

August 23, 2011

Dear Valued Customers,

HP is embarking on a journey of transformation and I am writing to share some more details about three significant aspects of that process.

First, HP announced its strategic vision earlier this year. Part of that strategy is to invest in innovation that aligns with that vision. As part of building on our strategy, HP (through an indirectly wholly-owned subsidiary, Hewlett-Packard Vision B.V.) recently announced the terms of a recommended offer to acquire all of the issued and to be issued shares of Autonomy, a global leader in information management software for the enterprise. This transaction is expected to be completed by the end of 2011.

The proposed acquisition of Autonomy positions HP as a leader in a new, large and growing market and firmly positions HP in the enterprise information management and data market. Autonomy's software powers more than 25,000 customers worldwide and provides HP with high value business solutions that will help customers manage the explosion of unstructured and structured data within the enterprise.

Autonomy offers solutions that are synergistic across HP's enterprise offerings and strengthens its capabilities for data analytics, the cloud, industry capabilities and workflow management. This will bolster HP's cloud offerings with key assets for information management and data analytics. Autonomy also complements existing HP offerings from ESSN, Software, Services and IPG.

Our second announcement underscores how we are going to focus our efforts across areas that drive the greatest value for our customers. As part of becoming the leader in the information economy, HP will evaluate strategic alternatives for the PSG business group that may include, among a range of options, a separation of PSG from HP through a spin-off or other transaction. HP remains committed to meeting your existing needs for all PSG products and solutions, and we will remain sensitive to your business needs throughout any future transition.

We have seen rapidly accelerating changes in the broader technology market and in how our customers are using technology. The acceleration of these trends has led us to evaluate how to best position HP to meet these emerging opportunities. Over the next 12 to 18 months, HP management will work with financial and legal advisors to explore strategic alternatives.

Finally, we are making the tough but necessary decision to discontinue the device operations of the webOS business group. While our team created a well-respected software platform, and HP sees long term promise and value for you from the webOS operating system and the ecosystem around it, webOS devices did not gain market traction as we had hoped. The significant burden to HP's business to invest for scale in this business underscored the depths of the challenges for webOS. We will wind down webOS device operations during Q4 of 2011.

We know this is a lot of information to absorb. You can find additional materials about these announcements at hp.com. You can also let me know if you have any questions. As we work through this transformation, I wanted you to know HP will be 100% focused on delivering on our commitments to our customers. We appreciate your ongoing partnership and support and value our ongoing business with you.

