

HP & Partner business at risk without competitive response to Dell





- To date Dell has gained approximately 5% market share in monochrome laser printer
- 30% of Dell printer customers made stand-alone purchases
- Under current pricing scenarios, Dell may gain up to 25% in laser HW and up to 25-30% share of ink cartridges and 8-12% of toners
- Share losses translate into significant category losses for both HP and Partners in profitable printer and supplies categories

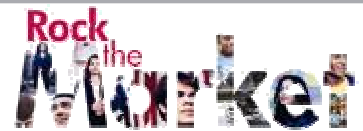


Reseller +hp can beat Dell!

What is your perception on Dell vs. hp?



| Who do you think leads the market in terms of: | Easy as  |  invent | Key take away |
|--|---|---|--|
| First page out | | ✓ | With <u>Instant-on Technology</u> HP provides the fastest laser output – by far! |
| Overall printer performance | | ✓ | HP delivers <u>best print quality</u> always! Dell specs performance at lower resolutions. |
| Print cartridge toner yields | | ✓ | Dell's test methodology provides misleading yields – <u>Dell under delivers</u> while HP exceeds expectations. |
| True cost of Business Printing | | ✓ | Dell laser printers end up <u>costing customers more</u> – because of their higher cost per page. |
| Supplies purchase convenience | | ✓ | Resellers have an advantage with <u>supplies availability</u> in store, on web, via catalog. |
| Lowest opening price points | ✓ | | Dell is very aggressive on select products. Hp's innovation and reliability will allow higher prices. |
| Service and reliability | | ✓ | No other printer brand has earned the <u>trust and reliability</u> that hp has achieved – year after year! |

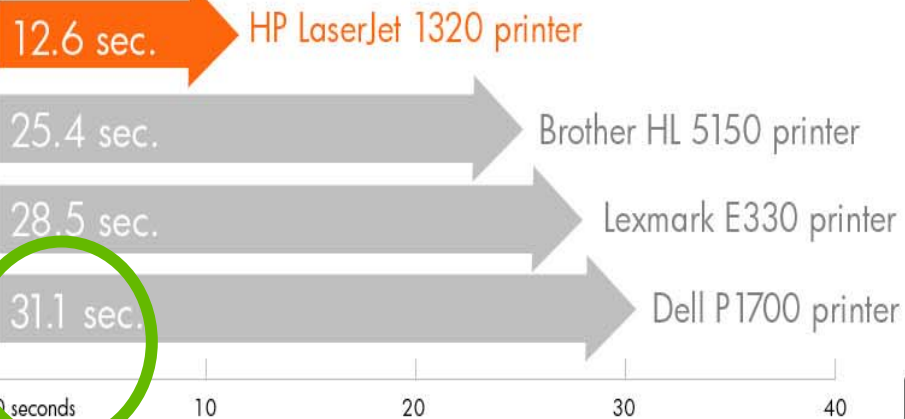


Dell's 25ppm laser printer vs HP's 22 ppm printer ... who's really faster?



Why
wait?

With Instant-on Technology, HP LaserJet 1320 printed the first page out faster than other competitors.



