

Table 6

HP Financing & Investments

May-06

(Fiscal year end: Oct 31)

	2006e	% of	Change	2005	% of	Change	2004	% of
	(\$ Mill)	Rev	05/04	(\$ Mill)	Rev	05/04	(\$ Mill)	Rev
Revenue		3%			3%			3%
Business Segments (est)								
Americas	\$1,040	44.0%	10.6%	\$940	44.0%	10.6%	\$850	44.0%
EMEA	\$950	40.0%	11.8%	\$850	40.0%	10.4%	\$770	40.0%
Asia/Pacific	\$377	15.9%	10.1%	\$342	16.1%	13.7%	\$301	15.7%
	\$2,367			\$2,132			\$1,921	
Total Revenue	\$2,890	99.9%	8.8%	\$2,655	100.1%	12.0%	\$2,370	99.7%
Corp Investments (incl. above)	\$523			\$523			\$449	
2Q06 Actual	\$518		-4.8%	\$544				
Costs								
Cost of Revenue	\$1,990	69.0%	8.7%	\$1,830	69.0%	5.2%	\$1,740	73.5%
Cost of Corp Investments	\$697			\$697			\$628	
Total Costs	\$2,687	93.0%	6.3%	\$2,527	95.2%	6.7%	\$2,368	99.9%
Gross Profit/Margin	\$203	7.0%	58.1%	\$128	4.8%	6315.5%	\$2	0.1%
Expenses								
Sales, General & Marketing	\$30	1.0%	0.0%	\$30	1.0%	-40.0%	\$50	2.0%
Restr. Charges (apportioned)	\$53			\$52				
Research & Development								
Total Expenses	\$83	0.0%	2.3%	\$82	0.0%	63.2%	\$50	0.0%
Operating Profit (Loss)	\$119	4.1%	155.5%	\$47	1.8%	-197.4%	(\$48)	-2.0%
as reported (incl. corp invest)						-100.0%	(\$54)	-2.3%
2Q06 Actual	\$39	7.5%	-32.8%	\$58	10.7%			
Other Income (Loss)	(\$5)	-0.2%	0.0%	(\$5)	-0.2%	-27.7%	(\$7)	-0.3%
Income (Loss) Before Tax	\$114	4.0%	174.1%	\$42	1.6%	-176.0%	(\$55)	-2.3%
Income Tax (Benefit)		20.3%			20.3%			16.7%
Net Income (Loss)	\$114	4.0%	174.1%	\$42	1.6%	-176.0%	(\$55)	-2.3%
Earnings per share (b)	2.81	0.04		0.01			(0.02)	

Pro Forma Valuation

	P/E Ratio	Rev Ratio	Market Cap (est.)			Spin-off	Actual
			P/E	Rev	Combined	Benefit	(5/15/06)
Industry Segment Avg	14.50	2.20	\$1.66	\$6.36	\$4.01		
HP Corp Act Prorated	27.72	0.95	\$3.17	\$2.75	\$2.84		\$89.46
HP Fin & Inv		1.00		\$2.89	\$2.89	\$0.05	

Source: Annex Research