

Why you need NonStop today – more than ever !

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Forward-looking statements

This document contains forward looking statements regarding future operations, product development, product capabilities and availability dates. This information is subject to substantial uncertainties and is subject to change at any time without prior notification. Statements contained in this document concerning these matters only reflect Hewlett Packard's predictions and / or expectations as of the date of this document and actual results and future plans of Hewlett-Packard may differ significantly as a result of, among other things, changes in product strategy resulting from technological, internal corporate, market and other changes. This is not a commitment to deliver any material, code or functionality and should not be relied upon in making purchasing decisions.



Agenda

- The HP split
- My Role and Objectives – an update
 - The People
 - The Issues
- How NonStop is doing
- Mission Critical – Needed Even More Than Ever
- Question: “What is the new model”
- Conclusion



HP Future Direction:

Two new independent publicly traded companies

	Hewlett Packard Enterprise	HP Inc.												
Revenue Mix ⁽¹⁾	<table border="1"> <tr> <td>Enterprise Group</td> <td>48%</td> </tr> <tr> <td>Enterprise Services</td> <td>39%</td> </tr> <tr> <td>Software</td> <td>7%</td> </tr> <tr> <td>Financial Services</td> <td>6%</td> </tr> </table>	Enterprise Group	48%	Enterprise Services	39%	Software	7%	Financial Services	6%	<table border="1"> <tr> <td>Personal Systems</td> <td>59%</td> </tr> <tr> <td>Printing</td> <td>41%</td> </tr> </table>	Personal Systems	59%	Printing	41%
Enterprise Group	48%													
Enterprise Services	39%													
Software	7%													
Financial Services	6%													
Personal Systems	59%													
Printing	41%													
Financial Metrics ⁽¹⁾	<ul style="list-style-type: none"> Revenue: \$58.4B Operating Profit: \$6.0B Operating Margin: 10.2% <p>Mission Critical Servers are here</p>	<ul style="list-style-type: none"> Revenue: \$57.2B Operating Profit: \$5.4B Operating Margin: 9.4% 												
Key Markets	<ul style="list-style-type: none"> Servers Storage Networking Services Software Cloud Converged Systems 	<ul style="list-style-type: none"> Notebooks Desktops Mobility Graphics Ink Printing Laser Printing Managed Print Services 												
Leadership	<ul style="list-style-type: none"> Meg Whitman, President & Chief Executive Officer 	<ul style="list-style-type: none"> Dion Weisler, President & Chief Executive Officer 												

1. Based on reported HP segment revenue and segment operating profit for the last twelve months from Q4 fiscal 2013 to Q3 fiscal 2014, totals do not include Corporate Investments segment or intercompany eliminations



HP Future Direction:

What change will be visible?

By November 1st, 2015:

- HP Enterprise will have a new public brand and new stock name - HPE.
- Presentations, collateral and materials from HP Enterprise will have a new look at feel
- Contracts will be modified where appropriate to “transfer” agreements to HP Enterprise.
- Email addresses will change from david.mcleod@hp.com to david.mcleod@hpe.com
- Some HP website names will change from www.hp.com to something like www.hpe.com
- HP Campuses in Palo Alto and elsewhere will be reorganized to put people in the new companies into the same buildings together – in other words – if you visit people at HP on a regular basis, where they sit may change.



Looking Back to Last Time



My Role

- I assumed the Directors role approx. 15 months ago
 - I have a 25 year + association with NonStop as:
 - A customer
 - An employee of Tandem/Compaq/HP
 - In Canada, In Netherlands, In the USA, In Austria
 - You can contact me directly at:
 - david.mcleod@hp.com
 - +44 7774 215349
- Or by contacting my PA:
- sophie.austin@hp.com
 - +44 7467 336296



