

SECURITIES AND EXCHANGE COMMISSION

FORM 11-K

Annual report of employee stock purchase, savings and similar plans

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FILER

HEWLETT PACKARD CO

CIK: **47217** | IRS No.: **941081436** | State of Incorporation: **CA** | Fiscal Year End: **1031**
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE
REQUIRED]

For the fiscal year ended: July 31, 1993

OR

TRANSITION REPORT PURSUANT TO SECTION
15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
[NO FEE REQUIRED]

For the transition period from _____ to _____

Commission file number: 1-4423

A. Full title of the plan and address of the
plan, if different from that of the issuer
named below:

HEWLETT-PACKARD COMPANY
TAX SAVING CAPITAL ACCUMULATION PLAN

B. Name of issuer of the securities held pursuant
to the plan and the address of its principal
executive office:

HEWLETT-PACKARD COMPANY
3000 Hanover Street
Palo Alto, CA 94304

REQUIRED INFORMATION

Hewlett-Packard Company

Tax Saving Capital Accumulation Plan
Index to Financial Statements

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Note: Other schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.	

(b) Exhibits:

1. Hewlett-Packard Company Tax Saving Capital Accumulation Plan, as Amended and Restated Effective November 1, 1988, which was filed as Exhibit 4A to Registrant's Post-Effective Amendment No. 3 to Form S-8 Registration Statement No. 2-92331, and which is incorporated herein by reference.
2. Description of Tax Saving Capital Accumulation Plan included in the 1993 Edition of "Your Hewlett-Packard Benefits Summary" booklet which is distributed to employees of Hewlett-Packard Company and its U.S. subsidiaries.
3. Consent of Independent Accountants.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed by the undersigned thereunto duly authorized.

HEWLETT-PACKARD COMPANY
TAX SAVING CAPITAL ACCUMULATION PLAN

/s/ Ann O. Baskins

Ann O. Baskins
Assistant Secretary and
Managing Counsel,
Hewlett-Packard Company, Plan Administrator

Date: January 25, 1994

Report of Independent Accountants

To the Participants and Administrator of
the Hewlett-Packard Company Tax Saving
Capital Accumulation Plan

In our opinion, the financial statements listed in the accompanying index present fairly, in all material respects, the net assets available for benefits of the Hewlett-Packard Company (the Company) Tax Saving Capital Accumulation Plan at July 31, 1993 and 1992, and the changes in its net assets available for benefits for the years then ended, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information included in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements but is additional information required by ERISA. Such information has been subjected to the procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Price Waterhouse

<TABLE>

Hewlett-Packard Company

Tax Saving Capital Accumulation Plan
Statement of Net Assets Available for Benefits
(In thousands)

<CAPTION>

	July 31,	
	1993	1992
<S>	<C>	<C>
Assets:		
Investments:		
Hewlett-Packard Company Common Stock (Cost: \$209,316 and \$195,803 at July 31, 1993 and July 31, 1992, respectively)	\$ 300,524	\$311,273
Fidelity Magellan Fund (Cost: \$445,231 and \$324,754 at July 31, 1993 and July 31, 1992, respectively)	471,609	319,820
Fidelity U.S. Equity Index Portfolio (Cost: \$40,530 and \$21,754 at July 31, 1993 and July 31, 1992, respectively)	42,800	22,893
Fidelity Intermediate Bond Fund (Cost: \$45,889 and \$27,895 at July 31, 1993 and July 31, 1992, respectively)	47,274	28,690
Fidelity Retirement Money Market Portfolio (Cost: \$131,780 and \$105,886 at July 31, 1993 and July 31, 1992, respectively)	131,780	105,886
Fidelity Institutional Cash Portfolio Money Market (Cost: \$23,873 and \$21,678 at July 31, 1993 and July 31, 1992, respectively)	23,873	21,678
Fidelity U.S. Government Reserves Portfolio (Cost: \$4,008 and \$874 at July 31, 1993 and July 31, 1992, respectively)	4,008	874
Loans receivable from participants	57,087	46,523
	-----	-----
Total assets held for investment	1,078,955	857,637
Receivables:		
Receivable from Hewlett-Packard Company	15,664	13,896
Due from brokers for securities sold	537	1,898
Miscellaneous receivables	892	74
	-----	-----
Total assets	1,096,048	873,505
	-----	-----
Liabilities:		
Due to brokers for securities purchased	935	
Administrative expenses payable	174	151
Miscellaneous payables		279
	-----	-----
Total liabilities	1,109	430
	-----	-----
Net assets	\$1,094,939	\$873,075
	=====	=====

The accompanying notes are an integral part of these financial statements.

