	
Non-GAAP operating margin from continuing operations	<u>8%</u>		<u>9 %</u>	
GAAP net loss from discontinued operations	\$ (92)	\$ (0.05)	\$ (76)	\$ (0.04)
Non-GAAP adjustments related to discontinued operations:				
Amortization of intangible assets	116	0.07	483	0.28
Restructuring charges	251	0.15	819	0.47
Acquisition and other related charges	1	—	33	0.02

Separation costs	1,037	0.62	236	0.13
Defined benefit plan settlement charges and remeasurement (benefit) <sup>(c)</sup>	(9)	(0.01)	—	—
Interest expense on Seattle debt	19	0.01	—	—
Tax indemnification adjustments	15	0.01	—	—
Adjustments for taxes	(415)	(0.25)	(57)	(0.03)
Tax valuation allowances and separation taxes <sup>(e)</sup>	(172)	(0.10)	—	—
Non-GAAP net earnings from discontinued operations	<u>\$ 751</u>	<u>\$ 0.45</u>	<u>\$ 1,438</u>	<u>\$ 0.83</u>
Total GAAP net earnings	<u>\$ 344</u>	<u>\$ 0.21</u>	<u>\$ 3,161</u>	<u>\$ 1.82</u>
Total Non-GAAP net earnings	<u>\$ 2,359</u>	<u>\$ 1.41</u>	<u>\$ 3,337</u>	<u>\$ 1.92</u>

- (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 a 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 amortization of basis difference adjustments related to the H3C divestiture.
- (e) Represents tax amounts in connection with the spin-off of the enterprise services business, Everett SpinCo, Inc. and the software business, Seattle SpinCo, Inc. This amount primarily includes the income tax benefit related to U.S. foreign tax credits generated partially offset by income tax expense as a result of recording valuation allowances on certain U.S. deferred tax assets.



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

	As of	
	October 31, 2017	October 31, 2016
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 9,579	\$ 12,987
Accounts receivable	3,073	3,151
Financing receivables	3,378	3,360
Inventory	2,315	1,720
Assets held for sale <sup>(a)</sup>	14	—
Other current assets	3,085	2,694
Current assets of discontinued operations	—	5,005
Total current assets	<u>21,444</u>	<u>28,917</u>
Property, plant and equipment	6,269	6,375
Long-term financing receivables and other assets <sup>(b)</sup>	12,600	10,476
Investments in equity interests	2,535	2,648
Goodwill and intangible assets	18,558	16,765
Non-current assets of discontinued operations	—	14,448
Total assets	<u>\$ 61,406</u>	<u>\$ 79,629</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Notes payable and short-term borrowings <sup>(b)</sup>	\$ 3,850	\$ 3,525
Accounts payable	6,072	4,945
Employee compensation and benefits	1,156	1,253
Taxes on earnings	429	161
Deferred revenue	3,128	2,996
Accrued restructuring	445	256
Other accrued liabilities	3,844	3,717
Current liabilities of discontinued operations	—	5,676
Total current liabilities	<u>18,924</u>	<u>22,529</u>
Long-term debt <sup>(b)</sup>	10,182	12,168
Other non-current liabilities	8,795	8,874
Non-current liabilities of discontinued operations	—	4,540
Stockholders' equity		
HPE stockholders' equity:		
Preferred stock, \$0.01 par value (300 shares authorized; none issued and outstanding at October 31, 2017)	—	—
Common stock, \$0.01 par value (9,600 shares authorized; 1,595 and 1,666 shares issued and outstanding at October 31, 2017 and October 31, 2016, respectively)	16	17
Additional paid-in capital	33,583	35,248
Retained earnings	(7,238)	2,782
Accumulated other comprehensive loss	(2,895)	(6,599)
Total HPE stockholders' equity	<u>23,466</u>	<u>31,448</u>
Non-controlling interests of continuing operations	39	40

Non-controlling interests of discontinued operations	—	30
Total stockholders' equity	23,505	31,518
Total liabilities and stockholders' equity	<u>\$ 61,406</u>	<u>\$ 79,629</u>

- (a) During the fourth quarter of fiscal 2017, 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.
- (b) During the first quarter of fiscal 2017, the Company adopted on a retrospective basis the guidance on the presentation of debt issuance cost as a direct deduction from the related debt liability. As such, prior period amounts have been reclassified to conform to the current presentation.