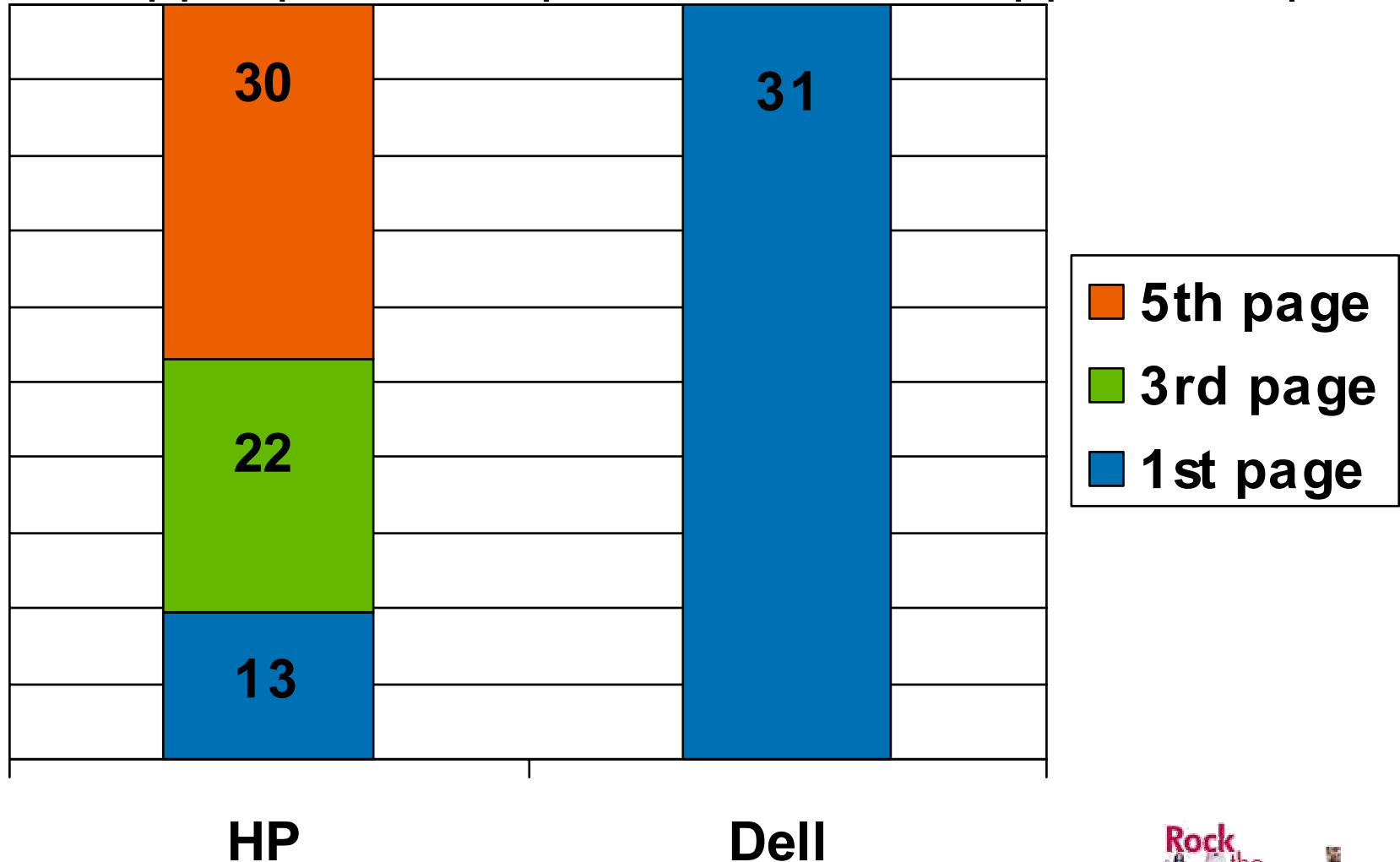
It took Dell 246% longer to print a single page.



