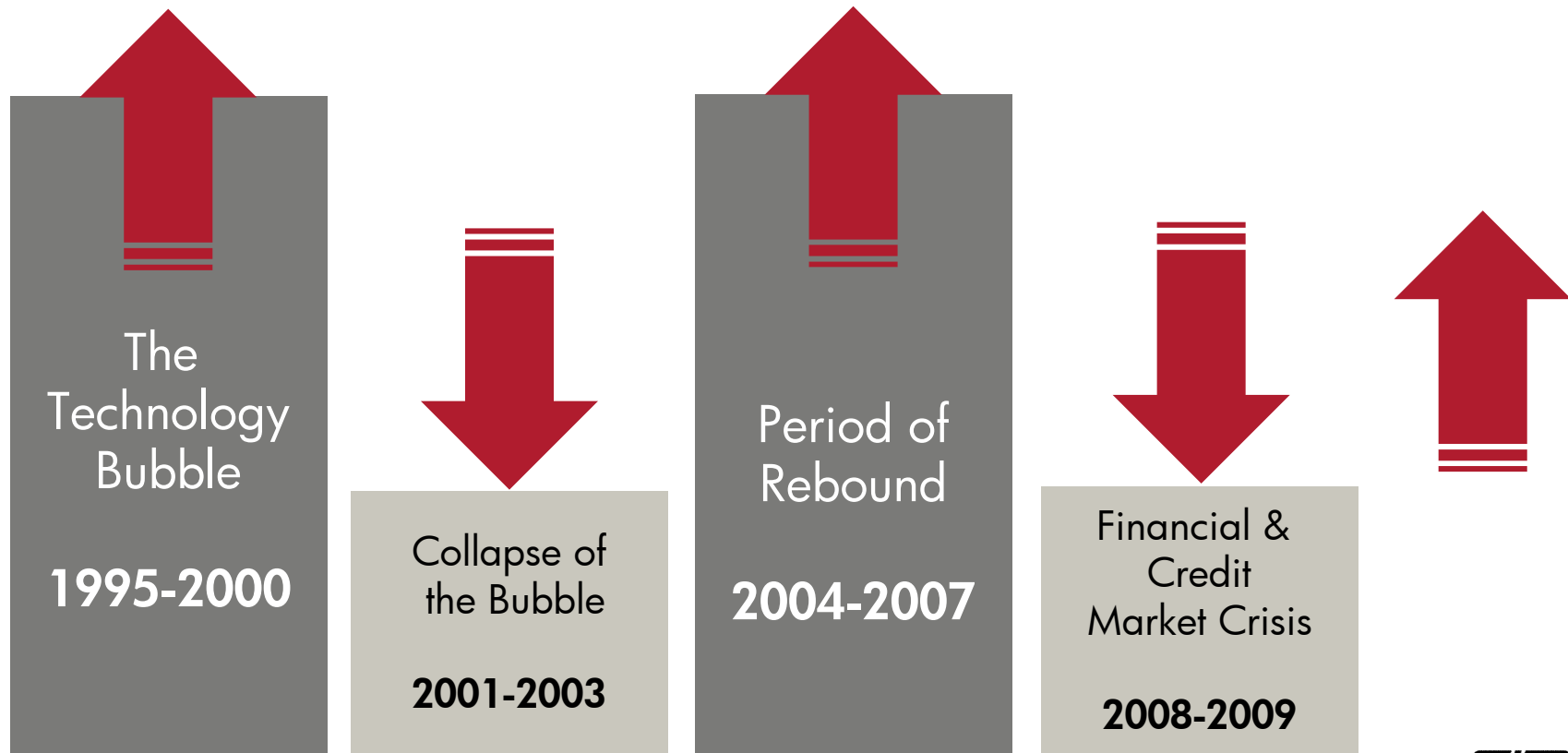


HP NonStop EMEA Business Update

Neil Pringle
Director, NonStop Enterprise Division
Europe, Middle East and Africa



Have we seen this before?



What we hear from you

“[The CEO] wants IT to find ways to be more efficient, so that... even with less money you can still deliver the strategy”

“Now is the time to improve the efficiency of the IT system itself”



“We're holding off on replacements, but spending wisely where we're investing for the future...”

Costs are under pressure, but we must remain competitive

Challenges create opportunities

“The measure of great companies in this kind of environment is... how do you emerge stronger, relatively speaking, at the end of it?”

- *Mark Hurd*



A focused, multiyear strategy

#1 or 2 in all categories

Services

EDS...

Software

Mercury, Opware, Peregrine...

Products

Compaq...

