

Fiscal 1984 was a year of good growth for Hewlett-Packard, with orders, sales and earnings all increasing at the highest year-to-year rate since 1980.

Net sales totaled \$6.044 billion, a 28 percent increase over 1983. Net earnings increased to \$665 million and earnings per share amounted to \$2.59, compared with \$1.69 a year ago.

These figures include a one-time increment in net earnings of \$118 million or 46 cents per share resulting from a tax law change. The nature and effect of this change are explained in detail on page 24.

Orders for the year increased 29 percent to \$6.350 billion. At year-end, order backlog was \$1.3 billion, compared with \$1.0 billion at the end of fiscal 1983.

Domestic order strength that began in the first half of 1983 continued through most



David Packard

of 1984. We began to see signs that the United States economy was slowing down toward the end of fiscal 1984, however. Our fourth-quarter U.S. orders increased 13 percent over a strong 1983 quarter, while for the year, domestic orders were up 25 percent.

International order rates strengthened in the first quarter, reflecting economic improvement in the major countries where HP does business. This strength was maintained throughout the year and, as a consequence, international orders were up 35 percent. This compares with a growth of only 7 percent in 1983.

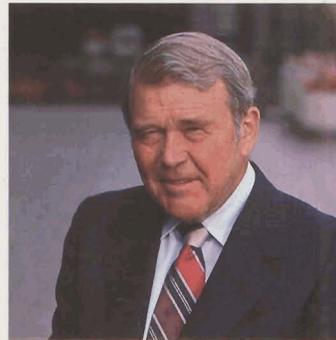
International order rates are somewhat higher due to our increased ownership in Yokogawa-Hewlett-Packard (YHP), our joint-venture company in Japan. In November 1983 we increased our equity position in YHP to 75 from 49 percent. As a result of that change and the accompanying reporting requirements, we gained seven percentage points in the international orders growth rate when compared with 1983.

Notwithstanding this, for the first time in three years our international business increased as a percentage of our total business. Despite the continuing strength of the U.S. dollar, 43 percent of our 1984 orders were derived from international markets.

HP has managed to increase its competitiveness abroad because we have in

place an effective worldwide sales and marketing organization with the ability to adapt products and selling strategies to local markets.

In addition, we have strengthened our product-development and manufacturing efforts in several countries. Through a manu-



William R. Hewlett

facturing presence, HP becomes more attuned to local needs and, therefore, is in a better position to compete in key international markets.

Also during the year, we entered into arrangements that will enhance our access to foreign markets. We agreed to form a joint venture with the China Electronics Import & Export Corp. and the Beijing Computer Industrial Corp., to sell and support HP products in China, and to manufacture selected products from our current product lines.

We also established a joint-venture company with Samsung Electronics Company of Seoul, Korea, to develop and manufacture

products in Korea. The new company also will sell and support HP products in that country.

A joint venture with DESC Sociedad de Fomento Industrial, also formed in 1984, will enable us to manufacture and distribute personal-computation products in Mexico.

### **New-Product Development**

New-product development remains central to HP's competitiveness and growth. As the chart on page 1 shows, well over half of HP's 1984 orders were for products introduced during the last three years. In 1984, research and development expenditures totaled \$592 million, representing 9.8 percent of sales revenues.

Several of our newer products are featured on the following pages, including the HP 8510 microwave network analyzer and the HP 3000 Series 37 business computer. These products are excellent examples of HP's ongoing commitment to provide customers with products that offer an increasingly attractive price/performance ratio.

We also feature our personal-computation products: the Touchscreen and The Portable personal computers, the ThinkJet personal printer and the LaserJet desktop printer. With the introduction of the printers and The Portable in 1984, we now offer broad coverage of user needs.

HP has emphasized the personal-computer and workstation market because it is our objective to help customers improve productivity

by providing solutions to their business and technical problems. Increasingly, personal-computation products are an integral part of those solutions and, thus, are an extension and enhancement of our existing business interests.

#### **Marketing Emphasis**

In 1984 we put considerable emphasis on addressing customer needs more effectively.

We made substantial marketing investments, adding to our field sales force and expanding our product promotion and advertising. Marketing expenses as a percent of sales revenue increased to 17.6 percent from 16.4 percent in 1983. We expect the 1985 percentage to approximate this level.

During the year, we began offering customers several options for financing their HP purchases through our own finance company. By leasing from HP, customers can take advantage of flexible, competitively priced financing and more easily can upgrade their HP equipment. The leasing program has been well received by our customers.

We also put in place a new corporate organization designed to bring our product groups and field marketing activities more closely in line with the major markets they serve. We aligned business units that had grown up independently, but which increasingly address similar

customers and markets. We also consolidated our instrument and computer field sales and support organizations. Through this new structure, we more effectively can develop and present to customers our unique range of computation and measurement solutions.

The new organization and how it will enhance our ability to provide customers with integrated solutions is described further on page 5.

As part of the reorganization, Dean O. Morton was named chief operating officer. With his broad HP management experience, Mr. Morton is well qualified to lead the major sectors of our business. He has been an HP executive vice president and member of the HP board of directors since 1977. Mr. Morton has headed our Management Council, the company's senior policy-making body, also since 1977.

Two new executive vice presidents were elected, Richard C. Alberding and John L. Doyle.

Mr. Alberding now heads our combined Marketing and International sector after serving as senior vice president, International. Mr. Doyle is responsible for the new Information Systems and Networks sector. He had been vice president, Research and Development.

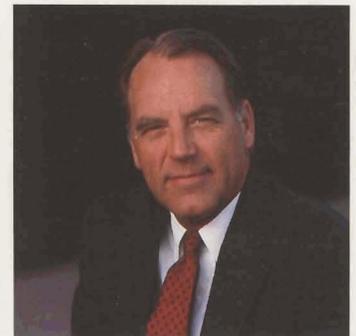
#### **Board Changes**

In February four long-time members of HP's board of directors retired. Each of these directors contributed significantly to HP's growth and development and we will miss the benefit of their

broad experience and sound counsel.

The retiring directors included Luis W. Alvarez, professor emeritus of physics at the University of California, Berkeley; George F. Bennett, chairman and chief executive officer of State Street Research & Management Company, Boston; and Robert Minge Brown, director and chairman of the executive committees of the California Water Service Co. and San Jose Water Works.

Also retiring from the board of directors and from the company was Edwin E. van Bronkhorst, senior vice president, treasurer and chief financial officer. Mr. van Bronkhorst completed 30 years of distinguished service to HP, including 22 as a director. He was instrumental in developing the company's highly effective financial policies and strategies, and



John A. Young

we are grateful for his many contributions to HP's growth and success.

Named to succeed Mr. van Bronkhorst as chief financial officer was Robert P. Wayman. Mr. Wayman is an HP vice president and corporate controller. George F. Newman Jr. was named treasurer.

We welcomed two new directors to the HP board in 1984. They are Paul F. Miller Jr., senior partner in the investment management

firm of Miller, Anderson and Sherrerd, Philadelphia; and Hicks B. Waldron, chairman, president and chief executive officer of Avon Products, New York. We are pleased to have these distinguished executives serving on the board.

#### Outlook

Our outlook for the coming year is quite positive, but we anticipate some moderation in our sales growth. The U.S. economy has begun to slow and, while the international business climate is quite strong, we expect a slowing there as well.

We are doing business in an increasingly competitive environment. The rise in the value of the dollar has had a substantial impact on the competitive pricing of the many products exported from U.S. manufacturing divisions. During 1984, we priced our products more aggressively in international markets and periodically drew on sales and pricing discounts. In addition, our growing line of personal-computation products has been priced to compete in an extremely price-sensitive market. As a result, in the second half of the year our gross margins narrowed somewhat. We expect this type of competition, especially in personal computers, to continue during 1985 and we remain cautious with regard to margin improvement.

We are paying close attention to expenses and to maintaining our product-development schedules. During the year we expect

to introduce important additions to our product lines, and to continue to improve our manufacturing productivity. We have ample financial resources and are well-positioned to continue to finance our growth internally.

Perhaps most importantly, we have more than 82,000 HP people worldwide, including 56,000 in the U.S., who take pride in the company's accomplishments and who can be counted upon to contribute to HP's continuing growth and progress.

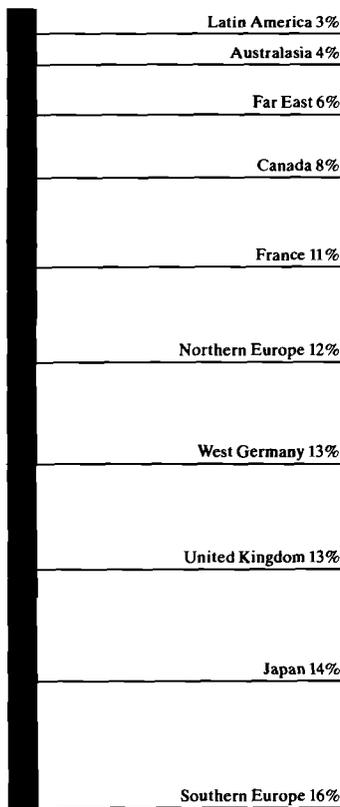
  
David Packard  
Chairman of the Board

  
William R. Hewlett  
Vice Chairman of the Board

  
John A. Young  
President and Chief Executive Officer

December 7, 1984

Geographic distribution of Hewlett-Packard's international orders



Of Hewlett-Packard's total 1984 orders, 43 percent or \$2.7 billion, came from international customers.

■ Hewlett-Packard is committed to being the best business

partner possible for its customers and to preserving the HP traditions of technical innovation and product quality.

In July HP implemented a major company reorganization to align the corporation better with the customers and markets it serves. This, like virtually every organizational change the company has undertaken in its 45-year history, was done in response to changes in the marketplace, to company growth and to rapid advances in technology.

The new structure realigns elements of the previous product-group-based organization into four major sectors, including one devoted entirely to marketing and selling.

The company now can more easily focus the full breadth of its measurement and computation capabilities on customer needs. Having helped a customer define a technical or business problem, an HP sales team is able to offer a well-planned systems solution made up of products drawn from a range of HP divisions.

At the same time, HP has preserved its recognized ability to provide excellent single-product solutions where needed.

### Marketing Emphasis

To serve customers better, HP has consolidated its worldwide marketing and field sales activities into a single organizational unit.

This new sector, like the three product sectors, is headed by an executive vice president, underscoring the important role of marketing at HP.

The company also formed a major accounts marketing function at the corporate level to strengthen relationships with major customers. Teams throughout the world will be dedicated to working with large customers to identify and provide solutions to their specific technical and business needs.

In 1984 HP made additional investments in its field sales and support organization to further strengthen its consulting, customer training and service. HP established Response Centers, for example, to provide fast, professional telephone maintenance and application assistance to HP 3000 and other HP computer system customers.

Minicomputer users, in a 1984 survey conducted by DataPro Research Corp., ranked HP first among suppliers in "overall support satisfaction" and in "overall satisfaction." This is the fourth consecutive year that HP captured the number one position in these categories.

During the year, the company took steps to improve equipment-financing arrangements for HP customers and to accommodate better those wanting to upgrade their leased systems. HP now has a wholly owned

finance company to offer competitively priced financing for all its product lines. A new division also was created to market and administer product leasing, as well as the resale of used HP computers.

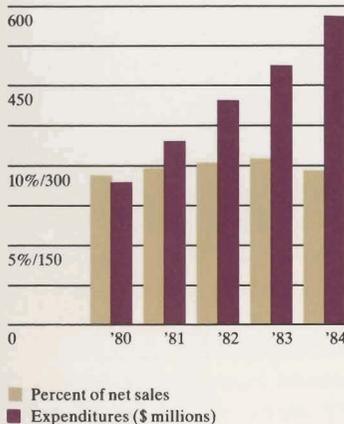
### Fundamental Strengths

As HP enhances its marketing expertise, its fundamental strengths remain: technological innovation and aggressive new-product development, conservative financial policies that ensure stability, a commitment to offering products that make a genuine contribution, and superior customer satisfaction.

In addition, HP has sharpened its high-volume, low-cost manufacturing capabilities, enabling it to compete more effectively in markets such as handheld calculators and personal-computation products. Based on successful experience with its own, in-house systems, HP also now is offering manufacturing-management products, such as a "Just-in-Time" software applications package.

Perhaps HP's greatest strength, however, is its ability to adapt successfully to change — changing markets and changing technology. The following pages profile the company's major markets and detail HP's commitment to them.

Research and development



■ As competition for world markets becomes more intense and as greater demands are placed on human and natural resources, manufacturers face a formidable task—to produce higher-quality, more cost-competitive products.

All manufacturers today share an environment where the demand for higher-quality products at lower cost, the drive for more flexible and productive manufacturing processes, and the need to respond quickly to market forces present a keen competitive challenge.

Hewlett-Packard provides products and services that help companies meet that challenge.

There are three fundamental steps or processes that occur in any manufacturing organization, whether it is making automobiles or shoes, satellites or integrated circuits: 1) product and process design, 2) a planning and control function and 3) the manufacturing process itself.

