

COMPAQ

Inspiration Technology

**CTUG Meeting
Compaq Canada Business
and Merger Update
Nov 15, 2001**

**Matt MacFarlane, Director
Enterprise Business Group
Compaq Canada**

Compaq Canada – Enterprise Business Group Update

- 98% of 2001 revenue plan to-date
- Intel Servers – increased market share in Q3
- High Performance Servers – on plan
- StorageWorks – 15% growth Y/Y
- Global Services - 5% growth Y/Y
- NonStop Himalaya – 20% growth Y/Y
 - Continued K to S migrations
 - Wins in Finance, Telco and Retail

Compaq/H-P Merger Update

Customers come first

- All customer commitments made by Compaq
– including contracts and product and services warranties –
will be honored according to their terms.

Compaq Computer Corporation

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Our aspiration

The *premier*
IT solutions
provider

How we get there... proposed Compaq/HP merger

- Increase solutions capabilities
- Expand leadership across key markets and products
- Utilize strong enterprise presence
- Define next generation of open architectures
- Deep understanding of customer challenges
- Expand global sales coverage



- \$87 billion in revenue*
- Leadership across markets and products
- \$2.5 billion in expected annual cost synergies
- Go-to-market engine
- Global footprint
- Intellectual property
- Leading global brand

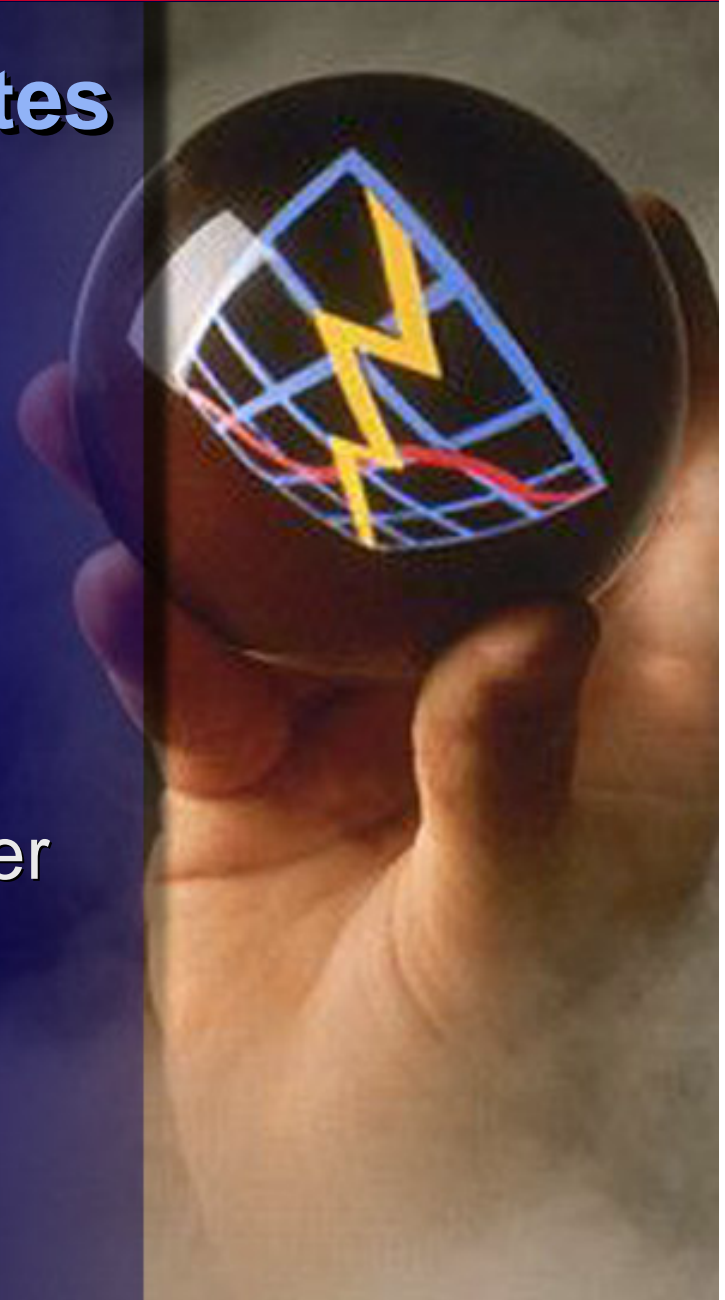
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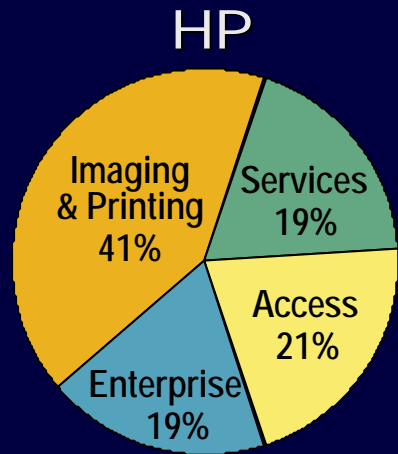
*Combined trailing four quarters

