

EDS - Financial Results & Forecast

Feb-07

(Fiscal year end: Dec 31)

Scenario 1:	2006e			% of Change			2005			2004		
Stemming revenue erosion	(\$ Mill)	Rev	06/05	(\$ Mill)	Rev	05/04	(\$ Mill)	Rev	(restated)	Rev		
Revenue	(restated)											
Non-GM	\$19,970	93.9%	11.2%	\$17,952	90.9%	0.3%	\$17,907	90.2%				
GM (e)	\$1,300	6.1%	-30.0%	\$1,805	9.1%	-7.7%	\$1,956	9.8%				
Total Revenue	\$21,268	100.0%	7.7%	\$19,757	100.0%	-0.5%	\$19,863	100.0%				
	4Q06	\$5,704	10.8%	\$5,146								
Revenue by industry (e)												
<i>Manufact. (incl. GM)</i>	\$3,190	15%	-9.4%	\$3,521	18%	-11.4%	\$3,973	20%				
<i>Energy</i>	\$851	4%	17.2%	\$726	4%	-8.7%	\$795	4%				
<i>Finance & Insurance</i>	\$4,679	22%	6.8%	\$4,381	22%	10.3%	\$3,973	20%				
<i>Government</i>	\$6,593	31%	3.3%	\$6,381	32%	7.1%	\$5,959	30%				
<i>Transportation</i>	\$1,382	7%	2.9%	\$1,344	7%	-3.4%	\$1,390	7%				
<i>Communications</i>	\$1,595	8%	7.9%	\$1,478	7%	-17.3%	\$1,788	9%				
<i>Health</i>	\$425	2%	10.8%	\$384	2%	-61.3%	\$993	5%				
<i>Other</i>	\$2,552	12%	65.4%	\$1,543	8%	55.4%	\$993	5%				
Costs												
Cost of Non-GM Revenue	\$17,409	87.2%	10.2%	\$15,798	88.0%	-4.0%	\$16,464	91.9%				
Various charges & credits (incl. above)												
Cost of GM Revenue (e)	\$1,170	90.0%	-28.0%	\$1,625	90.0%	-7.7%	\$1,760	90.0%				
Total Cost of Rev.	\$18,579	87.4%	1.0%	\$17,422	88.2%	11.5%	\$18,224	91.7%				
Gross Profit/Margin	\$2,689	12.6%	15.2%	\$2,335	11.8%	42.5%	\$1,639	8.3%				
Expenses												
Restructuring Charges/Income	\$15			-\$26			\$170					
Selling, Gen.&Admin.	\$1,858	8.7%	-9.0%	\$1,819	9.2%	15.8%	\$1,571	7.9%				
Total Costs & Exp.	\$20,452	96.2%	6.4%	\$19,215	97.3%	-3.8%	\$19,965	100.5%				
Oper. Profit (Loss)	\$816	3.8%	50.6%	\$542	2.7%	-631.4%	-\$102	-0.5%				
	4Q06	\$368	6.5%	\$244								
Interest Expense/Income, Net	\$60	0.3%		\$103	0.5%		\$272	1.4%				
Income(Loss) B. Tax	\$756	3.6%	72.3%	\$439	2.2%	-217.4%	-\$374	-1.9%				
Income Tax	\$257	1.2%	68.1%	\$153	0.8%	-248.5%	-\$103	-0.5%				
" Rate	34.0%			34.9%			27.5%					
Accounting change charge												
Net Income (Loss)	\$499	2.3%	74.6%	\$286	1.4%	-205.5%	-\$271	-1.4%				
	4Q06	\$217	3.8%	\$112								
Earnings (Loss) per share (basic)	\$0.96		74.6%	\$0.55		-201.9%	-\$0.54					
Income from discontinued operations				-\$136			\$429					
Net Income (incl. disco'd ops)				\$150		-5.1%	\$158					

Source: Annex Research