HP Enterprise Business

HP Enterprise Business (HP EB), which encompasses hardware, software, networking and services, generated nearly $53.6 billion in the full fiscal year (FY) 2009 and is one of HP's three primary business groups. HP EB delivered almost half the revenue (47%) and more than half the profit (58%) for HP in FY2009.

HP EB enables enterprise and midsize business customers to manage and transform technology environments to deliver outcomes that matter. Led by Ann Livermore, executive vice president, HP EB is comprised of: HP Enterprise Storage, Servers and Networking, HP Software & Solutions, HP Technology Services and HP Enterprise Services, previously EDS, an HP company.

In Q1 FY10, HP EB executed well in a challenging market with improving growth. Revenue was approximately $14 billion, up 3% from the prior-year period. HP EB delivered almost half the revenue (45%) and more than half the profit (59%) for HP in Q1 FY10. Services contributed 28% of revenue and 39% of operating profits – the largest profit contributor for HP in Q1.

HP Enterprise Storage, Servers and Networking (ESSN)

HP Enterprise Storage, Servers and Networking (ESSN) delivers the essential technology building blocks that enables data centers to respond quicker and with increased efficiency to changing business demands. HP Converged Infrastructure is the overarching strategy for HP ESSN guiding the research and development of solutions that simplify data center operations while increasing business value. HP Converged Infrastructure provides CIOs a technology blueprint and architecture for driving innovation in their organizations while making technology a key differentiator for their businesses.

With HP Converged Infrastructure, companies integrate silos of compute, storage, network and facility resources with unified management to deliver a virtualized, highly automated technology environment. In Q1 FY10, Enterprise Storage, Servers and Networking reported revenue of $4.4 billion and operating profit of $552 million (not including HP ProCurve). HP ESSN is comprised of the following business units that deliver solutions to enable customers to meet their business objectives today and tomorrow:

- **HP Infrastructure Software & Blades** delivers the industry's No. 1 bladed architecture, HP BladeSystem, which provides a simplified, affordable, energy-efficient server infrastructure. With HP Insight Software, customers can better manage their hardware investments, ensuring that they get more from every hour, watt, and dollar they invest in their technology environment. HP BladeSystem Matrix is the industry's first all-in-one (server, storage, networking, software and services) platform that allows customers to get the benefits of

shared services today while preserving existing data center investments.

- **HP Business Critical Systems** provides the solutions that are trusted to deliver the highest availability, scalability and reliability for organizations with critical business requirements. Built on an open, standards-based design, HP Integrity and HP Integrity Nonstop deliver a choice of operating systems, including HP-UX 11i v3, Windows, Linux, OpenVMS, and the NonStop OS. With this flexible, open systems approach, HP Integrity servers enable enterprise and midsize customers to respond instantly to changing business demands without downtime in IT operations.

- **HP Industry Standard Servers (ISS)** delivers the world's top server platform, HP ProLiant, with premium performance, management and energy efficiency benefits to enable a flexible technology infrastructure. ISS is tasked with helping customers to extend the life span of data center facilities and other capital investments, as well as increase workload output and improve processing speeds. Also offered are HP Scalable Computing & Infrastructure (SCI) products and solutions, customized to meet the unique infrastructure requirements of Web 2.0, high-performance computing (HPC), scale-out and cloud computing customers.

- **HP ProCurve** offers networking solutions that provide a flexible, open, standards-based set of provisioning, automation and network infrastructure tools. HP ProCurve solutions integrate thousands of servers and storage resources into a single virtualized, high-performance and low-latency network fabric, or a Flex Fabric, where resources can be deployed instantly. The suite of HP ProCurve fixed-port and modular switches offer unified core-to-edge connectivity and reliability. Through the acquisition of 3Com, HP plans to further bolster its portfolio with the integration of 3Com's networking and security solutions to deliver a comprehensive product line for the data center.

- **HP StorageWorks (SWD)** delivers data storage products, services and solutions to help customers realize the full benefits of a converged infrastructure. SWD has been a storage leader for over 30 years, delivering solutions that accommodate data growth, are aligned to business applications and are built on open standards. SWD solutions form the foundation of HP Virtual Resource Pools, which are virtualized collections of shared server, storage and networking capacity that can be repurposed to meet application demands on-the-fly.

HP Software & Solutions (HPSS)

HPSS is focused on partnering with chief information officers (CIOs) to help them become a change leader for IT, driving business agility, optimizing investments, and achieving profitable growth. Delivering the future to CIOs today, HPSS is helping customers transform technology from "keeping the lights on" to driving business efficiency, profitability and innovation.

HPSS is one of the fastest growing technology management software providers. In Q1 FY10, HP Software posted revenue of $878 million and operating profit of $167 million, or 19% of revenue, up from a profit of $140 million, or 15.9% of

revenue, in the prior-year period.

