

HP and Alcatel-Lucent — Income Statement Analysis

	HP Oct 31, 2010 US\$ Millions	HP Oct 31, 2010 Revenue = 100%	Alcatel-Lucent Dec 31, 2010 US\$ Millions	Alcatel-Lucent Dec 31, 2010 Revenue = 100%	HP and Alcatel- Lucent as if combined FY2010 US\$ Millions	HP and Alcatel- Lucent as if combined FY2010 Revenue = 100%
Revenue	126,033	100.0%	21,275	100.0%	147,308	100.0%
Cost of Revenue	95,787	76.0%	13,865	65.2%	109,652	74.4%
Gross Profit	30,246	24.0%	7,409	34.8%	37,655	25.6%
Research and Development	2,959	2.3%	3,540	16.6%	6,499	4.4%
Sales, General and Administrative	12,585	10.0%	3,866	18.2%	16,451	11.2%
Other Costs	3,223	2.6%	414	1.9%	3,637	2.5%
Total Operating Expenses	18,767	14.9%	7,820	36.8%	26,587	18.0%
Operating Income	11,479	9.1%	(411)	(1.9%)	11,068	7.5%
Other Income and (Expense)	(505)	(0.4%)	39	0.2%	(466)	(0.3%)
Pre-Tax Income	10,974	8.7%	(372)	-1.8%	10,602	7.2%
Tax	2,213	1.7%	16	0.1%	2,229	1.5%
Net Income	8,761	7.0%	(388)	-1.8%	8,373	5.7%

Source: Corporate Reports, DOMICITY Ltd. Calculations