Improving productivity begins with the awareness that these functions do not operate independently. Rather, the information gathered and used in one process is needed and used in the next. The more closely the processes are linked, the

more productive the entire manufacturing cycle becomes.

In the past, information was passed among these functions in writing or by word of mouth. When the product designer completed a task, for example, the plans went to the purchasing department where parts had to be identified and ordered. Later, manufacturing would get the information and determine how to build the product.

As today's factories grow more sophisticated and complex, so too does the information needed to run them. To bring products to market quickly and cost-effectively, manufacturers must gather, interpret and move information throughout their organizations — wherever it is needed — as efficiently as possible. Microprocessor-based instrumentation and advanced computer technology help make that happen.

Hewlett-Packard's Manufacturer's Productivity Network, or MPN, is a concept the company has developed to explain how linking the three primary manufacturing functions described above, as well as an organization's administrative and sales activities, can improve productivity.

The MPN concept has as its goal the use of computers

and instruments, and special software programs, to integrate the information developed and used in each process or function.

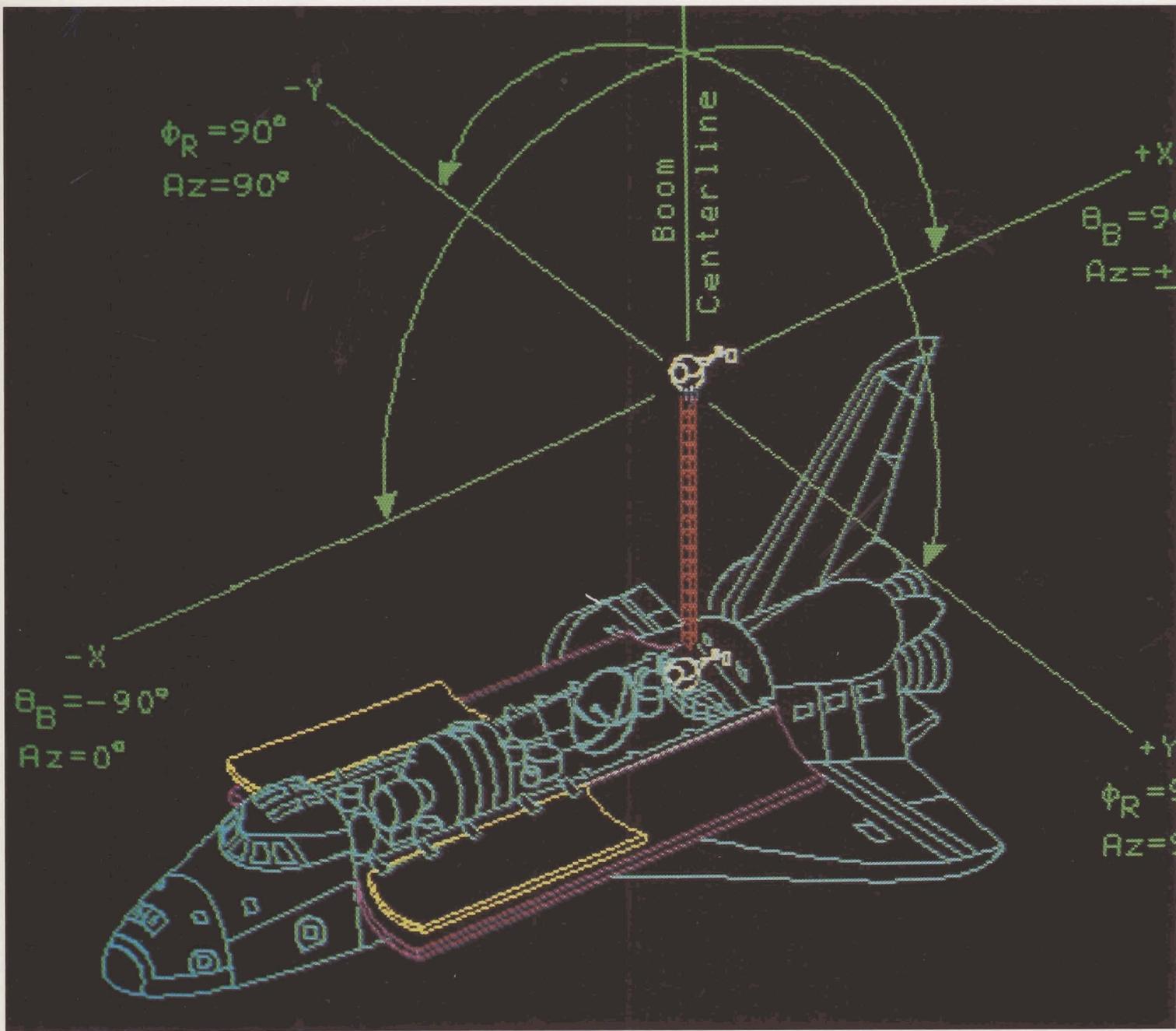
At the same time, individual design and manufacturing functions are being made more productive through computerization.

**Computer-aided Engineering** Engineering—or product design and development—is the beginning of the productivity, and the information, chain.

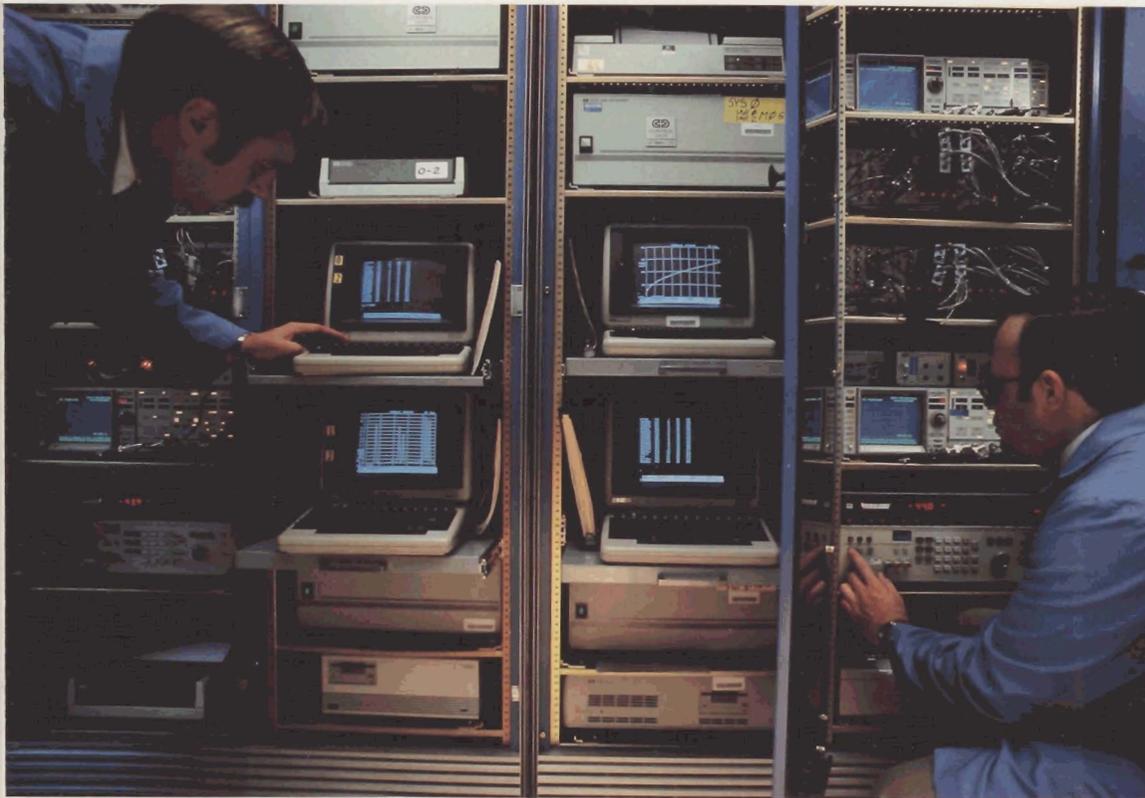
Hewlett-Packard applies computers and workstations to engineering functions, helping designers develop and test their product ideas before the product actually is built.

HP believes that design automation is most successful when engineers, singly or in small groups, are provided with their own powerful computing environment. These machines can be joined in a network to provide communication, common data and shared peripheral devices such as plotters, printers and discs.

During 1984, the company continued hardware and software introductions to expand its HP 9000 family



Using an HP 9000 computer, project engineers at Martin Marietta Denver Aerospace simulate the movements of a space shuttle and monitor how a satellite reacts. They are building a system to deploy a scientific satellite upward from the shuttle on a tether. Information from the HP 9000 simulation will be used as the deployment system is constructed.



**Magnetic Peripherals, Inc., a subsidiary of Control Data Corp. in Bloomington, Minnesota, has incorporated HP's Quality Decision Management/1000 application for statistical quality control into its sophisticated computerized manufacturing of large disc drives.**

of computers. It now consists of 14 workstations, ranging from the low-priced, 16-bit Series 200 to the multi-user, 32-bit Series 500 machines.

HP improved the performance of the Series 500 workstation with a new HP-UX operating system (derived from the UNIX\* operating system) and an expanded memory option. It also introduced two low-priced Series 200 models that offer a growth path to larger, more powerful HP machines. In addition, the company began offering mechanical engineering software products for HP 9000 systems through agreements with third parties.

Using an HP 9000 system, an engineer not only can design a product, but also can analyze and test individual parts. He or she can document the product's operation, verify compliance with design rules, and produce the parts and materials list needed by the purchasing department.

In the electronic factory of the future, after an engineer has produced a design, he or she will instruct the computer to create a program that will drive a printed-circuit-board drill or similar machines that actually make the product or part.

Today, HP is developing computer software that will

\*UNIX is a trademark of AT&T Bell Laboratories

allow specifications developed in the design stage of certain products to be easily communicated to the equipment that builds and tests the product.

#### A Systems Hierarchy

HP's Manufacturer's Productivity Network concept brings an overall, systems approach to the problem of successfully linking and integrating the various manufacturing functions.

It involves a hierarchy of computers, with each level performing different tasks, yet with the capability to move information between levels as needed. The hierarchy includes resource planning, manufacturing control, monitoring and supervision, and equipment control.

The HP 3000 business computer plays a key role in the hierarchy.

Depending on the size of the manufacturing operation, the HP 3000 may be at the very top of the hierarchy, functioning as a corporate computer and doing overall resource planning, financial operations, database management and transaction processing. It typically will have numerous terminals connected to it—up to 200 on the most powerful Series 68 system—with people at all levels in the company using the data in the computer to create reports and analyze and manage the business.

In a very large organization, the HP 3000 may function as a department

computer, making the manufacturing planning and control function more efficient and productive.

At this level, the HP 3000 minicomputer, with software programs developed by HP, the customer or a third party, is used for inventory and materials management, production planning and scheduling, and lot tracking.

During the past year HP introduced a cost-saving manufacturing software package for the HP 3000—HP Maintenance Management. It can help maintenance departments increase the use of their machinery, improve preventive-maintenance scheduling and reduce spare-parts inventory costs.

Through its own use of HP 3000-based software programs, HP has achieved dramatic results over the last five years. Through better control, the company has about \$300 million less invested in inventory and accounts receivable.

The next level of the hierarchy requires a computer that can monitor and supervise specific aspects of the manufacturing process itself. It might gather data from test instruments and monitor product quality or track the movement of materials.

HP 1000 computer systems and software today perform



The HP 3065 board-test system offers HP customers like Thomson CSF, France, flexibility and ease of programming for testing printed-circuit boards. Thomson's *Centre Electronique de Laval* invested in the HP 3065 to ensure the best product quality for its customers and to better control production costs while improving the manufacturing process.



**Avantek, Inc., of Santa Clara, California, tests high-frequency, solid-state power amplifiers with an HP 8510 network analyzer system. The HP 8510, with its built-in computer, enables Avantek engineers to test against design specifications and pinpoint any problems.**



**During 1984 HP introduced bar-code wands for rough industrial environments. The wands have rugged cases and sapphire tips, which protect against contamination.**

all these functions, helping manufacturers improve product quality and reduce production costs.

Quality Decision Management/1000, for example, is a software-application package for on-line statistical quality control. It provides information that can help reduce materials and labor costs associated with scrap, rework and work stoppages by early detection of manufacturing-process problems.

In addition, HP offers a series of application software products specifically for the semiconductor industry.

PC-10, for example, is a process-control system that links a computer to the sophisticated microprocessor-based equipment used in manufacturing semiconductors. This means engineers can monitor their manufacturing processes as often as needed by using the nearest computer terminal. This enables them to quickly identify problems that can lead to faulty batches.

At the bottom of the systems hierarchy are computers and microprocessor-based instruments and systems dedicated to a specific controlling or testing function. HP is a leader in providing computers to control

test and measurement instruments, as well as the instruments themselves.

For example, during 1984 HP began offering cellular radio manufacturers a test system that combines several microprocessor-based HP instruments into a complete, fast and accurate measurement system. With it, companies in the rapidly expanding mobile-radio market can significantly improve workflow and reduce testing time.

