

EXHIBIT 2
(Part 2)

> Due Diligence: Accounting Focus

- Responsible parties
 - Sponsor
 - CD
 - Finance Lead
 - Integration Lead
 - Finance MADDO Function
 - Outside accounting firm
- Information reviewed
 - Public information
 - > Public filings, etc.
 - > Outside reports (analyst reports, etc.)
 - Relevant information elicited from target during due diligence, often including auditors' work papers (which are always requested – though reportedly not usually obtained)
- Reports prepared
 - Internal (by HP team responsible for financial, accounting and tax due diligence)
 - External (by outside accounting firm)

› Due Diligence: Technology Focus

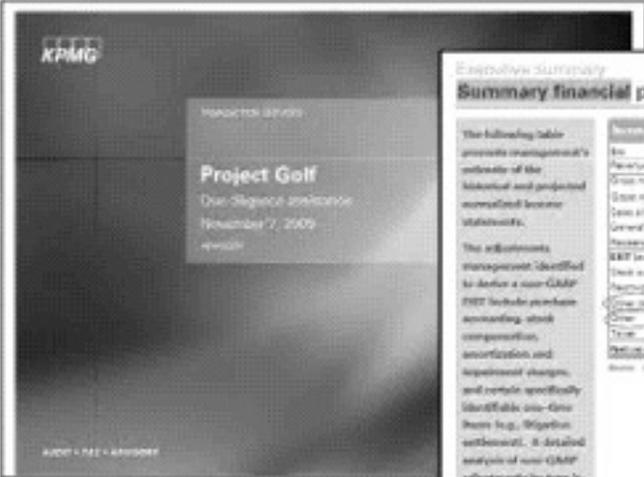
- Responsible parties
 - Sponsor
 - Technology/Product leads
- Sponsor presentation to Technology Comm., highlighting:
 - Market size for target technology
 - Competitive landscape
 - Expected synergies between target/HP
 - Financial forecast
- Technology Committee review per its charter

*HP's M&A Policies
and Procedures:
Post-Closing Due
Diligence/Tracking*

*Summary Review of
\$1B+ Acquisitions
Since 2008:
3Com*

3Com: Accounting Review

- KPMG retained to conduct accounting due diligence



Project Golf
Due Diligence Analysis
November 7, 2009
Final

Executive Summary
Summary financial performance

The following table presents management's estimate of the historical and projected normalized income statements.

Summary income statements - non-GAAP	2008	2009	2010	2011	2012	2013	2014	2015
Revenue	1,236	1,207	1,285	1,466	1,650	1,811	1,947	2,061
Gross margin	560	570	593	651	681	729	769	807
Gross margin (%)	45.3%	47.2%	45.3%	44.4%	42.9%	40.8%	39.5%	39.1%
Operating income	115	108	105	101	114	125	135	141
Operating income (%)	9.3%	9.0%	8.2%	6.9%	6.9%	7.2%	7.0%	6.8%

Executive Summary
Key findings (1)

Item No.	Status	Brief Description of Issue	Potential Actions	Cost Estimate (USD)	Timeline	Owner
1		<p>Organizational and control structure</p> <ul style="list-style-type: none"> Target comprises three distinct units, HCC, TargetBank, and RDC. Until recently the units were managed autonomously. In the cooperation between RDC and development, and the organization structure. Three different frames. Target consolidates in the year-end. The opposite finance and some underlying does not have access. HCC finance team has been raised expertise. HCC has an FOFI and Target's internal audit extent to which the unit has separate system to which the business with China. Target relies on some also had an internal audit to perform an internal audit Germany. HCC has its own system than Target. The HCC CE the Target CEO before as. There is greater risk and there have been no audit identify issues. You may 	Consider	N/A		N/A

Supporting analysis
Summary balance sheets

As of August 2009, Target had \$1.2 billion of assets mainly consisting of (booked) goodwill and cash and investments held.

Balance Sheet Items	2008	2009	2009
Cash and premium investments	564	544	569
Accounts, receivables	114	115	110
Inventory	21	30	39
Other receivables	28	41	27
Other non-current assets	24	87	27
Property and equipment, net	810	845	829
Goodwill and intangible assets, net	54	49	36
Goodwill and intangible assets, net	265	265	265
Total assets	1,276	1,249	1,242
Liabilities and equity			
Accounts payable	51	59	65
Income and other tax payables	266	254	270
Current portion of long-term debt	28	29	30
Long-term debt	628	511	514
Equity	244	396	358
Deferred tax and long-term debt	22	11	10
Total liabilities	936	860	839
Total uncommitted equity	340	389	403
Total liabilities and equity	1,276	1,249	1,242

Prepared for
HP Finance

> 3Com: IRB Approval – ATS Presentation

- ATS presentation made to Board re 3Com acquisition – setting out, among other things, due diligence findings and valuation model

Executive Summary

The Transformational Deal for the Enterprise Infrastructure Market	<ul style="list-style-type: none"> - The \$40B+ Networking market is larger, growing faster, and offers better margins than any of our current ESN businesses. - Instantly positions HP as the only company with native IP and credible market share in Networking, Servers, Storage. Enables us to accelerate our development and execution of the HP Converged Infrastructure for the "Next Generation Data Center". - Positions HP as a credible contender for market leadership vs. Cisco with strong full range product portfolio in the Enterprise Ethernet LAN (TAM: \$18B), Enterprise Storage, and Enterprise Intrusion Detection & Prevention (TAM: \$1B) segments. - Builds upon our growing HP Networking momentum in the Enterprise (Revenue: \$15 million, ARAMCO \$32 million, GE, Microsoft) and fills our product gap in the Enterprise Storage Segment. - Makes us the default number two in the Enterprise Networking segments (vs. Cisco in the Enterprise Ethernet LAN market).
Golf Delivers Critical Capabilities	<ul style="list-style-type: none"> - Products based on newer compelling technology and open standards architecture, offering faster performance, lower power consumption, better cooling, and end-to-end integration. - 21st century off-shoreflow cost operating model in place with R&D centralized in the US, resulting in a higher gross margin. - Tied with Cisco for a leading position in Ethernet switching in China, one of the fastest growing networking markets.
<ul style="list-style-type: none"> - Base case financial plan supports the deal with combined HP networking/Golf reaching a 20% sales growth rate. - Aspirations are to achieve further share gains, revenue, and profit above model across Enterprise Networking, Servers, Storage, Routing and Intrusion Detection & Prevention segments. 	

Project Golf

Presentation to the Board of Directors

Discussion Materials

Diligence Process: Summary of Key Findings

Conclusion	Findings Commentary
<ul style="list-style-type: none"> - Issues identified are manageable, however, cultural and autonomous nature of Chinese operations will require careful handling to effectively integrate 	<ul style="list-style-type: none"> - Accelerated due diligence process (data room opened on October 28, 2009) - Cross-functional HP team of over 100 persons (including Mandarin speakers) - External advisors: KPMG, Morgan Stanley, Cleary Gottlieb and Chinese local legal counsel
<ul style="list-style-type: none"> - Business 	<ul style="list-style-type: none"> - Golf is structured around 3 segments (3Com, Tipping Point and H3C). H3C in China is the largest segment and is operating quite autonomously. Need to adopt a well thought out integration strategy to avoid business disruption - Critical to retain key talent in China through appropriate incentive plans
<ul style="list-style-type: none"> - Technical 	<ul style="list-style-type: none"> - Architectural discussions and product testing validated Golf products have competitive features and functions to enable HP to compete for Enterprise Data Center Accounts - Need to manage some HP/Golf products overlap and develop integrated roadmap plan - 3rd party audit in process to confirm that there are no Open Source compliance issues
<ul style="list-style-type: none"> - Financial 	<ul style="list-style-type: none"> - Diligence identified policy convergence and purchase accounting adjustments (deferred revenue, inventory, revenue recognition) - non-cash charges - Migration of IP from China to Singapore, in order to achieve HP optimized tax structure, requires negotiations with Chinese Government. No issues expected - US Federal tax NOL of ~\$2.7B
<ul style="list-style-type: none"> - Legal 	<ul style="list-style-type: none"> - Contract review - no material issues identified - Litigation - patent infringement cases against Golf have been almost universally asserted by non-profiling entities ("patent trolls"); defending one securities class action (Tipping Point), which recent settlement is expected to be fully funded by Golf's insurers - Controls review - Environmental - accelerated timeline does not allow for comprehensive site and product safety assessment, confirmatory diligence regarding compliance is proceeding - IP - inbound licenses