Some Personal Focus Areas

1. Preparing for an Increased Demand for “True” Mission Critical
2. Recruiting “fresh new blood” into the HP NonStop team
3. Equipping a broader group of HP people to work with NonStop
4. Further integrating NonStop into the HP Converged Systems, Cloud and Big Data Worlds
5. Addressing some of the common misconceptions about NonStop



Cloud



Social media



Mobility



Big Data



The Fresh “New Blood”

Vanessa Kaupp

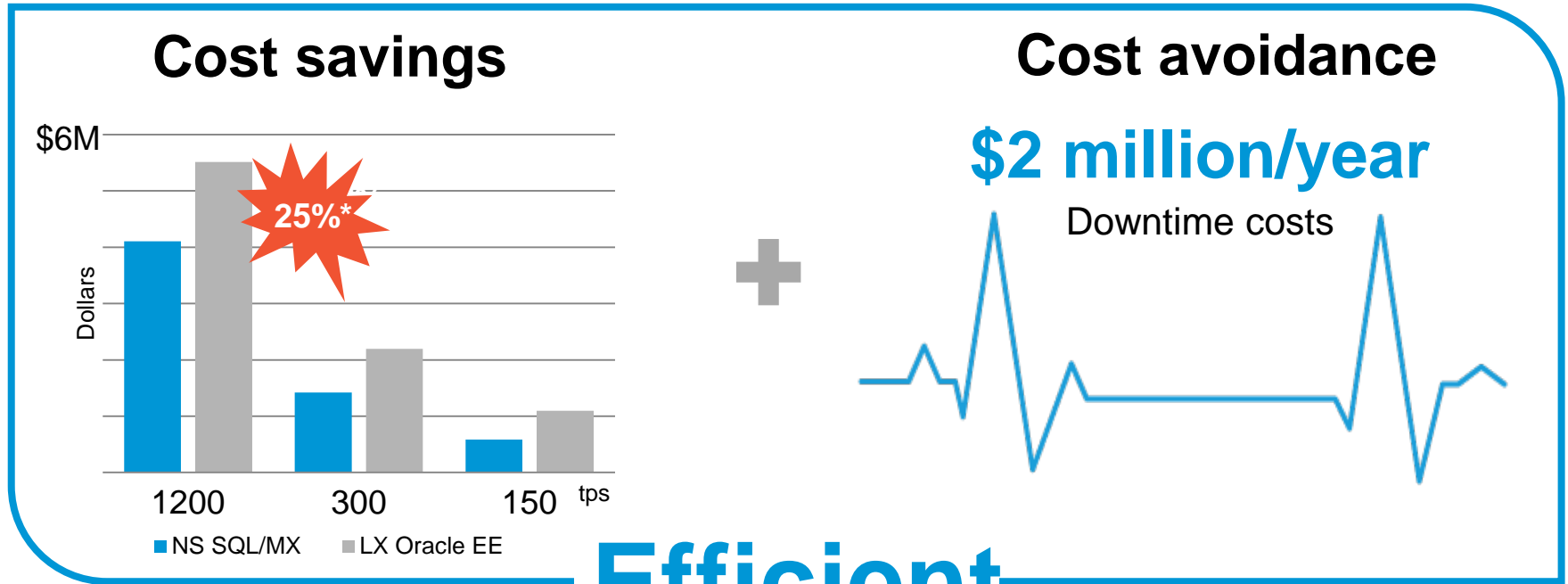


Tobias Kallfass



Addressing the cost of NonStop

En environnements critiques, offrent une rentabilité meilleure que celle obtenue avec des clusters Linux avec base de données.



