

HP profit drops 17 pct; PC, ink sales stumble

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(AP) -- Hewlett-Packard Co.'s quarterly profit dropped 17 percent on lighter sales of personal computers and printer ink, two of its biggest sellers and a sign that the woes in consumer technology spending dragged on beyond the miserable holiday season.

HP's results, reported Tuesday after the market closed, muddies the picture of whether technology spending has fallen as far as it's going to in this recession. HP's outlook was not optimistic, and its shares fell in extended trading.

HP's [chief financial officer](#), Cathie Lesjak, said in an interview that it's still "too tough to call" whether PC sales have hit a bottom. That differs from what one of HP's major suppliers, Intel Corp., said last month. Intel's CEO, Paul Otellini, said PC sales had "bottomed out" during the first three months of the year and appeared to be returning to normal patterns.

[HP](#) is the world's No. 1 seller of PCs, while Intel is the world's biggest supplier of microprocessors, the calculating engines of PCs. Perhaps more telling is that the last quarter at HP ended April 30, so its analysis is based on later information than Intel had.

Palo Alto, Calif.-based HP said it earned \$1.72 billion, or 70 cents per share. Excluding [restructuring](#) and other one-time charges, HP earned 86 cents per share. Analysts were expecting a profit of 86 cents per share, but HP said it beat Wall Street's forecast because it included 2 cents per share of charges related to a patent dispute that analysts didn't factor into

their estimates.

Sales fell 3 percent to \$27.4 billion, which matched analyst estimates. HP says sales would have been up 3 percent were it not for currency fluctuations.

HP kept its profit forecast at \$3.76 to \$3.88 per share for fiscal 2009, stripping out one-time charges. But it also indicated a sharper sales decline was in sight. After previously predicting that its full-year sales would decline 2 percent to 5 percent, HP narrowed that range Tuesday to 4 percent to 5 percent.

HP shares fell \$1.48, 4 percent, to \$35.10 in extended trading.

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