

Congress of the United States
House of Representatives
Washington, D.C. 20515

January 19, 2007

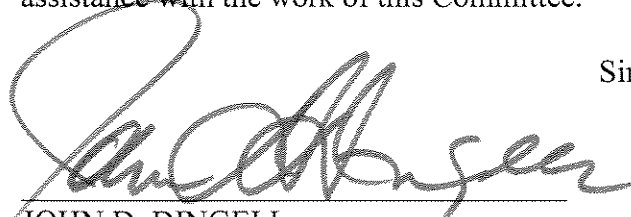
The Honorable Christopher Cox
Chairman
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Dear Chairman Cox:

We are writing with respect to the enclosed letter, dated December 21, 2006, from Mr. Mark Hurd, Chairman & Chief Executive Officer of Hewlett-Packard Company, regarding the facts and circumstances pertaining to his exercise of options and sale of underlying shares on August 25, 2006.

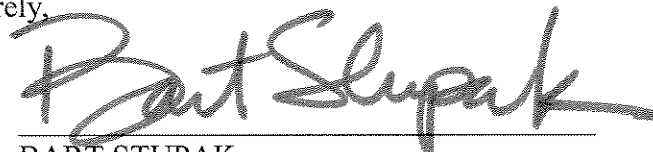
While we seek the Commission's views on the relevant factual and legal issues involved in this matter, including transactions by other Hewlett-Packard officers and directors allegedly in possession of material non-public information subsequently disclosed by the company in its Securities and Exchange (SEC) filings, we understand that it is the Commission's general policy not to comment about the existence or status of any particular matter that might be examined in connection with the agency's law enforcement responsibilities. This policy is designed to assure the integrity of the investigative process in appearance as well as in fact. See Securities and Exchange Commission v. Wheeling-Pittsburgh Steel Corp., 482 F. Supp. 555 (W.D. Pa. 1979), vacated and remanded, 648 F. 2d 118 (3d Cir. 1981). Public sources report that there is pending both an SEC investigation and civil litigation on this issue. We therefore request that you inform us when the investigation is closed and, at that time, whether any violations of the Federal securities laws have occurred.

Thank you for your cooperation and attention to our request. We appreciate your assistance with the work of this Committee.



JOHN D. DINGELL
CHAIRMAN
COMMITTEE ON ENERGY AND
COMMERCE

Sincerely,



BART STUPAK
CHAIRMAN
SUBCOMMITTEE ON OVERSIGHT
AND INVESTIGATIONS

Enclosure

The Honorable Christopher Cox
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cc: The Honorable Joe Barton, Ranking Member
Committee on Energy and Commerce

The Honorable Ed Whitfield, Ranking Member
Subcommittee on Oversight and Investigations



Hewlett-Packard Company
3000 Hanover Street
Palo Alto, CA 94304
www.hp.com

Mark Hurd
Chairman & Chief Executive Officer

December 21, 2006

John D. Dingell (Ranking Member)
Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, D.C. 20515

Bart Stupak (Ranking Member)
Subcommittee on Oversight and
Investigations
Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, D.C. 20515

Re: Hewlett-Packard Company ("HP")

Dear Congressmen Dingell and Stupak:

Thank you for your December 12, 2006 letter. I appreciate the opportunity to describe the facts and circumstances pertaining to my sale of a small portion of the HP stock I own.

During the last few years, I have periodically sold stock to diversify my investments. This investment strategy was established based upon the advice of my financial planner and my broker. On August 25, 2006, I exercised 100,000 options and sold the underlying shares in the normal course of executing on this strategy and during a regularly scheduled trading window for section 16 officers and directors ("August Trade"). The proceeds of the August Trade, net of taxes, were used to purchase bonds to offset my sizeable holdings of HP stock and options.

The decisions and trade I made are consistent with the legal opinion I received from HP Legal in advance of making the August Trade. I specifically asked HP Legal whether I could exercise a portion of my vested options and sell the underlying shares during the regularly scheduled August 18 to September 7 trading window and was advised that the proposed transaction would be "consistent with HP policy and applicable statutes and regulations." See August 22, 2006 e-mail from HP Legal to Mark Hurd (a copy of which is attached to this letter).



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I gather that the Committee's interest in the August Trade stems from the events that have transpired over the last few months. Let me assure you that the particular trade you have inquired about was totally unrelated to the interview I voluntarily gave as part of the so-called "investigation of the leak investigation." I began the process of exercising my stock options prior to anyone asking to interview me and the trade was completed before that interview occurred. Besides the August 25 date was not a deliberately chosen date for the trade, but the date when all of the required steps to make a trade had been completed.

My August Trade was not a case of "bullet-dodging." That trade represented less than 5% of my vested and unvested HP stock and options and involved less than one-third of the options I could have exercised and sold at the time. Furthermore, the events of the last few months, while involving serious matters requiring immediate action by the Company, did not relate to HP's operations or financial performance and did not affect HP's share price (HP stock has risen by more than \$5 per share since the date of the trade and by more than \$4 per share since the Committee issued its original letter of inquiry on September 11, 2006).

The trade also had absolutely nothing whatsoever to do with the practice of "back-dating" or "spring-loading" options which has been of concern in public policy circles. The options I exercised in August 2006 were granted more than a year earlier (April 1, 2005) and as part of my accepting the position as HP's Chief Executive Officer. The options were priced at the then existing market price for HP stock and the vesting schedule, which was set at the time the options were granted, has not been altered.

You also have asked whether "any other HP officers or directors engaged in similar transactions during this time period." If by similar transactions during this time period you mean the sale of HP stock during the August 18 to September 7 trading window, then the answer is yes. To the best of HP's knowledge, the attachment to your letter accurately reflects such trades by section 16 officers and directors. While I do not know the details of those transactions, I have no reason to believe they were anything other than right and proper.



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As CEO and Chairman of the Board, I am fully committed to growing HP's businesses and building real value for its shareholders. As the owner of a substantial amount of HP stock and options, I remain personally invested in achieving that goal. With the talent and dedication of the many great HP employees to draw upon, I am confident we will succeed.

Thank you again for the opportunity to address this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark V. Hurd', written in a cursive style.

Mark V. Hurd

cc: Congressman Joe Barton
Congressman Ed Whitfield
Commissioner Christopher Cox
Stephen Ryan, Esquire

Hurd, Mark

From: Baskins, Ann
Sent: Tuesday, August 22, 2006 6:32 PM
To: Hurd, Mark
Cc: Charnas, Charles N; Baskins, Ann
Subject: Option Exercise and Sale

Mark,

This will confirm that Charles and I have conferred on your proposed partial exercise of a vested, in-the-money HP stock option and the sale of the underlying shares. We are of the view that those transactions are consistent with HP policy and applicable statutes and regulations, so long as the sale occurs during the current trading window, which opened last Friday and which is scheduled to remain open through and including September 7, 2006.

As with all HP stock transactions, please make sure that you or your broker immediately provide us with trade information so that Charles' team can prepare and file a Form 4 covering the transaction(s) on a timely basis.

Regards,
Ann