



HP Initiates Company Transformation

Frequently asked questions

Aug. 18, 2011

1. What did HP announce today?

- HP (NYSE: HPQ) and Autonomy Corporation PLC (LSE: AU. or AU.L) announced the terms of a recommended all cash offer by HP's wholly-owned subsidiary, HP Vision B.V., for all of the issued and to be issued shares of Autonomy for £25.50 (\$42.11) per share in cash (the "Offer"). The transaction was unanimously approved by the boards of directors of both HP and Autonomy. The Autonomy board of directors has also unanimously recommended its shareholders accept the Offer.
- The HP board of directors has authorized HP management to explore strategic alternatives for the company's Personal Systems Group (PSG), which range from spinning off the business to public shareholders, selling the business or keeping the business. HP management, together with its financial and legal advisers, will explore these strategic alternatives. Between now and the completion of the analysis and subsequent board decision, we expect that there will be no changes in the daily activities at PSG.
- In addition, we have made the difficult but necessary decision to discontinue the device operations of our webOS global business unit within the fourth quarter of fiscal year 2011. We will explore alternatives to optimize the value of the software platform.

2. Why are you doing this now?

- Today's announcements are about transforming HP for the future to address the challenges we face in our business and driving shareholder value.
- Acting now accelerates our strategic positioning, improves our financial model and focuses our execution.
- HP is taking bold, transformative steps to position the company as the leader in the evolving information economy.



- These announcements are the continued execution of the strategy we outlined in March.
- We are actively managing the portfolio and making the right investments for HP's future.
 - We are investing in software intellectual property (IP) to drive improved mix and margin through differentiated, higher value solutions.
- A post-transaction HP will continue to help its customers manage the information explosion and address their most critical needs through a portfolio that spans printing, software, services, servers, storage and networking.

3. How does the Autonomy transaction align with the company's long-term strategy?

- Autonomy presents an opportunity to accelerate our strategic vision to decisively and profitably lead a large and growing space.
- Autonomy brings to HP higher value business solutions that will help customers manage the explosion of information.
- Together with Autonomy, HP plans to reinvent how unstructured and structured data is processed, analyzed, optimized, automated and protected.
- Autonomy has an attractive business model, including a strong cloud based solution set, which is aligned with HP's efforts to improve our portfolio mix.
- We believe this bold action will squarely position HP in software and information to create the next-generation Information Platform, and thereby, create significant value for our shareholders.

4. How long will the offer of Autonomy take to complete?

- The acquisition of Autonomy is expected to be completed by the end of calendar year 2011.

5. Can you describe the process of evaluating strategic alternatives with regard to PSG? When will you make a decision?



- HP management, together with its financial and legal advisers, will explore strategic alternatives, including, among others, the evaluation of separating PSG from HP through a spin-off or other transaction that would likely be tax free to U.S. shareholders.
- HP expects that the process could be completed within approximately 12-18 months.

6. Do you expect there to be customer disruption with such a large integration and evaluation of strategic alternatives happening at the same time?

- Our dedication and service to our customers has always been a priority.
- We are confident that everyone in the organization recognizes that our customers are incredibly important and that we need to continue to provide them with the same level of innovation, service and dedication they have come to expect from HP.

7. What are your integration plans for consolidating HP and Autonomy?

- We are pleased that Dr. Mike Lynch, the founder and chief executive officer of Autonomy, will continue to lead the Autonomy business and after close of the transaction will report to Léo Apotheker, HP president and chief executive officer.
- Following the close of the transaction, Autonomy will operate separately.

8. What decisions have been made for webOS?

- We are discontinuing the device side of webOS within the fourth quarter of fiscal year 2011. webOS has been praised for being elegantly designed and is a respected platform. We are exploring options for how best to optimize the value of webOS software going forward.
- webOS devices have not gained enough traction with consumers. Due to market dynamics, significant competition and a rapidly changing environment, continuing to execute our current device approach is not in the best interest of HP and its shareholders.



9. Will services continue to be a top priority?

- As we've discussed the past two quarters, we're focused on transforming our services business.
- While we feel good about the progress and increased level of rigor we're building, this will be a multiquarter journey.
- We are pleased to announce that John Visentin will become the new executive vice president of HP Enterprise Services.
 - With a solid track record of success in this arena at IBM, where he served as general manager of the Integrated Technology Services unit, Visentin has brought his extensive experience to HP where he has been fully invested in our business for the past several months and is already demonstrating his leadership.
- We understand we have more work to do in services and that there are areas requiring additional efforts to fuel growth and reposition the portfolio towards higher value added solutions, but we are confident in the path forward.

10. How does IPG fit your go-forward strategy?

- IPG is an important and profitable business for HP and solidly fits HP's overall strategy.
- IPG has double digit margins supported by industry-leading IP and innovation, and it is aligned with HP's strategy.
- This business is leading the reinvention of traditional analog printing as more pages shift to digital.
- Opportunity to expand commercial strengths including document and content management and managed print solutions.
- Autonomy provides HP with a content management platform and accelerates a major component of the IPG enterprise strategy to continue its growth of document and content management and higher value commercial printing opportunities.



Forward-looking statements

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