The company also has introduced the HP 8510 network analyzer, which is used by microwave components manufacturers to determine if their products meet design specifications. As a laboratory system, it is the core of HP's microwave computer-aided-design effort. It is considered the most accurate and among the fastest network-analysis systems on the market. The instrument's "brain" is a high-speed microprocessor — a tiny, but powerful computer.

The HP 3065 printed-circuit-board test system takes the concept of computerized testing one step further. HP minicomputer technology controls the system, while microprocessors in each test station make it possible to inspect complex analog and digital boards quickly. HP's system uses a feature called "safeguard," which helps protect the product from damage induced by the testing process. Test information is acquired, analyzed

and made available to the network, giving increased insight into the manufacturing process.

### Networks and "Open Systems"

Manufacturing managers who today want to maximize productivity by linking all the ongoing functions in their factories may face a difficult task. They will find many suppliers, including HP, able to accommodate part, but not all, of their needs.

Unlike their office-manager counterparts, they require a linking or networking system that can withstand a harsh working environment, provide real-time process control and be absolutely reliable.

They also need a network that can link different types of machines and equipment that usually have come from a number of vendors.

Because some individual functions within the total operation already may be using local networks, the managers' task may be further complicated as they try to join those into a larger, more comprehensive network.

HP's networking strategy—HP AdvanceNet—provides a way to integrate and manage information for engineering and manufactur-

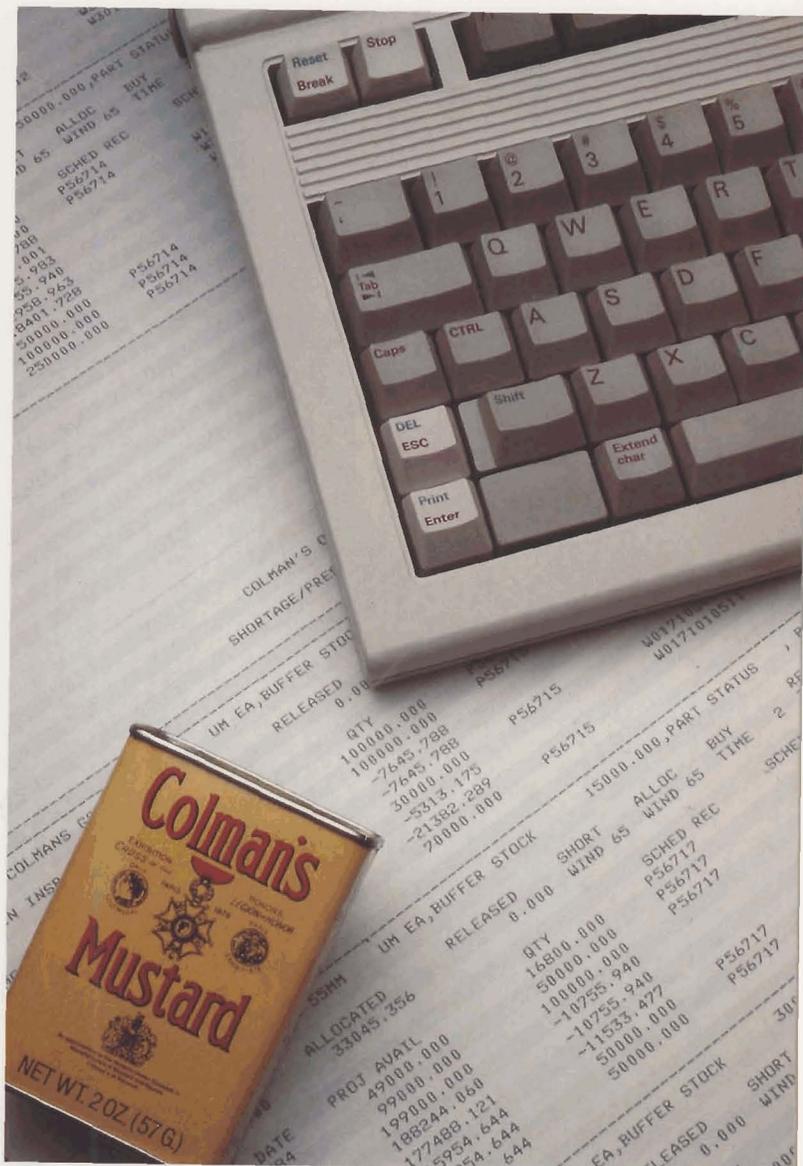
ing. The company already has available some information and data-communication products to link HP computers to each other and to other vendors' computers. It is working to expand its networking product offerings to address more fully the growing needs of manufacturers.

HP believes that a network must be a utility that runs throughout the factory, able to handle all types of information and compatible with existing local or sub-systems in the plant. This is the strategy the company is pursuing with HP AdvanceNet.

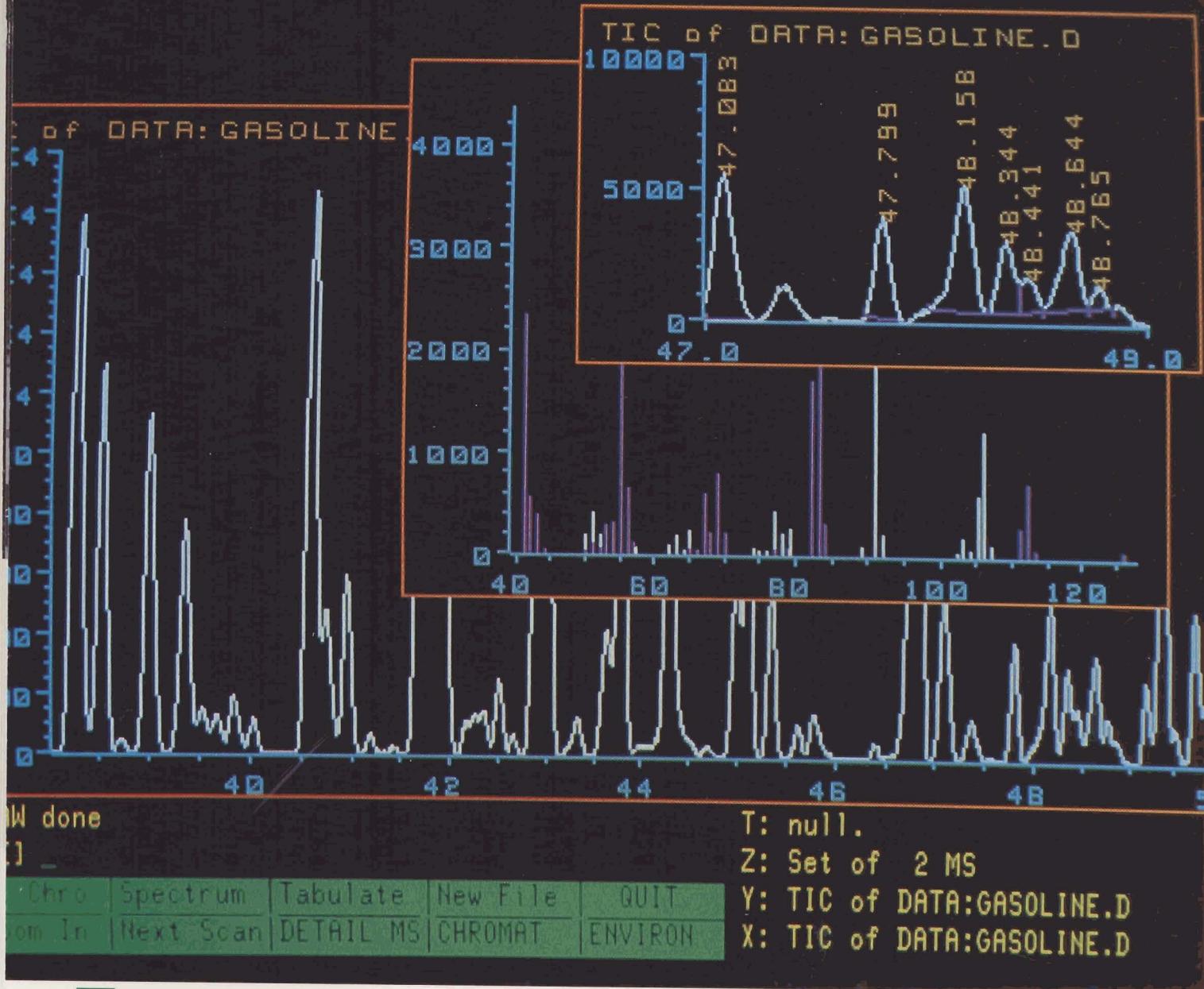
Because it recognizes how critical networking is to improving productivity, HP supports an "open systems" concept whereby computer makers design their systems so that computers can "talk" with those of other makers. It also supports industry standards that govern networks.

HP AdvanceNet products are based on the International Standards Organization system interconnect model and are designed to work with industry-standard links such as IEEE 802.3, X.25 and PBXs, as well as other common networks such as IBM's SNA.

During 1984, HP worked with several other computer makers and with General Motors to create a GM prototype manufacturing network. The project demonstrated that communication among several vendors is not only possible, but necessary and effective.



Colman's of Norwich, England, a subsidiary of Reckitt & Colman PLC, has been producing Colman's Mustard for more than 160 years. The HP Materials Management/3000 system assists the manufacturing control of this and other products whose reputation for high quality is renowned throughout the world.



HP systems for chemical analysis, with their multi-window images, enable scientists to access and display simultaneously information needed for identifying and measuring chemical substances.

■ Sophisticated instrumentation, combined with computer technology, speeds the chemical-detection and identification process and provides more accurate and comprehensive data.

Hewlett-Packard instruments and computer systems for chemical analysis are used in laboratories worldwide. They help scientists monitor and improve the quality of air, water, foods and soil, and develop advanced chemical separation and identification methods for research. They also are used for quality assurance in chemical manufacturing.

During the 1970s, scientists usually selected an analytical instrument based on its performance characteristics or measurement capabilities.

In the 1980s, automation, the ability of an instrument to function in a network, and reliability are key factors influencing a buying decision.

In addition, analytical chemists today want smaller, more compact instruments at lower cost than in the past. However, they do not want to sacrifice the performance gains made in the earlier decade.

HP is responding to these changing customer needs with new products that capitalize on the company's broad base of proprietary technology and advanced manufacturing techniques.

For example, the new HP 5890 gas chromatograph (GC) costs about half as

much as previous HP GCs, yet has virtually identical performance characteristics. HP backs the unit with a warranted 99 percent "up time" offer.

Similarly, HP diode-array spectrophotometers, bench-top GC/MS (mass spectrometer) systems and modular liquid chromatograph systems have seen dramatic drops in the price of entry-level systems over the past two years, while performance has improved.

Cost concerns in the industry also have led HP to develop instruments that can be expanded or upgraded by adding parts or modules that can be bought separately.

With the modular HP 1090 liquid chromatograph (LC), for example, customers can perform routine LC measurements or the most advanced low-dispersion, high efficiency techniques, all within a compatible, flexible system that can grow with their needs.

**Automation and Networking**  
Concerns about productivity and cost are driving increased automation within the chemical lab.

Today, with products such as the HP 5890 GC and the HP 5988 GC/MS system, chemists conduct tests to separate and identify compounds and then easily store the results in common databases.

The new HP 3350 series laboratory automation

systems and networking integrators enable chemists to begin automating with a minimal investment. These systems are easily expanded and upgraded into more advanced instrument and computer networks as the lab workload increases.

This linking or networking allows the lab to process tremendous quantities of data and to obtain useful answers in seconds rather than the hours previously required.

HP's analytical product line will continue to benefit from the company's computer-product developments by incorporating them into lab automation systems. Last year, the Touchscreen personal computer and the HP 1000 minicomputer both were incorporated into HP lab systems.

Also during 1984, HP continued to work closely with Genentech, Inc., through the joint-venture HP Genenchem. This company is developing and will market instrumentation for the rapidly emerging biotechnology industry. It is another example of HP's commitment to making a positive contribution to the analytical marketplace.

■ Through computer technology, people in today's automated office—from clerk to CEO—have convenient tools to improve their own productivity and that of their organization.

At Hewlett-Packard, office automation is considerably more than word processing. It means using computers to enhance the capabilities of those who manage and use data, words and graphics in their work. HP unites its long-established distributed data-processing prowess with a growing line of personal computers to enable people to communicate better and to make more effective business decisions.

The company's office products are helping improve the analysis and flow of information in many types of businesses: insurance companies, banks, retail stores, manufacturing and distribution companies, and medical and legal offices.

### **An Evolution in Computing**

When huge and expensive mainframes were the only computers available, information was concentrated in a central location and processed under the watchful eyes of technical specialists.

Distributed data processing, driven in part by HP

with its HP 3000 minicomputer systems, brought significant changes. It allowed computers to be located close to where information originated and was used. It began moving management of the information that was stored in the computer—the database—into the hands of non-specialists.

This progress paved the way for two other major developments: personal computers and networking.

As non-technical people were increasingly exposed to computers, the need grew for even "friendlier," easy-to-use computing. More and more people began to recognize that their work—writing reports, drawing charts, analyzing and comparing data—could be done more quickly and efficiently with a computer. Most important, they could make decisions more effectively.

Personal computers put productivity tools, such as spreadsheets and quick graphs, in the hands of individuals.