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</TABLE>

<TABLE>

Hewlett-Packard Company

Tax Saving Capital Accumulation Plan
Statement of Changes in Net Assets Available for Benefits
(In thousands)

For the year ended
July 31,

	1993	1992
<S>	<C>	<C>
Contributions:		
Employees	\$96,853	\$82,618
Company	29,483	26,214
Non-cash	28,372	22,195
Investment income:		
Net appreciation in fair value of investments:		
Hewlett-Packard Company Common Stock	102	83,581
Net investment gain from registered investment companies:		
Fidelity Magellan Fund	79,232	34,964
Fidelity U.S. Equity Index Portfolio	2,690	1,746
Fidelity Intermediate Bond Fund	3,947	2,251
Loan interest income	3,907	3,573
Interest income	3,993	4,999
Dividend income	3,681	2,845
Transfer from Avantech, Inc.		
Profit-Sharing Investment Plan	21,502	---
	-----	-----
Total additions	273,762	264,986
Amounts paid to participants	48,881	70,356
Loans deemed repaid due to termination	2,117	2,812
Administrative expenses	900	818
	-----	-----
Total deductions	51,898	73,986
Net additions	221,864	191,000
Net assets allocated to participants:		
Beginning of year	873,075	682,075
	-----	-----
End of year	\$1,094,939	\$873,075
	=====	=====

The accompanying notes are an integral part of these financial statements.

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</TABLE>

<TABLE>

Hewlett-Packard Company

Tax Saving Capital Accumulation Plan
Fund Level Statement of Net Assets Available for Benefits
July 31, 1993
(In thousands)

<CAPTION>

<S>	Stock <C>	Equity <C>	Equity Index <C>	Bond <C>	Money Market <C>	Loan <C>	Total <C>
Assets:							
Investments:							
Hewlett-Packard Company Common Stock	\$300,524						\$ 300,524
Fidelity Magellan Fund		\$471,609					471,609
Fidelity U.S. Equity Index Portfolio			\$42,800				42,800
Fidelity Intermediate Bond Fund				\$ 47,274			47,274
Fidelity Retirement Money Market Portfolio					\$131,780		131,780
Fidelity Institutional Cash Portfolio Money Market	23,873						23,873
Fidelity U.S. Government Reserves Portfolio	4,008						4,008
Loans receivable from participants						\$57,087	57,087
	-----	-----	-----	-----	-----	-----	-----
Total assets held for investment	328,405	471,609	42,800	47,274	131,780	57,087	1,078,955
Receivables:							
Receivable from Hewlett-							

Packard Company	3,464	7,978	1,059	925	2,238		15,664
Due from brokers for securities sold	537						537
Miscellaneous receivables	892						892
Fund transfer to be made	(18,859)	12,175	1,671	1,432	3,581		0
	-----	-----	-----	-----	-----	-----	-----
Total assets	314,439	491,762	45,530	49,631	137,599	57,087	1,096,048
	-----	-----	-----	-----	-----	-----	-----
Liabilities:							
Due to brokers for securities purchased	935						935
Administrative expenses payable	35	54	8	14	63		174
	-----	-----	-----	-----	-----	-----	-----
Total liabilities	970	54	8	14	63	0	1,109
	-----	-----	-----	-----	-----	-----	-----
Net assets	\$313,469	\$491,708	\$45,522	\$49,617	\$137,536	\$57,087	\$1,094,939
	=====	=====	=====	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

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Hewlett-Packard Company

Tax Saving Capital Accumulation Plan
Fund Level Statement of Net Assets Available for Benefits
July 31, 1992
(In thousands)

