HP says 1Q earnings down 44 pct, beats Street

The Associated Press

Hewlett-Packard Co., the maker of PCs and printers, on Wednesday said its net income fell, while sales dipped 7 percent in the first full quarter under new CEO Meg Whitman.

HP's sales to consumers fared the worst, dipping 23 percent from a year earlier. HP is the world's largest maker of PCs, but it's been performing badly as buyers in the developed world are turning their attention to Apple's iPads and Macs. Meanwhile, it hasn't been able to capture the growing appetite for PCs in emerging markets.

Net income was $1.47 billion, or 73 cents per share, in the three months that ended Jan. 31. A year earlier, it was $2.6 billion, or $1.17 a share. Adjusted for one-time items, the company earned 92 cents per share, which is above the 87 cents expected by analysts surveyed by FactSet.

Revenue was $30 billion, down from $32.3 billion and slightly below expectations of $30.7 billion.

CEO Whitman replaced Leo Apotheker in September after a short and stormy reign. Apotheker announced that HP was looking to jettison its PC unit, which has large volume but small profits. That scared off some buyers, who may not have come back when Whitman decided to keep the division.

For the current quarter, the Palo Alto, Calif., company said it expects earnings of 88 cents to 91 cents per share. Analysts were expecting 95 cents per share.

HP shares fell 2 cents to $28.91 in extended trading, after the release of the results.

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