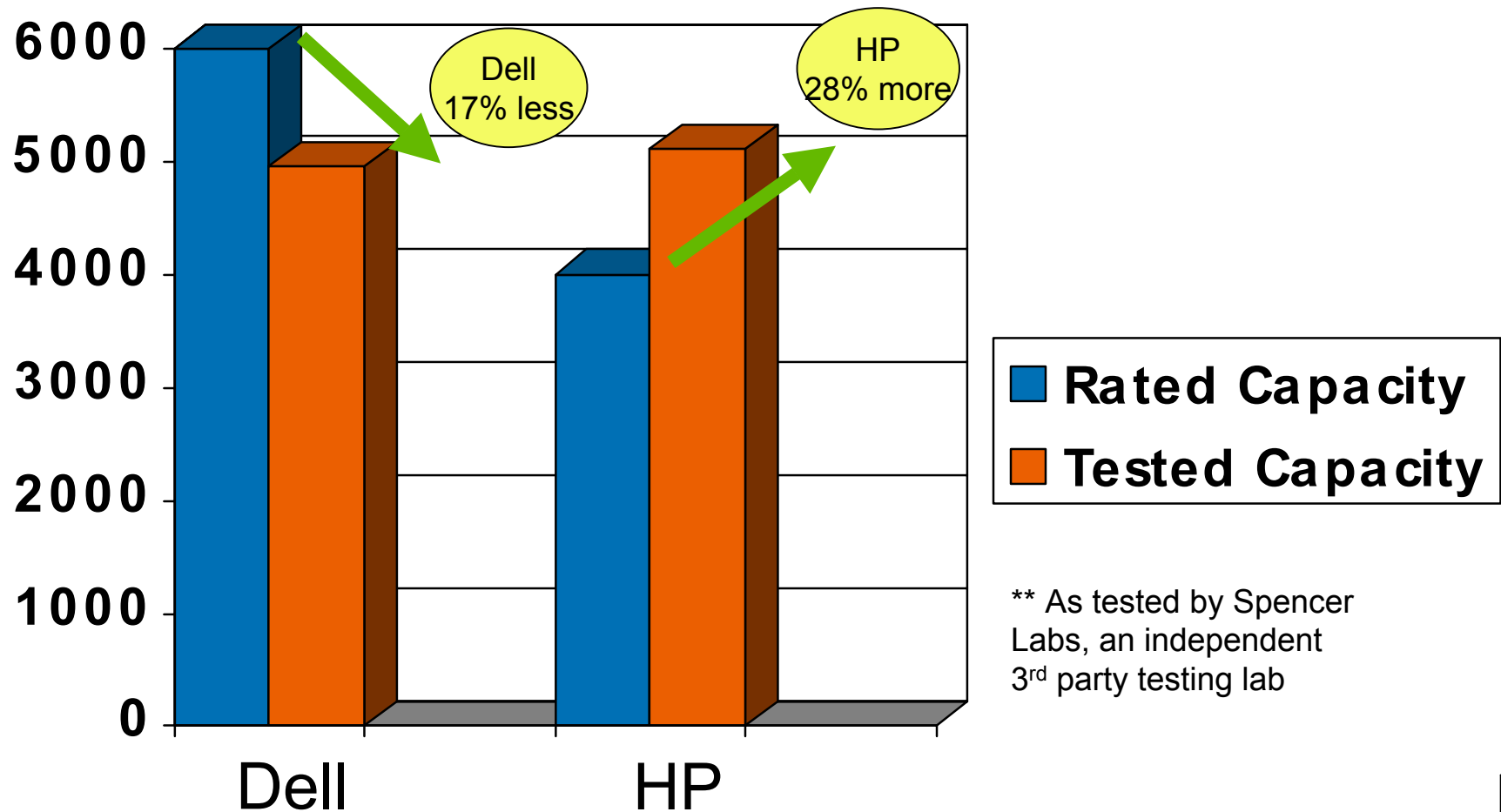
HP finishes five pages before the Dell printer finishes its first page!