<CAPTION>

	Stock	Equity	Equity Index	Bond	Money Market	Loan	Total
Assets							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Investments:							
Hewlett-Packard Company Common Stock	\$311,273						\$311,273
Fidelity Magellan Fund		\$319,820					319,820
Fidelity U.S. Equity Index Portfolio			\$ 22,893				22,893
Fidelity Intermediate Bond Fund				\$ 28,690			28,690
Fidelity Retirement Money Market Portfolio					\$105,886		105,886
Fidelity Institutional Cash Portfolio Money Market	21,678						21,678
Fidelity U.S. Government Reserves Portfolio	874						874
Loans receivable from participants						\$ 46,523	46,523
	-----	-----	-----	-----	-----	-----	-----
Total assets held for investment	333,825	319,820	22,893	28,690	105,886	46,523	857,637
	-----	-----	-----	-----	-----	-----	-----
Receivables:							
Receivable from Hewlett-Packard Company	3,423	6,819	612	666	2,376		13,896
Due from brokers for securities sold	1,898						1,898
Miscellaneous receivables	74						74
Fund transfer to be made	(16,476)	10,622	1,301	1,084	3,469		0
	-----	-----	-----	-----	-----	-----	-----
Total assets	322,744	337,261	24,806	30,440	111,731	46,523	873,505
	-----	-----	-----	-----	-----	-----	-----
Liabilities:							
Administrative expenses payable	36	45	5	9	56		151

Miscellaneous payables	279						279
Total liabilities	315	45	5	9	56	0	430
Net assets	\$322,429	\$337,216	\$ 24,801	\$ 30,431	\$111,675	\$ 46,523	\$873,075

The accompanying notes are an integral part of these financial statements.

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<TABLE>

Hewlett-Packard Company

Tax Saving Capital Accumulation Plan
Fund Level Statement of Changes in Net Assets Available for Benefits
For the Year Ended July 31, 1993
(In thousands)

<CAPTION>

	Stock	Equity	Equity Index	Bond	Money Market	Loan	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Contributions:							
Employees	\$ 3,787	\$ 56,937	\$ 8,579	\$ 7,955	\$ 19,369	\$ 226	\$ 96,853
Company	1,118	18,117	2,399	2,128	5,721		29,483
Non-cash	28,372						28,372
Investment income:							
Net appreciation in fair value of investments:							
Hewlett-Packard Company Common Stock	102						102
Net investment gain from registered investment companies:							
Fidelity Magellan Fund		79,232					79,232
Fidelity U.S. Equity Index Portfolio			2,690				2,690
Fidelity Intermediate Bond Fund				3,947			3,947
Loan interest income	1,287	1,693	152	158	617		3,907
Interest income	87				3,906		3,993
Dividend income	3,681						3,681
Transfer from Avantech, Inc. Profit-Sharing Investment Plan		3,536			17,966		21,502
Total additions	38,434	159,515	13,820	14,188	47,579	226	273,762
Amounts paid to participants	13,337	19,378	1,664	2,563	11,939		48,881
Loans deemed repaid due to termination						2,117	2,117
Administrative expenses	147	202	28	49	248	226	900
Total deductions	13,484	19,580	1,692	2,612	12,187	2,343	51,898
Asset transfers between funds:							
Loans issued	(8,899)	(16,046)	(1,945)	(2,800)	(12,038)	41,728	0
Loans repayments	9,011	12,923	1,164	1,264	4,685	(29,047)	0
Amounts reallocated among funds	(34,022)	17,680	9,374	9,146	(2,178)		0
Net (deductions)/additions	(8,960)	154,492	20,721	19,186	25,861	10,564	221,864
Net assets allocated to participants:							
Beginning of year	322,429	337,216	24,801	30,431	111,675	46,523	873,075
End of year	\$313,469	\$491,708	\$45,522	\$49,617	\$137,536	\$57,087	\$1,094,939

The accompanying notes are an integral part of these financial statements.

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<TABLE>

Hewlett-Packard Company

Tax Saving Capital Accumulation Plan
Fund Level Statement of Changes in Net Assets Available for Benefits
For the Year Ended July 31, 1992
(In thousands)