At the same time, there was the growing realization that up-to-date, well-maintained information from one group within an organization often was needed by another group. The solution? Link one computer and database to another in a network so that information and resources could be shared.

### **Personal Productivity Centers**

HP's Personal Productivity Center is the company's solution for automating today's office. It links the ease of use of a personal computer with powerful office-applications software and distributed data processing.

The Personal Productivity Center combines the HP Touchscreen and The Portable personal computers, HP workstations, the proven data-processing capabilities of HP 3000 business computers and a wide range of software application programs. It goes well beyond traditional office automation or isolated, stand-alone personal computing.

It also offers AdvanceNet communications network products to link HP computers with one another and with computers of other suppliers, such as the IBM PC. HP AdvanceNet is based on industry-standard networks, and offers flexibility for both local and remote communications.

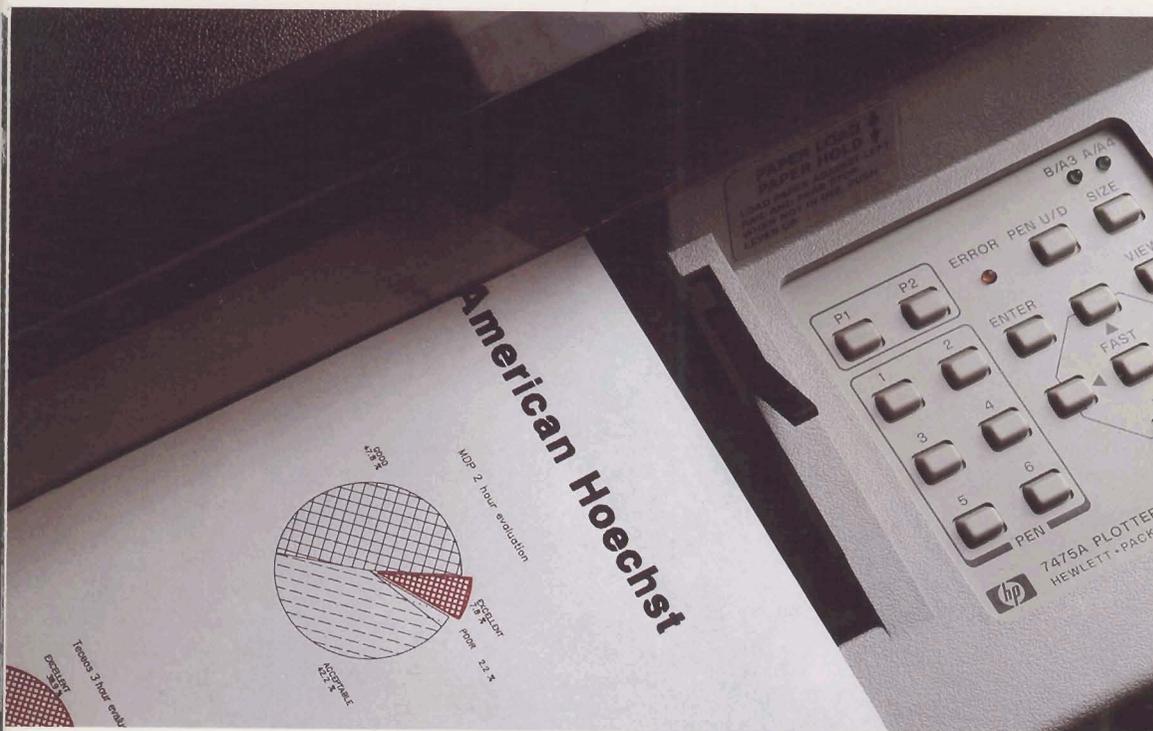
The Personal Productivity Center provides office

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HP's Venezuelan Software Center has customized HP Touchscreen programs, making the Touchscreen the first Spanish-language personal computer available in the Latin American market. HP application centers worldwide provide consulting, training and post-installation services, as well as software adapted to local languages and customs.



**American Hoechst's pharmaceuticals unit relies on HP computers, terminals, laser printers and plotters to help manage clinical research data. Its HP 3000-based system integrates data and word processing, case report form design and production, and graphics.**



**HP's ThinkJet printer, introduced in 1984, has been well received in both retail and commercial markets. It is quiet, compact, fast and low-priced. HP is a leader in personal-computer printing and plotting products.**

professionals with word processing, graphics, file and calendar management, financial spreadsheet analysis and data processing. Electronic mail joins them into a productive team.

A small Personal Productivity Center typically consists of several HP Touchscreen personal computers used as managers' and secretarial workstations, an HP 3000 business computer and a variety of office software.

Larger Centers can link more than 100 personal computers or workstations in a single HP 3000-based network.

An organization can begin with one Center with as few as four stations and grow as needed to more than 100 stations. In turn, Centers can be linked into a network to support thousands of people around the country or the world.

### **HP 3000 Series 37**

In September 1984, the company introduced its HP 3000 Series 37, a powerful yet extremely compact, low-cost, multi-user office-computer system. It can support as many as 28 terminals and can communicate with larger systems or with personal computers.

Market research firms have predicted that the market for these types of multiple-user systems will

grow about 35 percent annually and reach nearly \$10 billion by 1988.

The Series 37 enables several people to share printers, plotters, discs on which information is stored, and other computer peripherals. It is ideal for a small business or a department within a larger company because it requires neither special electrical wiring nor a temperature-controlled environment, and usually can be installed without technical assistance.

With this new offering, HP continued its tradition of ongoing and substantial price/performance improvements in the HP 3000 product line. The Series 37 has one and a half times as much computing power as low-end HP 3000s of just four years ago, yet costs one-third as much.

The Series 37 also sustains the company's commitment to ensure compatibility throughout its HP 3000 minicomputer product line. Whether customers begin with a Series 37 and upgrade to a more powerful system, or add a Series 37 to an installed HP 3000 network, they can be assured that their application packages will run on any HP 3000.

#### Office Applications

The Series 37, like all HP 3000 systems, can run more than 1,000 independent software application programs

and the full range of HP software-productivity tools.

HP's office software includes programs such as HP Word for word processing, HP Spell to correct spelling errors, HP ListKeeper for list processing, and HP EasyChart and HP Draw for business and presentation-quality charts and graphs.

One of the company's most popular application programs is HP DeskManager, which features electronic mail, basic word processing, a personal calendar and a filing system.

HP developed this electronic desk package for use by its own people—not unlike many of its successful products. Today within the company, HP DeskManager enables more than 26,000 people in 11 countries to communicate with one another from their computer terminals.

#### Personal-computation Products

During the past year HP introduced a line of personal-computation products that now make it a serious player in the PC market.

Personal-computation products are important to



**With the introduction of The Portable, HP underscored its commitment to the personal-computer field. During 1984 HP established a worldwide network of more than 3,000 authorized dealers to sell the company's expanding line of personal-computation products.**



**Delaware Trust Company, Wilmington, has a sophisticated computer network built around two HP 3000 systems. It links the HP 3000s to Touchscreen and non-HP personal computers. With the network, Delaware Trust has automated every aspect of its daily activities, and also offers timeshared services to others.**

HP because it recognizes their role in the continuing computer evolution. Standing alone, personal computers offer their users a host of useful functions. As they are linked through networks and electronic mail, PCs become team-building communications systems. When they function as terminals in a larger computer system, they become interactive workstations with substantial computational power and flexibility.

The HP Touchscreen personal computer, introduced in 1983 and upgraded in 1984, anchors the company's PC product line. The Touchscreen allows business professionals to run computer programs simply by touching the display screen.

Within the Personal Productivity Center, the Touchscreen serves as a personal computer yet has full access to the HP 3000 or mainframe when greater data-processing power is needed.

With local-area networks and HP AdvanceLink, a person using the Touchscreen also can share information and printers not only with HP personal computers, but also with computers from some other suppliers.

HP PC products bring computing power directly to

business professionals wherever "office" work needs to be accomplished—at a desk or on an airplane.

The Portable, for example, weighs only nine pounds yet has more than twice the usable memory provided by most desktop PCs. Introduced last May, it features a full-sized keyboard and a flip-up, 16-line screen. It has built-in software programs for writing memos and doing financial analysis.

During 1984 HP also introduced its ThinkJet printer for the office and home markets and LaserJet, a letter-quality laser printer.

ThinkJet puts characters and graphics on paper by ejecting ink drops from tiny holes in a small, replaceable printhead. It may be used with desktop or portable computers from HP or from many other manufacturers.

LaserJet fits on top of a desk and uses laser technology to print text. Since, like ThinkJet, there is no impact, the printer is quieter than normal conversation. Also like ThinkJet, it is compatible not only with HP computers, but also those made by many other companies.

HP provides its personal-computer customers with two "800" telephone information lines.

Customers can get response to questions about HP personal computers and calculators before they buy by calling 800-FOR-HPPC. The line was set up in late 1983 and provides information about where to see, buy and service HP personal-computation products.

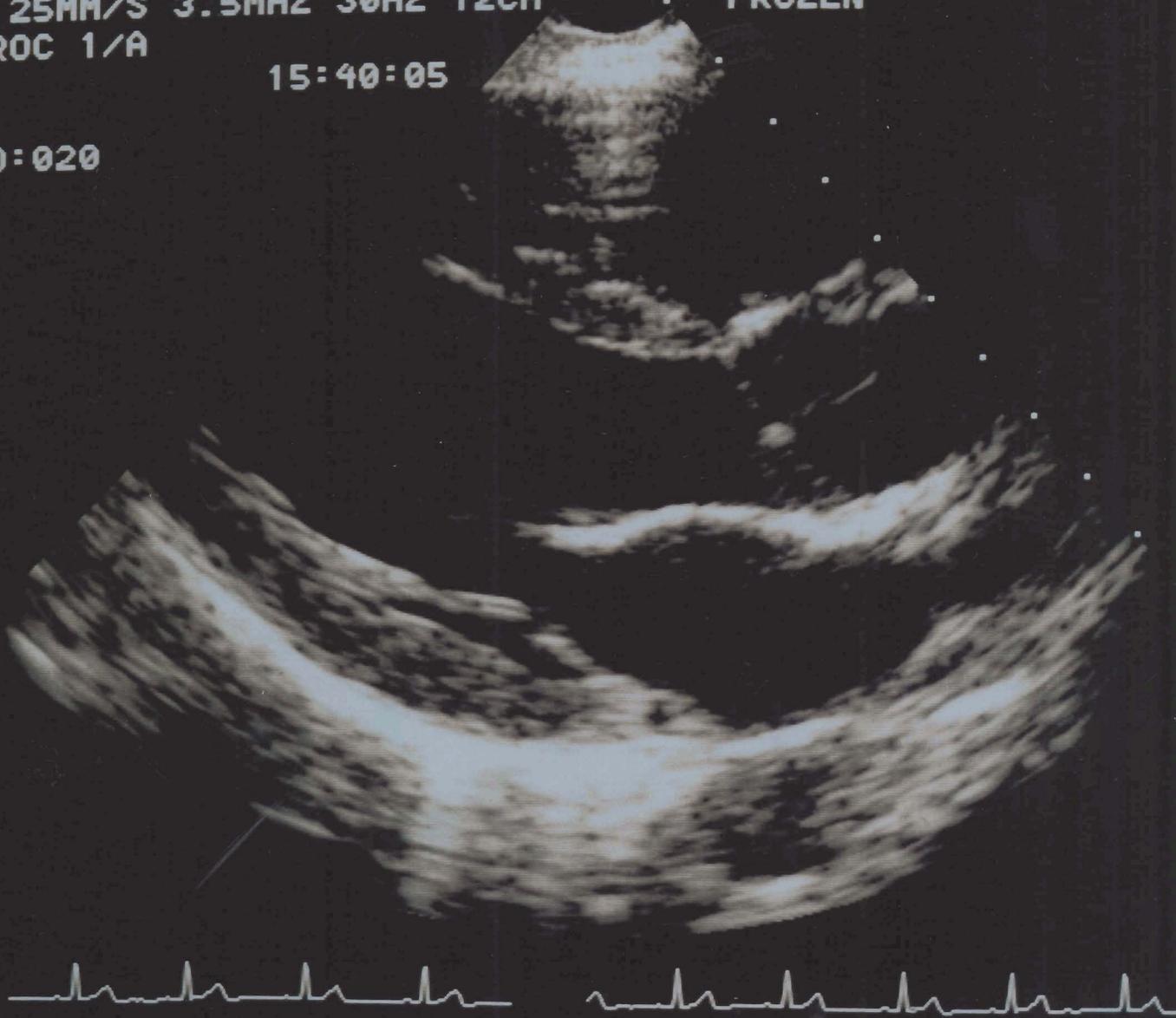


25MM/S 3.5MHZ 30HZ 12CM  
PROC 1/A

FROZEN

15:40:05

ID:020



**Sharply defined, high-resolution images are the trademark of HP's real-time ultrasound imaging systems. The HP system used by the University of Kentucky Hospital in Lexington provides cardiac images and can help determine the direction and rate of blood flow through the heart.**

■ A changing U.S. health-care system and a worldwide urgency to reduce costs mean a premium will be placed on cost-effectiveness and productivity in health-care delivery.