HP has successfully integrated 30 companies
in the past 42 months

2001 · 2002 · 2003 · 2004 · 2005 · 2006 · 2007 · 2008 · 2009



Offering the most comprehensive computing portfolio

HP ProLiant Server



XC3000

HPTC cluster



HP ProLiant
DL series



HP ProLiant
BL series

HP BladeSystem Server



Enclosures



Server & Storage
Blades (incl.
BL860c/BL870c)

HP Integrity Server

✓ Dual Core Intel® Itanium® Processor

High-end



HP Integrity Superdome

Midrange



HP Integrity
rx8640



HP Integrity rx7640

Entry-class



HP Integrity
rx2660



HP Integrity
rx3600



HP Integrity
rx6600

HP Integrity NonStop Server

Intel®
Itanium®
architecture



NonStop
Advanced
Architecture



NonStop: Investing for the future

Modernize

Standardize

Customers tell us they want...

**Modern applications
built using modern tools
running on standard platforms
with 24/7 reliability**

How do I get from this...

Legacy software

- Job Scheduler
- Flowcharts
- Cobol Compiler
- Vendor management tools
- Hierarchical database
- Green Screen / CLI

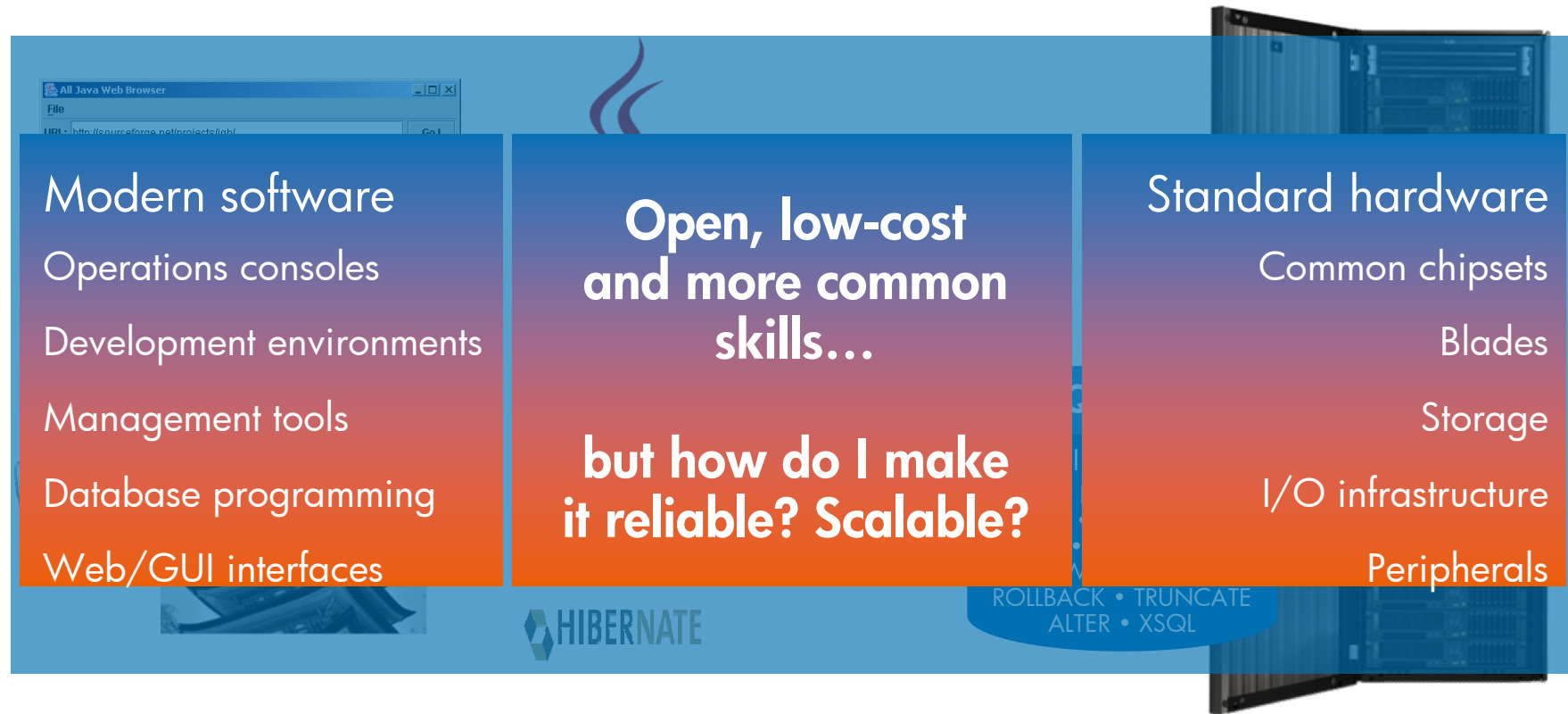
**24/7, scalable
and proven...**

**but expensive, and
needs special skills**

Proprietary hardware

- Unusual Chipsets
- Bus Architectures
- MBs of unique storage
- Proprietary I/O Bus
- Vendor networking protocol
- Vendor peripherals

...to this?



