

Hewlett-Packard hikes dividend, outlines strategy

March 15 2011

(AP) -- Hewlett-Packard Co. said Monday it plans to raise its dividend for the first time in over a decade and one day soon sell "cloud computing" services to the public.

The changes are part of CEO Leo Apotheker's efforts to chart a new course for the world's biggest technology by revenue. Apotheker took over at HP four months ago after his predecessor, Mark Hurd, was ousted in a sexual harassment scandal.

Apotheker's presentation Monday at a conference for industry analysts and reporters marked the first time he has publicly outlined his strategy for HP since taking the job.

He offered few details. The "public cloud" was one of the few new revelations.

When it launches, it will put HP in competition with Amazon.com and other companies that have piled on to one of technology's hottest trends: selling services over the Internet. Such services allow people to rent space on servers they don't own, to run websites, for example.

Selling technology for building cloud services emerged as a cornerstone of Apotheker's plans for tying together HP's disparate resources. HP is a technology conglomerate. It's the biggest maker of personal computers and printers, and also sells servers and mobile phones and computer-networking equipment and technology services.

In focusing on the cloud, HP is positioning itself as the trusted intermediary to link those technologies.

The dividend hike is an attempt to win over Wall Street.

The dividend has been 8 cents per share since 1998. It will rise to 12 cents per share the next time the board of directors declares a dividend, which should be in May, said HP's [chief financial officer](#), Cathie Lesjak.

HP plans on increasing the [dividend](#) by a double-digit percentage every year, Lesjak said.

She also set a target of earnings of at least \$7 per share, excluding items, by 2014. The company earned \$4.58 per share, on that same basis, in the latest fiscal year.

Apotheker has been active behind the scenes. In an early attempt to win over HP's approximately 300,000 employees, one of his first acts as CEO was to reverse pay cuts imposed by Hurd. Shortly after he and a new chairman were hired, HP replaced a third of its board of directors, an unusually severe boardroom purging that targeted individuals who were particularly vocal in the negotiations over Hurd's ouster, both for and against the decision.

HP shares rose 21 cents, or .5 percent, to \$41.70 in extended trading.

©2010 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Hewlett-Packard hikes dividend, outlines strategy (2011, March 15) retrieved 5 May 2024 from <https://phys.org/news/2011-03-hewlett-packard-hikes-dividend-outlines-strategy.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private

study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.