

The Depository Trust Company
IMPORTANT

B#: 1400
DATE: February 02, 2001
TO: All Participants
CATEGORY: Dividends
FROM: Anthony Capizzi, Domestic Tax Services, Dividend Dept.
ATTENTION: Managing Partner/Officer, Cashier, Dividend Mgr. Tax Mgr.
SUBJECT: Hewlett-Packard Company
CUSIP# 428236103
2000 Tax Information

The attached correspondence containing tax information was received by the Depository Trust Company. If applicable please consult your tax advisor to assure proper treatment of this event.

Attachment

IMPORTANT U.S. TAX INFORMATION FOR AGILENT SPIN-OFF

January 10, 2001

Dear Hewlett-Packard Shareowner:

After market close on June 2, 2000, Hewlett-Packard Company distributed a dividend of shares of common stock of Agilent Technologies, Inc. owned by Hewlett-Packard to holders of record of Hewlett-Packard common stock as of 5 p.m. Eastern time on May 2, 2000 (or, as applicable, their successors in interest). You received .3814 shares of Agilent Technologies for each Hewlett-Packard share owned by you (or, as applicable, your predecessor in interest) as of the record date.

No certificates or scrip representing fractional shares were issued. Instead, Computershare Investor Services (previously known as Harris Trust & Savings Bank), our distribution agent, aggregated all fractional shares into whole shares and sold them in the open market on behalf of Hewlett-Packard shareowners who otherwise would be entitled to receive fractional shares. The total net proceeds of such sales were distributed in cash to those Hewlett-Packard shareowners who were otherwise entitled to receive fractional shares on a pro rata basis.

Hewlett-Packard has received a ruling from the U.S. Internal Revenue Service that a Hewlett-Packard shareowner's receipt of whole shares of Agilent Technologies stock is tax-free for U.S. Federal income tax purposes. If you sell, or have sold, the Agilent Technologies shares, you will have, or have incurred, taxable gain or loss equal to the difference between your sales proceeds and your tax basis in the shares. For most taxpayers, the tax basis in acquired shares will generally equal the original price paid for those shares. To determine your tax basis in your Hewlett-Packard shares, you must first determine (1) the date on which you acquired your Hewlett-Packard shares, and (2) the cost of your shares on that date. Because Hewlett-Packard has declared stock splits in the past, your tax basis in any Hewlett-Packard shares acquired prior to a stock split must be divided between the shares you held prior to a stock split and the shares you received pursuant to a stock split. **In order to assist you in determining your tax basis in your Hewlett-Packard shares, we are providing a worksheet to be completed by you prior to allocating your tax basis between your Hewlett-Packard shares and your Agilent Technologies shares.**

Once you have determined the tax basis that you had in your Hewlett-Packard shares, you will then have to allocate that tax basis between your Hewlett-Packard shares and your Agilent Technologies shares based on their relative fair market values on the distribution date. One method for valuing your Hewlett-Packard shares and Agilent Technologies shares for purposes of allocating tax basis would be to use the fair market values of Hewlett-Packard common stock and Agilent Technologies common stock as of the close of trading on June 2, 2000, which was the final day of trading before the distribution. On June 2, 2000, the reported closing price on the New York Stock Exchange for Hewlett-Packard common stock was \$142.06 per share and the closing price on the New York Stock Exchange for Agilent Technologies common stock was \$81.875 per share. Using these valuations (after adjusting the \$142.06 closing price to deduct the value attributable to Agilent stock inherent in the market price, i.e., $\$81.875 \times .3814$), 78% of your pre-distribution tax basis in your Hewlett-Packard shares should be allocated to your Hewlett-Packard shares, and the remaining 22% should be allocated to your Agilent Technologies shares (including any fractional share interest). You should consult your tax advisor regarding the application of this calculation to your particular circumstances.

A sample calculation follows:

Assume you own 100 shares of Hewlett-Packard stock with a \$70 per share tax basis for a total tax basis of \$7,000, and you received 38 whole shares of Agilent Technologies stock (and cash representing .14 fractional shares) as a result of the distribution. Your total tax basis in your Hewlett-Packard shares would be reduced to \$5,460 (78% of \$7,000), or \$54.60 per share (\$5,460 divided by 100 shares). Your total tax basis in your Agilent Technologies shares (including your .14 fractional share interest) would be \$1,540 (22% of \$7,000), or \$40.37 per share (\$1,540 divided by 38.14 shares).

