

## EXHIBIT 5

**From:** Sarin, Manish  
**To:** Johnson, Andy (Corp Dev)  
**Sent:** 8/4/2011 12:19:06 AM  
**Subject:** FW: Status update  
**Attachments:** Tesla - due diligence status August 3, 2011.docx; Tesla - key finance and tax requests.docx

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**From:** Gersh, Andrew [mailto:agersh@kpmg.com]  
**Sent:** Wednesday, August 03, 2011 9:01 PM  
**To:** Sarin, Manish; Hsiao, Emily (SCD); Bhagat, Varoon; Blank, John; Strathmeier, Allison; Harvey, Kathryn  
**Cc:** Boggs Jr, James L; Hanley, Richard; Thomas, Rusty  
**Subject:** Status update

Manish

Attached is a status summary and a list of our key due diligence requests. We are in the process of quantifying the potential risk around the U.S. transfer pricing rate. I should have the estimate by tomorrow morning.

Please give me a call if you have any questions or require further information.

Best regards

Andy

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**Project Tesla – Accounting and tax due diligence status**

- Accounting and tax due diligence ongoing:
  - Due diligence to date solely based on telephone discussions with oral representations from CFO
  - No non-public contract, accounting, or financial data provided to date
  - Some tax structuring opinions and revenue clearance approvals provided
- Target has reported the following results over the last three years:

Summary income statements					
\$m	2008	2009	2010	H1 2010	H1 2011
<b>Adjusted results</b>					
Revenue	503.2	739.7	870.4	415.3	476.0
Gross profit	458.2	651.9	758.9	363.4	417.4
Gross margin (%)	91.1%	88.1%	87.2%	87.5%	87.7%
Operating income	200.6	306.8	356.0	170.8	192.8
Operating income (%)	39.9%	41.5%	40.9%	41.1%	40.5%

Source: Annual and quarterly reports

Adjusted: Eliminates intangible amortization arising from acquisitions, the adjustment for intangible R&D capitalization, and acquisition integration expenses.

- Data and contracts required to validate U.S. GAAP revenue recognition and reported organic growth rates (17% in 2010)
- U.S. and HP GAAP vs. IFRS differences
  - Revenue recognition
  - Capitalization of R&D expense – Impact in 2010 \$21 million increase in R&D expense under U.S. GAAP
  - Other less significant differences
- Balance sheet
  - Convertible notes and bank loans – \$780 million plus accrued interest and make whole payment.
  - Other change in control clauses – incentive compensation and sponsorship – management quantifying
  - Tax reserves \$7 million – potential increase required for transfer pricing risks \$[ ] million.
- Acquisition accounting (directional estimates)
  - Deferred revenue at June 30 of \$193 million – fair value about \$50 million
  - Backlog at June 30 of \$272 million – expected to unwind over three to five years. Post-acquisition profit contribution after amortization about \$100 million
- Estimated 2011 effective tax rate 25%

**Project Tesla – Key finance and tax requests**

Objective	Requests
<b>Revenue recognition</b>  Confirm revenue recognition consistent with U.S. GAAP and HP policies	<ol style="list-style-type: none"> <li>1. Access to auditor work papers and internal audit reports</li> <li>2. Customer contracts split by major line of business (Licensing, OEM, Hosted, SAS, etc.)</li> <li>3. Accounting white papers relating to customer contracts and revenue recognition policies</li> <li>4. Detailed revenue recognition policies</li> <li>5. VSOE of fair value studies</li> <li>6. Summary of how revenue was recognized for each significant contract</li> <li>7. List of contracts with extended payment terms greater than 90 days</li> </ol>
<b>Organic revenue growth</b>  Validate organic vs. acquisition growth rates for historical periods	<ol style="list-style-type: none"> <li>1. Revenue database/analysis by type of customer/product/channel by month/quarter for the last two and half years, identifying where possible, revenue attributable to acquired products</li> <li>2. Composition of historical commit backlog by quarter including additions/deletions</li> <li>3. Current and historical sales pipeline and backlog including analysis of conversion rates and timing</li> <li>4. Book value and fair value of acquired deferred revenue recognized 2009 to H1 2011 and the recognition of that deferred revenue by quarter since acquisition</li> </ol>
<b>Acquisition integration</b>  Understand status of acquisitions – integration and impact on historical results	<ol style="list-style-type: none"> <li>1. Last six months integration status reports</li> <li>2. Analysis of product substitution from legacy products to IDOL platform</li> <li>3. Analysis performed internally for each acquisition around synergies, level of integration, performance against investment case</li> <li>4. Summary of outstanding integration risks e.g. integration of IT systems</li> <li>5. Analysis of all acquisition accounting reserves related for 2009 to H1 2011 covering charges/releases of reserves to income statements and composition and usage of restructuring and other provisions.</li> </ol>