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

	Three months ended October 31, 2017	Twelve months ended October 31, 2017
Cash flows from operating activities:		
Net earnings	\$ 524	\$ 344
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	682	3,051
Stock-based compensation expense	79	428
Provision for doubtful accounts and inventory	47	129
Restructuring charges <sup>(a)</sup>	406	964
Deferred taxes on earnings	(1,267)	(1,122)
Excess tax benefit from stock-based compensation	(27)	(143)
(Earnings) loss from equity interests	(1)	23
Dividends received from equity investees <sup>(b)</sup>	98	98
Other, net	151	543
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	207	457
Financing receivables	(335)	(462)
Inventory	(201)	(542)
Accounts payable	340	992
Taxes on earnings	337	(265)
Restructuring	(112)	(800)
Other assets and liabilities <sup>(c)</sup>	(102)	(2,806)
Net cash provided by operating activities	<u>826</u>	<u>889</u>
Cash flows from investing activities:		
Investment in property, plant and equipment	(732)	(3,137)
Proceeds from sale of property, plant and equipment	276	679
Purchases of available-for-sale securities and other investments	(14)	(45)
Maturities and sales of available-for-sale securities and other investments	24	38
Financial collateral posted	(302)	(686)
Financial collateral returned	417	466
Payments made in connection with business acquisitions, net of cash acquired	(152)	(2,202)
Payments from business divestitures, net <sup>(d)</sup>	—	(20)
Net cash used in investing activities	<u>(483)</u>	<u>(4,907)</u>
Cash flows from financing activities:		
Short-term borrowings with original maturities less than 90 days, net	(12)	18
Proceeds from debt, net of issuance costs	1,510	2,259
Payment of debt	(1,487)	(3,783)
Settlement of cash flow hedge	—	5
Issuance of common stock under employee stock plans	45	411
Repurchase of common stock	(620)	(2,556)
Net transfer of cash and cash equivalents to Everett	(152)	(711)
Net transfer of cash and cash equivalents to Seattle	(227)	(227)

Cash dividend from Everett <sup>(e)</sup>	—	3,008
Cash dividend from Seattle <sup>(f)</sup>	2,500	2,500
Restricted cash transfer <sup>(g)</sup>	—	(29)
Excess tax benefit from stock-based compensation	27	143
Cash dividends paid	(105)	(428)
Net cash provided by financing activities	1,479	610
Increase (decrease) in cash and cash equivalents	1,822	(3,408)
Cash and cash equivalents at beginning of period	7,757	12,987
Cash and cash equivalents at end of period	\$ 9,579	\$ 9,579

- (a) For the three and twelve months ended October 31, 2017, includes \$296 million of restructuring charges related to the HPE Next initiative and reported within transformation costs in the Consolidated Statement of Earnings.
- (b) Represents cash dividend received from H3C, which the Company accounts for as an equity method investment.
- (c) For the twelve months ended October 31, 2017, the amount includes \$1.9 billion of pension funding payments associated with the spin-off of the enterprise services business, Everett SpinCo, Inc., and the merger of Everett SpinCo, Inc. with Computer Sciences Corporation.
- (d) Primarily relates to an H3C working capital adjustment payment.
- (e) Represents a \$3.0 billion cash dividend payment from Everett SpinCo, Inc. to HPE in the second quarter of fiscal 2017, the proceeds of which were funded from the issuance of \$3.5 billion of aggregate debt by Everett SpinCo, Inc. The debt was retained by Everett SpinCo, Inc.
- (f) Represents a \$2.5 billion cash dividend payment from Seattle SpinCo, Inc. to HPE in the fourth quarter of fiscal 2017, the proceeds of which were funded from the issuance of \$2.6 billion of aggregate debt by Seattle SpinCo, Inc. The debt was retained by Seattle SpinCo, Inc.
- (g) Represents the difference between the net proceeds from the Seattle debt issuance in the third quarter of fiscal 2017 and the amount held in escrow through the close of the transaction. This was settled in the fourth quarter of fiscal 2017 with the net transfer of cash and cash equivalents to Seattle.