A growing concern over spiraling health-care costs is driving basic changes in the systems that fund medical services.

Many insurers are prompting patients to seek less costly care by modifying coverage and by requiring them to pay larger portions of their medical bills. Some employers, concerned about escalating medical costs, are increasing deductibles paid by their workers.

Most significantly, the United States Congress has changed the way government pays hospitals and doctors for the services they provide to elderly people covered by Medicare.

Previously, payment would cover the actual cost of the service plus the physician's fee. Under the new system, a fixed payment amount is determined based on the type of service or care provided. Payment rates are set in advance and the hospital

is reimbursed only that predetermined amount, regardless of how much actually was spent.

The implications of these changes, especially for U.S. health-care facilities, are substantial. It will be up to individual institutions to deliver their services in a medically sound, yet cost-effective way.

### **Impact on HP**

About 70 percent of HP's total medical products business is in the United States. As a result, it is directly and significantly affected by the ongoing changes in the nation's health-care industry.

While the government was enacting its new payment system, hospitals and other health-care providers were understandably hesitant to make capital commitments. Purchases slowed and, as a result, HP's medical business during the past few years grew less rapidly than in previous years.

As funding regulations are defined, however, HP is in a strong position to offer its medical customers—both U.S. and international—products and services that

will help them provide quality care while significantly improving their productivity.

For example, HP has responded to hospital cost-cutting needs by introducing new patient monitors with improved features and reliability, but at lower prices. A typical HP bedside monitor designed in the 1980s costs 20 percent less to buy and more than 45 percent less to operate than one designed in the 1970s.

HP medical products today share these essential elements: improved reliability, functional versatility, compatibility with existing and future HP equipment and with that of other manufacturers, upgradability and ease of use. In addition, HP offers comprehensive training and support for its products.

Another major HP strength is the company's ability to provide useful, integrated solutions specifically designed to improve productivity. Just as in manufacturing and the office,

linking functions through computers in the hospital is important to overall efficiency and cost containment.

Demand is expanding rapidly for computer-based hospital information systems that can track and link medical and financial data. Under the new U.S. government reimbursement system, for example, hospitals must be able to analyze the costs for each type of service and compare their costs to the fixed payments in order to make sound business decisions.

HP's Healthcare Information System is a set of software application modules based on an HP 3000 business computer. It provides a means for integrating the volumes of business and medical information generated in a hospital's daily operation. Programs for financial management, patient registration and census, medical recordkeeping, and patient care are available.

The system will support additional applications that are centered on a departmental workstation concept. Available through other companies or under development at HP are departmental systems for the business office, nursing station, medical records,

the pharmacy, clinical lab, radiology and other ancillary services. Many of these departmental programs use the HP Touchscreen personal computer.

#### **New Markets**

As cost and competition take on new importance in health care, alternatives to the traditional, stand-alone hospital are emerging.

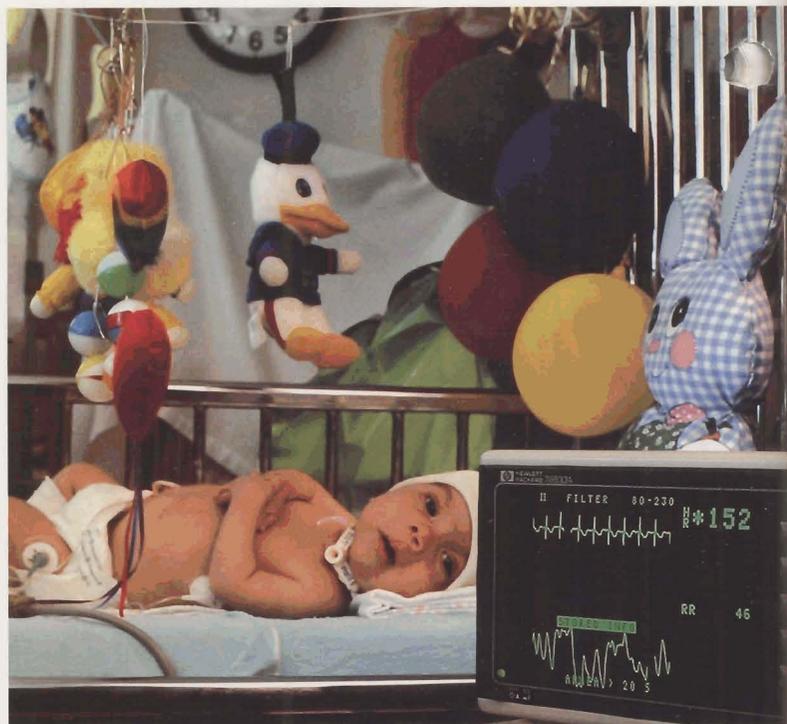
For-profit multi-hospital systems, outpatient walk-in clinics, surgicenters and physicians in group practices offer new market potential for HP's medical products. Non-invasive diagnostic equipment, such as ultrasound scanners and fetal monitors, is expected to do especially well in these markets.

In addition, opportunities are increasing for using personal and portable computers—as on-line terminals, distributed workstations and desktop stations running financial or medical software.

#### **Sales and Support**

HP has remained a strong partner with health-care customers because it has stayed close to the market's needs and adapted to change. This is possible in large part because the company has a highly trained and knowledgeable sales and support organization that is backed by creative HP product engineers.

Together with medical customers, these formidable HP resources will continue to develop the solutions that differentiate HP from its competitors.



**HP introduced several new patient-monitoring products in 1984, including three neonatal monitors. These compact, microprocessor-based units are used to measure a baby's heart and lung functions. At Mount Zion Hospital and Medical Center in San Francisco, neonatologists rely on HP equipment for accurate, precise measurements.**

Hewlett-Packard Company's business is the design and manufacture of measurement and computation products and systems used in business, industry, engineering, science, health care and education.

Principal products include integrated instrument and computer systems, test and measurement instruments, computer systems and peripheral products, medical electronic equipment and systems, instrumentation and systems for chemical analysis, handheld calculators, and solid-state components.

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## Financial Review (continued)

Ownership Program (PAYSOP) tax credits of \$8 million and \$6 million in 1984 and 1983, respectively. Fiscal 1983 was the first year of the company's PAYSOP program.

Orders are a leading indicator of future financial trends. Total orders increased 29 percent in 1984, 18 percent in 1983 and 14 percent in 1982. While order increases for the first three quarters of 1984 showed consistent growth in the 30 percent range, fourth-quarter domestic orders showed signs of softening consistent with a general slowdown in the rate of growth for the U.S. economy.

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### Business Segments and Geographic Areas

Computer Products 1984 sales growth of 32 percent benefited from new-product introductions, including major additions to the company's line of personal-computer products. Earnings growth in 1984 was 12 percent resulting from a shift towards higher volume/lower margin products and increased investments in marketing. Research and development activities remained at a high level in 1984 to support major new-product programs. As a percent of sales, research and development decreased from 1983 levels due to the sharp increase in 1984 shipments.

The Electronic Test and Measurement segment had a very strong year. Driven by important new products and by improved market conditions in the company's components business, 1984 sales grew 29 percent over the prior year and earnings increased 35 percent. Favorable gains in manufacturing productivity and quality compensated for

heavy new-product development and introduction expenses. All other operating expenses were controlled to well below sales growth rates.

Medical Electronic Equipment achieved 1984 order growth of 14 percent in the face of dramatic changes in the U.S. health-care market and a slowly growing international market, further aggravated by a very strong U.S. dollar. Larger discounts and lower international prices limited revenue growth to a modest 7 percent in 1984 and, combined with continued research and development investments, contributed to a 32 percent decline in earnings.

A general recovery in the chemical and environmental fields coupled with new-product introductions in late 1983 led to increases in 1984 Analytical Instrumentation sales of 25 percent and earnings of 63 percent. The depressed conditions that persisted in the industry in 1982 and 1983 ended in 1984, yielding strong growth and a significant improvement in margins.

Domestic net sales increased 29 percent in 1984, 20 percent in 1983 and 24 percent in 1982. Domestic sales growth rates were aided by the U.S. economic recovery that began in the second half of fiscal 1983 and remained strong throughout the first three quarters of 1984. Sales performance in 1982 and early 1983 was adversely affected by recessionary domestic economic conditions.

International net sales increased 27 percent in 1984, 3 percent in 1983 and 13 percent in 1982. International sales in 1984 benefited from improvement in many international economies significant to HP's business, aggressive marketing efforts and expanded value-added programs overseas. These gains in international sales occurred despite the continuing strength of the U.S. dollar against other major currencies. A stronger U.S. dollar adversely impacts the company's international price competitiveness for U.S. manufactured products and also results in local currency sales translating into fewer U.S. dollar sales. The erosion in value of foreign currencies versus the U.S. dollar was particularly significant between fiscal 1980 and 1984 when European currencies, weighted based on HP orders by country, declined in value 40 percent.

Also contributing to the 1984 international sales growth rate was the consolidation of Yokogawa-Hewlett-Packard Limited (YHP) for 1984 reporting, resulting from HP's increased ownership interest in YHP. This change added approximately seven percentage points to the international net sales growth rate and accounted for the majority of the 1984 increase in the Rest of World earnings before taxes.

### Business Segments\*

(Millions)	1984	1983	1982
<b>Gross sales</b>			
Computer products	\$3,269	\$2,476	\$2,161
Electronic test and measurement	2,289	1,779	1,595
Medical electronic equipment	378	355	323
Analytical instrumentation	229	184	176
	\$6,165	\$4,794	\$4,255
<b>Intersegment sales</b>			
Computer products	73	56	44
Electronic test and measurement	47	26	21
Medical electronic equipment	1	2	1
	121	84	66
<b>Net sales</b>	<b>\$6,044</b>	<b>\$4,710</b>	<b>\$4,189</b>
<b>Earnings before taxes</b>			
Computer products	\$ 439	\$ 392	\$ 370
Electronic test and measurement	514	381	339
Medical electronic equipment	41	61	60
Analytical instrumentation	37	23	28
Eliminations and corporate	(171)	(129)	(121)
	\$ 860	\$ 728	\$ 676

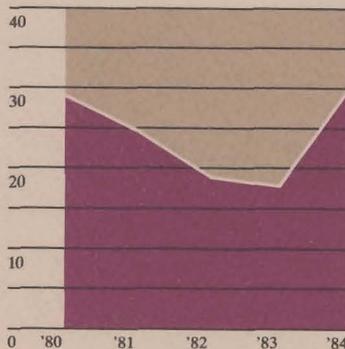
\*Sales between affiliates are made at market prices, less an allowance for subsequent manufacturing and/or marketing.

### Geographic Areas\*

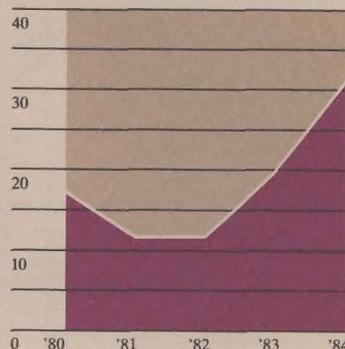
(Millions)	1984	1983	1982
<b>Net sales</b>			
United States	\$3,527	\$2,725	\$2,270
Europe	1,620	1,392	1,318
Rest of world	897	593	601
	\$6,044	\$4,710	\$4,189
<b>Earnings before taxes</b>			
United States	\$ 768	\$ 644	\$ 554
Europe	138	148	157
Rest of world	110	59	95
Eliminations and corporate	(156)	(123)	(130)
	\$ 860	\$ 728	\$ 676
<b>Exports from</b>			
United States	\$1,420	\$1,105	\$1,081
Europe	145	100	61
Rest of world	277	160	164

\*Net sales are based on the location of the customer. Earnings before taxes reflect the location of the company's facilities. Exports are primarily inter-area transfers to affiliates, which are made at market prices, less an allowance for subsequent manufacturing and/or marketing. Certain amounts have been reclassified to conform to the 1984 format.