NonStop EMEA Operational Update



NonStop EMEA operational highlights

- Continued emphasis in modernizing installed base infrastructure:
 - Move to multi-core based NonStop platforms
 - Application modernization projects
- Focus on new business continues, despite economic downturn
 - New business in all industries; telecommunications, finance and manufacturing
- Vertical focus initiatives in key areas:
 - Wholesale payments, Process control, Compliance



EMEA operational update

- NonStop BladeSystem represents now about 50% of hardware revenue year after First customer shipment
- Recently introduced (Spring '09) the entry level multi-core based NS2000 family of servers already outsells predecessor !



Q3 New Business Examples



Russia
Logistics custom
application



Oman
Payments
Base 24 ACI



Nigeria and Bahrain
Value Add Mobile Services
ITS Application

EMEA FY'10 Priorities and focus areas

- Continue to motivate customers to adopt modern NonStop technology
 - Reduced cost
 - Reduced environmental (Footprint / Power)
 - Increased performance
 - Increased functionality (software and management)
- Focused Vertical Solutions
 - Wholesale Payments
 - NonStop Process Control
 - Compliance Log Warehouse

NonStop EMEA Solution Highlights



Wholesale Payments



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The information contained herein is subject to change without notice.

12 October 2007

Key NonStop Payments Partners

The NonStop Enterprise Business and HP Enterprise Services, in conjunction with our Partners, can work with you to deliver a solution tailored to meet your payments business and infrastructure needs

- **ACI**
 - Base24
- **Introducing Lucis**
- **Software Integrators**
 - STAR
 - COPE
 - Sentinel AML
 - SWIFT Connectivity
- **Logica CMG**
 - BESS
 - BESS Core
- **Wall Street Systems**
 - GBS
 - ATLAS

Software Integrators

- HP NonStop partner for over 20 years
 - primarily dedicated to the wholesale payments marketplace
- Solutions that range from
 - a 'complete' payments system,
 - to point products for the 'issues of the moment' such as AML, liquidity management, etc.
- Solution features
 - High value and high volume payments processing
 - Low cost administration of Swift Network Link
 - Cost efficient
 - Highly flexible, relatively easy to add new functionality
- High profile references
 - Standard Chartered Bank
 - Barclays Bank
 - Bank of England
 - Deutsche Bank
 - Santander



Case study: Software Integrators and Standard Chartered Bank

- Standard Chartered Bank is a global bank headquartered in the U.K.
- They decided 2 years ago that they would put in place a global hub for high value payments to save costs and optimize efficiencies.
- They looked at 3 options – leveraging their existing infrastructure
 - A SUN based system centred in New York
 - An IBM mainframe based system centred in Hong Kong or Singapore
 - A NonStop based system located in London
- They opted for a global messaging hub to be located in London, supporting their operations in London, Singapore and New York office.
- The global message hub is based on Software Integrators solutions and the HP Integrity NonStop servers
- Successful live implementation announced at SIBOS in Hong Kong during the first week of September 2009

