

Mark Press Conference Remarks

- Thanks Bob, and thanks for joining us today
- I felt it was important to meet with you ... there's been an extensive amount written about us in the media and we've not really been in a position to respond with a higher certainty of the facts until now
- And I know you have been clamoring for details
- My goal from the beginning has been to be as transparent as possible but also as accurate as possible
- I wanted the opportunity to share the facts, outline our actions and next steps within the constraints of the ongoing investigation
- Before I begin, I want to reiterate that this has nothing to do with the strategy or operations of Hewlett-Packard or frankly the vast majority of the people of HP
- The company has made tremendous progress in our business operations and this is a testament to the hard work and contributions of everyone at Hewlett-Packard.

Let me tell you why I haven't communicated earlier and why I am speaking with you now.

- First, this is a complicated situation, and the more I look into it, the more complicated it becomes
- As of today, we still do not have all the facts.
- I also cannot guarantee that we will ever be able to obtain all of the information regarding this investigation.
- This is due to its complexity and number of people involved, with many of them being outside the company
- Having said that, I think we have a sufficient understanding of what has transpired around the investigations and I want to share that with you.

- Now turning to the facts – what happened and when they happened and my knowledge of certain events
- As many of you know, unfortunately, there has been a history of company information leaking from within the HP board.
- This is clearly in violation of HP's Standards of Business Conduct, our ethics policy that apply to all employees and all board members
- I feel very strongly that leaks hurt the company's reputation and its ability to operate effectively
- It was the responsibility of the HP Chairman to pursue the leak situation.

- This was taken very seriously and this was an appropriate course of action
- I want to be clear that there were two phases to the investigation
- The first phase yielded inconclusive results.
- In the 2nd phase, while many of the right processes in were place, they unfortunately broke down and no-one in the management chain including me, caught them
- Now let me address my knowledge of the events
- I understood there was an investigation into leaks from the board
- And in July 2005, I attended a brief portion of a meeting at which the results of the first phase of the investigation were discussed.
- In January 2006 the HP Chairman asked to use HP resources to investigate the leaks
- In, I believe, February 2006, I was informed by the investigation team that they intended to send an email containing false information in an effort to identify the source of the leaks.
- I was asked to, and did approve the naming convention that was used in the content of that email.
- I do not recall seeing nor do I recall approving the use of tracer technology

- In March 2006, I attended a meeting at which a verbal summary of the 2nd phase of the investigation was provided
- Specifically that the investigative team had identified the source of the leaks.
- I understand there is also written report of the investigation addressed to me and others but I did not read it.
- I could have, and I should have

- These events culminated in a discussion at the May board meeting about the results of the investigation.
- The trigger for me was in the form of an email I received in several weeks after the May board meeting
- As a result it was escalated to the board which appointed outside Counsel to do an investigation.
- This indicated there were some issues with the processes that required yet further investigation

- On September 8, I retained the outside law firm of Morgan, Lewis to conduct a more comprehensive examination.
- Morgan Lewis reports to me, not to the HP Board.
- I take this responsibility very seriously and I commit to get to the bottom of this.

- I believe we now have a number of the substantial facts, and although there may be others, I am confident that we have a good understanding of what has transpired around the investigations
- I will say that some of the findings that Morgan Lewis has uncovered are very disturbing to me.

- On behalf of HP I extend my sincere apologies to those journalists who were investigated and everyone who was impacted.
- HP has a distinguished history of conducting business with uncompromising integrity.
- We believe that these were isolated instances of impropriety and not indicative of how we conduct business at HP

- As we have said from the start, the intent of the investigation was absolutely proper and appropriate.
- The fact that we had leaks on board had to be resolved.
- But the inappropriate techniques that were applied do not reflect the values of Hewlett-Packard.
- These have no place in the company.
- Integrity is core to everything we stand for both within HP and in our dealings with our customers.

Today we announced the following, effective immediately:

- We have accepted the resignation of our Chairman and Director Patricia Dunn
- I want to take this opportunity to thank Pattie for her 8 years of service on HP's board. She has contributed greatly to our company during a period of unprecedented growth and development.
- I have been appointed to the additional role of HP Chairman
- Richard Hackborn has been named lead independent director of the company
- The company also appointed Bart M. Schwartz, a former U.S. prosecutor, as counsel, to perform a forward looking and independent review of investigative methods and the company's Standards of Business Conduct processes.
- This will ensure we have the appropriate level of rigor and discipline so we can be assured that this type of situation can never occur again
- In summary, what began as an investigation with the best intentions has ended up turning in a direction we could not have possibly anticipated
- The people of HP don't deserve this nor do any of the people who were impacted

- Now we know the depth of what has transpired, I take full accountability to drive the actions to set it right.
- HP is a remarkable company with tremendous assets in its talented employees, loyal customers and innovative products and solutions
- But it has always been our deep values and beliefs that have set us apart from our competitors and made HP a place where people want to work and customers want to buy from
- Our job is to fix this and get back to the job of running a business, serving customers and delivering on our commitments.
- I feel so strongly about this that I volunteered to share what I know with the Committee on Energy and Commerce next week in Washington
- I'm going to leave my comments there for now and hand the floor over to Mike Holston from Morgan Lewis. Mike's going to provide more detail into the scope, methods and details of Morgan Lewis' analysis