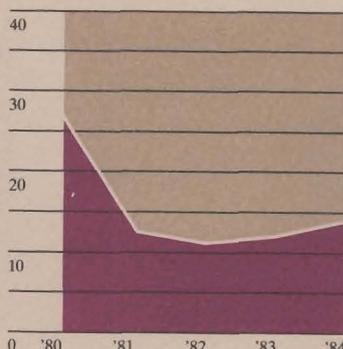
**Computer products**  
(% order growth over prior year)  
52% of total orders



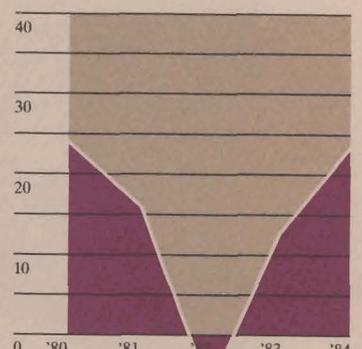
**Electronic test and measurement**  
(% order growth over prior year)  
38% of total orders



**Medical electronic equipment**  
(% order growth over prior year)  
6% of total orders



**Analytical instrumentation**  
(% order growth over prior year)  
4% of total orders



## Consolidated Statement of Changes in Financial Position

For the years ended October 31 (Millions)	1984	1983	1982
<b>Funds provided by operations:</b>			
Net earnings	\$665	\$432	\$383
Expenses not requiring an outlay of funds:			
Depreciation and amortization	237	191	158
Deferred taxes on earnings	(81)	105	84
Other, net	47	45	28
	868	773	653
<b>Funds used by operations:</b>			
Investment in property, plant and equipment	661	466	362
Increase (decrease) in working capital, excluding net cash:			
Accounts and notes receivable	195	178	91
Inventories	256	89	17
Other current assets	(9)	(1)	(3)
Accounts payable and accrued liabilities	(179)	(104)	(84)
Accrued taxes on earnings	(78)	39	(42)
Other, net	(22)	2	(6)
	824	669	335
<b>Non-operating funds provided (used):</b>			
Employee stock plans:			
Shares issued	112	108	81
Shares purchased	(142)	—	—
Dividends to shareholders	(49)	(40)	(30)
Other	24	32	13
	(55)	100	64
<b>Increase (decrease) in cash and temporary cash investments, net of notes payable</b>	<b>\$(11)</b>	<b>\$204</b>	<b>\$382</b>
<b>Net cash at beginning of period</b>	<b>732</b>	<b>528</b>	<b>146</b>
<b>Net cash at end of period</b>	<b>\$721</b>	<b>\$732</b>	<b>\$528</b>

Certain amounts have been reclassified to conform to the 1984 format.

The accompanying notes are an integral part of these financial statements.

## Quarterly Summary (Unaudited)

(Millions except per share amounts)

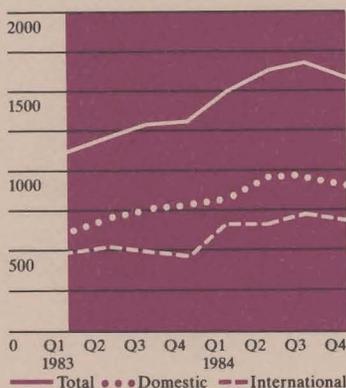
Three months ended	January 31	April 30	July 31	October 31
<b>1984</b>				
Domestic orders	\$ 818	\$ 953	\$ 970	\$ 888
International orders	659	656	715	691
<b>Total orders</b>	<b>\$1,477</b>	<b>\$1,609</b>	<b>\$1,685</b>	<b>\$1,579</b>
Net sales	\$1,278	\$1,519	\$1,559	\$1,688
Cost of goods sold	\$ 595	\$ 699	\$ 744	\$ 827
Earnings before taxes	\$ 164	\$ 236	\$ 218	\$ 242
Net earnings	\$ 217*	\$ 147*	\$ 134	\$ 167
Net earnings per share	\$ .85*	\$ .57*	\$ .52	\$ .65
Cash dividends paid per share	\$ .045	\$ .045	\$ .045	\$ .055
Range of stock prices per share	\$45-34 <sup>3</sup> / <sub>4</sub>	\$40 <sup>1</sup> / <sub>8</sub> -31 <sup>5</sup> / <sub>8</sub>	\$37 <sup>3</sup> / <sub>8</sub> -33	\$42 <sup>7</sup> / <sub>8</sub> -34 <sup>7</sup> / <sub>8</sub>

### 1983

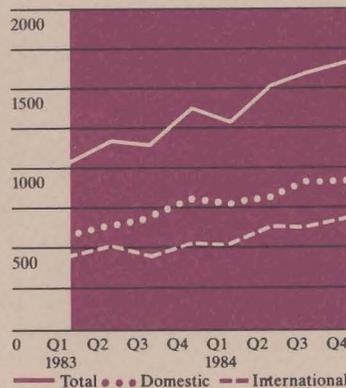
Domestic orders	\$ 627	\$ 715	\$ 770	\$ 789
International orders	500	524	501	496
<b>Total orders</b>	<b>\$1,127</b>	<b>\$1,239</b>	<b>\$1,271</b>	<b>\$1,285</b>
Net sales	\$1,055	\$1,172	\$1,153	\$1,330
Cost of goods sold	\$ 497	\$ 543	\$ 539	\$ 616
Earnings before taxes	\$ 151	\$ 187	\$ 157	\$ 233
Net earnings	\$ 85	\$ 109	\$ 91	\$ 147
Net earnings per share	\$ .34	\$ .43	\$ .35	\$ .57
Cash dividends paid per share	\$.0375	\$.0375	\$.0375	\$.045
Range of stock prices per share	\$40 <sup>7</sup> / <sub>8</sub> -32	\$43 <sup>1</sup> / <sub>2</sub> -36 <sup>5</sup> / <sub>8</sub>	\$48-36 <sup>3</sup> / <sub>4</sub>	\$45 <sup>3</sup> / <sub>4</sub> -35 <sup>3</sup> / <sub>8</sub>

\*Restated to reflect tax law changes that eliminated the tax liability on certain earnings of the company's Domestic International Sales Corporation (DISC). The earnings of the first and second quarters of fiscal 1984 increased \$4 and \$6 million, respectively (2 cents per share each quarter). In addition, \$118 million of DISC taxes accumulated prior to 1984 was reversed in the first quarter of 1984, increasing earnings 46 cents per share.

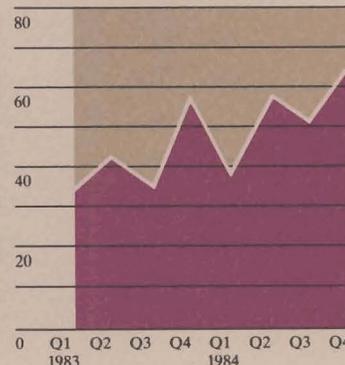
Orders  
(\$ millions)



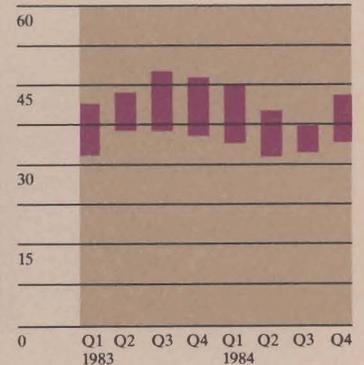
Net sales  
(\$ millions)



Net earnings per share\*\*  
(cents per share)



Range of common stock prices  
(\$ per share)



\*\*Based on Supplementary Earnings Information, assuming the reversal of DISC taxes is applied retroactively. See page 25.

## Notes to the Consolidated Financial Statements

October 31, 1984, 1983 and 1982

### Summary of Significant Accounting Policies

#### Principles of consolidation

The consolidated financial statements include the accounts of Hewlett-Packard Company and its domestic and foreign subsidiaries, other than Hewlett-Packard Finance Company, which is accounted for by the equity method. All significant intercompany accounts and transactions have been eliminated.

#### Revenue recognition

Revenue from equipment sales is recognized at the time the equipment is shipped.

#### Inventories

Inventories are valued at standard costs that approximate costs computed on a first-in, first-out basis, not in excess of market.

#### Research and development costs

Research and development costs, including software development costs, are expensed as incurred.

#### Taxes on earnings

U.S. income taxes are provided on foreign earnings that may be repatriated to the United States and are not provided on foreign earnings that are intended to be indefinitely reinvested abroad. Investment tax credits reduce the provision for taxes in the year the related assets are placed in service.

#### Net earnings per share

Net earnings per share is based on the number of shares outstanding at the end of each period. The use of weighted-average shares outstanding during the period would not have a significant effect on net earnings per share. Outstanding stock options considered to be common stock equivalents have not been included because the effect would be immaterial.

#### Property, plant and equipment

Property, plant and equipment is stated at cost. Additions, improvements and major renewals are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. Depreciation is provided using accelerated methods, principally over the following useful lives: buildings and improvements, 15 to 40 years; and machinery and equipment, three to 10 years. Amortization of leasehold improvements is provided using the straight-line method over the life of the lease or asset, whichever is shorter.

#### Foreign currency translation

The U.S. dollar is the functional currency. Gains or losses from foreign currency translation are included in net earnings.

### Taxes on Earnings

The provision for taxes includes:

(Millions)	1984	1983	1982
Federal taxes:			
Current	\$ 140	\$ 61	\$ 90
Deferred	37	105	84
Reversal of DISC deferred taxes	(118)	—	—
State taxes	37	35	30
Foreign taxes	99	95	89
	\$ 195	\$ 296	\$ 293

The difference between taxes computed by applying the federal income tax rate to earnings before taxes and the actual provision for taxes is:

(Millions)	1984	1983	1982
Taxes on earnings at the U.S. statutory rate	\$ 395	\$ 335	\$ 311
DISC earnings	(145)	—	—
State income taxes, net of federal tax benefit	20	19	16
Research and development tax credits	(30)	(22)	(15)
Investment tax credits	(17)	(16)	(15)
Other	(28)	(20)	(4)
	\$ 195	\$ 296	\$ 293

Deferred federal taxes result from differences in the timing of revenue and expense recognition for tax and

financial reporting purposes. The major sources of these timing differences are:

(Millions)	1984	1983	1982
DISC earnings	\$ —	\$ 36	\$ 33
Deferred payment contracts	42	57	5
Undistributed earnings of certain foreign subsidiaries	—	5	15
Other timing differences	(5)	7	7
Adjustments from prior year estimates:			
DISC earnings	—	—	6
Other	—	—	18
	\$ 37	\$ 105	\$ 84

After allocating eliminations and corporate items, earnings before taxes of U.S. and foreign operations are:

(Millions)	1984	1983	1982
U.S. operations	\$584	\$514	\$405
Foreign operations	276	214	271
	\$860	\$728	\$676

The company reached final agreement with the Internal Revenue Service (IRS) regarding certain additional assessments on the company's foreign earnings for fiscal years 1978 and 1979. The IRS has not completed its examination of returns for years subsequent to 1979. The company believes that adequate accruals have been provided for all years.

The company has not provided for U.S. taxes on \$419 million of undistributed earnings of foreign subsidiaries at October 31, 1984. If these earnings were distributed to the parent company in the U.S., foreign tax credits should become available under current law to reduce or eliminate the resulting U.S. income tax liability. These earnings have been reinvested in subsidiary operations. However, where excess cash has accumulated and it is advantageous for tax or foreign exchange reasons, subsidiary earnings are remitted.

### Pension and Profit-Sharing Retirement Plans

Substantially all employees worldwide are covered under various pension and deferred profit-sharing retirement plans. U.S. employees are provided retirement benefits by the U.S. Deferred Profit-Sharing Retirement Plan and the U.S. Supplemental Pension Plan. Company contributions to the U.S. Deferred Profit-Sharing Retirement Plan are in accordance with a formula set forth in the plan. Contributions to the U.S. Supplemental Pension Plan provide for any excess of defined minimum benefits over the benefits available from the U.S. Deferred Profit-Sharing Retirement Plan. It is company policy to accrue and fund the current year's cost for all plans. Worldwide pension and deferred profit-sharing expense was \$107 million in 1984, \$82 million in 1983 and \$85 million in 1982.

"Net assets" available for benefits in both U.S. plans were \$748 million at October 31, 1984, and \$652 million at October 31, 1983. These assets have been funded based on assumptions that project future wage increases and future return on investments. The actuarial present values of vested and nonvested "plan benefits" were \$447 million and \$156 million, respectively, at October 31, 1984, and \$379 million and \$137 million, respectively, at October 31, 1983. These "plan benefits," computed in accordance with Statement of Financial Accounting Standards No. 35, assume no future wage increases and a future rate of return of 9 percent. The calculation of "plan benefits," unlike the accumulation of "net assets," does not consider future wage increases, making any comparison of the two amounts misleading.

At October 31, 1984, the assets of the company's foreign plans exceeded the actuarially computed value of vested benefits.

## Common Stock and Capital in Excess of Par Value

### *Employee stock plans*

Employees of the company and certain subsidiaries may participate in the Employee Stock Purchase Plan and/or the Tax Savings Capital Accumulation Plan (TaxCAP). TaxCAP, a qualified plan under the Internal Revenue Code, was established by the company during 1984 as a supplemental retirement program. Under both plans the employee contributes 75 percent of a formula stock price, which is computed based on average market prices. The company contributes the remainder. Combined Stock Purchase Plan and TaxCAP contributions by the employee cannot exceed 12 percent of pay. Included as a provision of TaxCAP is a Payroll-based Stock Ownership Program (PAYSOP). PAYSOP is a qualified stock bonus plan that provides stock on a per capita basis to employees and tax credits to the company. PAYSOP resulted in \$8 million and \$6 million in compensation expense and offsetting tax credits in 1984 and 1983, respectively.

### *Stock option plans*

The company has two principal stock option plans, adopted in 1974 and 1979. These plans were amended in 1982 to permit options granted to qualify as "Incentive Stock Options" under the Internal Revenue Code. The option price is equal to fair market value on the date of grant. Options are vested at a rate of 25 percent one year after the date of grant; 50 percent two years after the date of grant and in full three years after the date of grant. The plans permit the granting of stock appreciation rights (SARs) to officers and certain key employees.