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

	Three months ended		
	October 31, 2017	July 31, 2017	October 31, 2016
Net revenue: <sup>(a)</sup>			
Enterprise Group	\$ 6,852	\$ 6,791	\$ 6,823
Financial Services	1,010	897	814
Corporate Investments	3	—	58
Total segment net revenue	<u>7,865</u>	<u>7,688</u>	<u>7,695</u>
Elimination of intersegment net revenue and other <sup>(b)</sup>	(205)	(187)	(371)
Total Hewlett Packard Enterprise consolidated net revenue	<u>\$ 7,660</u>	<u>\$ 7,501</u>	<u>\$ 7,324</u>
Earnings from continuing operations before taxes: <sup>(a)</sup>			
Enterprise Group	\$ 723	\$ 634	\$ 909
Financial Services	78	70	83
Corporate Investments	(27)	(34)	(64)
Total segment earnings from operations	<u>774</u>	<u>670</u>	<u>928</u>
Corporate and unallocated costs and eliminations	(74)	(64)	(167)
Stock-based compensation expense	(75)	(86)	(87)
Amortization of intangible assets	(86)	(97)	(57)
Restructuring charges	(113)	(152)	(128)
Transformation costs <sup>(c)</sup>	(328)	(31)	—
Disaster charges <sup>(d)</sup>	(93)	—	—
Acquisition and other related charges	(53)	(56)	(46)
Separation costs	(202)	(5)	(118)
Defined benefit plan settlement charges and rereasurement (benefit) <sup>(e)</sup>	26	22	—
Gain on H3C and MphasiS divestiture	—	—	251
Interest and other, net	(76)	(87)	(91)
Tax indemnification adjustments	(2)	10	311
Earnings (loss) from equity interests <sup>(f)</sup>	1	1	(4)
Total Hewlett Packard Enterprise consolidated (loss) earnings from continuing operations before taxes	<u>\$ (301)</u>	<u>\$ 125</u>	<u>\$ 792</u>

- (a) As of April 1, 2017, with the spin-off of the enterprise services business, Everett SpinCo, Inc., and the merger of Everett SpinCo, Inc. with Computer Sciences Corporation, and as of September 1, 2017, with the spin-off of the software business, Seattle SpinCo, Inc., and the merger of Seattle SpinCo, Inc. with Micro Focus, the Company reclassified the historical net (loss) earnings from the former enterprise services segment ("former ES segment"), and the former software segment ("former software segment"), to Net earnings (loss) from discontinued operations in its Consolidated Statements of Earnings.

Effective at the beginning of the first quarter of fiscal 2017, the Company 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, primarily, the transfer of the big data storage product group previously reported within the Servers business unit to the Storage business unit; the transfer of the Aruba services capabilities previously reported within the Networking business unit to the Technology Services business unit; and (ii) the transfer of the CMS product group previously reported within the former ES segment to the Technology Services business unit within the Enterprise Group segment.

The Company reflected these changes to its segment information retrospectively to the earliest period presented, which resulted in: (i) within the Enterprise Group segment, primarily, the transfer of net revenue from the big data storage product group previously reported within the Servers business unit to the Storage business unit; the transfer of net revenue from the Aruba services capabilities previously reported within the Networking business unit to the Technology Services business unit; and (ii) the transfer of net revenue, related eliminations of intersegment revenues and operating profit from the CMS product group previously reported within the former ES segment to the Technology Services business unit within the Enterprise Group segment.

Effective at the beginning of the second quarter of fiscal 2017 and prior to the completion of the spin-off of the enterprise services business, Everett SpinCo, Inc., and the merger of Everett SpinCo, Inc. with Computer Sciences Corporation, the Company transferred historical net revenue and operating profit from the previously divested MphasiS product group which was reported within the former ES segment to the Corporate Investments segment.