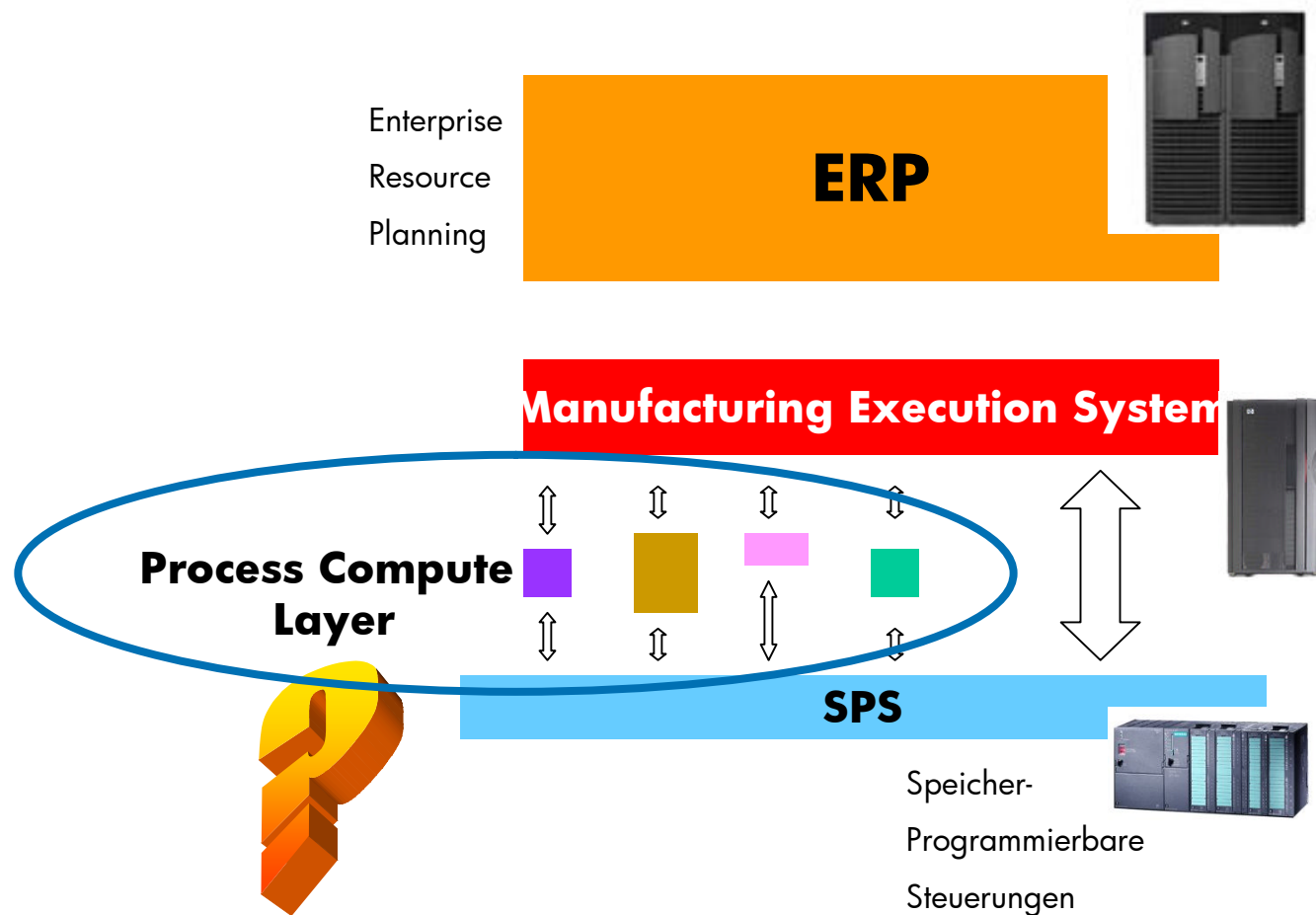
NonStop Process Control

In the center of the operation

NonStop ProcessControl



Process Control in Manufacturing

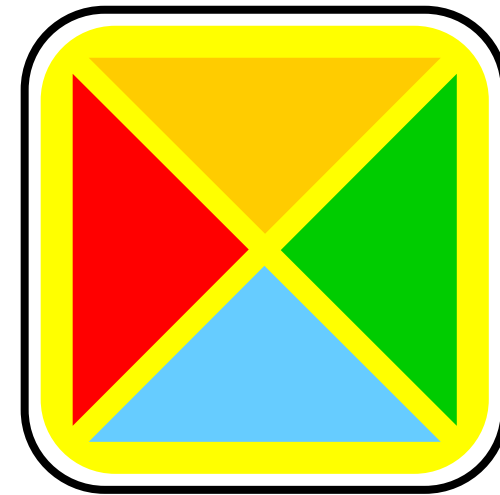


Do you really need a Process Compute Layer ?

HP's Solution: NonStop ProcessControl

Benefitting from HP NonStop and Partner solutions:

- HP NonStop HW/SW Infrastructure
 - Available and virusfree
- OmnivoBase von **CommitWork**
 - „Excel for controlling Processes“
- FACTONET von **CS Software**
 - For simplified factory device interconnection
- CSL XI Adapter von **comForte**
 - SAP certified Interface for SAP Netweaver
- Rules Engine von **Erudine**
 - Behaviour based process modelling
- Implementation services
 - Consultancy, Projectmanagement and training



Process Control in real life

Real implementations:

- Thyssen/Rasselstein
- Herlitz / eCom Logistik
- Miele

Official References

Immaculate high availability record
Miele relies on HP Integrity NonStop servers for manufacturing management

Miele

HP Reference:
HP NonStop Servers

Industry:
Manufacturing

Challenge:
A new hardware platform for operations management quality control was needed. The company required maximum system availability and minimum system maintenance costs. Additionally, Miele wanted to modernize their existing system.

Solution:
An HP Integrity NonStop server on the development server. Two separate logical partitions provide additional benefits: continuity and disaster recovery. The HP NonStop operating system (OS) is the modern Java technology update the applications.

Success:
The HP NonStop server applications for manufacturing management, warehouse control, which were developed by Miele, run on the new platform.

In addition, Miele benefited from workload and costs, as well as the degree of security and system availability. Servers also have sufficient capacity, and all processors and storage added during ongoing operations.