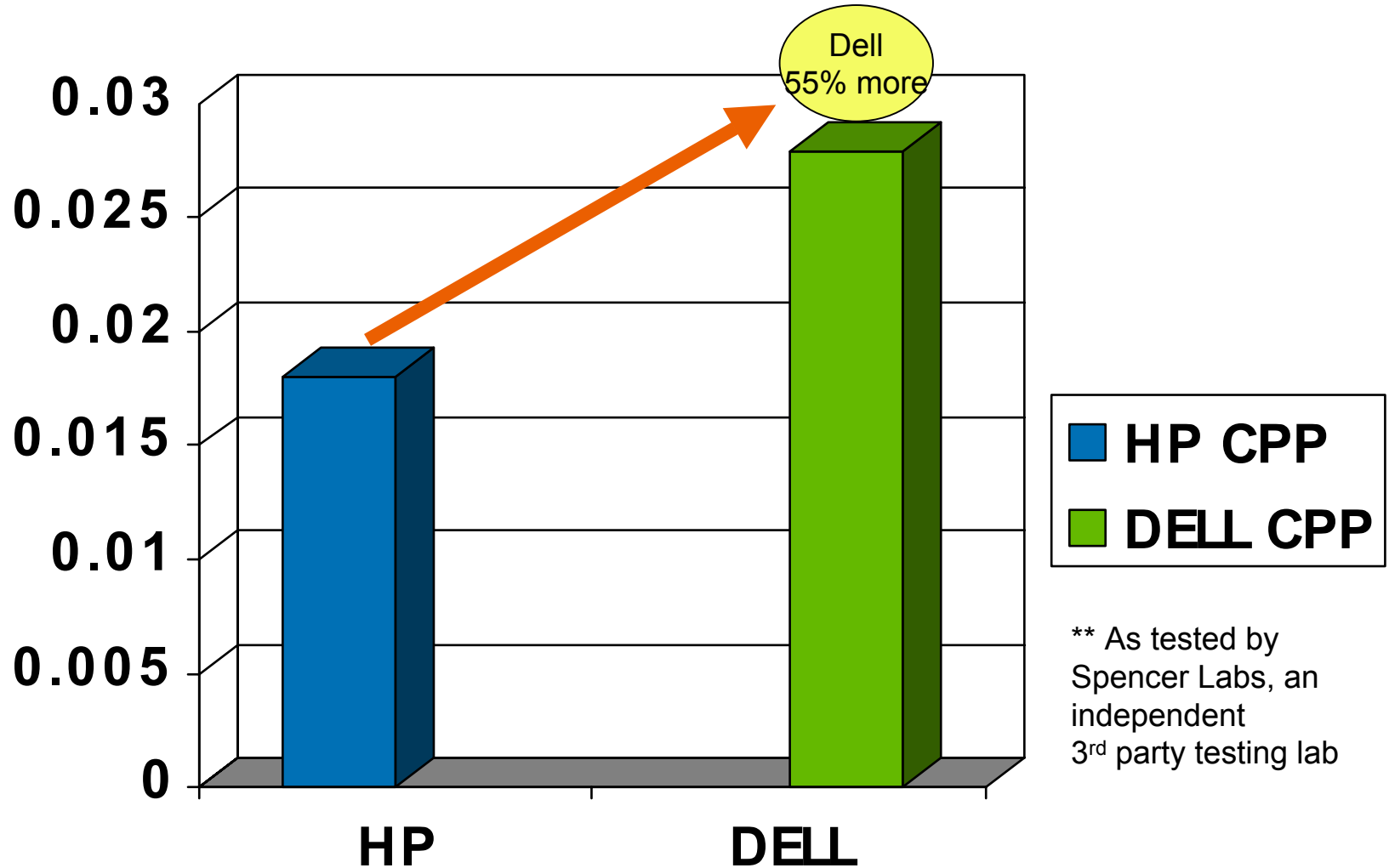
HP's 22 ppm printer outperforms Dell's 25ppm laser printer



When it comes to toner yield, HP give you more ... Dell gives you less!



Dell's "cheaper" mono laser printers actually cost more to use than HP mono laser printers!



HP LJ1300 vs Dell 1700



HP Supplies are at your local store
... Dell Supplies must be shipped to you.



THE HP WAY ...



Re-supply in minutes!

THE DELL WAY ...



Re-supply in days!



PC Magazine Service & Reliability Survey



| VENDOR | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 |
|----------------|-----------|-----------|----------|----------|----------|----------|----------|----------|----------|
| Brother | B | B | C | C | D | C | D | D | C |
| Canon | B- | D- | C | D | D | B | B | B | A |
| Dell | C | — | — | — | — | — | — | — | — |
| Epson | B | A | A | B | A | A | A | A | A |
| HP | A+ | A+ | A | A | A | A | A | A | A |
| Kyocera-Mita | — | — | — | — | — | — | — | — | — |
| Lexmark | D | D+ | B | C | B | B | B | B | B |
| Minolta-QMS | C | — | — | — | D | D | D | D | C |
| Okidata | D | D | C | C | C | C | C | D | B |
| Panasonic | B | B | C | A | B | B | B | B | B |
| Samsung | A | — | — | — | — | — | — | — | — |
| Xerox/Tek | E | E | C/D | C/D | B/D | D | C | C/D | —/D |



Opportunity to leverage our collective assets to compete against Dell



HP

- Strong trusted brand
- HP outperforms Dell on all attributes that drives customer loyalty (Socratic Technologies 2004)
- Strong market share position across business printing categories
- Broad product offering
- Unique insights about how people shop category, including Dell customers
- Strong marketing and R&D

Resellers

- Customer Touch and Database
- Trusted sales associates
- Advertising reach
- Logistics Capabilities
- Strength of leveraging all selling motions