3Com: IRB Approval – ATS Presentation

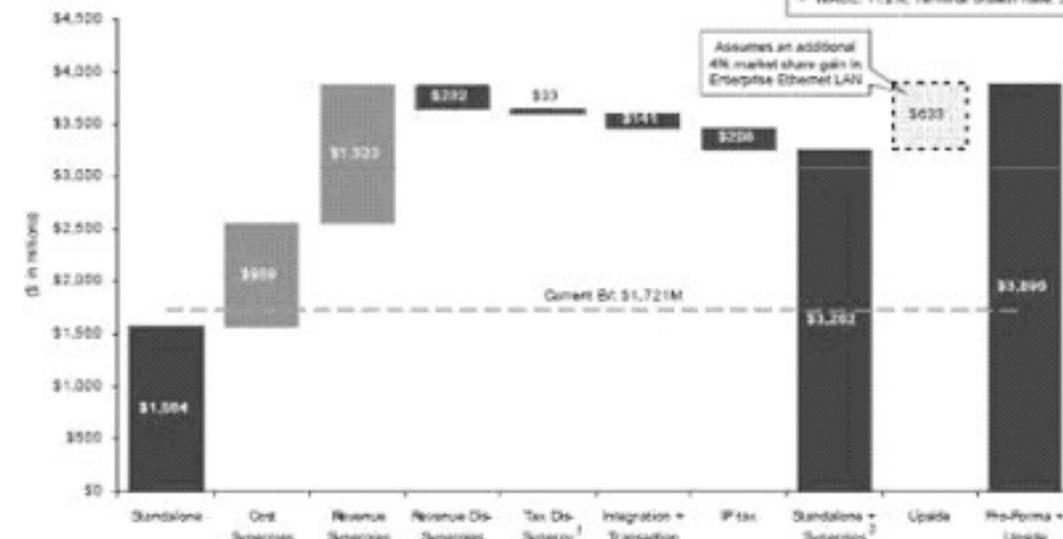
Golf Pro-forma P&L w/synergies

(\$ in millions, except per share data)	Fiscal Year Ending Oct 31,							CAGR		
	2014A	2015P	2016P	2017P	2018P	2019P	2020P	14-15	15-20	
Revenue										
Standalone (adjusted for 2% sharepurchases)	\$1,304.2	\$1,287.5	\$1,227.4	\$887.3	\$1,215.2	\$1,285.8	\$1,456.2	\$1,585.2	6.2%	7.4%
Revenue Synergies	0.0	0.0	0.0	0.0	151.2	293.7	1,123.5	1,281.8	n/a	104.4%
Total Revenue	1,304.2	1,287.5	1,227.4	887.3	1,426.4	1,579.5	2,579.7	2,867.0	25.7%	26.2%
Revenue Accounting Adjustments ⁽¹⁾	0.0	0.0	0.0	87.8	(12.2)	0.0	0.0	0.0		
Adj. Revenue	1,304.2	1,287.5	1,227.4	975.1	1,414.2	1,579.5	2,579.7	2,867.0	25.7%	26.6%
Gross Profit										
Standalone (adjusted for 2% sharepurchases)	722.3	727.5	715.5	515.8	741.7	801.5	956.4	953.3	6.1%	6.2%
Revenue Synergies	0.0	0.0	0.0	0.0	105.1	459.9	847.8	709.8	n/a	89.0%
Cost Synergies	0.0	0.0	0.0	39.1	23.7	48.5	91.9	88.8	n/a	31.0%
Total Gross Profit	722.3	727.5	715.5	554.7	870.4	1,355.4	1,896.1	1,871.9	23.9%	24.7%
Revenue Accounting Adjustments ⁽¹⁾	0.0	0.0	0.0	(158.2)	(72.7)	0.0	0.0	0.0		
Adj. Gross Profit	722.3	727.5	715.5	396.5	797.7	1,355.4	1,896.1	1,871.9	23.9%	24.7%
Operating Expenses										
IF Research & Development	191.7	171.9	167.0	134.5	134.0					
IF SG&A	216.4	332.5	340.0	288.0	445.3					
IF General & Administrative	85.9	91.8	89.9	85.0	57.0					
Operating Expenses	594.0	596.2	596.9	507.5	636.3					
Operating Profit	128.4	131.3	118.6	147.0	241.4					
Integration Costs ⁽²⁾	0.0	0.0	0.0	38.3	(93.8)					
Transaction expenses	0.0	0.0	0.0	(23.0)	0.0					
EBDA (for M&A Costs)	128.4	131.3	118.6	108.7	147.6					
Stock Compensation Expense ⁽³⁾	0.0	0.0	0.0	(24.8)	(24.8)					
EBDA (for IPOs)	\$128.4	\$131.3	\$118.6	\$83.9	\$122.8					
Growth & Margin Summary										
Revenue Growth - Standalone	-	(0.4%)	(5.1%)	n/a	3.3%					
Revenue Growth - Total Revenue	-	(0.8%)	(2.7%)	n/a	18.2%					
Gross Margin ⁽⁴⁾	55.4%	56.4%	58.4%	62.5%	61.4%					
Adj. Gross % of Revenue ⁽⁴⁾	55.4%	56.4%	58.4%	62.5%	61.4%					
Operating Margin ⁽⁴⁾	9.8%	10.3%	9.7%	16.5%	15.5%					
Operating Margin as a % of Revenue ⁽⁴⁾	7.5%	10.4%	9.4%	15.4%	12.4%					
EBDA Margin ⁽⁴⁾	9.8%	10.3%	9.7%	16.5%	15.5%					

Note: (1) Assumed 2/17/2015 date. FY15 includes \$10M of stock repurchase for M&A. (2) Based on 2015 fiscal year. (3) Based on 2015 fiscal year. (4) Based on 2015 fiscal year. (5) Based on 2015 fiscal year. (6) Based on 2015 fiscal year. (7) Based on 2015 fiscal year. (8) Based on 2015 fiscal year. (9) Based on 2015 fiscal year. (10) Based on 2015 fiscal year.

Discounted Cash Flow Summary

Enterprise Value



Component	Value (\$ in millions)	Assumptions
Implied Stock Price	\$5.27	Note: Assumes 2/1/2015 date and transaction price of \$7.50
Implied Equity Value	\$2,000M	(1) Assumes Golf stand-alone effective tax rate increases from 15% to 10%
Premium to Equity Value	(3.2%)	(2) Assumes estimated transaction costs of \$136M, integration costs of \$175M, and 30% withholding tax on cash dividend from China's Hong Kong listing associated with payment of debt
Premium to Ent. Value	(8.1%)	(3) Assumes \$200M IP tax (30% of transaction value taxed at marginal 25% rate) paid in FY2011 for move of IP from China to Singapore
Standalone	\$1,584	
Cost Synergies	\$600	
Revenue Synergies	\$1,323	
Revenue Dis-Synergies	(\$370)	
Tax Dis-Synergy	\$33	
Integration + Transaction Costs	(\$141)	
IP tax	\$208	
Standalone + Synergies	\$3,269	
Upside	\$633	
Pro-Forma + Upside	\$3,902	

> 3Com: IRB Approval – Integration Plan

- Integration plan included as part of ATS presentation

Project Golf
Presentation to the Board of Directors

Discussion Materials
November 9, 2009

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Integration Guiding Principles

Golf Current Operating Model	
<ul style="list-style-type: none"> Golf operates 3 distinct units: 3Com (Marlborough), Tipping Point (Austin) and H3C (China) <ul style="list-style-type: none"> China is the real decision center, along with the heart of the R&D and Enterprise operations Cultural and autonomous nature of Chinese operations managed by a very tightly integrated team 	
Immediate Focus	12-24 months plan
<ul style="list-style-type: none"> Maintain H3C's current momentum and avoid disrupting China operations Focus on key value drivers <ul style="list-style-type: none"> Aggressive sales force hiring ramp Retain and attract key talent Leverage HP's global reach Optimize and rationalize Rest of the World Operations 	<ul style="list-style-type: none"> Gradual integration of China operations Goal is to fully integrate Golf into ESSN's operating model and infrastructure, and use this acquisition as a driver to integrate HP Networking into ESSN/TSG processes
Recommendation	
<ul style="list-style-type: none"> Traditional HP's accelerated integration approach would be disruptive. A number of exceptions will be required in IT, GRE, and Finance for 12-24 months Integration of the China operations should be carefully planned and handled to integrate effectively 	

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> 3Com: IRB Approval – Financial Advisors

Morgan Stanley

February 2, 2010

PERSONAL AND CONFIDENTIAL

Mr. Brian Humphries
SVP, Strategy & Corporate Development
Hewlett-Packard Company
3000 Hanover Street
Palo Alto, California 94304

Dear Brian:

Pursuant to our recent discussions, I am pleased to confirm the arrangements under which Morgan Stanley & Co. Incorporated ("Morgan Stanley") is engaged by Hewlett-Packard Company ("HP") as its exclusive financial advisor in connection with the acquisition of 3Com Corp ("3Com") (such acquisition or business combination, a "Transaction").

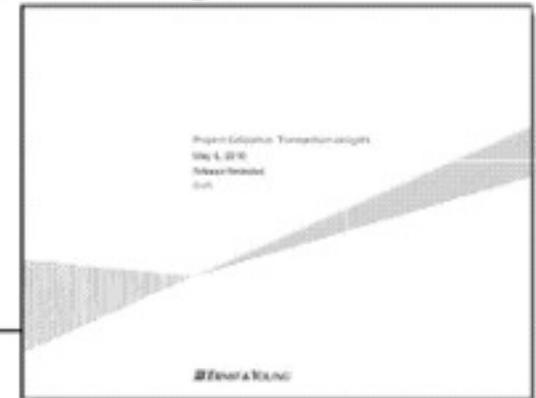
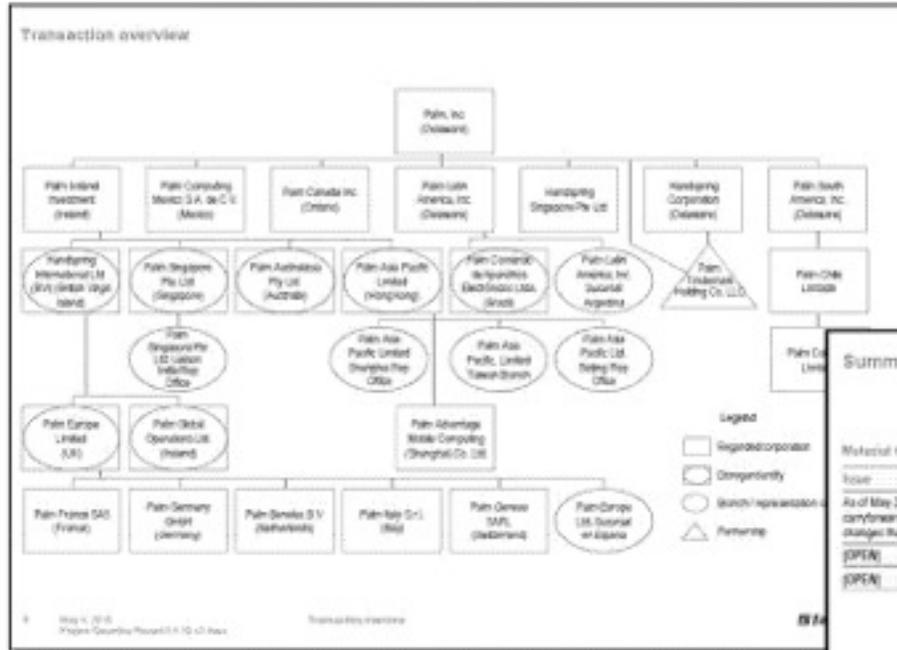
During the term of our engagement we will provide you with financial advice and assistance in connection with any Transaction, including, as appropriate, advice and assistance with respect to defining objectives, performing valuation analysis, and structuring, planning, negotiating and positioning the Transaction. Please be advised that Morgan Stanley does not provide accounting, tax or legal advice.

As you know, our fees for services in connection with a Transaction depend on the outcome of the assignment and are designed to reflect our contribution to a major corporate objective. In the event that no Transaction is agreed to, at the conclusion of the assignment we would typically charge an "Advisory Fee" which would reimburse us for our time and efforts expended. For this assignment, however, we have agreed to waive the Advisory Fee.

