

## **Important U.S. Federal Income Tax Information for Shareholders Concerning the Hewlett Packard Enterprise Company Common Stock Distribution**

November 11, 2015

Dear Shareholder,

On September 30, 2015 the Board of Directors of Hewlett-Packard Company (“HP Co.”) declared a pro rata dividend to HP Co. common stockholders of record as of the close of business on October 21, 2015 (the “Record Date”) of 100% of the outstanding shares of Hewlett Packard Enterprise Company (“Hewlett Packard Enterprise”) common stock payable on November 1, 2015 (the “Distribution Date”). On the Distribution Date, HP Co. completed the distribution of 100% of the outstanding shares of Hewlett Packard Enterprise (the “Distribution”) and each shareholder who held HP Co. common stock on the Record Date in the “regular way”<sup>1</sup> market received one (1) share of Hewlett Packard Enterprise common stock for each share of HP Co. common stock owned on the Record Date. Each shareholder who owned a fractional share of HP Co. common stock received a cash payment in lieu of a fractional share of Hewlett Packard Enterprise common stock.

This letter explains certain U.S. federal income tax consequences of the Distribution and describes how to allocate your tax basis between your HP Co. common stock and the Hewlett Packard Enterprise common stock you received in the Distribution.

**Tax Treatment of the Distribution.** On November 1, 2015, HP Co. received opinions of counsel from each of Wachtell, Lipton, Rosen & Katz and Skadden, Arps, Slate, Meagher & Flom, concluding, based on certain representations of HP Co. and Hewlett Packard Enterprise with respect to (among other things) the activities of HP Co. and Hewlett Packard Enterprise following the Distribution, that the Distribution “will” qualify as a reorganization within the meaning of sections 368(a)(1)(D) and 355 of the Internal Revenue Code of 1986, as amended (the “Code”). As a result, you will generally not recognize gain or loss for U.S. federal income tax purposes on receipt of the Hewlett Packard Enterprise common stock in the Distribution. If, however, you receive cash in lieu of fractional shares you may recognize taxable gain or loss as described below.

**Fractional Shares.** Any cash distributed to you in lieu of fractional shares is meant to avoid the expense and inconvenience to Hewlett Packard Enterprise of issuing and maintaining fractional shares. If you receive cash in lieu of a fractional share, such receipt should be treated as though you received solely Hewlett Packard Enterprise common stock, and then that portion of deemed-received Hewlett Packard Enterprise common stock that corresponds to the fractional share was separately redeemed, for the cash that was actually received. Any gain or loss is measured by the difference between the basis of the fractional share interest in Hewlett Packard Enterprise common stock to which you would otherwise be entitled and the amount of cash you received.

**Tax Basis.** For U.S. federal income tax purposes, your aggregate tax basis in the HP Co. common stock you owned immediately before the Spinoff (and after any reduction arising from the fractional share cash distributions described above) must be allocated between your HP Co. common stock and the shares

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<sup>1</sup> Shares of HP Co. common stock that traded in the “regular-way” market on the New York Stock Exchange prior to the Distribution Date traded with an entitlement to shares of Hewlett Packard Enterprise common stock distributed on the Distribution Date. Shares that traded in the “ex-distribution” market traded without an entitlement to shares of Hewlett Packard Enterprise common stock.

of Hewlett Packard Enterprise common stock you received in the Distribution (including any remaining basis in fractional shares for which you received cash).

This allocation is based on the relative fair market values of your HP Co. common stock and your Hewlett Packard Enterprise common stock as of the date of the Distribution. Although U.S federal income tax laws do not specify how to determine fair market value, one approach is to use the average of the opening and closing trading prices quoted on the New York Stock Exchange on November 2, 2015, the first trading day after the Distribution.

You should consult your tax advisor to determine the appropriate fair market values.

If you acquired your HP Co. common stock at different times and at different prices, you will need to calculate a separate tax basis for each block of HP Co. common stock you own and then allocate the basis in each block of stock separately to the Hewlett Packard Enterprise common stock you received. HP Co. suggests that you retain this letter to support your determination of your basis in your HP Co. common stock and your Hewlett Packard Enterprise common stock.

**Example:** This example assumes you choose to use the average opening-closing trading price on November 2, 2015, as the method of determining the fair market values of the HP Co. common stock and the Hewlett Packard Enterprise common stock. Using this method, after the Distribution, the fair market value of a share of HP Co. common stock was \$13.15 and the fair market value of a share of Hewlett Packard Enterprise common stock was \$14.74. Based on these relative fair market values, your basis in your HP Co. common stock would be apportioned 47.15% to your HP Co. stock and 52.85% to your Hewlett Packard Enterprise common stock. See Exhibit 1. This calculation may be illustrated as follows:

- Assume you own a single block of 100 shares of HP Co. common stock with a tax basis of \$25 per share (and a total tax basis of \$2,500).
- You are entitled to receive 100 shares of Hewlett Packard Enterprise common stock in the Distribution. Because no fractional shares are issued, you receive 100 shares of Hewlett Packard Enterprise common stock.
- Your total tax basis in your HP Co. common stock is allocated \$1,178.74 to the HP Co. common stock (47.15% of \$2,500), or \$11.79 per share (i.e., \$1,178.74, divided by 100 shares), and \$1,321.26 to the Hewlett Packard Enterprise common stock (52.85% of \$2,500), or \$13.21 per share (i.e., \$1,321.26 divided by 100 shares).