*Up to 25% cost savings over Linux cluster based on data from third-party ISV



New Solutions

1. We retain our drive to bring new solutions to NonStop
2. In Financial Services we have always focused on the front end – and the back end Card Management opportunity was missed
3. With the explosion of prepaid as well as the true mission critical nature of this business:
 - We will have a new solution addressing this critical area within the next month
 - From FSS Technologies
 - Will initially be deployed soon after availability – to a massive card base
 - If interested please see the presentation tomorrow afternoon



Today's NonStop Business



NonStop Continues to Perform

1. At the end of the first half of our fiscal year (April 30th) we were achieving our targets compared to the previous fiscal year
2. In our Fiscal Q1 we under achieved revenue against our objectives
 - Expected due to stunning finish last year
3. In our Fiscal Q2 we grew significantly over the same period last year



Customers continue to rely on NonStop for mission critical applications

Financial Services

- Payment systems: Credit, debit, POS, wholesale
- Exchanges & trading



- 70% of all ATM payments and 66% of all credit card transactions
- Multiple Global Payment Hubs

Communications Media & Entertainment

- HLR
- Intelligent Network / 3G Services
- Messaging



- World's largest ISP Global Messaging
- 100+ million subscribers for mobile prepaid solution

Manufacturing & Distribution

- Manufacturing & Logistics Control
- PoS Payment
- Ticketing & Reservation



- 4 of the top 6 steel companies
- 4 of top 10 Automotive OEMs
- 4 of top 6 gasoline brands

Healthcare and Public Sector

- Electronic Patient Records
- Defense and Intelligence systems



- Over 200 hospitals
- Many of the world's largest teaching hospitals



Mission Critical Needed More Than Ever



Today's business landscape



Business critical
EVERYWHERE

Explosive growth
applications, transactions
and infrastructure

**Relentless cost
pressure**

Do You Know “Who” This Is?



The Dr Who Concept of Downtime

	<u>DC Time</u>	<u>RW Time</u>
	1	12
		3
		19



Today's Model – it seems



The traditional IT market: the facts

x86 architecture dominates the mainstream server market

SERVER SHIPMENTS

In **2009**, Gartner predicted that **by 2015**, x86 worldwide server shipments would account for **97.4%** of all servers shipped*

In **2012**, IDC reported worldwide shipments for ALL servers were 8.1 million units; x86 server shipments accounted for 8.0 million units**

- In **2012** x86 worldwide server shipments accounted for **98.7%** of all servers shipped

SERVER SPENDING

In **2002**, x86 worldwide server revenue accounted for **38.9%** of all server spending

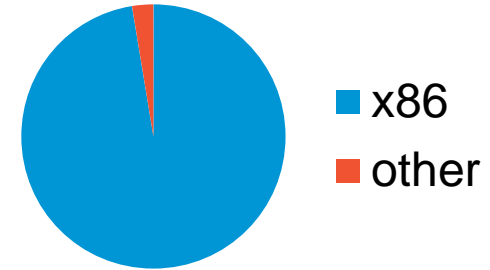
In **2009**, Gartner reported that x86 worldwide server revenue accounted for **57.4%** of all server spending*

In **2012**, IDC reported that x86 worldwide server revenue accounted for **>66%** of all server spending**

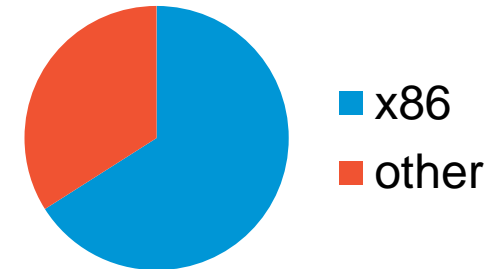
*Source: Gartner RAS Core Research Note G002012320, George J. Weiss, Jeffrey Hewitt, 3 June 2010,

**Source: IDC Worldwide Q4 Quarterly Server Tracker, February 2013

Shipments



Spending

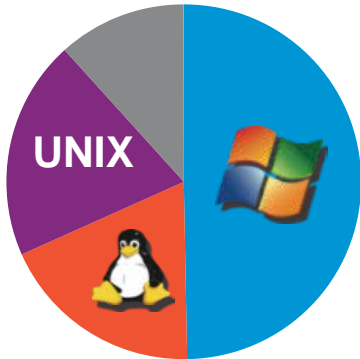


The traditional IT market: the facts

Windows and Linux are displacing UNIX in mainstream computing

- Q1, 2013 represents the seventh consecutive quarter of revenue decline in the UNIX market
 - 35.9% year-over-year decline