For the year ended October 31, 1984	Options and SARs (Thousands)	Price per share
Outstanding at October 31, 1983	7,294	\$ 9-45
Granted	1,152	33-44
Exercised	(750)	9-36
Cancelled	(257)	9-44
Outstanding at October 31, 1984	7,439	\$ 9-45

At October 31, 1984, options to purchase 4,152,000 shares were exercisable at prices ranging from \$9 to \$45. Shares available for option grants at October 31, 1984, and 1983, were 1,607,000 and 2,496,000, respectively.

### *Increased ownership in affiliate*

On November 7, 1983, 842,000 shares of the company's common stock were issued to Yokogawa Hokushin Electric Corporation (YEW). The shares were issued in connection with an agreement whereby Hewlett-Packard Company increased from 49 to 75 percent its ownership interest in Yokogawa-Hewlett-Packard Limited (YHP), a joint-venture company established by Hewlett-Packard Company and YEW in 1963. The transaction was accounted for as a purchase. As of the first quarter of fiscal 1984, the accounts of YHP are included in the consolidated financial statements of the company. Pro forma combined information for HP and YHP for the year ended October 31, 1983, giving effect to the purchase, would not differ significantly from amounts shown in the Statement of Earnings. Previously, YHP had been accounted for by the equity method.

### *Shares reserved*

At October 31, 1984, and 1983, 40,215,000 and 34,537,000 shares, respectively, were reserved under the provisions of all plans.

### *Shares authorized*

At October 31, 1984, the company was authorized to issue 320 million shares of \$1 par value common stock.

## Business Segments

Identifiable assets (Millions)	1984	1983	1982
Computer products	\$2,182	\$1,673	\$1,358
Electronic test and measurement	1,379	1,022	903
Medical electronic equipment	268	224	191
Analytical instrumentation	154	133	104
Eliminations and corporate	1,170	1,109	914
	\$5,153	\$4,161	\$3,470

Capital expenditures (Millions)	1984	1983	1982
Computer products	\$330	\$248	\$215
Electronic test and measurement	202	108	104
Medical electronic equipment	27	37	18
Analytical instrumentation	14	18	7
Corporate	88	55	18
	\$661	\$466	\$362

Depreciation and amortization (Millions)	1984	1983	1982
Computer products	\$128	\$105	\$ 86
Electronic test and measurement	68	54	46
Medical electronic equipment	11	9	8
Analytical instrumentation	7	6	5
Corporate	23	17	13
	\$237	\$191	\$158

Direct and indirect sales to the U.S. Government amounted to approximately \$550 million in 1984, \$480 million in 1983 and \$420 million in 1982. No other customer accounted for more than 5 percent of net sales.

## Geographic Areas

Identifiable assets (Millions)	1984	1983	1982
United States	\$3,140	\$2,495	\$2,042
Europe	992	800	686
Rest of world	546	307	272
Eliminations and corporate	475	559	470
	\$5,153	\$4,161	\$3,470

Identifiable assets, which are based on the location of company facilities, include corporate assets of \$1,209 million in 1984, \$1,141 million in 1983 and \$938 million in 1982.

## Commitments

Unused foreign lines of credit at October 31 amounted to \$273 million in 1984, \$251 million in 1983 and \$232 million in 1982.

At October 31, 1984, the company was committed for plant site acquisition, facility construction and related machinery and equipment purchases aggregating \$315 million.

The company leases certain real and personal property. Minimum commitments under these operating leases are \$57 million for 1985, \$46 million for 1986, \$35 million for 1987, \$25 million for 1988, \$19 million for 1989 and \$85 million for 1990 through 2033.

Certain leases require the company to pay property taxes, insurance and routine maintenance. Some leases include escalation clauses. Rent expense was \$82 million in 1984, \$63 million in 1983 and \$56 million in 1982.

### Effects of Inflation and Changing Prices (Unaudited)

The information that follows is computed in accordance with the experimental guidelines of Statement of Financial Accounting Standards No. 33 and represents an attempt to quantify the impact of inflation on the company.

Current cost data reflects the impact of adjusting asset values using separate inflation indices for each major asset category. Depreciation has been computed using the straight-line method because the accelerated method used in the historical financial statements already recognizes some of the effects of inflation. No adjustment has been made to the provision for income taxes.

#### Results of operations

The company operates in an environment of rapid technological change accompanied by productivity improvements and moderate price changes. This has reduced the impact of inflation on the company's operations.

#### Net assets

The principal adjustments to historical net assets relate to inventories and net property, plant and equipment. The current cost of these assets at October 31, 1984, was \$1,040 million and \$2,638 million, respectively. The 1984 increase in value of inventories and net property, plant and equipment measured in specific prices exceeded general inflation by \$92 million due primarily to appreciation in land values.

#### Statement of earnings adjusted for changing prices for the year ended October 31, 1984

(Millions)	Historical Cost	Current Cost
Net sales	\$6,044	\$6,044
Cost of goods sold, excluding depreciation	2,758	2,750
Depreciation and amortization	237	257
Other operating costs	2,189	2,189
Provision for taxes	195	195
	5,379	5,391
Net earnings	\$ 665	\$ 653

#### Sales, earnings and per share information adjusted for changing prices (Millions except per share and CPI data; stated in average 1984 dollars)

	1984	1983	1982	1981	1980
Net sales	\$6,044	\$4,908	\$4,510	\$4,063	\$3,889
Current cost:					
Net earnings	\$ 653	\$ 417	\$ 371	\$ 302	\$ 271
Net earnings per share	\$ 2.55	\$ 1.64	\$ 1.48	\$ 1.23	\$ 1.13
Cash dividends per share	\$ .19	\$ .16	\$ .13	\$ .13	\$ .13
Market price per share at year-end	\$ 35½	\$ 36½	\$ 32%	\$ 25¼	\$ 22¾
Average CPI	309.1	296.6	287.1	268.4	242.1

#### Asset information adjusted for changing prices (Millions; stated in average 1984 dollars)

	1984	1983	1982	1981	1980
Net assets at year-end					
Current cost	\$4,250	\$3,540	\$3,051	\$2,648	\$2,402
Decline in purchasing power of net monetary assets	\$ 28	\$ 19	\$ 21	\$ 26	\$ 26
Increase in value of inventories, property plant and equipment held during the year:					
Measured in specific prices	\$ 222	\$ 58	\$ 91	\$ 116	\$ 190
Measured in general prices	130	78	121	216	243
Excess of increase in specific prices over increase in general prices	\$ 92	\$ (20)	\$ (30)	\$ (100)	\$ (53)

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## Statement of Management Responsibility

We believe the fostering of an environment conducive to good internal controls is a basic management responsibility.

The control process starts with the hiring and training of qualified people and then providing them with corporate objectives and policies that adhere to the highest principles of business ethics so that they understand how we expect them to conduct our business. Continuing education programs made available to all personnel serve to keep our basic goals and objectives in proper perspective.

Monitoring is an integral part of any control process. Our control systems are reviewed by Price Waterhouse to the extent they consider necessary when auditing our financial statements. We continuously monitor our control systems by direct management review with assistance from a well-established internal audit function that reports directly to the Chief Executive Officer.

The Audit Committee of the Board of Directors, which consists of three outside directors, serves in an oversight role by reviewing the internal control monitoring process. The committee has direct and private access to both internal and external auditors.

Management acknowledges its responsibility to provide financial information (both audited and unaudited) that is representative of the company's operations, reliable on a consistent basis, and relevant for a meaningful appraisal of the company. We believe that our control process meets this responsibility.



John A. Young  
President and Chief  
Executive Officer



Robert P. Wayman  
Vice President,  
Chief Financial Officer  
and Controller

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## Report of Independent Accountants

To the Shareholders and Board of  
Directors of Hewlett-Packard Company

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of earnings, shareholders' equity and changes in financial position present fairly the financial position of Hewlett-Packard Company and its subsidiaries at October 31, 1984, 1983 and 1982, and the results of their operations and the changes in their financial position for each of the three years then ended in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.



555 California Street  
San Francisco, CA 94104  
November 21, 1984

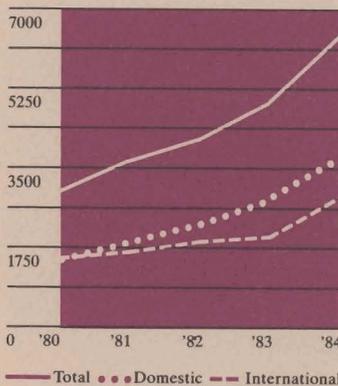
## Selected Financial Data

(Millions except per share amounts and employees)

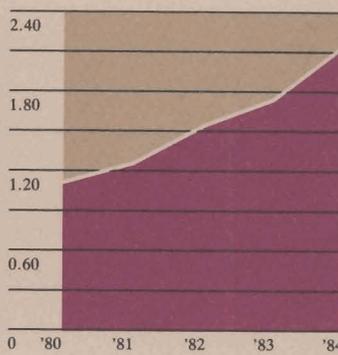
For the years ended October 31	1984	1983	1982	1981	1980
Domestic orders	\$3,629	\$2,901	\$2,283	\$1,918	\$1,517
International orders	2,721	2,021	1,897	1,739	1,570
<b>Total orders</b>	<b>\$6,350</b>	<b>\$4,922</b>	<b>\$4,180</b>	<b>\$3,657</b>	<b>\$3,087</b>
Net sales	\$6,044	\$4,710	\$4,189	\$3,528	\$3,046
Earnings before taxes	\$ 860	\$ 728	\$ 676	\$ 567	\$ 513
Net earnings	\$ 665*	\$ 432	\$ 383	\$ 305	\$ 263
Per share:					
Net earnings	\$ 2.59*	\$ 1.69	\$ 1.53	\$ 1.24	\$ 1.09
Cash dividends	\$ .19	\$ .16	\$ .12	\$ .11	\$ .10
At year-end:					
Total assets	\$5,153	\$4,161	\$3,470	\$2,782	\$2,350
Employees (Thousands)	82	72	68	64	57
Supplementary Earnings Information, assuming the reversal of DISC taxes is applied retroactively					
Net earnings per share	\$ 2.13	\$ 1.79	\$ 1.64	\$ 1.33	\$ 1.15

\*Includes a one-time increase in net earnings of \$118 million (46 cents per share) resulting from a tax law change.

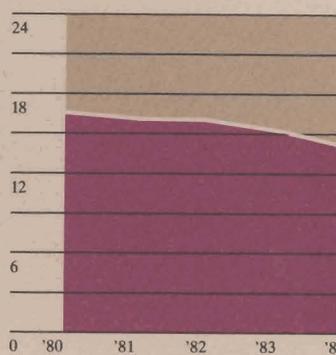
Orders  
(\$ millions)



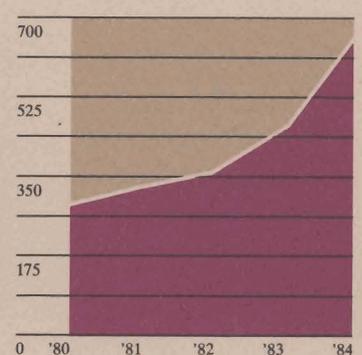
Net earnings per share\*\*  
(\$ per share)



Earnings before taxes  
(% of net sales)



Investment in property,  
plant and equipment  
(\$ millions)



\*\*Based on Supplementary Earnings Information, assuming the reversal of DISC taxes is applied retroactively. See page 25.

# Shareholder Information

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## Annual Meeting of Shareholders

The annual meeting will be held Tuesday, February 26, 1985, at 2 p.m. at Hewlett-Packard's Computer Systems Division facility, 19447 Pruneridge Avenue, Cupertino, California. A formal notice of the meeting, with a proxy statement and form of proxy, will be mailed to each shareholder on or about January 18, 1985.

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## Annual Report/10-K Report

Publications that contain information of interest to current and potential HP investors are available upon request. These include annual and quarterly reports and the Form 10-K filed with the Securities and Exchange Commission. In addition, as a service to those with impaired vision, the HP 1984 Annual Report is available on audio tape cassette. This material may be obtained at no cost by contacting the Public Relations Department, Hewlett-Packard Company corporate offices.

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## Transfer Agent and Registrar

Harris Trust and Savings Bank  
Corporate Trust  
Operations Division  
P.O. Box 755  
Chicago, Illinois 60690  
Telephone: (312) 461-6827

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## Common Stock

The company's stock is traded on the New York Stock Exchange and the Pacific Stock Exchange. Cash dividends have been paid each year since 1965. At November 30, 1984, there were 73,000 shareholders of record.