*Summary Review of
\$1B+ Acquisitions
Since 2008:
Palm*

> Palm: Accounting Review

- E&Y retained to conduct accounting due diligence



Summary of tax exposures

Material tax exposures

Issue	Entity	Probability of occurrence	Worst case exposure amount
As of May 31, 2012, the Company had approximately \$275,000 in federal NOL. The Company carries forward. The Company has experienced Section 367 ownership changes that may limit the ability to use these losses.	International	Unknown	Unknown
(OPEN)			
(OPEN)			

- In performing our tax due diligence procedures and identifying potential tax exposures, an aggregate threshold materiality level of \$5,000 of additional cash tax was used per issue.
- All exposures exclude interest and penalties and give rise to a cash tax liability unless otherwise stated. Where the exposure relates to a reduction in losses, the exposure shown is the gross loss figure. Further discussion is provided after this table of material tax issues.
- The exposures listed in the table above have been quantified on a worst case basis. The probability reflected in the table is an attempt to provide an indication of how likely it is that the potential issue or exposure exists based on the technical merits of the position. It is not intended to reflect the probability of the issue being raised during an audit by the tax authorities, nor is it intended to be an analysis for FIN 48 or other financial statement purposes or to reflect any particular level of authority for tax return reporting purposes.

May 5, 2012
PricewaterhouseCoopers LLP

Transaction overview: Summary of tax exposures

EY

Prepared for
HP Finance

> Palm: IRB Approval – ATS Presentation

- ATS presentation made to Board re Palm acquisition – setting out, among other things, due diligence findings and valuation model

Executive Summary

- Columbia represents the only actionable ecosystem play enabling HP to own a uniform, proprietary user experience that would extend to multiple device platforms (phones, netbooks, slates)
- Ownership and extension of WebOS would enable HP to break away from the the opportunity for a higher margin, differentiated, integrated platform ecosystem
- Additionally, the WebOS platform positions HP to compete in the attractive smartphone market
 - 2009 TAM \$81B growing 24% (09-12) with a profit pool of \$28B (~2x the TAM)
- Recommended approach is to defer integration for approximately three years to avoid distraction and enable the business to scale and focus on key value drivers:
 - Extend WebOS to new form factors (e.g., netbooks/slates)
 - Embrace the developer community to ensure a rich set of apps
 - Drive sales of all devices to select, existing carriers
- A focused approach targeting six carriers results in \$7.4B revenue by 2015 with Non-GAAP EPS dilution of (\$0.03) in FY11 and accretion of \$0.02 in FY12.
- We are requesting approval to sign and announce a definitive agreement to acquire Columbia for \$5.70/common share equating to an adjusted enterprise value of \$1.6B⁽¹⁾

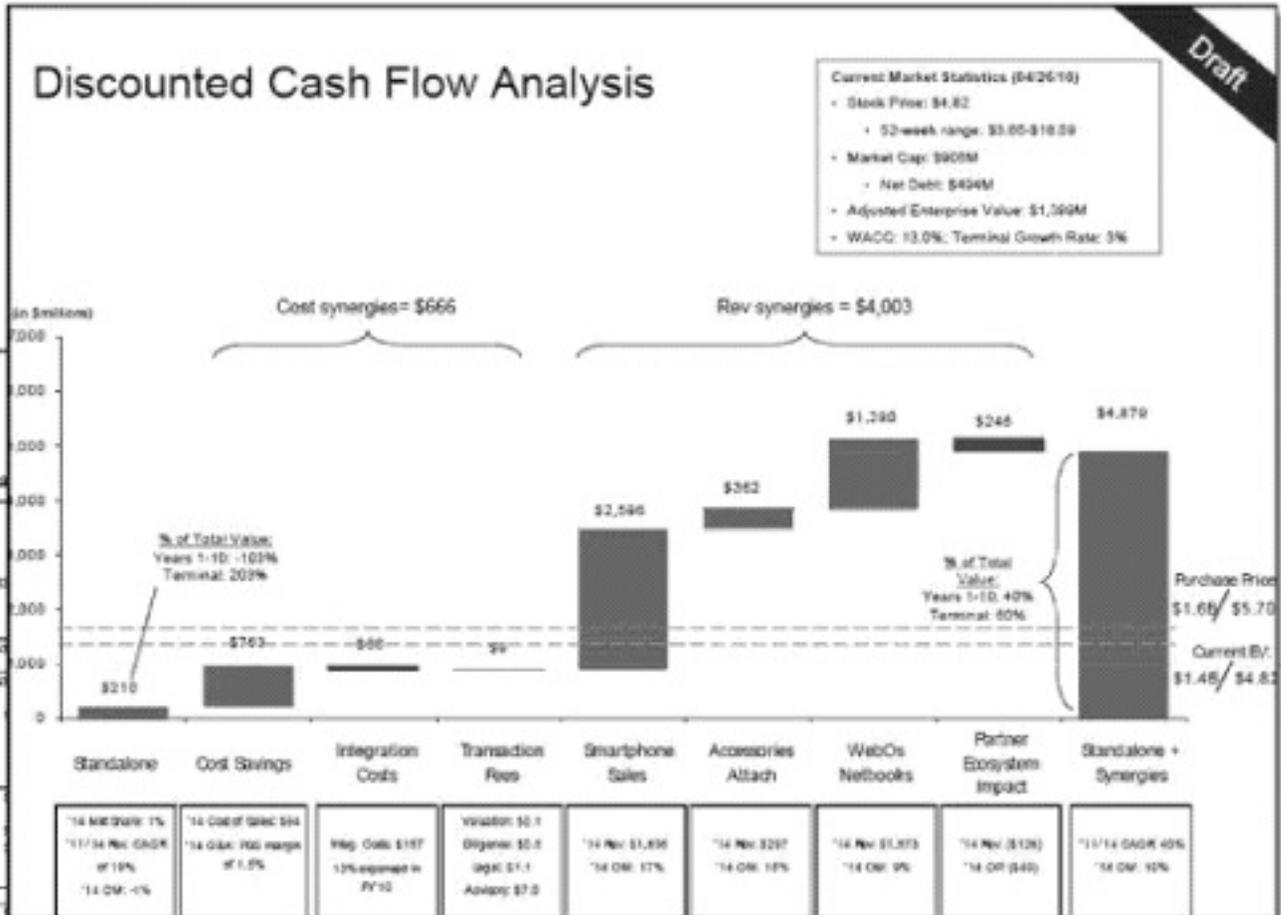
Project Columbia IRB ATS

April 27, 2010
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Due Diligence Findings

Functional area	Key Findings
Technology/Product	<ul style="list-style-type: none"> • Conducted abbreviated WebOS architectural review and concluded that architecture is sound; no red flags at this time. • User interface will need to be redeveloped to support larger screen size • Architecture will support ARM based tablets and netbooks (not confirmed yet that WebOS can be ported to x86) • Conducted security review and concluded that the risk is contained • Columbia has taken appropriate corrective action related to the recently discovered security vulnerabilities • However, HP will need to investigate the engineering rigor and take appropriate action as needed • Conducted initial open source due diligence and identified several flags. Columbia has been able to address all of HP's questions related to Open Source • Moving forward with SoW with Black Duck but no major concerns at this time
Carriers	<ul style="list-style-type: none"> • Conducted diligence calls with Verizon Wireless, AT&T and T-Mobile leadership. Key takeaways are as follows: • Columbia represents a high risk opportunity, but HP is uniquely positioned to be successful with this asset • HP will need to build out the app developer community in order to compete effectively • Concerns with smartphone roadmap for small screen form factors
Supplier Commitment	<ul style="list-style-type: none"> • Columbia took a \$45M reserve in Q3 2010 related to \$197M of purchase commitments related to Pre and Pixi products, resulting in \$152M of net exposure related to these products • E&Y has concluded that the \$45M reserve was largely judgmental in nature because it was not provided with sufficient supporting documentation • Due to the significant pro forma expected increase in unit volume, the limited data provided suggests no additional reserve will need to be recorded related to these supplier commitments
IP Licenses	<ul style="list-style-type: none"> • Several IP licenses can be assigned only with consent of the other party; this includes several potentially important agreements, including Columbia's rights to use Microsoft's ActiveSync/ActiveSync. • Columbia claims to own ~1000 worldwide patents and patent applications; preliminary analysis did not reveal any particularly compelling patents. • No IP red flags except for one single issue related to PalmSource patents. Columbia spun off its IP business to PalmSource which in turn sold it to ACCESS. In order for HP to acquire a license to use these software patents, it needs to pay a fee of \$18.3M to ACCESS. The fee must be paid by Columbia to ACCESS prior to closing. Thus, the adjusted enterprise value reflects an increase of \$18.3M related to this payment.
Accounting Policies	<ul style="list-style-type: none"> • Columbia and HP appear to have accounting policy differences related to liability accruals such as warranty and rebates. E&Y is investigating to determine HP's level of exposure.

➤ Palm: IRB Approval – ATS Presentation



Summary P&L Forecast

Pro Forma – With Synergies

HP Fiscal Year Ending	2009	2010	2011	2012
Revenue				
Smartphone Sales	\$287	\$379	\$90	\$309
Accessories Attach	-	21.8	21.8	141.0
WebOS Netbooks and Tablet Devices	-	0.0	0.0	200.0
Partner Ecosystem Impact	-	-	-	(20.0)
Total Revenue	\$287.0	\$399.5	\$211.8	\$1,069.9
Purchase Accounting Adjustments ⁽¹⁾	(12.4)	(12.4)	(26.1)	-
Adj. Revenue	\$274.6	\$387.1	\$185.7	\$1,043.9
Gross Profit				
Smartphone Sales	\$171.4	\$170.2	\$12.0	\$491.1
Accessories Attach	-	6.5	6.5	42.5
WebOS Netbooks and Tablet Devices	-	0.0	0.0	90.3
Partner Ecosystem Impact	-	-	-	(14.1)
COGS Savings	-	0.0	0.0	47.3
Total Gross Profit	\$171.4	\$176.7	\$18.5	\$657.0
Purchase Accounting Adjustments ⁽¹⁾	(12.4)	(12.4)	(26.1)	-
Adj. Gross Profit	\$159.0	\$164.3	\$-8.6	\$657.0
HP Research & Development	\$100.0	\$104.1	\$49.0	\$211.1
IT Cost	100.0	250.1	82.4	\$210.0
HP General & Administrative	50.2	54.6	14.6	76.0
Operating Expenses	419.2	608.8	146.0	597.1
Operating Profit	\$140.8	\$134.8	\$139.7	\$61.9
SG&A Expense ⁽²⁾	\$2.0	\$4.6	\$5.0	\$2.0
EBITA (for CO) Current	\$138.8	\$130.2	\$134.7	\$59.9
Purchase Accounting Adjustments ⁽¹⁾	(11.1)	(11.1)	(22.2)	-
Stock Compensation Expense ⁽³⁾	(8.0)	(8.0)	(8.0)	(8.0)
Goodwill Impairment Costs ⁽⁴⁾	(15.0)	(15.0)	(17.0)	(15.0)
Transaction Fees	(0.7)	(0.7)	(0.0)	(0.0)
EBITA (for HP Co)	\$104.0	\$85.4	\$87.5	\$28.9
Growth & Margin Summary				
Rev. Growth - Smartphone Sales	-	31%	NA	282%
Revenue Growth - Total Revenue	-	37%	NA	244%
Gross Margin ⁽⁵⁾	23.4%	19.4%	20.0%	27.6%
SG&A as % of Revenue ⁽⁶⁾	18.4%	21.2%	16.7%	11.9%
COGS as % of Revenue ⁽⁷⁾	23.7%	27.2%	26.7%	15.2%
OpEx as % of Revenue ⁽⁸⁾	4.0%	4.0%	3.0%	2.7%
Operating Expense as % of Revenue ⁽⁹⁾	25.0%	27.2%	25.0%	14.4%
Operating Margin ⁽¹⁰⁾	25.0%	27.2%	25.0%	14.4%