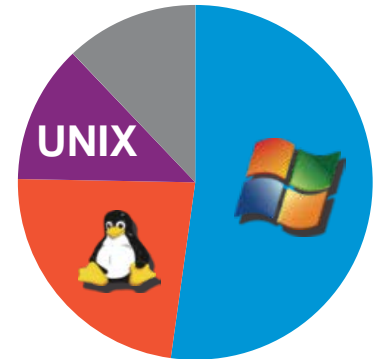
Q3 2011
Total worldwide server
revenue **\$12.7 billion**



**Server Hardware
Revenue %**

	2011	2013	
Windows	49.7%	52.2%	↑
Linux	18.6%	23.1%	↑
UNIX	20.0%	12.6%	↓
Other	11.7%	12.1%	

Q1 2013
Total worldwide server
revenue **\$10.9 billion**



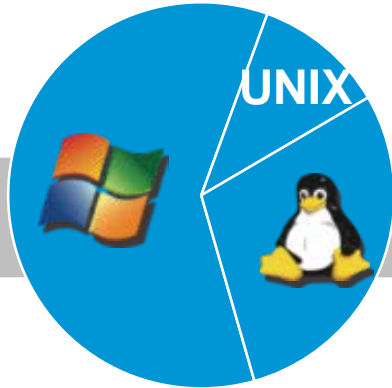
Source: IDC Worldwide Quarterly Server Tracker, May 2011

Source: IDC Worldwide Quarterly Server Tracker, May 2013



Our traditional IT market is polarizing

Good has become
'good enough'...



- More robust OS
- Improved hardware
- x86 economics

Where failure is
not an option



Software architecture
value with **standard**
components

AVAILABILITY

Software architecture
value with **proprietary**
components

■ Other 11.7% 12.1% ↑

Source: IDC Worldwide Quarterly Server Tracker, May 2013



HP strategy to transform the server industry

The right compute, for the right workload, at the right time... every time

- Project Voyager—Redefining data center economics and expectations by building in intelligence across the server lifecycle.
 - Providing the DNA for the next-generation of computing across HP servers
- Project Moonshot—Ushering in a new era of extreme-scale computing with breakthrough efficiencies in density, energy, cost, and simplicity.
 - Tens of servers per rack sharing nothing to thousands per rack sharing everything
- **Project Odyssey**—Redefining the future of mission-critical computing by using advanced technology across one common, intelligent modular architecture (HP BladeSystem).
 - Continuing investments in HP Integrity servers
 - **Extending the full NonStop mission-critical experience to the x86 environment**



Key takeaways

Investing in NonStop innovation

Strong roadmap

NonStop is part of the HP Mission Critical Converged Infrastructure

Expanding the NonStop product family further as a result of x86 technology

Continuing to bring new applications to the platform and we expect to accelerate that

We are becoming – and will continue to become an integral part of the greater HP



Thank You And now a first for me



IBM MQ for HP NonStop Server

IBM has been providing enterprise messaging middleware with IBM MQ (MQSeries) to thousands of customers for more than 20 years

IBM has supported the NonStop platform with MQ since 2001



November 2014 – IBM Statement of Direction: “IBM® intends to introduce a new release of IBM MQ for the HP NonStop platform that is based on IBM MQ V8....”

<https://ibm.biz/MQ-SoD-Nov2014>

Current status of progress for the Statement of Direction

Technical demo of MQ V8 in conference workshop on Monday

Beta program open for applications

IBM aims to bring IBM MQ V8 to market with NonStop domain expertise as part of the development and support process

Currently in advanced negotiations with a business partner to provide this additional knowledge