Proposed merger accelerates the path we are on

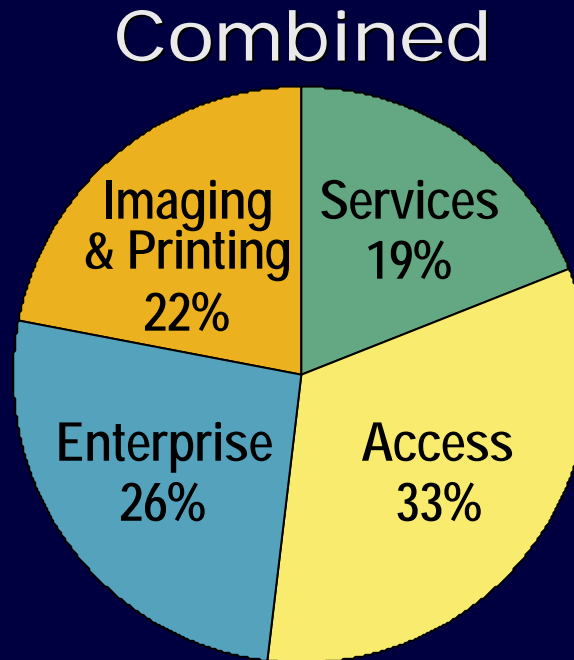
- Expand leadership across key markets and products
- Define next generation of open architectures
- Supports our **VISION** to be the **leading IT solutions provider**
- Supports our **MISSION** to deliver **superior customer value**
 - Innovative products
 - Integrated into solutions
 - Delivered globally



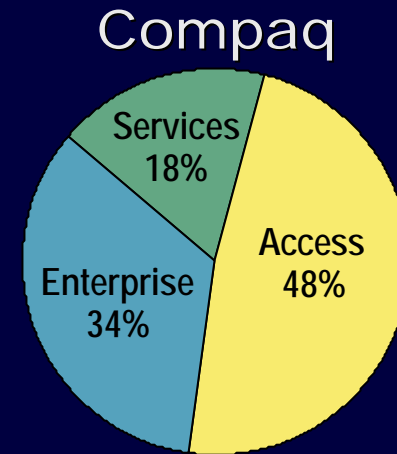
Balanced for success



Total: \$47B



Total: \$87B



Total: \$40B

All data based on estimated trailing four quarters.
Source: SEC filings, press releases, and company estimates.

Proposed merger increases our value to you...

Compaq today

A leader in...

- Distributed computing
 - Web and application servers
 - Windows and Linux
- SANs and enterprise storage
- Fault tolerance and high performance computing
- IT services
 - Best in class support services
- Total PCs and Internet access
- Innovation

plus HP tomorrow

A leader in...