The changes within the Enterprise Group segment had no impact on Hewlett Packard Enterprise's previously reported Enterprise Group segment net revenue and earnings from operations. The change between former ES segment and the Enterprise Group segment had no impact on Hewlett Packard Enterprise's previously reported consolidated net revenue, earnings from continuing operations, net earnings from continuing operations or net earnings per share from continuing operations.

- (b) For the periods prior to the completion of the Everett and Seattle Transactions respectively, the amounts include the elimination of pre-separation intercompany sales to the former ES and Software segments, which are included within Net earnings (loss) from discontinued operations in the Consolidated Statements of Earnings.
- (c) 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 a 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 Company's ownership interest in the net earnings of equity method investments, primarily H3C.

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

	Twelve months ended October 31,	
	2017	2016
Net revenue: <sup>(a)</sup>		
Enterprise Group	\$ 26,211	\$ 27,779
Financial Services	3,602	3,190
Corporate Investments	3	591
Total segment net revenue	29,816	31,560
Elimination of intersegment net revenue and other <sup>(b)</sup>	(945)	(1,280)
Total Hewlett Packard Enterprise consolidated net revenue	<u>\$ 28,871</u>	<u>\$ 30,280</u>
Earnings from continuing operations before taxes: <sup>(a)</sup>		
Enterprise Group	\$ 2,707	\$ 3,569
Financial Services	304	336
Corporate Investments	(142)	(240)
Total segment earnings from operations	2,869	3,665
Corporate and unallocated costs and eliminations	(310)	(619)
Stock-based compensation expense	(357)	(367)
Amortization of intangible assets	(321)	(272)
Restructuring charges	(417)	(417)
Transformation costs <sup>(c)</sup>	(359)	—
Disaster charges <sup>(d)</sup>	(93)	—
Acquisition and other related charges	(203)	(145)
Separation costs	(248)	(362)
Defined benefit plan settlement charges and remeasurement (benefit) <sup>(e)</sup>	64	—
Gain on H3C and MphasiS divestiture	—	2,420
Interest and other, net	(327)	(284)
Tax indemnification adjustments	(3)	317
Loss from equity interests <sup>(f)</sup>	(23)	(76)
Total Hewlett Packard Enterprise consolidated earnings from continuing operations before taxes	<u>\$ 272</u>	<u>\$ 3,860</u>

(a) As of April 1, 2017, with the spin-off of the enterprise services business, Everett SpinCo, Inc., and the merger of Everett SpinCo, Inc. with Computer Sciences Corporation, and as of September 1, 2017, with the spin-off of the software business, Seattle SpinCo, Inc., and the merger of Seattle SpinCo, Inc. with Micro Focus, the Company reclassified the historical net (loss) earnings from the former enterprise services segment ("former ES segment"), and the former software segment ("former software segment"), to Net earnings (loss) from discontinued operations in its Consolidated Statements of Earnings.

Effective at the beginning of the first quarter of fiscal 2017, the Company 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, primarily, the transfer of the big data storage product group previously reported within the Servers business unit to the Storage business unit; the transfer of the Aruba services capabilities previously reported within the Networking business unit to the Technology Services business unit; and (ii) the transfer of the CMS product group previously reported within the former ES segment to the Technology Services business unit within the Enterprise Group segment.

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- (b) For the periods prior to the completion of the Everett and Seattle Transactions respectively, the amounts include the elimination of pre-separation intercompany sales to the former ES and Software segments, which are included within Net earnings (loss) from discontinued operations in the Consolidated Statements of Earnings.
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- (f) Represents the Company's ownership interest in the net earnings of equity method investments, primarily H3C.



