



HP Technology Solutions Group (TSG)

The HP Technology Solutions Group (TSG), which encompasses hardware, software, networking and services, generated nearly \$45 billion in fiscal year (FY) 2008 and is one of HP's three primary business groups. If TSG were an independent company, it would be number 50 on the Fortune 500 list.¹ On a trailing twelve month basis, TSG is an approximately \$51 billion business.

HP TSG enables enterprise and midsize business customers to manage and transform technology environments to optimize business outcomes. Led by [Ann Livermore](#), executive vice president, TSG is comprised of: HP Enterprise Storage and Servers, HP Software & Solutions, HP Technology Services, HP ProCurve and EDS, an HP company.

In the second quarter of fiscal year (FY) 2009, which ended April 30, 2009, HP TSG revenue grew 27% to \$12.8 billion, and reported operating profit of \$1.58 billion, delivering almost half the revenue (47%) and more than half the profit (56%) for HP.

HP TSG achieved revenue growth of \$7 billion in (FY) 2008, which ended October 31, 2008, up 19% over (FY) 2007 to \$44.6 billion. Operating profit was \$5.6 billion, or 12.5% of revenue, an increase of 34% year-over-year.

HP TSG is either number one or two in almost every product category.

HP Enterprise Storage and Servers (ESS)

Composed of standards-based servers and storage products and software, HP ESS provides the essential building blocks for customers to design flexible, scalable and secure technology systems that deliver measurable business results such as reduced operating costs and faster time to implementation of revenue-generating projects.

The foundation of HP's Adaptive Infrastructure (AI) portfolio, HP ESS helps customers transform costly, inflexible technology infrastructures into unified 24x7 lights-out computing environments. This type of infrastructure can fulfill a company's business needs while decreasing maintenance resource requirements through management, automation and virtualization across the full business value chain.

In Q2 2009, HP ESS reported revenue of \$3.5 billion and operating profit of \$250 million.

HP ESS is comprised of several business units, including:

- **HP Business Critical Systems (BCS)** provides server solutions that allow customers to protect and grow their business through continuous operation of their most important

HP Media Hotline
+1 866 266 7272
pr@hp.com
www.hp.com/go/newsroom

Hewlett-Packard Company
3000 Hanover Street
Palo Alto, CA 94304
www.hp.com

¹ Based on the 2009 Fortune 500 list, a ranking by revenue of United States companies, both private and public that file financial statements with a government agency. The 2009 list is, with a few exceptions, based on data for the fiscal year ended on or before January 31, 2009.

systems. HP Integrity and HP Integrity NonStop servers and server blades, which run HP-UX, OpenVMS, Windows, Linux and the HP NonStop operating system, deliver superior performance, reliability, security and scalability for enterprise and midsize customers who cannot afford any data center downtime. There are now more than 14,000 ISV applications available on HP Integrity.

- **HP Industry Standard Servers (ISS)** solutions deliver premium performance at a low total cost of ownership for customers with diverse computing needs. Businesses can choose from an extensive selection of HP ProLiant and BladeSystem servers and complementary power and remote management tools that maximize technology budgets, increase workload output and processing speeds, and allow for expansion as technology needs grow.
- **HP Scalable Computing & Infrastructure (SCI)** delivers products, solutions and services tailored to the unique needs of Web 2.0, high-performance computing (HPC) and cloud computing customers. HP SCI solutions provide customers with more compute and storage density in less physical space while increasing power and cooling efficiencies to reduce overall total cost of ownership. HP SCI also develops unique technologies such as the Performance Optimized Datacenter (POD), the first heterogeneous, industry-standard based, portable and globally-supported data center container.
- **HP StorageWorks Division (SWD)** offers data storage products, services and solutions that ensure data is always secure and available to maintain business continuity. HP SWD solutions enable customers to manage and transform ever-changing and complex storage environments to reduce costs, simplify the storage infrastructure, protect vital assets and allow organizations to respond faster to business opportunities.
- **HP ESS Infrastructure Software (ESSIS)** solutions enable customers to continuously control and optimize their physical and virtual HP platforms. Flagship offerings such as Systems Insight Manager and Virtual Server Environment provide an integrated set of tools to streamline and automate routine tasks, control power usage and automatically align resources to meet business needs.

HP Software & Solutions (HPSS)

HPSS is focused on partnering with chief information officers (CIOs) to solve their toughest challenges: cutting technology costs, speeding the delivery of new services, driving profitable growth and achieving business outcomes. 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 vendors. In Q2 2009, HP Software posted revenue of \$880 million and operating profit of \$157 million or 17.8% of revenue, a 51% increase in profit from the prior-year period.

HPSS succeeds by enabling 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 discover how to capitalize on enterprise information and realize the differentiated value of their data. HP Business Intelligence Solutions bring together a portfolio of enterprise data warehousing services, software and partner technologies to create BI solutions that allow businesses to make better, and more informed decisions— faster—for competitive advantage.
- **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 EDS, an HP company, 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.
 - 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;
 - 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; and
 - 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.

Services

Services includes Technology Services and EDS, an HP company, and works to transform businesses, helping customers derive measurable value from technology investments. This dramatically reduces the time, cost, complexity, disruption and risks associated with creating and managing dynamic data centers and updating existing applications.

In Q2 2009, Services revenue, including EDS, increased 99% year-over-year to \$8.5 billion. Operating profit was \$1.2 million, or 13.8% of revenue, up from \$507 million, or 11.9% of revenue, in the prior-year period. With the addition of EDS to the HP Services portfolio in 2008, HP TSG revenue from services has almost doubled, making TSG a services powerhouse.

- **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.
- **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. EDS services simplify and streamline the infrastructure environment for operational excellence, helping organizations achieve business goals while reducing costs and maintaining their competitive edge.
 - EDS 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 and Workplace Services.
 - EDS Applications Services help organizations plan, develop, integrate and manage custom applications, packaged software and industry-specific solutions. From strategic planning to long-term management, EDS' 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. EDS 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.
 - EDS Business Process Outsourcing (BPO) combines information technology management and business process outsourcing expertise with industry-specific knowledge to provide solutions tailored to organizations' strategic goals. The full portfolio of BPO solutions improves loyalty, drives revenue growth, maximizes efficiency and integrates business processes and applications.

HP ProCurve Networking

HP ProCurve delivers wired and wireless enterprise networking products, services and solutions to help customers lower costs, mitigate risks and drive business growth. The HP ProCurve portfolio also includes security, mobility, convergence and data center solutions, and supports standards-based interoperability, allowing customers to rapidly adapt to changing business needs. HP ProCurve products are engineered to meet HP's

high quality standards and provide investment protection with the ProCurve Lifetime Warranty.

The ProCurve portfolio includes key products such as the HP ProCurve 8200, 5400, 3500 and 2900 family of switches, HP ProCurve mobility solutions and HP ProCurve ProActive Defense security solutions. The HP ProCurve Open Network Ecosystem (HP ProCurve ONE) is a multi-vendor alliance program that optimizes the performance of enterprise-class applications with HP ProCurve infrastructure.

HP ProCurve was positioned in the Leaders quadrant in Gartner Inc.'s 2009 Magic Quadrant Report for Global Campus LANs and is a worldwide leader in Ethernet switch market revenue and ports according to Dell'Oro Group.

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