> Palm: IRB Approval – Integration Plan

- Integration plan included as part of ATS presentation

**Project Columbia
IRB ATS**

April 27, 2010
HP Confidential



Columbia Integration Strategy Executive Overview

Draft

Key Areas	Description
Rationale / Approach	<ul style="list-style-type: none"> • Recommended approach is to defer integration for approximately three years to avoid any operational distraction while the business scales <ul style="list-style-type: none"> • Immediate G&A savings from elimination of public company costs with COGS savings starting in FY11; as part of integration planning we will evaluate if back-end integration can be done without disrupting the business
Key Synergy Enablers	<ul style="list-style-type: none"> • Increase R&D to develop new devices new phones and port WebOS to netbooks and states • Incremental S&M to drive more business through existing carriers, expand to new carriers, and drive new device sales • Bolster applications ecosystem • Drive COGS savings via procurement leverage
Assumptions	<ul style="list-style-type: none"> • COGS: savings begin in 2011 by leveraging scale with suppliers • G&A: immediately realize \$5m in savings from elimination of public company costs. Other G&A synergies realized upon integration in FY13 • Deferred full integration costs estimated to be \$80M (FY13 – FY14) • Immediate light integration costs estimated to be \$78M (FY10 - FY12) <ul style="list-style-type: none"> • Retention (79%), financial compliance and required reporting processes (2%), HP laptops for client facing employees (1%), branding, website linkages, legal, other (9%), Executive severance (3%) • WFR costs related to HP's legacy smartphone business (6%)



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> Palm: IRB Approval – Financial Advisors

Bank of America
Merrill Lynch

GLOBAL CORPORATE
& INVESTMENT BANKING

May 10, 2010

HEWLETT-PACKARD COMPANY
3000 Hanover Street
Palo Alto, California 94304

Ladies and Gentlemen:

This letter agreement (this "Agreement") will confirm our understanding that Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") has been engaged, subject to the terms and conditions set forth herein, to act as financial advisor to Hewlett-Packard Company (the "Company") in connection with a potential Transaction (as defined herein) involving Palm, Inc. (the "Target"). The Company and Merrill Lynch agree that the Standard Terms and Conditions attached hereto (the "Standard Terms and Conditions") are an integral part of this Agreement and are hereby incorporated herein by reference in their entirety. Merrill Lynch may, to the extent it deems appropriate, retain the services of any of its affiliates (including, without limitation, Banc of America Securities LLC) to assist Merrill Lynch in providing its services hereunder and share with any such affiliates any information made available in connection with the engagement hereunder.

1. For purposes hereof, the term "Transaction" means the merger of Direct Acquisition Corporation, a wholly owned subsidiary of the Company (the "Sub"), with and into the Target pursuant to that certain Agreement and Plan of Merger dated as of April 28, 2010 among the Target, the Company and Sub, as such Agreement may from time to time be amended (the "Merger Agreement").
2. During the term of Merrill Lynch's engagement, Merrill Lynch will provide the Company with financial advice and assistance in connection with a Transaction as is customary and appropriate in transactions of this type and as mutually agreed upon by the Company and Merrill Lynch, which may include assisting the Company in its consideration and analysis of the Transaction and assisting the Company in its negotiation of the financial aspects of the Transaction.
3. Contingent upon the occurrence of the Closing (as defined in the Merger Agreement) of the Transaction, the Company agrees to pay Merrill Lynch as compensation for its services hereunder a cash fee of \$7,000,000 (the "Success Fee"), payable immediately after the Closing of the Transaction.

*Summary Review of
\$1B+ Acquisitions
Since 2008:
3PAR*

3PAR: Accounting Review

- KPMG retained to conduct accounting due diligence

Executive summary
Key finding (1): Revenue recognition: change in accounting policies

Issue: Revenue recognition - change in accounting policy

Summary observations: HP changed its business model in the U.S. to allow customers to purchase installation from third party service partners from April 1, 2012.

Resolution - U.S.

- Before April 1, 2012, customers could only purchase installation through 3PAR. 3PAR would usually subcontract the installation services to a third party service partner.

Assets
Accounts receivable (6)

Specific allowances for doubtful accounts - September 2010

Customer	All balance	Specific allowance
ATI	190	190
ATI to 100 days past due		190
Dynaflex	240	
Green Source	180	
Lockheed Martin	177	
Northgate	87	
Open Information	46	
US Department	24	
3MT Wireless Services	21	
GoConnection	21	
Raytheon, Inc	21	
Claring Technology	18	
Comptel	11	
Involution	10	
Others less than \$10,000	15	
Credit balance	(2)	
Total - 91 to 100 days past due	1,200	

Had HP's general revenue policy been applied to 3PAR, the allowance for doubtful accounts would have been higher by approximately \$20,000.

KPMG

Project Rio - closing balance sheet
 Dec 31, 2010

Executive summary
Balance sheet overview

The balance sheet presented for September 2010 is as of the closing balance sheet on September 31, 2010.

The change in net assets from June 2010 reflects proposed base salary increases (specifically a 3% reduction for a \$10 million prior to closing).

Component	June 2010	Sep 2010
Assets		
Current assets	10,940	40,686
Property, plant and equipment	19,752	46,194
Intangible assets, net	44,978	46,194
Goodwill	1,910	1,684
Prepaid and other current assets	1,134	2,643
Total current assets	68,714	137,401
Property and equipment, net	28,852	22,863
Intangible assets	1,217	1,684
Other non-current assets	219	254
Total assets	100,002	163,202
Liabilities and equity		
Accounts payable	10,821	32,129
Accrued compensation and benefits	10,761	10,000
Other current liabilities	4,528	5,223
Deferred tax	21,907	27,615
Accrued interest	1,052	2,679
Total current liabilities	51,079	78,646
Non-current liabilities, non-current	2,880	2,881
Deferred tax, non-current	12,289	10,719
Other long-term liabilities	1,210	1,210
Total liabilities	67,458	93,065
Equity	32,544	70,137
Total liabilities and shareholders' equity	100,002	163,202

Prepared for HP Finance

> 3PAR: IRB Approval – ATS Presentation

- ATS presentation made to Board re 3PAR acquisition – setting out, among other things, due diligence findings and valuation model

Project Rio
Presentation to the Board of Directors
August 22, 2010

Rio Opportunity – Summary

Background / Timeline of Events	<ul style="list-style-type: none"> • HP has had discussions with Rio's management about a possible combination • July 23rd: HP sent Rio an LOI, offering \$12.75 per share (34% premium) • July 31st: Rio bankers communicated receipt of "boldly above \$15 offer"; and magnitude of price increases and elected not to increase offer • August 2nd: Rio entered exclusivity period with Dallas • August 16th: Rio signed a definitive agreement to be acquired by Dallas for \$24 per share (over Rio's closing price prior to the announcement - \$9.65) • Dallas will commence a Tender Offer and expects the transaction to close
Strategic Rationale	<ul style="list-style-type: none"> • Rio coupled with new StoreOnce deduplication products will re-ignite sales and channels • Rio is a next-generation array with many compelling features over our EVA <ul style="list-style-type: none"> • One product family that could span from EVA mid-range through most and replication; can be further optimized with next-gen BladeSystem H • Clustered architecture tuned for cloud-hosted environments; ideal for • Many leadership features as good or better than products from EMC and online drive support and integration with VMware's vStorage APIs • External storage is a large addressable market of \$20B
Recommended Approach	<ul style="list-style-type: none"> • Top Dallas' bid on Monday, August 23rd, pre-market • Recommended approach is \$24 per share initial bid, to send a strong signal of commitment to securing Rio • Communication strategy: proactive approach with targeted outreach and

Diligence Process and Status: Key Findings

Privileged and Confidential – Attorney Client Communication

Diligence Area	Findings Commentary
Diligence Effort	<ul style="list-style-type: none"> • Rio terminated discussions with HP after limited, high level conversations. HP has not had access to a data room or detailed discussions with Rio's management. • Diligence - conducted by Business Unit, SCD, HP Legal, and HP Tax - has been limited to publicly available information, including SEC filings and other public records, databases, data services, and industry and other publications • Legal support was provided through HP Legal and external law firms, principally Cleary Gottlieb, KPMG conducted a tax analysis, J.P. Morgan provided transaction support
Diligence Observations	<ul style="list-style-type: none"> • IP: Modest sized patent portfolio, primarily US; no IP issues identified, no patent or IP legal proceedings • Customer Contracts: No items of relevant concern were identified. (Actual contracts not reviewed) <ul style="list-style-type: none"> • Over 1,600 systems have been sold to over 600 customers • No customer represented over 10% of revenue at June 30 • Government Contracts: Fiscal 2010 sales to government customers were 11% of revenues • Existing customers represented 81% of product revenue in fiscal 2009, as compared to 78% of product revenue in fiscal 2008 • Employees: Approximately 665; substantial equity compensation component, typical of young tech company • Legal: No significant concerns identified, only nominal current litigation; no known threatened matters • Tax: No significant concerns identified