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

	Three months ended			Change (%)	
	October 31, 2017	July 31, 2017	October 31, 2016	Q/Q	Y/Y
Net revenue: <sup>(a)</sup>					
Enterprise Group					
Servers	\$ 3,282	\$ 3,298	\$ 3,463	—%	(5%)
Technology Services	2,021	1,947	1,974	4%	2%
Storage	871	844	827	3%	5%
Networking	678	702	559	(3%)	21%
Total Enterprise Group	<u>6,852</u>	<u>6,791</u>	<u>6,823</u>	1%	—%
Financial Services	1,010	897	814	13%	24%
Corporate Investments	3	—	58	—	(95%)
Total segment net revenue	<u>7,865</u>	<u>7,688</u>	<u>7,695</u>	2%	2%
Elimination of intersegment net revenue and other <sup>(b)</sup>	(205)	(187)	(371)	10%	(45%)
Total Hewlett Packard Enterprise consolidated net revenue	<u>\$ 7,660</u>	<u>\$ 7,501</u>	<u>\$ 7,324</u>	2%	5%

- (a) As of April 1, 2017, with the spin-off of the enterprise services business, Everett SpinCo, Inc., and the merger of Everett SpinCo, Inc. with Computer Sciences Corporation, and as of September 1, 2017, with the spin-off of the software business, Seattle SpinCo, Inc., and the merger of Seattle SpinCo, Inc. with Micro Focus, the Company reclassified the historical net (loss) earnings from the former enterprise services segment ("former ES segment"), and the former software segment ("former software segment"), to Net earnings (loss) from discontinued operations in its Consolidated Statements of Earnings.

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

	Twelve months ended October 31,		Change (%)
	2017	2016	Y/Y
Net revenue: <sup>(a)</sup>			
Enterprise Group			
Servers	\$ 12,674	\$ 13,813	(8%)
Technology Services	7,882	7,911	—%
Storage	3,144	3,235	(3%)
Networking	2,511	2,820	(11%)
Total Enterprise Group	<u>26,211</u>	<u>27,779</u>	(6%)
Financial Services	3,602	3,190	13%
Corporate Investments	3	591	(99%)
Total segment net revenue	<u>29,816</u>	<u>31,560</u>	(6%)
Elimination of intersegment net revenue and other <sup>(b)</sup>	(945)	(1,280)	(26%)
Total Hewlett Packard Enterprise consolidated net revenue	<u>\$ 28,871</u>	<u>\$ 30,280</u>	(5%)

(a) As of April 1, 2017, with the spin-off of the enterprise services business, Everett SpinCo, Inc., and the merger of Everett SpinCo, Inc. with Computer Sciences Corporation, and as of September 1, 2017, with the spin-off of the software business, Seattle SpinCo, Inc., and the merger of Seattle SpinCo, Inc. with Micro Focus, the Company reclassified the historical net (loss) earnings from the former enterprise services segment ("former ES segment"), and the former software segment ("former software segment"), to Net earnings (loss) from discontinued operations in its Consolidated Statements of Earnings.

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

	Three months ended	Change in Operating Margin (pts)	
	October 31, 2017	Q/Q	Y/Y
Segment operating margin: <sup>(a)</sup>			
Enterprise Group	10.6%	1.3 pts	(2.7) pts
Financial Services	7.7%	(0.1) pts	(2.5) pts
Corporate Investments <sup>(b)</sup>	NM	NM	NM
Total segment operating margin	9.8%	1.1 pts	(2.3) pts

- (a) As of April 1, 2017, with the spin-off of the enterprise services business, Everett SpinCo, Inc., and the merger of Everett SpinCo, Inc. with Computer Sciences Corporation, and as of September 1, 2017, with the spin-off of the software business, Seattle SpinCo, Inc., and the merger of Seattle SpinCo, Inc. with Micro Focus, the Company reclassified the historical net (loss) earnings from the former enterprise services segment ("former ES segment"), and the former software segment ("former software segment"), to Net earnings (loss) from discontinued operations in its Consolidated Statements of Earnings.