HP customer case study: leading tinplate manufacturer runs critical manufacturing execution system (MES) applications on HP Integrity NonStop platform and is modernizing its applications using Java middleware and SOA infrastructure

Industry:
manufacturing

eCom Logistik Does It Right
Major German logistics player runs critical warehouse management system on HP NonStop platform

hp

"We place enormous trust in the reliability of the NonStop system. Our NonStop applications are always available. We take them for granted, just like the water that comes out of the tap."
Hans-Joachim Gebel, CIO, eCom Logistik


eCom Logistik

Objective:
Ensure timely and exact fulfillment of orders with superlative customer service, low claim rates vs. the competition, and excellent total cost of ownership

Approach:
Run the logistics management application on the HP NonStop platform, including control of automatic transport equipment, provision of timely and accurate information to users, SOA-oriented online communication with SAP and other ERP systems, and support of picking processes involving voice technology and WLAN-connected HP handhelds.

IT improvements:
• Efficient management of automatic transport equipment

HP customer case study: eCom Logistik GmbH & Co. KG, a major market player in Germany for combined logistics and point



Modern, superior quality manufacturing
Leading tinplate producer moves production control into the Java™ world

hp

"We use the Integrity NonStop system to manage production for high throughput, and also to ensure the superior quality of our products. HP is clearly our preferred partner for fault tolerant applications."
—Johann Pausch, Head of Application Development Manufacturing Execution and Logistics, Rasselstein GmbH

Rasselstein

Objective:
Ensure superlative quality of tinplate products by using continuously available HP Integrity NonStop system for production control and quality management

Approach:
Integrate HP Integrity NonStop system seamlessly with mainframe, UNIX® system-based SAP business applications, Linux, and Windows® servers in other parts of the operation to meet customer-mandated quality requirements in a 24/7 production environment

Business technology improvements:

- HP Integrity NonStop system is the heart of the manufacturing execution and quality management system
- Highly flexible, messaging-based SOA implemented with catalog of business services for the company on HP Integrity NonStop system
- Direct connection to all production process stations for just-in-time information logistics
- Underlying SOA infrastructure facilitates application modernization using Java-based middleware from CompuLink GmbH

Business outcomes:

- Highest availability to support continuous production at maximum plant capacity
- Improved plant efficiency with computer-integrated manufacturing execution and logistics
- Proactive quality management system for forward-looking quality assurance
- Lower cost of superior product quality level through improved sampling process
- Improved user satisfaction through single front and user interface

HP customer case study: leading tinplate manufacturer runs critical manufacturing execution system (MES) applications on HP Integrity NonStop platform and is modernizing its applications using Java middleware and SOA infrastructure

Industry:
manufacturing



Hochverfügbarkeitsanwendungen. That says it all. High availability applications—three English words for a single German one—are the main reason Rasselstein GmbH has entrusted its critical production control applications to the HP NonStop platform for the past three decades.

Rasselstein, a subsidiary of steel-producing giant ThyssenKrupp AG, is a world leader in tinplate production. Tinplate is used for food and beverage cans, bottle caps, aerosol containers, and the like. The production line runs at full capacity, all day, every day. Starting with basic hot rolled strip, diverse "aggregate" processes—cold rolling, pickling in acid, degreasing, annealing, temper rolling, tinning, coating, lacquering, and cutting, to name just a few—multiple quality checks are performed before the final product is delivered to the warehouse.

Telco and Media Value Added Services



Telco and Media: Value Added Services

Proven Revenue Generating Solutions for Mobile Operators paired with the certainty provided by the HP Integrity NonStop environment.

- a series of innovative services that can to increase their average revenue per user (ARPU).
- implemented step by step and easy deployment of these services.
- Building on HP OpenCall Intelligent Network Server solutions as basic application layer.

Example Zain, Jordan

- Market leader with 2.5 million subscribers in the country
- increasing competition in a relatively small market, requires new ways to retain its base of corporate subscribers
- GVPN allows communities of enterprises or consumers to form distinct groups of mobile subscribers in a virtual PBX environment. Possible capabilities:
 - private numbering plans,
 - pricing flexibility
 - different charging options
 - enhanced call management functions.
- The number of GVPN subscribers is projected to grow significantly, leading to an expectation of continuous revenue in the coming years.
- The solution consists of
 - NonStop hardware and operating system,
 - OpenCall Intelligent Network (INS) middleware,
 - GVPN application
 - Implementation services

ACI Base 24 Continuous Testing



Assertions

- BASE24 is difficult to modify and expensive to change and maintain
- The underlying technology, TAL, COBOL, Source Code Release, is what makes it expensive.
- The only way to manage the cost of change in BASE24 is not to implement change

But:

- Cost of buying software is small compared to the cost of testing, deploying, supporting and maintaining.
- Technology is largely irrelevant in the cost of change
 - it is the application lifecycle that matters.
- The best way to manage the cost of change, and reduce it, is to plan for constant change

Previous Manual Testing Regime

Waterfall approach

- 800 test Scripts
- 23 Man-days to execute

Continuous Testing Scenario

- Embed QA throughout the life cycle – not just at the end
 - 12 hour for 4500 Transaction Test Scenarios
 - automation of VISA, Mastercard and LINK certification testing
 - Ongoing 1000+ hardware device failure tests for testing the alerting system and the external Wincor Nixdorf helpdesk
 - “Smoke test” of ~460 ATM acquired transactions executed every night to identify hidden impacts of introducing changes or defect corrections (2 hours vs 63 man hours manually !!)
 - ~ 4000 screen validation tests
- Reconfiguring the VersaTest system allowed the Bank to complete a BASE24 stress test on the HP NonStop Blades, providing full confidence in the deployment of the first BASE24 NonStop Blade deployment to go live in EMEA.

Compliance Log Warehouse



Compliance: why would you care?

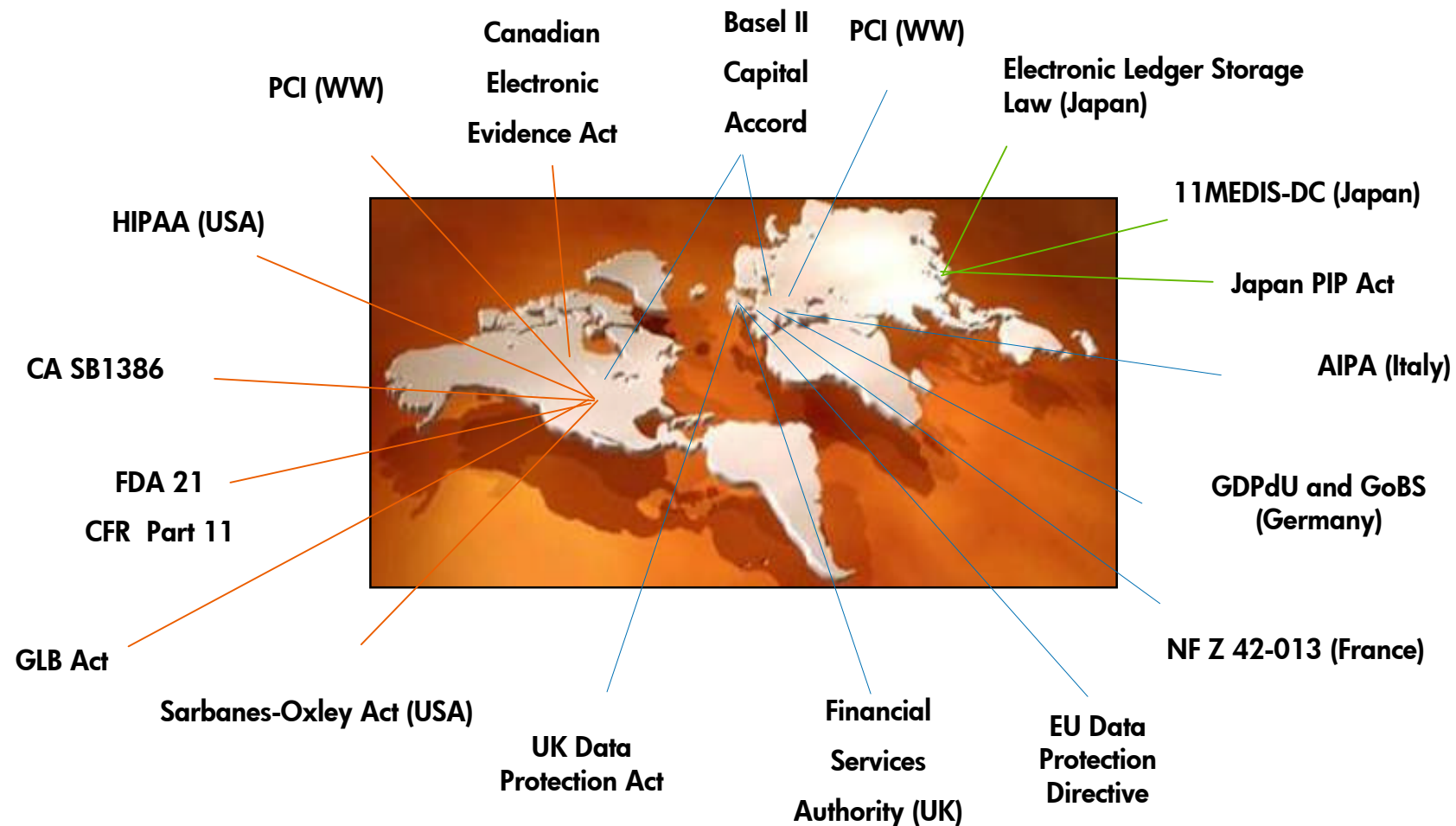
- Governments, regulators, industry standards bodies publish regulations that a business **has to comply with**, and be able to **prove** compliance
- Internal audit and security departments need to be able to audit and control their IT environment, detecting fraudulent incidents, identifying the culprits, and possibly support a criminal prosecution.