HPSS enables technology departments to deliver on what matters most – optimizing the business outcomes of technology investments – through the following portfolios:

- **Business Technology Optimization** **(BTO)**: HP Software BTO Solutions ensure that every dollar invested in technology, every resource allocated, and every application or service in development or production delivers against defined business objectives. HP Software's BTO portfolio combines HP OpenView, Peregrine, Mercury and Opsware strengths to enhance infrastructure management, link IT performance, costs and planning, and automate critical functions across strategy, applications and operations.

- **Information Management Solutions** **(IM)**: HP Software Information Management Solutions help customers manage both structured and unstructured information to make more informed business decisions and improve operational efficiencies. HP Software's Information Management Solutions portfolio includes governance and e-Discovery; business continuity and availability; and document workflow transformation tools to help customers improve the way they manage data.

- **Business Intelligence Solutions** **(BIS)**: HP Software Business Intelligence Solutions help customers master information complexity and realize the full value of their business intelligence investment. HP brings together consulting, software, and hardware to provide enterprise class, industry specific business intelligence solutions that turn decisions into competitive advantage and help companies transform their business.

- **Communications & Media Solutions** **(CMS)**: HP CMS serves the telecom and entertainment industries, providing a large portfolio of solutions which combine HP software, HP Consulting & Integration services, partner assets, as well as HP servers and storage. HP CMS alignment with HP Enterprise Services gives customers the option of using HP CMS solutions on an outsourced basis. Designed specifically to meet the needs of service providers, network equipment suppliers and media companies, HP CMS offerings consist of: 1) service delivery infrastructure and applications; 2) next generation OSS and BSS; 3) customer intelligence and billing; and 4) digital content management, storage and distribution.

- **HP Software Services**: HP Software Services helps CIOs improve the predictability of business outcomes at every stage of a project life cycle. HP offers a comprehensive range of services to help customers achieve success.

  o HP Professional Services helps minimize cost by identifying and choosing the solutions most likely to succeed; helps accelerate time to value by ensuring "right the first time" development and deployment of new software investments;

  o HP Support Services can help reduce risk by improving and maintaining continuity, stability and performance. The offerings also ensure end users are effectively trained to get the most out of the software

  - HP Software-as-a-Service allows customers to focus on business outcomes,

rather than running software. Customers can leverage solutions in days without upfront capital expenditures associated with software projects.

HP Services

Services include Technology Services and HP Enterprise Services and works to transform businesses, helping customers derive measurable value from technology investments. This reduces the time, cost, complexity, disruption and risks associated with delivering dynamic data centers and updating existing applications.

In Q1 FY10, Services revenue declined 1% over the prior-year period to $8.7 billion. Operating profit was $1.4 billion, or 15.8% of revenue, compared to $1.1 billion, or 12.9% of revenue, in the prior-year period.

- **HP Technology Services** provides an industry-leading portfolio of proven services to help customers keep technology running, transform their infrastructures for the future, simplify and integrate business communications and make efficient use of infrastructure resources. The HP Technology Services portfolio of support services, infrastructure consulting services, network services, critical facilities services and education addresses organizations' most essential technology needs – to be always on, consolidated and virtualized, unified and connected, as well as energy and resource efficient.

- **HP Enterprise Services**, previously EDS, an HP Company, delivers one of the industry's broadest portfolios of infrastructure, applications and business process outsourcing services to more than 1,000 clients in 90 countries. HP Enterprise Services simplify and streamline the infrastructure environment for operational excellence, helping organizations achieve business goals while reducing costs and maintaining their competitive edge.

  o **Infrastructure Technology Outsourcing (ITO)** helps organizations achieve secure, efficient and adaptable technology environments through standardization, consolidation, integration, automation and virtualization. The ITO portfolio includes a comprehensive set of infrastructure services and support including Data Center Services, Networking Services, Security Compliance & Continuity Services, Workplace Services and Managed Services.

  o **Applications Services** help organizations plan, develop, integrate and manage custom applications, packaged software and industry-specific solutions. From strategic planning to long-term management, HP Enterprise Service's approach uses standard technology, best practices and global delivery experience to minimize risks, improve operational performance and help organizations realize a higher rate of return on their application investments. HP Enterprise Services has more than 45 years of applications consulting, development and management experience, supporting more than one million applications and maintaining more than 2.6 billion lines of code in 170 programming languages.

  o **Business Process Outsourcing (BPO)** solutions improve loyalty, drive revenue growth, maximize efficiency and integrate business processes and applications. BPO combines information technology management and

business process outsourcing expertise with industry-specific knowledge to provide solutions tailored to organizations' strategic goals. The full BPO portfolio includes Consumer Direct Services, Commercial and Consumer Card Services, Finance & Accounting Services, Document Process Management Services and Customer Relationship Management (CRM) Services.