The above calculations are summarized in the attached table:

Shares	Number of Shares	Tax Basis Allocation (per share)	Tax Basis Allocation (total)
HP Co.	100	\$11.79	\$1,178.74
Hewlett Packard Enterprise	100	\$13.21	\$1,321.26
Total Tax Basis		\$25.00	\$2,500

If you own HP Co. common stock with a different tax basis for alternative minimum tax (“AMT”) purposes than your tax basis for regular federal income tax purposes, you will need to allocate your AMT basis between your HP Co. common stock and your Hewlett Packard Enterprise common stock in the same manner as described above.

**U.S. Federal Income Tax Reporting Requirements.** Any shareholder of HP Co. that is a “significant distributee” is required to attach a statement describing the details of the Distribution to his, her or its U.S. federal income tax return for the period that includes the Distribution Date. This would be the 2015 U.S. Federal income tax return for calendar year shareholders. You are a significant distributee if, immediately before the Distribution, you owned (i) at least five percent (by vote or value) of the total outstanding stock of HP Co. or (ii) securities in HP Co. with a basis of \$1,000,000 or more. If a significant distributee is a “controlled foreign corporation” (within the meaning of section 957 of the Code), each “United States shareholder” (within the meaning of section 951(b) of the Code) with respect thereto must include this statement on or with its return. A sample statement is attached as Exhibit 2.

**THE INFORMATION SET FORTH ABOVE AND IN THE ATTACHED EXHIBITS IS FOR GENERAL INFORMATION PURPOSES ONLY AND DOES NOT PURPORT TO ADDRESS ALL ASPECTS OF FEDERAL TAXATION THAT MAY BE RELEVANT TO PARTICULAR SHAREHOLDERS. THIS INFORMATION DOES NOT CONSTITUTE TAX ADVICE AND MAY NOT BE APPLICABLE TO SHAREHOLDERS WHO ARE NOT CITIZENS OR RESIDENTS OF THE UNITED STATES. NOR DOES IT ADDRESS TAX CONSEQUENCES WHICH MAY VARY WITH YOUR INDIVIDUAL CIRCUMSTANCES. ACCORDINGLY, YOU ARE URGED TO CONSULT YOUR TAX ADVISORS TO DETERMINE THE APPLICATION OF THE INFORMATION SET FORTH ABOVE AND IN THE ATTACHED EXHIBITS TO YOUR INDIVIDUAL CIRCUMSTANCES AND THE PARTICULAR FEDERAL, FOREIGN, STATE AND LOCAL TAX CONSEQUENCES OF THE SPIN-OFF TO YOU.**

**Determination of the Fair Market Values of  
HP Co. and Hewlett Packard Enterprise after the Distribution**

The Distribution occurred on November 1, 2015. The first regular trading day for the Hewlett Packard Enterprise common stock was November 2, 2015.

U.S. federal income tax law does not specifically identify how you should determine the fair market values of the HP Co. common stock and the Hewlett Packard Enterprise common stock after the Distribution. One method of determining value is to use the average of the opening and closing trading prices of the HP Co. common stock and the Hewlett Packard Enterprise common stock on the first regular trading day for the Hewlett Packard Enterprise common stock (November 2, 2015). The trading prices and basis allocation percentages using this method, which you and your tax advisor may find useful, are set forth in the following Table 1 and Table 2.

**Table 1  
Trading Prices**

<b>Common Stock</b>	<b>Average Opening/Closing Trading Price on November 2, 2015</b>
HP Co. (value per share) . . . . .	\$13.15
Hewlett Packard Enterprise (value per share) . . . . .	\$14.74

**Table 2  
Basis Allocation Percentages**

<b>Common Stock</b>	<b>Average Opening-Closing Trading Price Allocation Percentage</b>
HP Co. Value (a) . . . . .	\$13.15
Value of Hewlett Packard Enterprise stock received for each HP Co. share owned (b) . . . . .	\$14.74
(a) + (b) = (c) . . . . .	\$27.89
HP Co. Allocation % (a)/(c) . . . . .	47.15%
Hewlett Packard Enterprise Allocation % (b)/(c) . . . . .	52.85%

Information Statement to the Internal Revenue Service

STATEMENT PURSUANT TO §1.355-5(b) BY

\_\_\_\_\_ (EIN: \_\_\_\_\_),

A SIGNIFICANT DISTRIBUTE

1. On November 1, 2015, the undersigned, a shareholder owning shares in Hewlett-Packard Company as of the close of business on October 21, 2015, received a distribution of stock in Hewlett Packard Enterprise Company, a controlled corporation, pursuant to section 355 of the Internal Revenue Code of 1986, as amended.
2. The names, employer identification numbers, and addresses of the corporations involved are as follows:
  - a. Distributing corporation:  
  