The receipt of cash in lieu of fractional shares results in the recognition of gain or loss for U.S. Federal income tax purposes, measured by the difference between the cash you received for such fractional shares and your

**INFORMATION STATEMENT
TO THE INTERNAL REVENUE SERVICE**

**Statement of shareowner receiving a distribution of stock
of Agilent Technologies, Inc. pursuant to
Treasury Regulation Section 1.355-5(b)**

1. The undersigned, a shareowner owning shares of Hewlett-Packard Company common stock as of 5 p.m. Eastern time on the May 2, 2000 record date (or, as applicable, a successor in interest to such shareowner), received a distribution of common stock of Agilent Technologies, Inc., a controlled corporation, pursuant to a transaction (the "Transaction") to which Section 355 of the Internal Revenue Code of 1986, as amended (the "Code") applies, after market close on June 2, 2000.
2. The names and addresses of the corporations involved are:

Hewlett-Packard Company
3000 Hanover Street
Palo Alto, CA 94304

Agilent Technologies, Inc.
395 Page Mill Road
Palo Alto, CA 94306
3. No stock or securities of Hewlett-Packard Company were surrendered by the undersigned in the Transaction.
4. The undersigned received _____ shares of Agilent Technologies, Inc. common stock (including fractional share interests) in the Transaction.
5. Hewlett-Packard Company has received a private letter ruling from the Internal Revenue Service to the effect that the distribution of shares of Agilent Technologies, Inc. common stock qualifies as a tax-free distribution under Section 355 of the Code.

Date

Signature of Shareowner

NOTE: Please complete this form and attach to your 2000 Federal income tax return.

TAX BASIS WORKSHEET

TO BE USED IN CALCULATING YOUR TAX BASIS IN YOUR SHARES OF AGILENT TECHNOLOGIES STOCK DISTRIBUTED ON JUNE 2, 2000

This worksheet is provided to assist you in calculating your tax basis in your shares of Hewlett-Packard stock to which the distribution of Agilent Technologies stock applies. You need to complete these calculations in order to allocate this tax basis between your Hewlett-Packard shares and the Agilent Technologies shares distributed to you on June 2, 2000. In order to complete this worksheet properly, you must first determine (1) the date on which you acquired your Hewlett-Packard shares, and (2) the cost of your shares on that date. **If you acquired your Hewlett-Packard shares on more than one occasion, you will need to fill out this worksheet separately for each such acquisition.**

Hewlett-Packard Shares Acquired Before 9/15/1960

Original cost per share of Hewlett-Packard stock _____(A)
Divide (A) by 192 to determine your tax basis _____(B)

Hewlett-Packard Shares Acquired On Or After 9/15/1960 And Before 3/18/1970

Original cost per share of Hewlett-Packard stock _____(A)
Divide (A) by 64 to determine your tax basis _____(B)

Hewlett-Packard Shares Acquired On Or After 3/18/1970 And Before 7/30/1979

Original cost per share of Hewlett-Packard stock _____(A)
Divide (A) by 32 to determine your tax basis _____(B)

Hewlett-Packard Shares Acquired On Or After 7/30/1979 And Before 7/17/1981

Original cost per share of Hewlett-Packard stock _____(A)
Divide (A) by 16 to determine your tax basis _____(B)

Hewlett-Packard Shares Acquired On Or After 7/17/1981 And Before 8/25/1983

Original cost per share of Hewlett-Packard stock _____(A)
Divide (A) by 8 to determine your tax basis _____(B)

Hewlett-Packard Shares Acquired On Or After 8/25/1983 And Before 4/13/1995

Original cost per share of Hewlett-Packard stock _____(A)
Divide (A) by 4 to determine your tax basis _____(B)

Hewlett-Packard Shares Acquired On Or After 4/13/1995 And Before 7/15/1996

Original cost per share of Hewlett-Packard stock _____(A)
Divide (A) by 2 to determine your tax basis _____(B)

Hewlett-Packard Shares Acquired On Or After 7/15/1996

If you acquired Hewlett-Packard shares on or after July 15, 1996, your tax basis in each of your shares is equal to your original cost of those shares.

PLEASE CONSULT YOUR TAX ADVISOR FOR MORE INFORMATION