Source: Gartner (May 2009)

Market Overview

The SIEM market grew about 30% in 2008, with total revenue at approximately \$1 billion. Demand for SIEM remains strong (there is still a growing number of funded projects), but we are seeing a more tactical focus, with Phase 1 deployments that are narrower in scope. Despite a difficult environment, we still expect healthy revenue growth for 2009 in this segment.

Data security regulations international landscape – Compliance is everywhere!



Note: International companies must adhere to regulations in each country of operation

Regulatory compliance requires comprehensive event collection and auditing



Are you ready for your next compliance deadline?

HP Confidential

- Compliance has a world-wide scope
 - General – Sarbanes Oxley (SOX), Payment Card Industry Data Security Standard (PCI DSS)
 - Industry Specific – HIPAA, FFIEC, NERC CIP
 - Government – FISMA/NISDOM
 - International – J-SOX, EU Data Retention
- Common goals
 - Manage risk – credit, market, operational
 - Protect sensitive networks and information
 - Detect potential abuses and security threats
 - Respond to and contain security incidents
- Common requirements
 - Collect and review security, OS, database, network, and application logs
 - Keep data online over long periods of time
 - Use audit reduction tools
 - Conduct investigations into anomalies



The audit challenge

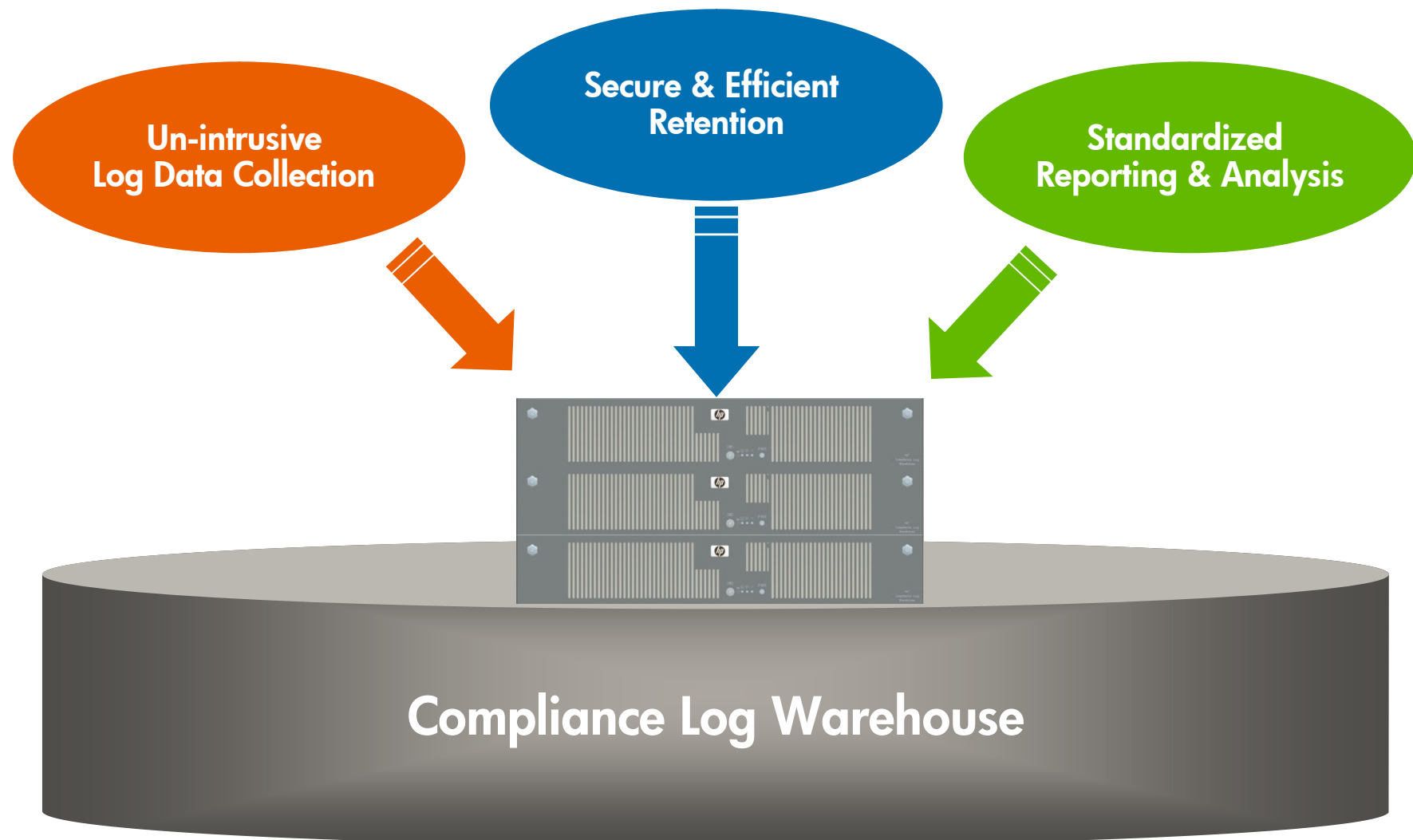
- Many unusual log data formats
- Hundreds of GB/day of log data
- Costly administration and license costs
- Inaccurate answers
- Searching for data can take hours-to-days
- Does not invite follow-on investigations
- Fines for not complying