Hewlett-Packard Company  
94-1081436  
3000 Hanover Street  
Palo Alto, CA 94304
  - b. Controlled corporation:  
  
Hewlett Packard Enterprise Company  
47-3298624  
3000 Hanover Street  
Palo Alto, CA 94304
3. No stock or securities in Hewlett-Packard Company were transferred or surrendered by the undersigned in connection with the distribution. The aggregate fair market value, immediately before the distribution, of Hewlett Packard Enterprise Company stock received by the undersigned in the distribution was \$\_\_\_\_\_.
4. No stock (other than the common stock of Hewlett Packard Enterprise Company), securities or other property (including money) was received in the distribution, other than \$\_\_\_\_\_ received in lieu of fractional shares of Hewlett Packard Enterprise Company common stock.

Shareholder's Signature

Spouse's Signature (if stock held jointly)

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**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See attachment](#)

Blank lines for listing Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ [See attachment](#)

Blank lines for providing information regarding resulting loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See attachment](#)

Blank lines for providing other necessary information.

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

Print your name ▶ \_\_\_\_\_ Title ▶ \_\_\_\_\_

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Send Form 8837 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

**Hewlett-Packard Company**

**Distribution of Hewlett Packard Enterprise Company Common Stock  
Attachment to Form 8937**

**Part II**

**Line 14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.**

On September 30, 2015 the Board of Directors of Hewlett-Packard Company ("HP Co.") declared a pro rata dividend to HP Co. common stockholders of record as of the close of business on October 21, 2015 (the "Record Date") of 100% of the outstanding shares of Hewlett Packard Enterprise Company ("Hewlett Packard Enterprise") common stock payable on November 1, 2015 (the "Distribution Date"). On the Distribution Date, HP Co. completed the spin-off of Hewlett Packard Enterprise (the "Distribution") and each such shareholder who held HP Co. common stock on the Record Date in the "regular way"<sup>1</sup> prior to the Distribution Date received one (1) share of Hewlett Packard Enterprise common stock for each share of HP Co. common stock owned on the Record Date.

**The information contained herein does not constitute tax advice and is not intended or written to be used for the purpose of avoiding penalties under the Internal Revenue Code. In addition, this information does not purport to be complete or to describe the consequences that may apply to particular categories of HP Co. shareholders.**

**Shareholders are urged to consult their own tax advisor regarding the particular consequences of the Distribution, including the applicability and effect of all U.S. federal, state and local, and foreign tax laws.**

**Line 15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as percentage of old basis.**

HP Co. shareholders should allocate their aggregate tax basis in their HP Co. common stock held immediately prior to the Distribution among the shares of Hewlett Packard Enterprise common stock received in the Distribution (including any fractional share of Hewlett Packard Enterprise common stock for which cash was received) and the HP Co. common stock in respect of which such Hewlett Packard Enterprise common stock was received in proportion to their respective fair market values immediately after the Distribution.

**Line 16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.**

The U.S. federal income tax laws provide that the allocation of the aggregate tax basis discussed under Line 15 above shall be allocated based on the respective fair market values

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<sup>1</sup> Shares of HP. Co. common stock that traded in the "regular-way" market on the New York Stock Exchange prior to the Distribution Date traded with an entitlement to shares of Hewlett Packard Enterprise common stock distributed on the Distribution Date.



of the resulting HP Co. and Hewlett Packard Enterprise shares received. However, the tax law does not provide any further guidance on the determination of fair market value. One method to determine the fair market value is to use the average of the high and low trading prices of the HP Co. and Hewlett Packard Enterprise common stock. The average of the opening and closing trading prices of HP Co. common stock, and of Hewlett Packard Enterprise common stock on November 2, 2015 (the first trading day after the Distribution) was \$13.15 and \$14.74, respectively. Using this as the fair market value, and the distribution ratio of one Hewlett Packard Enterprise share per HP Co. share, the predistribution tax basis in each HP Co. share should be allocated 47.15% to that HP Co. share and 52.85% to the Hewlett Packard Enterprise share received with respect to that HP Co. share.

**Line 17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.**

The applicable Internal Revenue Code sections upon which the tax treatment is based are sections 355, 358(a)(1), 358(b), 358(c) and 368(a)(1)(D).

**Line 18. Can any resulting loss be recognized?**

HP Co. intends for the Distribution to qualify as a “reorganization” under sections 355 and 368(a)(1)(D) of the Internal Revenue Code. Assuming that this characterization is respected, HP Co. shareholders generally will not recognize any loss on the Distribution for U.S. federal income tax purposes. Loss, if any, may be recognized with respect to the hypothetical fractional share redemption.

**Line 19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.**

The Distribution occurred on November 1, 2015. As a result, the basis adjustments in the shares of HP Co. common stock and Hewlett Packard Enterprise common stock should be reported in the taxable year that includes this date. In the case of shareholders who are calendar year taxpayers, the Distribution is reportable in the tax year ending December 31, 2015.