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## Corporate Offices

3000 Hanover Street  
Palo Alto, California 94304  
Telephone: (415) 857-1501

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## Domestic Operations

### Manufacturing

California: Cupertino, Palo Alto, Rohnert Park, Roseville, San Diego, San Jose, Santa Clara, Santa Rosa, Sunnyvale  
Colorado: Colorado Springs, Fort Collins, Greeley, Loveland

Idaho: Boise

Massachusetts: Andover, Waltham

New Jersey: Rockaway

Oregon: Corvallis, McMinnville

Pennsylvania: Avondale

Washington: Marysville, Spokane, Vancouver

Puerto Rico: Aguadilla

### Marketing

Regional Headquarters:

North Hollywood, California; Atlanta, Georgia; Rolling Meadows, Illinois; Rockville, Maryland

HP Sales and Support Offices: In more than 90 cities throughout the United States\*

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## International Operations

### Manufacturing

Campinas, Brazil  
Toronto, Canada  
Bristol and Pinewood, England  
Grenoble, France  
Böblingen and Waldbronn, Federal Republic of Germany  
Tokyo, Japan  
Penang, Malaysia  
Guadalajara, Mexico  
South Queensferry, Scotland  
Singapore

### Marketing

Europe

Operations Headquarters: Geneva, Switzerland

Regional Headquarters:

Pinewood, England  
Evry, France  
Bad Homburg, Federal Republic of Germany  
Milan, Italy  
Amstelveen, The Netherlands (Northern)  
Geneva, Switzerland (Southeast)

Intercontinental

Operations Headquarters:

Palo Alto, California  
Regional Headquarters: Melbourne, Australia  
Toronto, Canada  
Hong Kong  
Tokyo, Japan  
Palo Alto, California (Latin America)

HP Sales and Support

Offices and Distributorships: Approximately 240 in 75 countries\*

\*A directory of sales and support locations may be obtained from the Public Relations Department, Hewlett-Packard Company corporate offices.



## 25 Years in Germany

With the dedication of two new sales offices and gala festivities in two cities, Hewlett-Packard GmbH, HP's German subsidiary, celebrated its 25th anniversary in October.

Begun in a former textile factory, HP GmbH is now one of Germany's 200 largest companies. It was Hewlett-Packard's first operation outside California and broad portions of the company's instrument and computer product lines are now manufactured there. Thirteen percent of HP's total 1984 international orders were from German customers.

At ceremonies in Böblingen, the site of a new 30,000 square-foot regional sales center, HP's top manager in Germany was recognized. Eberhard Knoblauch, above left, was presented the Order of Merit, one of Germany's highest honors, by Minister President Lothar Späth.

## Environmental Health and Safety

Each HP manufacturing site worldwide has primary responsibility for managing its activities to ensure the health and safety of its people and those in the community, and for preserving the integrity of the physical environment. The company coordinates these individual efforts through a corporate-level Environmental Health and Safety (EHS) department.

During 1984, HP further developed its regional EHS consulting program begun in 1983. Under the program, a limited number of HP EHS experts serve as consultants to sites and divisions throughout the company. This has led to better communication and the sharing of "best practices" among divisions.

The company continued its internal EHS auditing system during 1984 and will expand this self-evaluation program in 1985 to include HP sales offices.

Additional resources were devoted during the year to developing a centralized information system for regulatory compliance related to transporting hazardous material. This new system will help ensure that complete and accurate compliance information is available to all HP entities.

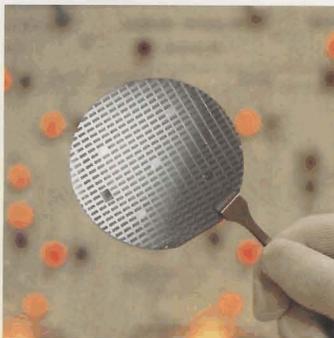
Also during 1984, HP installed programs to comply with a number of new regulations, including "right to know" legislation, federal wastewater pre-treatment standards and local hazardous materials storage ordinances.

## New Technology for Chip-Making

The days of the computer-chip "clean room" may be numbered.

HP has developed technology that one day may allow chips to be produced in a normal room by workers wearing street clothes. Currently, chips are made in so-called "clean rooms," which have elaborate air-filtration systems. Workers must wear gowns, masks and gloves to keep dust to an absolute minimum.

Keeping dust from integrated-circuit (IC) chips is vital because the circuitry, or wiring, etched on them is far finer than a human hair.



A single dust particle can ruin an entire chip.

HP's innovation employs small, dust-proof boxes to transport the wafers on which chips are made as they move through the fabrication process. A specially designed trapdoor is used to transfer the wafers to and from chip-making machines without contamination.

Indications are that the process can improve the cleanliness of a wafer's environment 100-fold. HP hopes to have its technique adopted as an industry standard.

## HP Aids Job-Training Programs

During 1984 Hewlett-Packard took a strong lead in helping implement the U.S. Job Training Partnership Act (JTPA).

The act places on the business community the major responsibility for identifying the best types of local training programs for those who are unemployed or who need retraining due to job displacement.

The company's internal efforts have centered on increasing HP participation in local private industry councils (PICs) that, with local government, define and allocate funds for training programs. More than 20 HP managers now participate in PICs in communities throughout the United States where HP facilities are located.

In addition, the company has loaned an executive for up to 18 months to the National Alliance of Business (NAB) in Washington, D.C. The non-profit, business-led NAB has been designated by the U.S. Department of Labor as the organization that will get private industry involved with the government in practical training programs to solve unemployment.

## HP Philanthropic Activities

HP expanded its philanthropic activities substantially during 1984 and increased grants by one-third over 1983 to approximately \$40 million.

The company made grants for a variety of community programs and for national and international programs that stress understanding of science, engineering, technology and medicine. The company also put strong emphasis on new HP-equipment granting. HP's grants efforts involve hundreds of employee volunteers in both the decision-making and implementation procedures.

HP bases its philanthropy on a belief that computer and instrument equipment granting answers major societal needs. Severe cost pressures have led to outmoded equipment in educational areas crucial to preparing young people for a technically sophisticated world. In addition, the likelihood of rising beyond deprived conditions increases dramatically for individuals who acquire specialized technical skills.

HP has seen that both of these conditions can be addressed effectively by a company's willingness to learn how to grant philanthropically suitable products of its own manufacture.



## Olympics Use HP Equipment

Since 1972, Hewlett-Packard has been providing analytical equipment to Olympic Games, and 1984 was no exception.

This past year, HP worked closely with the Department of Clinical Pharmacology at the University of California, Los Angeles (UCLA), to set up a sophisticated testing laboratory for the summer Olympic Games. The lab was used by the International Olympic Committee to help detect substance abuse by athletes.

The UCLA lab was set up with HP analytical equipment. In addition, the company lent gas chromatograph/mass spectrometry systems during the intense two-week period of the games. HP technicians also were on 24-hour call in case any additional support was needed.

The testing went smoothly, and the games provided a showcase for the best amateur athletes in the world, who came from 140 countries to compete in the largest games ever held.

## Equal Opportunity and Affirmative Action

The concept of equal employment opportunity is consistent with HP's philosophy of treating all its people with fairness, dignity and courtesy. Affirmative action in HP employment and training helps ensure that positive, ongoing activities occur to attract, develop and retain minorities, women and disabled people.

Three areas are important to the success of affirmative action at HP: university recruiting and hiring of minorities and women; guiding company employees to their fullest employment potential; and providing promising minorities and females in high school with knowledge for mathematics-based careers.

During 1984, HP gave special attention to increasing the pool of qualified minority and women applicants for professional and technical HP positions. In order to improve the company's understanding of and visibility among colleges targeted for recruiting, the company established its first full-time regional college liaison. The pilot program, based in the Southwestern U.S., has started well and HP expects to create additional full-time liaison positions during 1985.

HP's ongoing commitment to affirmative action is indicated by the work force figures in the adjacent table. A booklet explaining the company's affirmative action programs is available from HP's corporate offices in Palo Alto, California.

U.S. Affirmative Action Review	Total Number	Minority		Female	
		Total	Percent	Total	Percent
<b>Managers &amp; Supervisors</b>					
1979	4,931	448	9.1	943	19.1
1984	8,680	926	10.7	2,187	25.2
<b>Professionals</b>					
1979	9,610	1,046	10.9	1,711	17.8
1984	17,429	2,226	12.8	4,949	28.4
<b>Technicians</b>					
1979	4,133	591	14.3	497	12.0
1984	5,719	993	17.4	872	15.2
<b>Skilled/Craft</b>					
1979	2,320	379	16.3	296	12.8
1984	2,914	594	20.4	500	17.2
<b>Total HP Work Force</b>		18.5		41.9	

## Directors

**Ernest C. Arbuckle**  
Dean Emeritus  
Graduate School of Business  
Stanford University

**Robert L. Boniface**  
Executive Vice President  
Hewlett-Packard Company

**Paul C. Ely Jr.**  
Executive Vice President  
Hewlett-Packard Company

**John B. Fery**  
Chairman of the Board and  
Chief Executive Officer  
Boise Cascade Corporation  
(a forest products manufacturer  
and distributor)

**Robert J. Glaser, M.D.**  
Director for Medical Science  
Lucille P. Markey Charitable Trust

**Harold J. Haynes**  
Senior Counselor  
Bechtel Group, Inc.;  
Retired Chairman of the Board and  
Chief Executive Officer  
Chevron Corporation  
(formerly Standard Oil Company  
of California)

**William R. Hewlett**  
Vice Chairman of the Board  
Hewlett-Packard Company

**James D. Hodgson**  
International Business Consultant

**Shirley M. Hufstедler**  
Partner in the law firm of  
Hufstедler, Miller,  
Carlson & Beardsley

**Antonie T. Knoppers, M.D.**  
Business Consultant and Director  
of various companies

**Paul F. Miller Jr.**  
Senior Partner  
Miller, Anderson and Sherrerd  
(an investment management firm)

**Dean O. Morton**  
Executive Vice President  
and Chief Operating Officer  
Hewlett-Packard Company

**David Packard**  
Chairman of the Board  
Hewlett-Packard Company

**William E. Terry**  
Executive Vice President  
Hewlett-Packard Company

**Hicks B. Waldron**  
Chairman, President and  
Chief Executive Officer  
Avon Products, Inc.  
(a beauty, fashion and  
health-care company)

**Shozo Yokogawa**  
President  
Yokogawa Hokushin Electric  
Corporation  
(a process and factory  
automation manufacturer)

**John A. Young**  
President and  
Chief Executive Officer  
Hewlett-Packard Company

## Committees of the Board

**Executive Committee**  
Young (Chairman)  
Boniface, Ely, Morton,  
Terry

**Audit Committee**  
Haynes (Chairman)  
Arbuckle, Fery

**Employee Benefits  
Committee**  
Glaser (Chairman)  
Hodgson, Hufstедler,  
Morton, Terry

**Executive Compensation  
and Stock Option  
Committee**  
Arbuckle (Chairman)  
Glaser, Haynes, Hodgson

**Investment Committee**  
Fery (Chairman)  
Ely, Knoppers, Miller,  
Young

**Nominating Committee**  
Arbuckle (Chairman)  
Fery, Glaser, Haynes,  
Hewlett, Hodgson,  
Packard, Young

## Officers

**David Packard**  
Chairman of the Board  
**William R. Hewlett**  
Vice Chairman of the Board

**John A. Young**  
President and  
Chief Executive Officer

**Dean O. Morton**  
Executive Vice President  
and Chief Operating Officer

**Richard C. Alberding**  
Executive Vice President

**Robert L. Boniface**  
Executive Vice President

**John L. Doyle**  
Executive Vice President

**Paul C. Ely Jr.**  
Executive Vice President

**William E. Terry**  
Executive Vice President

**Alfred P. Oliverio**  
Senior Vice President,  
Major Accounts Marketing

**James L. Arthur**  
Vice President and Director,  
U.S. Field Operations

**Alan D. Bickell**  
Vice President and Director,  
Intercontinental Operations

**Joel S. Birnbaum**  
Vice President and Director,  
Hewlett-Packard Laboratories

**Johan F. Blokker**  
Vice President and  
General Manager,  
Components Group

**S.T. Jack Brigham III**  
Vice President,  
General Counsel and Secretary

**Douglas C. Chance**  
Vice President and  
General Manager,  
Information Systems Group

**Jean C. Chognard**  
Vice President,  
Patents and Licenses

**Harold E. Edmondson**  
Vice President and Director,  
Corporate Manufacturing

**Richard A. Hackborn**  
Vice President and  
General Manager,  
Peripherals Group

**Franco Mariotti**  
Vice President and Director,  
European Operations

**William G. Parzybok Jr.**  
Vice President and  
General Manager,  
Design Systems Group

**Lewis E. Platt**  
Vice President and  
General Manager,  
Manufacturing Systems Group

**Robert P. Wayman**  
Vice President,  
Chief Financial Officer  
and Controller

**Cyril J. Yansouni**  
Vice President and  
General Manager,  
Personal Computer Group

**George F. Newman Jr.**  
Treasurer

## New Officers

During 1984, six HP executives were named vice presidents of the company. They are: Alan D. Bickell, vice president and director, Intercontinental Operations; Joel S. Birnbaum, vice president and director, Hewlett-Packard Laboratories; Johan F. Blokker, vice president and general manager, Components Group; William G. Parzybok Jr., vice president and general manager, Design Systems Group; Robert P. Wayman, vice president, chief financial officer and controller; and Cyril J. Yansouni, vice president and general manager, Personal Computer Group.

Also during the year, George F. Newman Jr. was named treasurer.



**HEWLETT  
PACKARD**

3000 Hanover Street  
Palo Alto, California 94304