

# IBM vs. HP: A Tale of Two Blues

IBM competes with HP over...

99.5% of its revenues

HP competes with IBM over..

40.2% of its revenues

IBM	2006 Revenue	% of Total	HP	FY06 Revenue	% of Total
Hardware	\$22,743	25.1%	Hardware	\$17,030	18.6%
			Printing&Imaging	\$26,410	28.8%
			PCs	\$29,040	31.7%
Services	\$41,846	46.2%	Services	\$6,240	6.8%
Maintenance	\$5,982	6.6%	Maintenance	\$9,770	10.7%
Software	\$17,297	19.1%	Software	\$1,270	1.4%
Other	\$464	0.5%	Eliminations	(\$629)	-0.7%
Global Financing	\$2,323	2.6%	Financing	\$2,527	2.8%
Total	\$90,655	100.0%	Total	\$91,658	100.0%
				\$36,208	(w/o PC/I&P)
Net Profit	\$9,464	10.4%	Total	\$6,190	6.8%
		1.5 times HP Net		\$3,151	(w/o PC/I&P)
		3.0 times HP Net			

Without PC/P&I, IBM 2.5 x HP Rev; 3.0 x HP Net

Without PC/P&I, HP Rev \$36B; Net \$3.15B

Source: Annex Research