Sample of users

- HP Shopping (Retail / PCI)
 - Choice Hotel (retail / PCI)
 - Dept. of Treasury (Public / FISMA)
 - LFAB (Insurance)
 - CEKAB (Payments / PCI)
 - Cardinal Health (Insurance / Hipaa)
 - Telecom Italia (CME / HP Services)
 - CYTA (Cyprus Telco)
- and
- >300 SenSage implementations WW

HP Compliance Log Warehouse



Implementation

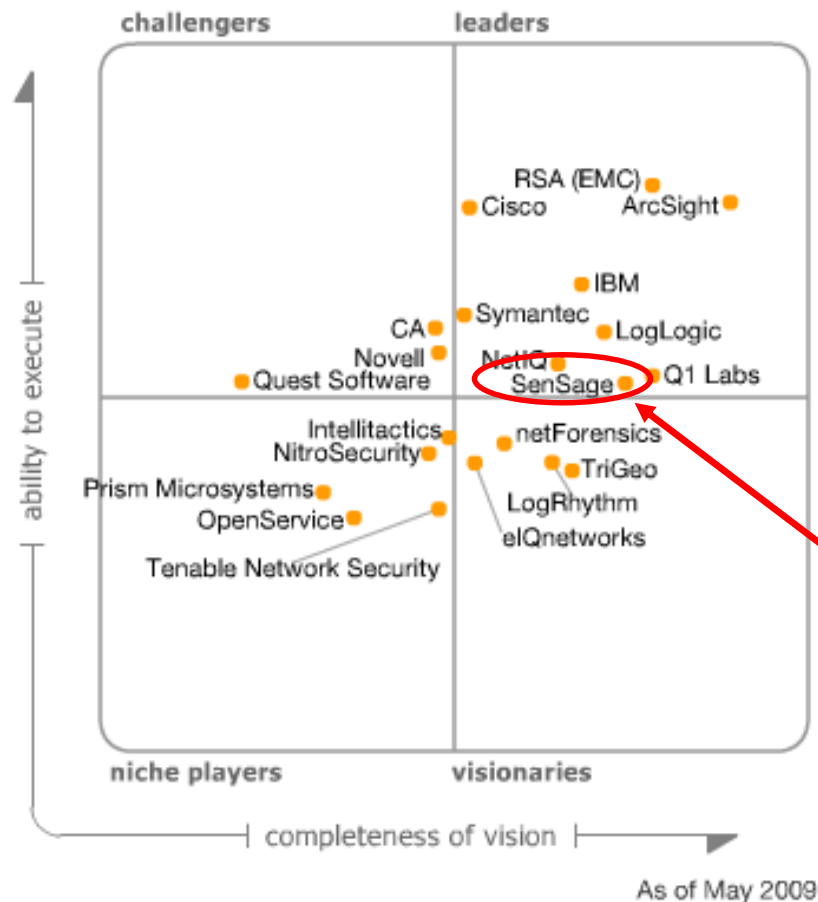
- Appliance concept requires very limited implementation effort:
 - Initial infra installation and software activation
 - Implementation of Standard log adapters through fixed price/fixed scope Quickstart services
 - HP Technology Services consultants
 - 2 days user training
- Optional
 - Additional log adapter implementation
 - Custom log adapters

Competition (1) MQ for Security Information and Event Management

May 2009

ID Number: G00167782

As OEM, HP not plotted, yet mentioned in report text.



To conclude:

- EMEA NonStop business healthy despite market challenges
- Continued focus on installed base
- NonStop BladeSystem adoption ahead of plan
- Emphasis on new business
- New market initiatives
- Well poised for market recovery

Technology for better business outcomes