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3PAR: IRB Approval – ATS Presentation

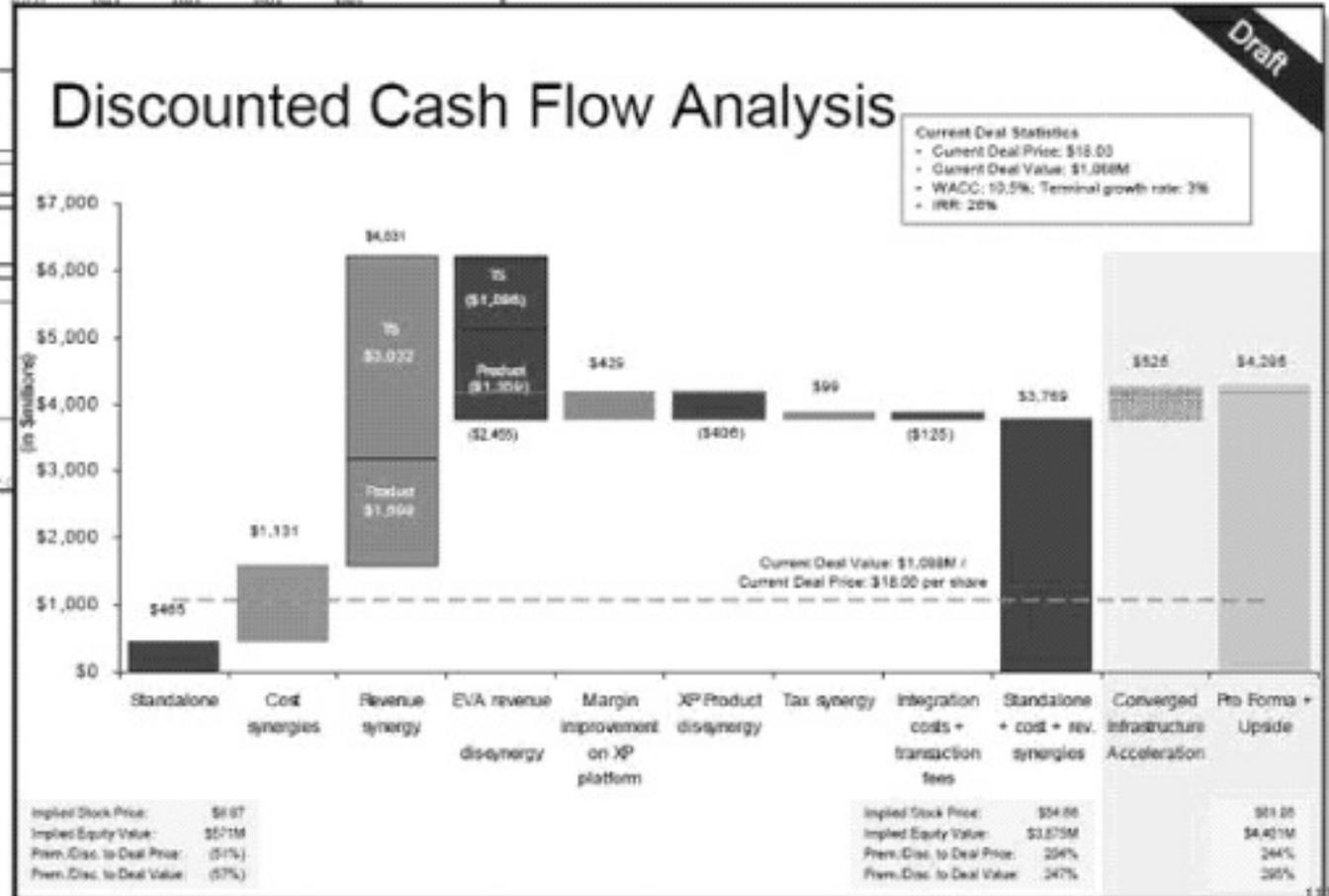
Summary P&L Forecast

Pro Forma – With Synergies

Draft

USD in millions, unless per share data	12 Month Total Ending 06/30						2015	
	2010	2011	2012	2013	2014	2015	1H'15	7M'15
Revenue								
Standalone	\$160.3	\$211.3	\$261.1	\$304.0	\$351.4	\$402.0	194%	154%
Revenue Synergy			25.2	29.4	35.5	1,391.7		15.7%
EVA and XP cost synergies			(24.0)	(24.0)	(24.0)	(24.0)		12.4%
FX impact of EVA and XP synergies			(4.0)	(4.0)	(4.0)	(4.0)		(4.4%)
Total Revenue	\$160.3	\$211.3	\$272.3	\$305.4	\$358.9	\$1,800.7	494%	34%
Proforma Accounting Adjustments ¹						(8.1)		
Adj. Revenue	\$160.3	\$211.3	\$272.3	\$305.4	\$358.9	\$1,792.6	494%	
Gross Profit								
Standalone	\$101.1	\$138.4	\$174.4	\$204.4	\$234.4	\$272.4		
Revenue Synergy								
EVA and XP cost synergies								
Reconciliation of FX impact impact								
FX impact of EVA and XP synergies								
COGS Change Impact								
Total Gross Profit	\$101.1	\$138.4	\$174.4	\$204.4	\$234.4	\$272.4		
Proforma Accounting Adjustments ¹								
Adj. Gross Profit	\$101.1	\$138.4	\$174.4	\$204.4	\$234.4	\$272.4		
Op. Expense & Development								
Op. Exp.	\$44.4	\$44.4	\$44.4	\$44.4	\$44.4	\$44.4		
Op. Expense & Administrative	\$1.1	\$1.1	\$1.1	\$1.1	\$1.1	\$1.1		
Operating Expense	\$45.5	\$45.5	\$45.5	\$45.5	\$45.5	\$45.5		
Operating Profit	\$55.6	\$92.9	\$128.9	\$158.9	\$188.9	\$226.9		
Int. Integration Costs ²	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0		
EBITDA (or EBIT) ³	\$55.6	\$92.9	\$128.9	\$158.9	\$188.9	\$226.9		
Debt Conversion Expense ⁴	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0		
Corporate Integration Costs ⁵	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0		
Transaction Fees	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0		
Inventory Write-Up ⁶	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0		
EBIT (or EBITDA)	\$55.6	\$92.9	\$128.9	\$158.9	\$188.9	\$226.9		
Profit & Margin Summary								
Prep. Growth – Standalone	11.3%							
Revenue Growth – Total Revenue	15.7%							
COGS Margin ⁷	44.2%							
EBITDA as a % of Revenue ⁸	33.5%							
EBITDA as a % of Revenue ⁹	33.5%							
Operating Expense as a % of Revenue ¹⁰	28.2%							
Operating Margin ¹¹	34.6%							
EBITDA Margin ¹²	33.5%							

Notes: (1) Standalone, Prep. Standalone research per 100% standalone; (2) Standalone, Prep. Standalone research per 100% standalone; (3) Standalone, Prep. Standalone research per 100% standalone; (4) Standalone, Prep. Standalone research per 100% standalone; (5) Standalone, Prep. Standalone research per 100% standalone; (6) Standalone, Prep. Standalone research per 100% standalone; (7) Standalone, Prep. Standalone research per 100% standalone; (8) Standalone, Prep. Standalone research per 100% standalone; (9) Standalone, Prep. Standalone research per 100% standalone; (10) Standalone, Prep. Standalone research per 100% standalone; (11) Standalone, Prep. Standalone research per 100% standalone; (12) Standalone, Prep. Standalone research per 100% standalone.



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> 3PAR: IRB Approval – Financial Advisors



*Summary Review of
\$1B+ Acquisitions
Since 2008:
ArcSight*

ArcSight: Accounting Review

- PwC retained to conduct accounting due diligence

Issue	Comment
Troy appears to provide a lower level of discounts compared to HP	The Company provided data that reported a 100% average discount ranging from 10% - 60%. The Company, however, was not clear as to which respective bookings entered indicated that discount range. Harmonize.
Maintenance renewal rates	Analysis of Troy of quarters have Troy provided an 80% rate which provides a 100% - Troy further details.
Modeling of "vintage" of add-on sales	Troy stated that purchasing rates in forecast section.

Key Deal Issues
 Project Troy - Financial & Tax Due Diligence
 Confidential information for the sole benefit and use of HP's Client

Section 1.1 - Forecast Considerations

Utilizing historical bookings data in the years two through five after the first year of a customer relationship reduces the FY10 forecast.

Product Bookings Vintage Analysis

\$ as booked	Year 2
Vintage bookings	56,354
Management estimate	40%
Estimated existing customer bookings	22,542
FY09 - FY09 quality average	33%
FY07 - FY07 quality average	32%
Single quarterly average	35%
Management vs. single average	(14%)
FY10 forecast product bookings impact	8800

Source: Company Information, Discussion with Management, PwC analysis
Annual Weighted Average Vintage Bookings

% of total	Year 2
FY04	33%
FY05	43%
FY06	30%
FY07	34%
FY08	17%
FY09	35%
FY10	26%
Weighted average	26%
Management vs. weighted average	(14%)
FY10 forecast weighted average impact	2,270