- The UNIX market
 - Real strength in the data center

Leading set of application integration tools

- OpenView software suite
 - Industry leader for Internet-based network and systems management
 - Integration and interoperability

The platform: Itanium™

Leadership in IA64 development

- Similar roadmaps
- Architecture partnership with Intel
 - HP co-designed Itanium architecture
 - Compaq transferring Alpha technology to Intel
- Both companies standardizing servers on Itanium Processor Family
- First port for ISVs

And our commitment to R&D

- Combined investment of \$4.1 billion
- Rich intellectual property portfolio
- Extraordinary level of patents
- Best of both worlds
- **ONLY** organization focused on interoperability
- Supported by **ONLY** true joint development
 - Microsoft, Oracle and Intel

How will the new company affect you?

Guiding principles...

- Customers come first
- Take the best ideas from both companies
- Provide the right information to help our customers plan their technology enhancements
- All contracts, pricing and support agreements continue until their normal end date
- Support and service for Compaq products will be available for up to five years after end-of-life date, depending on product

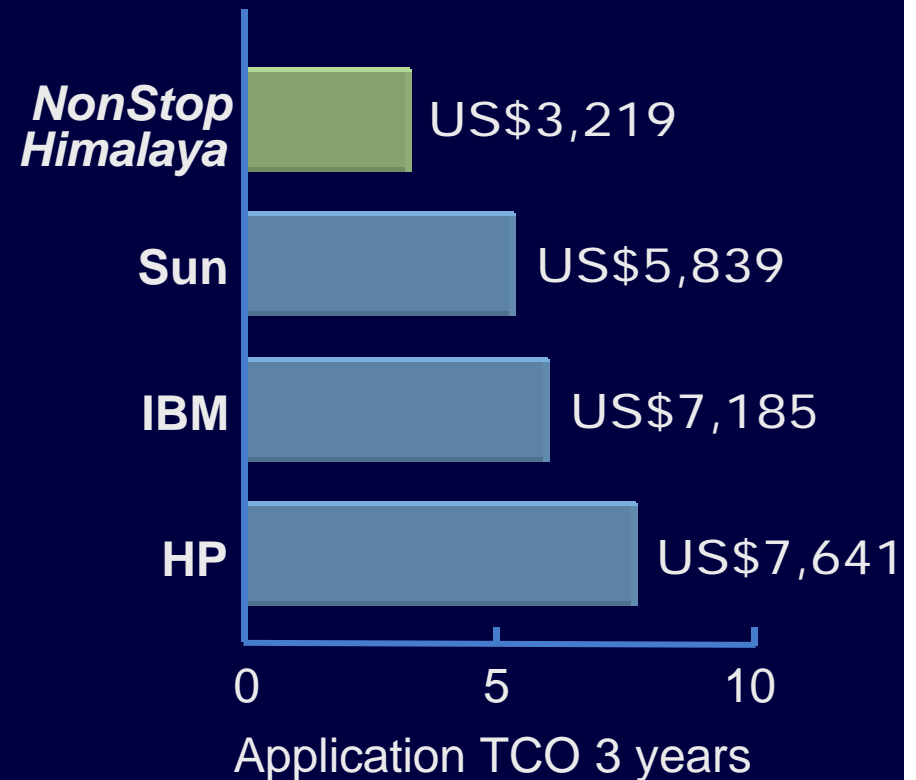
Meeting our commitment to *NonStop™ Himalaya™* customers

- Key strategic platform
 - Leadership in fault tolerance
- Standardize on Itanium™ processor family
- R&D investment remains steady
- Zero Latency Enterprise (ZLE) architecture is gaining momentum
- Detailed plan to support customer migration to Itanium-based *NonStop Himalaya* systems
- Committed to maintaining TCO leadership

Industry standard economics

Lowest Total Cost of Ownership

- *NonStop™ Himalaya™* — TCO less than half of IBM Parallel Sysplex
- Most modern, open, scalable architecture
- Optimize BOTH decision support and transaction processing simultaneously without compromising performance of either



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**If you remember nothing else,
remember this...**

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