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- (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		
	October 31, 2017	July 31, 2017	October 31, 2016
<b>Numerator:</b>			
GAAP net earnings from continuing operations	\$ 378	\$ 285	\$ 326
GAAP net earnings (loss) from discontinued operations	\$ 146	\$ (120)	\$ (24)
Non-GAAP net earnings from continuing operations	\$ 473	\$ 375	\$ 389
Non-GAAP net earnings from discontinued operations	\$ 30	\$ 122	\$ 646
<b>Denominator:</b>			
Weighted-average shares used to compute basic net earnings per share and diluted net earnings (loss) per share	1,618	1,641	1,672
Dilutive effect of employee stock plans <sup>(a)</sup>	29	26	37
Weighted-average shares used to compute diluted net earnings per share	1,647	1,667	1,709
<b>GAAP net earnings per share from continuing operations</b>			
Basic	\$ 0.23	\$ 0.17	\$ 0.19
Diluted <sup>(a)</sup>	\$ 0.23	\$ 0.17	\$ 0.19
<b>GAAP net earnings (loss) per share from discontinued operations</b>			
Basic	\$ 0.09	\$ (0.07)	\$ (0.01)
Diluted <sup>(a)</sup>	\$ 0.09	\$ (0.07)	\$ (0.01)
<b>Non-GAAP net earnings per share from continuing operations</b>			
Basic	\$ 0.29	\$ 0.23	\$ 0.23
Diluted <sup>(b)</sup>	\$ 0.29	\$ 0.22	\$ 0.23
<b>Non-GAAP net earnings per share from discontinued operations</b>			
Basic	\$ 0.02	\$ 0.07	\$ 0.39
Diluted <sup>(b)</sup>	\$ 0.02	\$ 0.08	\$ 0.38
Total Hewlett Packard Enterprise GAAP basic net earnings per share	\$ 0.32	\$ 0.10	\$ 0.18
Total Hewlett Packard Enterprise GAAP diluted net earnings per share	\$ 0.32	\$ 0.10	\$ 0.18
Total Hewlett Packard Enterprise Non-GAAP basic net earnings per share	\$ 0.31	\$ 0.30	\$ 0.62
Total Hewlett Packard Enterprise Non-GAAP diluted net earnings per share	\$ 0.31	\$ 0.30	\$ 0.61

(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.

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

	Twelve months ended October 31,	
	2017	2016
<b>Numerator:</b>		
GAAP net earnings from continuing operations	\$ 436	\$ 3,237
GAAP net loss from discontinued operations	\$ (92)	\$ (76)
Non-GAAP net earnings from continuing operations	\$ 1,608	\$ 1,899
Non-GAAP net earnings from discontinued operations	\$ 751	\$ 1,438
<b>Denominator:</b>		
Weighted-average shares used to compute basic net earnings (loss) per share and diluted net earnings (loss) per share	1,646	1,715
Dilutive effect of employee stock plans <sup>(a)</sup>	28	24
Weighted-average shares used to compute diluted net earnings per share	1,674	1,739
<b>GAAP net earnings per share from continuing operations</b>		
Basic	\$ 0.26	\$ 1.89
Diluted <sup>(a)</sup>	\$ 0.26	\$ 1.86
<b>GAAP net loss per share from discontinued operations</b>		
Basic	\$ (0.05)	\$ (0.05)
Diluted <sup>(a)</sup>	\$ (0.05)	\$ (0.04)
<b>Non-GAAP net earnings per share from continuing operations</b>		
Basic	\$ 0.98	\$ 1.11
Diluted <sup>(b)</sup>	\$ 0.96	\$ 1.09
<b>Non-GAAP net earnings per share from discontinued operations</b>		
Basic	\$ 0.45	\$ 0.84
Diluted <sup>(b)</sup>	\$ 0.45	\$ 0.83
Total Hewlett Packard Enterprise GAAP basic net earnings per share	\$ 0.21	\$ 1.84
Total Hewlett Packard Enterprise GAAP diluted net earnings per share	\$ 0.21	\$ 1.82
Total Hewlett Packard Enterprise Non-GAAP basic net earnings per share	\$ 1.43	\$ 1.95
Total Hewlett Packard Enterprise Non-GAAP diluted net earnings per share	\$ 1.41	\$ 1.92

- (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.