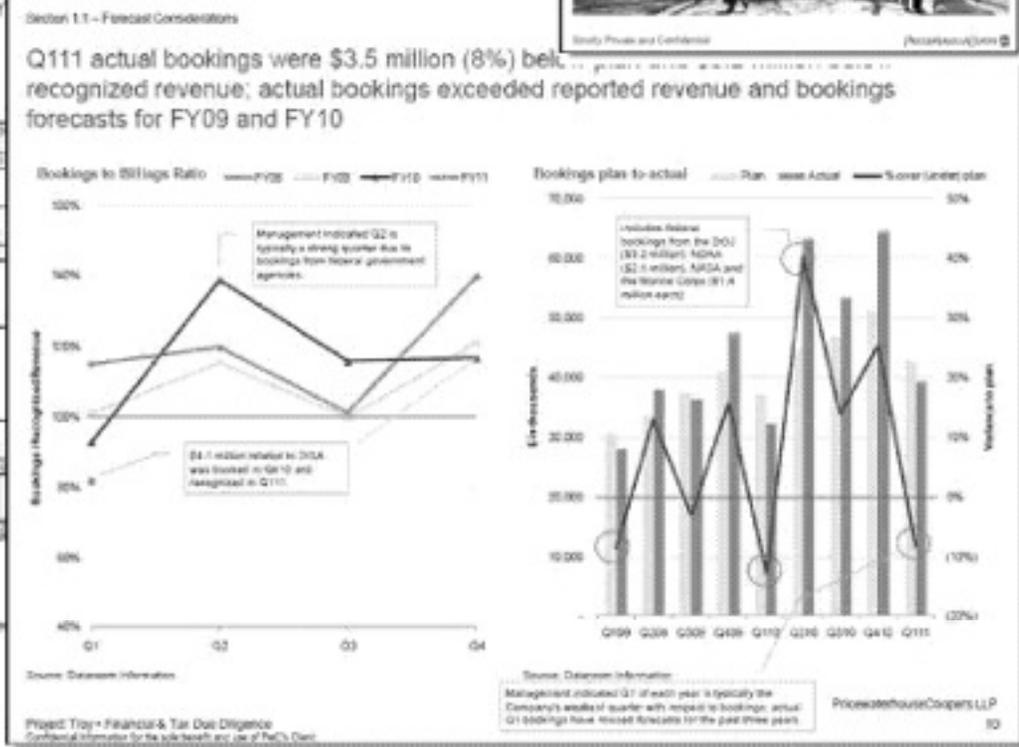
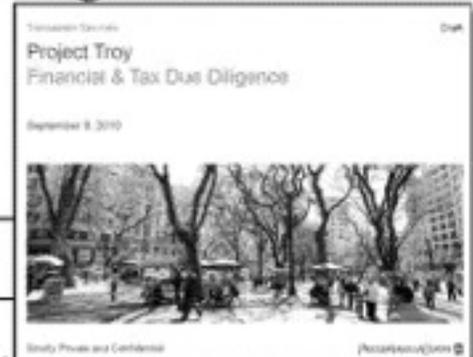
Source: Company Information, Discussion with Management, PwC analysis

Product Bookings Vintage Analysis

Current attach rate (20% of product bookings)	(1,880)
Maintenance attach rate (20% of product bookings)	(1,580)
FY10 forecast weighted average impact	(1,180)

Source: Company Information, Discussion with Management, PwC analysis

Prepared for
 HP Finance



> ArcSight: IRB Approval – ATS Present.

- ATS presentation made to Board re ArcSight acquisition – setting out, among other things, due diligence findings and valuation model

Draft
Diligence Process Update: Key Findings

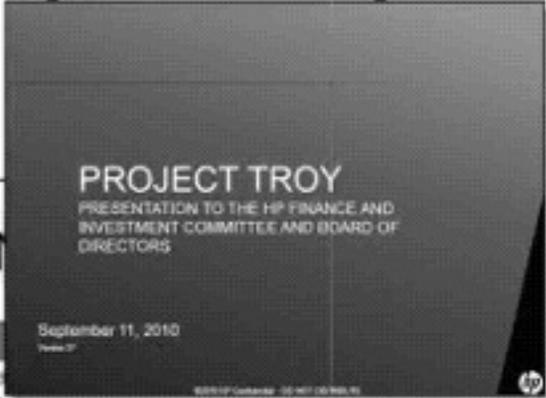
Privileged and Confidential – Attorney Client Com

Diligence Area	Findings Comm
Diligence Effort	<ul style="list-style-type: none"> Approximately 50 formal meetings with Ernst personnel were set diligence, including general meetings with the regional Business U Ernst, and other key management personnel Over 50 key Herringway executives (CFOs and Directors) were riv PaC has provided over 11,000 man-hours of support (resulting in emphasis on contract review, functional diligence, integration plan Legal support was provided through multiple external counsels; a fairness opinion by Letman Brothers
Functional Diligence	<ul style="list-style-type: none"> IT: Significant legacy applications and shadow infrastructure sure benchmarks presents significant opportunity for rationalization R&D/S: 495 buildings; 57% leased, 13% owned (includes 23 da balance sheet adjustments) Legal: Litigation exposure (BskyB) and wage misclassification cla HR: Under funded pension liability estimated at \$1.4 billion, deve immigration strategies Tax: On-going diligence for outstanding tax liabilities (e.g. Brazil)
Work Paper and Contract Review	<ul style="list-style-type: none"> Customer Contracts: Longstanding customer relationships, high movement toward increased efficiencies and productivity; inoied applications outsourcing segment Government Contracts: Approximately \$800-\$900 million of US C requirements; total subject to cost disclosure may increase due to bid Customer Contract Risks: Expect to lose at least one contract du retrovise terms may reduce flexibility EFPI: Confirming accounting policy differences - using adopt-a
Operating Model & Processes	<ul style="list-style-type: none"> HR: Ernst overall has a better leveling structure and a lower sal Herringway; Ernst geographic mix weighted to higher cost coun Procurement: Spend managed regionally; opportunity to simplify Finance: Decentralized, manual processes and extensive use of bring

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KEY DILIGENCE FINDINGS

Functional area	Key Findings
R&D/Products/Technology	<ul style="list-style-type: none"> High performance R&D organization with Robust product architecture with feature Some concerns about potential scaling issues in very large environments given reliance on Oracle database; new product release based on proprietary database eliminates dependency on Oracle.
Business	<ul style="list-style-type: none"> Enterprise software sales force rather than security specialist reps facilitates better fit with HPSS Proof of Concept (PoC) selling motion not as challenging as originally perceived Low customer overlap with current BTO accounts (~ 25% overlap) provides cross-sell opportunity High revenue growth has led to sales pipeline management focusing on current quarter with less attention to out-quarters making it difficult to assess strength of outer-period pipeline Troy discounts sales at a materially lower rate than HP – developing GTM plan to mitigate sales impact
Legal / IP	<ul style="list-style-type: none"> No significant Ethics & Compliance issues or risks uncovered No material active or pending litigation matters nextB open source audit successfully completed Certain commercial agreements with top customers contain non-standard provisions such as Most Favored Nation (MFN) and uncapped indemnification provisions which may present future exposure Oracle database license expires in May 2011 and will need to be renegotiated to cover product transition period
HR	<ul style="list-style-type: none"> Close knit team, impressive drive and winning spirit Focus on retaining talent targeted at wide audience, with higher participation for key employees in R&D and Sales Plan to have 11 signed offer letters from executive team at time of signing merger agreement



PROJECT TROY
PRESENTATION TO THE HP FINANCE AND INVESTMENT COMMITTEE AND BOARD OF DIRECTORS

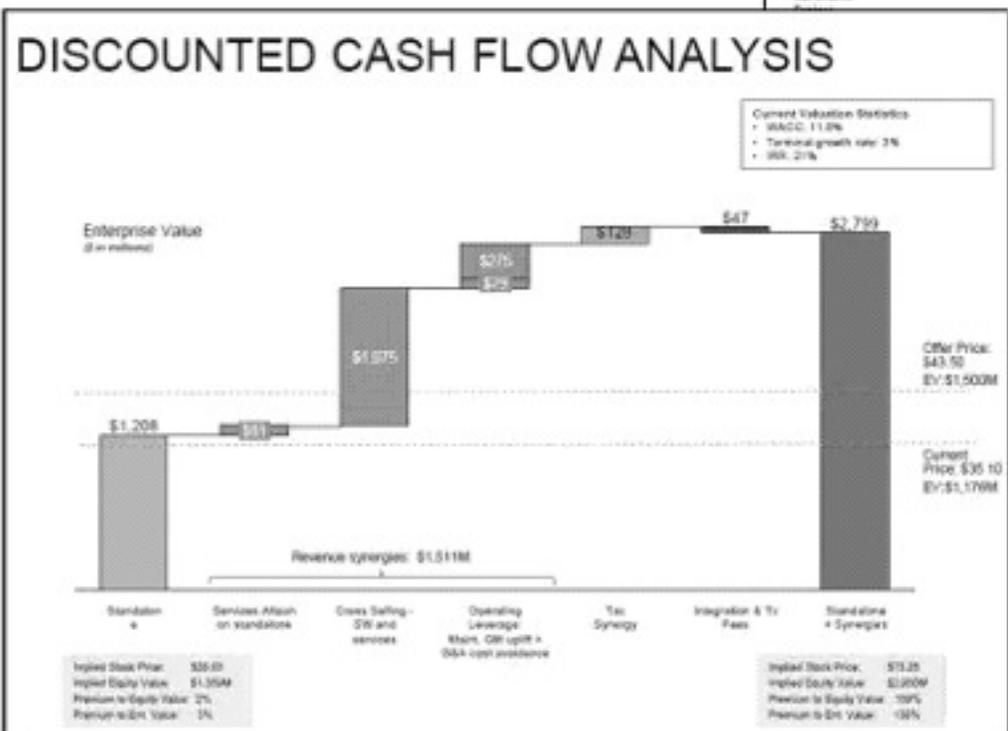
September 11, 2010

ArcSight: IRB Approval – ATS Present.

SUMMARY P&L FORECAST

Pro Forma – With Synergies

AME in millions, unless otherwise noted	HP Fiscal Year Ending Dec 31						CAGR
	2010	2011	2012	2013	2014	2015	
Revenue	\$219	\$204	\$227	\$264	\$404	\$1,029	39.1%
Operating	-	34.7	52.0	118.0	165.0	252.7	
Production & sell	-	-	-	-	-	-	
Service M&M	-	2.2	20.2	37.8	55.7	118.2	
Product	123.2	177.7	232.4	212.3	340.8	476.1	31.0%
Maintenance	81.8	84.9	118.0	101.1	219.0	398.4	36.0%
Hardware	20.2	20.2	81.8	109.4	150.1	151.8	49.4%
	\$219	\$203	\$249.3	\$382.4	\$719.7	\$1,029	36.6%
		(22.8)	(5.1)	(2.4)	(8.9)	(23.9)	
	\$219	\$180.5	\$244.2	\$384.8	\$728.6	\$1,052.9	36.4%
\$1,000	\$219	\$218	\$182.7	\$449.8	\$154.0	\$1,224.8	35.0%
		(20.8)	(8.1)	(2.4)	0.0	0.0	
\$1,000	\$198.2	\$197.6	\$174.6	\$447.4	\$154.0	\$1,224.8	35.0%
200	40.7	64.1	31.4	48.0	104.0	104.0	
71.8	86.4	132.7	183.0	222.9	289.7		
24.7	25.8	25.1	35.1	31.2	41.8		
124.3	142.9	211.9	202.2	343.1	446.5	29.0%	
\$204	\$151.1	\$143.9	\$132.9	\$218.9	\$218.1	\$218.1	30.6%
80.0	(82.4)	(53.0)	(8.1)	80.0	80.0		
\$204	\$68.7	\$90.9	\$130.9	\$298.9	\$298.1	\$298.1	30.4%
80.0	(80.0)	(34.1)	(82.7)	(81.4)	80.0		
0.0	(80.0)	(144.0)	(81.0)	80.0	80.0		
0.0	(8.0)	0.0	0.0	0.0	80.0		
\$204	(25.0)	\$46.4	\$109.3	\$199.3	\$199.3	\$199.3	
30%	31%	35%	31%	17%	14%		
30%	42%	39%	42%	23%	30%		
70%	70%	38%	70%	77%	70%	80%	
14%	14%	13%	12%	12%	12%	12%	
34%	33%	32%	31%	31%	31%	32%	
13%	9%	4%	4%	4%	4%	4%	
8%	9%	12%	4%	4%	4%	4%	
8%	10%	26%	26%	26%	30%	32%	
10%	11%	12%	24%	23%	23%	23%	



- Goldman Sachs retained as financial advisor (no transaction-specific engagement letter)

> Summary of Other Acquisitions

- Based on limited review, each acquisition conducted substantially consistent with applicable M&A policies and procedures described above

› Strategic Considerations: 2010

- Software dept. provided summary information regarding AU for 8/10 working session
 - Set out potential gains/risks based on publicly known info



Aggie Executive Summary

Strategic Rationale	<ul style="list-style-type: none"> • Ideal asset to secure strategic control point, category leadership and market scale in the Information Management market. • Uniquely positioned to transform today's information explosion burden into powerful business asset • Key differentiation is meaning based computing (classification & indexing) to control costs, mitigate risk and harvest value of enterprise information • Revenue and brand-equity leader in high-growth markets (Search, eDiscovery/IG and WCM)
Operational Considerations and Risks	<ul style="list-style-type: none"> • Overpaying for business which may stagnate – requires further due diligence • Core search business under attack (Open Source, Microsoft, Google) • To fuel standalone future growth requires continuation of acquisition strategy (war chest of \$756M) • Operating margins already at industry high (40-50%) – removes lever for bottom-line growth • Likely difficult to integrate – requires conservative integration strategy and timeline • Business units operate as separate entities – less than ideal portfolio, GTM and RTM synergies • Customer dissatisfaction – unresponsive account support; arrogant sales force; etc. • Company culture mismatch – top-down controlled; engineering-driven elite culture; etc. • Indirect software sales and service model – scalable model but orthogonal to HP's direct motion • Highly complex pricing and portfolio – no single rep can adequately represent portfolio • HP lacks services skills/capacity to scale breadth of portfolio – significant investment required
Financial Overview and Valuation	<ul style="list-style-type: none"> • Revenue of \$740M @ 44% operating margin in 2009; projected to grow by 22% to \$905 in 2010 • High growth and margins leads to high trading multiples; resulting relatively expensive asset.
Next Steps	<ul style="list-style-type: none"> •

> Perella's Role – Assessment of Due Diligence

- Varughese said Perella was unaware of the August 17, 2011 call with Deloitte
- He does not remember learning that Autonomy had engaged in a significant amount of hardware sales
- He was not aware that significant Autonomy revenue was the result of barter or round-trip transactions
- He does not recall whether OEM customers used entire IDOL software or only a small portion

> Transaction Team

TESLA - DILIGENCE TEAM				(DRAFT)
Business Functions		Operational Functions		
Products	Sales	Corporate Development	Tax	
Mage Brea	Hans-Peter Kluey	Andy Johnson	Steve Nease	
Jerome Levadoux	Brian Cohen	Marish Gash	HR	
		Emily Heas	Finance	
Technology/R&D	Marketing	Varoon Shagel	IT	
	Mage Brea		GRS	
	GTM/ Sales Ops	Legal	Global Procurement	
	Rob Birn	Paul Porini	CEO	
	Roberta Brewer	Rick Arndt		
	Finance	Sergio Letelier		
	Rob Birn	Ernie Walton		
	SU Legal	Specialists (JP)		
	Ed Rockwell			
External Advisors				
Legal - M&A	Legal - M&A	Legal - Antitrust	Finance, Accounting and Tax	
Gibson Dunn LLP	Treefields	Crider, Biddle & Reith LLP	ERMG - M&A	
Dennis Friedman	Ben Spiers	Bob Seitz		
Jeffery Roberts	Den Fletcher			
James Rooney				
Selma Seguyevich				
Jonathan Corrado				

- No “technology” team member identified
 - CTO for SW had left; Sham Chotai (his replacement) involved initially, but not on Transaction/MADO teams
 - > Sham ultimately replaced by Brea/Levadoux
 - Brea/Levadoux (product mktg) appointed tech. reps
 - > CTO Robison felt Brea/Levadoux fully qualified to assess AU technology/product issues

Attorney-Client Privileged and Confidential/Attorney Work Product

REDACTED: Privilege

> Perella Weinberg

- Perella provided, among other things,
 - Presentations to Board at both ATN/ATS stages
 - > Presentations addressed general strategic issues, including both Autonomy acquisition/consideration of PSG disposition
 - While not directly involved in negotiating acquisition price, produced several reports on valuation of AU
 - After 8/18/11 announcement, also assisted HP in preparing presentation addressing blogger's allegations re AU
 - While Barclays was considered principal advisor on UK Takeover Panel issues, Perella also provided advice re unique aspects of conducting transaction in UK
 - Fairness opinion
- Perella was paid \$5M for providing fairness opinion
 - Add'l \$1.8M for general strategic advisory work, which PWP claims was not part of AU transaction advisory fee.

Attorney-Client Privileged and Confidential/Attorney Work Product

REDACTED Privilege

Attorney-Client Privileged and Confidential/Attorney Work Product

REDACTED Privilege

Attorney-Client Privileged and Confidential/Attorney Work Product

CONFIDENTIAL

REDACTED. Privilege

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Attorney-Client Privileged and Confidential/Attorney Work Product

REDACTED - Privilege

Attorney-Client Privileged and Confidential/Attorney Work Product

REDACTED Privilege

Attorney-Client Privileged and Confidential/Attorney Work Product

REDACTED - Privilege

Attorney-Client Privileged and Confidential/Attorney Work Product

REDACTED Privilege

CONFIDENTIAL

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› Due Diligence – Request Lists

- As due diligence proceeded and AU provided info, AU/HP negotiated remaining issues to “must haves”

To: 'andrewk@autonomy.com'[andrewk@autonomy.com]; 'sushovanh@autonomy.com'[sushovanh@autonomy.com]; 'Brian Cayne'[brian.cayne@qatalyst.com]
Cc: Johnson, Andy (Corp Dev)[andyjohnson@hp.com]; avinash.patel@barclayscapital.com[avinash.patel@barclayscapital.com]; Bhagat, Varoon[varoon.bhagat@hp.com]; Hsiao, Emily (SCD)[emily.hsiao@hp.com]
From: Sarin, Manish
Sent: Sun 8/7/2011 2:16:56 AM
Importance: Normal
Subject: Tesla: Final consolidated diligence request list
 Project Tesla Follow Up DD Request List Final .pdf

2. Comprehensive list of outstanding diligence items. We've tried to focus on must-have items by category so the list is short by design and I suspect several topics can be covered on a call whereas for others, we'd like to get relevant documents.

– “Must haves” included auditor work papers

Accounting

1) Please provide access to auditor work papers

2) Please provide a list of unaudited accounts receivable to be audited

> Due Diligence – August 6, 2011 Call

Saturday, August 06

■ 3:00pm - 4:00pm Follow Up DD Request List Discussion (Dial-in: 877-675-4345 or 281-964-1607 | Conference Code: Conference Code: 558-671-5805) - Bhagat, Varoon

Requesting calls to discuss the following topics

- ✓1) Overview of Tesla's Hosting / Cloud business
 - (a) Overview to discuss hosting infrastructure, third-party hosting providers, legal / contractual commitments, GTM, pricing etc
- ✓2) Sales / Go-to-Market (GTM) follow-up discussion (Questions listed on Page 7)
- * 3) Sales pipeline discussion
 - Tue (a) Review Tesla's sales pipeline including historical conversion rate, anticipated revenue profile, sales management, risk assessment of future revenue stream etc
- * 4) Potential synergy discussion
 - Tue (a) Cover potential product synergies (IT, Analytics, Document Management, Security) as well as opportunities to leverage HP's sales force
- * 5) Product demonstration of Viteage / Rich media management and recognition
 - ✓6) legal call with Tesla's technical lead to discuss open source, governance and approval processes
 - ✓7) legal call to discuss Data Protection issues
 - ✓8) Call to discuss Tesla's Public Sector activities (Questions listed on pages 5-6)
 - * 9) Tax calls with Tesla's UK tax advisor (ESY) and Tesla's US tax advisor (PwC)

- Tue * Revenue recognition call?
- * * Open source study? code scan
 - * * D&T work papers VSUE studies
 - ↳ valuation of contracts
 - ↳ compliance
 - ↳ rev. recognition

- Purpose of call was to schedule additional calls/press for additional docs – including audit work papers

Breya (as technology rep) participated in 20 or so hours of demos of Autonomy's products via webexes/videoconferences

- Breya informed by remote demo of product technology/perform.
- Apotheker represented demos vs. hands-on product testing were normal
- Breya concluded good technology based on presentations

› Due Diligence – “Must Haves”

- HP sent Autonomy its “must-have” list regarding outstanding requests on August 7
- AU remained reluctant to produce certain non-public data – as evidenced by Johnson’s 8/8/11 email to Robison

To: Robison, Shane[shane.robison@hp.com]
Cc: Sarin, Manish[manish.sarin@hp.com]
From: Johnson, Andy (Corp Dev)
Sent: Mon 8/8/2011 8:35:13 PM
Importance: Normal
Subject: Tesla: diligence open items

Shane –

We had a productive day on diligence calls. However, there is a fundamental disconnect between the diligence ask from our end and what Tesla believes a buyer needs to accomplish through diligence. Qatalyst and Slaughter & May (their law firm) may have led them to believe that diligence for a UK public company needs to be rather perfunctory, which is inconsistent with the advice we are getting from Barclays / PW. We're focused on major diligence items, there are three areas we'd like to dig deeper on

–

› Due Diligence – KPMG Report

- KPMG believes it asked questions that should have elicited accurate information from Autonomy management re various transactions, including HW sales
- It also believes its report adequately reflects its inability to conduct numerous requested tasks because responsive information was not provided by Autonomy
 - Bold type in Appendix 1 identified procedures from SOW that could not be performed
- Neither KPMG nor those at HP who reviewed KPMG report/participated in call re report contend that KPMG identified “red flags”
- Consistent w/ practices, report not provided to Bd
 - Apotheker/Robison did not review KPMG report

› ATS – August 16, 2011 Board Meeting

- Management's presentation addressed key diligence findings (all "green"), including KPMG's findings

TESLA KEY DUE DILIGENCE FINDINGS [DRAFT]

Functional area	Key Findings
R&D/Products/ Technology	<ul style="list-style-type: none"> • Product portfolio with deep capabilities in analyzing, processing, optimizing and protecting large structured and unstructured data sets • Product capabilities and features align with synergy assumptions; cloud-based archiving/backup a strategic information asset • Strong development methodology (Agile); Unicode and globalization throughout; IDOL platform fully leveraged across products • Suited for LOB and industry-solution customization – marketing, legal and risk officer portfolio in place
Sales/OTM	<ul style="list-style-type: none"> • No significant customer concentration issues with OEM customers (IBM - \$3M, Oracle \$1M revenue contribution in FY10) • Territory-based OTM model aligned by technical product specialist; multiple sales specialists calling on the same account • Aggressively leveraged sales compensation model with uncapped plans • Internally developed sales management system critical to maintaining business momentum
Legal	<ul style="list-style-type: none"> • Review of open source practices and documentation satisfactory; Black Duck open source code scan and audit completed and reveals no significant issues • Review of inbound technology licenses reveals no material issues • Review of customer contracts, including top 40 (representing ~\$300M in committed contract value), revealed no material issues. Certain deviations from HP standards are noted for integration • On-going litigation represents no significant impact to business
Accounting/ Finance	<ul style="list-style-type: none"> • KPMG engaged to conduct accounting diligence; no material issues found • Potential \$30M tax liability due to existing Tesla transfer pricing arrangement; HP Tax will pursue risk mitigation post-closing • Post-closing need to align Tesla VSOE with HP
HR	<ul style="list-style-type: none"> • Overall HR diligence review satisfactory • UK employee options automatically accelerate upon change-in-control; US options subject to discretion of plan administrator but will likely be rolled over to HP options plan • Retention framework entails both cash and equity compensation • Top executives identified for retention to be followed by broader employee retention plans after signing

KPMG did not see language at time presentation made to Bd

- KPMG's position is that report to Bd should have described KPMG's inability to perform more than half work it had been engaged to perform (as set out in Appendix I to report)
- But Bd knew limited non-public data would be available because of UK Takeover Rules

> ATS – August 17, 2011 OD Meeting

- Chairman Lane called special Board meeting of outside directors on August 17, 2011

From: Raymond Lane <rlane@kpcb.com>

Date: August 16, 2011 6:24:12 PM PDT

To: "Whitman, Meg" <meg@megwhitman.com>, Pat Russo <pfrusso@pfrusso.com>, Gary Reiner <greiner@generalatlantic.com>, Larry Babbio <lbabbio@verizon.net>, John Hammergren <john.hammergren@mckesson.com>, Shumeet Banerji <Shumeet.Banerji@booz.com>, Raj Gupta <rajlgupta@hotmail.com>, Raj Gupta <rajlguptal@gmail.com>, Ken Thompson <kthompson@e-steel.com>, Marc Andreessen <pmarca@albz.com>, Ann Livermore <ann.livermore@hp.com>

Subject: IMPORTANT AND CONFIDENTIAL - For your eyes only

If you're feeling like me, you want to have one more discussion. I would like to have a call tomorrow morning (only independent directors, no management, no consultants). I think we have followed a good process for Hermes and Tesla, but we received new news this morning that I'm still trying to digest. I think we should discuss as a group. Ken, I understand if you can't make it due to the surgery, and I'm not requesting the whole board call-in (Dominique and Sari may find it difficult from Europe).

If you can, and I really urge you to try:

> ATS – August 17, 2011 OD Meeting

- No minutes exist for meeting
- Outside directors agreed that Lane would approach Apotheker to ask that he re-consider whether acquisition should be pursued
- Lane did so, telling Apotheker that outside directors would support decision to proceed if, after considering all factors (including those raised by Lesjak), Apotheker still believed acquisition should go forward
- Apotheker came back to Lane and recommended that HP go forward with acquisition

Shareholder Reaction

- Following announcement, Moody's downgraded HP's outlook to negative from stable
 - HP's share price declined
 - > Shares were down 20% (or \$5.91) on Aug. 19
 - Perella had advised HP of likely share price decline, but actual decline was greater than expected

To: Lesjak, Cathie [cathie.lesjak@hp.com]
 Cc: McMullen, John (HP Treasury) [john.mcmullen@hp.com]
 From: Sharan, Nitesh
 Sent: Fri 8/19/2011 11:08:51 AM
 Importance: Normal
 Subject: FW: Moody's - confidential

FW: negative outlook from Moody's. We are talking with Fitch later today.

-----Original Message-----
 From: Lane, Richard (CFO HP Tech) [mailto:Richard.Lane@moody's.com]
 Sent: Friday, August 19, 2011 8:45 AM
 To: Sharan, Nitesh
 Cc: McMullen, John (HP Treasury)
 Subject: Moody's - confidential

CONFIDENTIAL DRAFT FOR YOUR REVIEW. WE PLAN TO RELEASE THIS WITHIN THE HOUR.

Regards,
 Rick

Moody's revises the outlook of Hewlett-Packard (A2/P-1) to negative.
 Approximately \$19 billion of debt securities affected.

Moody's Investors Service changed the ratings outlook of Hewlett-Packard (A2 long-term, P-1 short term) to negative from stable. This action follows HP's announcement of: 1) an agreement to acquire UK-based software firm, Autonomy Corporation plc (not rated) for approximately \$11.7 billion that is likely to partially debt funded, 2) the potential spinoff of its personal computer business, and 3) the shutdown of its tablet and smartphone activities, and 4) a downward revision to company's financial performance over at least the near term.

From: HP News Dept
 Sent: Mon 8/22/2011 9:53:12 AM
 Importance: Normal
 Subject: Daily News Digest for Monday, Aug. 22, 2011

Daily News Digest Daily News Digest
 HP Restricted. Forward to you by the HP News Dept. See subscription and usage guidelines [link]
 Monday, Aug. 22, 2011 | HPOQ at 7:32 AM PT: 25.09 +1.49 (+6.33%)

Today's HP news highlights:

- **Analysts, shareholders respond to HP transformation.** Analysts and outlets continue to respond to the major strategic shift HP announced on Thursday, with several directly targeting HP's Leo Apotheker with their frustration. Many claim that the move comes at a bad time, as earnings growth has recently slowed for many of the company's businesses, a number of which are attached to HP's PC business. Some articles say HP appears to be reacting to volatile market conditions and investor fears rather than embarking on a confident direction. Investors also did not take the news well, sending shares down almost 20 percent on Friday; some outlets cite HP's acquisition of Autonomy at an 80 percent premium, others the decision to sell PSG and discontinue all webOS mobile-device efforts. To address these concerns, Apotheker will meet with shareholders in NYC, Boston and London to clarify the company's direction and strategy. Apotheker, HP's Cathie Lesjak, and HP's Ray Lane are reportedly working to calm investors, acknowledging the breadth of the recent changes. [Wall Street Journal \(1\)](#); [MarketWatch \(1\)](#); [MarketWatch \(2\)](#); [Barron's \(blog\)](#); [MarketWatch \(3\)](#); [Investor's Business Daily](#); [MSNBC](#); [BBC](#); [ZDNet](#); [Wall Street Journal \(2\)](#); [Dow Jones \(also Wall Street Journal\)](#); [Bloomberg Businessweek](#); [Wall Street Journal \(3\)](#); [TheStreet](#); [Financial Times](#)

> Shareholder Reaction

- Examples of investor correspondence

To: Lesjak, Cathie[cathie.lesjak@hp.com]
 Cc: Wagle, Sushi[Sushi.Wagle@ampf.com]
 From: Wick, Paul
 Sent: Fri 8/19/2011 2:29:16 PM
 Importance: Normal
 Subject: You have let us down

Cathy,

How could you let these horrible decisions (like Autonomy) come to pass?

We had reservations about Leo, but figured since you were there, nothing stupid would happen. If you had stepped up to the plate and become permanent CEO, the present calamity would have been averted.

The board and management team of HP have rapidly destroyed all of the prior wealth created over the past 7 years.

Is there an HP shareholder vote to approve buying Autonomy? If so, we will vote against it (if we haven't puked all of our stock by then).

Paul Wick

From: David C. Hoefft [mailto:DCH@dodgeandcox.com]
 Sent: Sunday, August 21, 2011 9:12 AM
 To: Fieler, Steven J.
 Subject: Options

2. Scuttle the Autonomy deal, repurpose cash for repo. I get that Leo/BoD are committed to the deal but that was at a materially higher price - their obligations, roles, and opportunity sets have arguably changed since then. I dislike more than almost anyone else the notion that strategy be dictated by stock price, but to ignore the facts and consider alternatives just isn't an option at this point. Huge breakup fee would be a very small price to pay for extrication.

From: Mullick, Basu [mailto:BMullick@nb.com]
 Sent: Tuesday, August 23, 2011 8:32 AM
 To: Lesjak, Cathie
 Subject:

Dear Cathie: I have to tell you I have the highest regard for you as a CFO and an interim CEO. As we articulated, we are not happy with the Autonomy purchase. I would like to speak with you directly, if possible. Thank you.

 UBS Global Asset Management

August 26, 2011

Raymond J. Lane

We do not support the decision by Hewlett Packard's management and board of directors to pursue the Autonomy acquisition at this price. The price of the acquisition, and the implicit message to shareholders that further strategic acquisitions are likely, in our view was the primary cause of significant decline in the price of the company's stock since details of the deal became public.

We believe our opinions are broadly shared by other shareholders. We therefore encourage the board of directors to:

- Terminate the agreement to purchase Autonomy.
- Plan and announce an accelerated share repurchase.
- Expedite and publicly announce a decision on the fate of the PSG group.
- Ensure that Hewlett Packard's services business is under control and improve the execution of this business.