<CAPTION>

	Stock	Equity	Equity Index	Bond	Money Market	Loan	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Contributions:							
Employees	\$ 7,853	\$ 48,032	\$ 4,291	\$ 4,177	\$ 18,050	\$ 215	\$ 82,618
Company	2,444	15,575	1,310	1,262	5,623		26,214
Non-cash	22,195						22,195
Investment income:							
Net appreciation in fair value of investments:							
Hewlett-Packard Company Common Stock	83,581						83,581
Net investment gain from registered investment companies:							
Fidelity Magellan Fund		34,964					34,964
Fidelity U.S. Equity Index Portfolio			1,746				1,746
Fidelity Intermediate Bond Fund				2,251			2,251
Loan interest income	1,195	1,569	92	98	619		3,573
Interest income	92				4,907		4,999
Dividend income	2,845						2,845
	-----	-----	-----	-----	-----	-----	-----
Total additions	120,205	100,140	7,439	7,788	29,199	215	264,986
Amounts paid to participants	23,413	28,522	1,137	2,082	15,202		70,356
Loans deemed repaid due to termination						2,812	2,812
Administrative expenses	184	164	14	26	215	215	818
	-----	-----	-----	-----	-----	-----	-----
Total deductions	23,597	28,686	1,151	2,108	15,417	3,027	73,986
Asset transfers between funds:							
Loans issued	(9,629)	(12,776)	(1,063)	(1,438)	(10,658)	35,564	0
Loans repayments	8,077	10,736	740	749	4,143	(24,445)	0
Amounts reallocated among funds	(45,187)	17,578	18,836	25,440	(16,667)		0
	-----	-----	-----	-----	-----	-----	-----
Net additions/(deductions)	49,869	86,992	24,801	30,431	(9,400)	8,307	191,000
Net assets allocated to participants:							
Beginning of year	272,560	250,224			121,075	38,216	682,075
	-----	-----	-----	-----	-----	-----	-----
End of year	\$322,429	\$337,216	\$ 24,801	\$30,431	\$111,675	\$46,523	\$873,075
	=====	=====	=====	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

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Hewlett-Packard Company

Tax Saving Capital Accumulation Plan
Notes to Financial Statements

1. Plan Description

The following brief description of the Hewlett-Packard Company (the Company) Tax Saving Capital Accumulation Plan (the Plan) is provided for general information purposes only and is effective as of July 31, 1993. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions. The purpose of the Plan is to provide a convenient way for eligible employees to share

in the ownership, earnings and growth of the Company, thereby offering them an additional incentive to continue their careers with the Company. Additionally, the Plan provides eligible employees an opportunity to save for their retirement to supplement benefits provided under the Company's retirement programs and the Federal Social Security Act.

The Plan is designed to qualify as a stock bonus plan under Section 401(a) of the Internal Revenue Code of 1986, as amended (the Code), and to meet the requirements set forth in Section 401(k) of the Code. The Plan is also intended to qualify as an individual account plan which permits each participant to exercise control over certain assets of the Plan pursuant to Section 404(c) of the Employee Retirement Income Security Act (ERISA).

Employees who are eligible to participate in the 401(k) program include those employees of the Company and designated domestic subsidiaries who are on the U.S. payroll and who are employed as regular full-time or regular part-time employees by the Company one year after their original hire date. Participation in the 401(k) program is at the election of the employee. Mr. David Packard, who retired as Chairman of the Board effective November 1, 1993, was not eligible to participate in the Plan.

Participating employees may have their salary deferred by the Company through payroll deductions and contributions made directly to their 401(k) account. The deferrals are funded by the Company at the end of each payroll period. In addition, the Company contributes to the employee's account one-third of the amount which has been deferred and contributed on behalf of the employee. The Company matching contribution is funded after the close of each fiscal quarter and includes interest earned on deferrals prior to investment in the participant's elected investment options. Employees are one hundred percent vested in the Plan.

Employees can invest their account balance and/or future contributions in any combination of the five investment options. Participating employees can transfer their invested funds among the investment options and/or change the investment of their future contributions daily as desired. These transfers and changes can be made in whole percent increments.

All contributions made under the Plan are paid to and invested by the trustee in one or more of five investment options. Contributions can be invested in short-term investments prior to the purchase of fund securities. Four of the investment options are mutual funds of Fidelity Investments, managed by the Fidelity Management and Research Company. The five investment funds are:

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Hewlett-Packard Company

Tax Saving Capital Accumulation Plan
Notes to Financial Statements

- | | |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Stock Fund - | A fund comprised primarily of Hewlett-Packard Company common stock purchased on the open market or contributed by the Company. The fund also includes the Fidelity Institutional Cash Portfolio Money Market and the Fidelity U.S. Government Reserves Portfolio. |
| Equity Fund - | A fund comprised of investments in the Fidelity Magellan Fund. The fund manager makes investments primarily in common stock and securities convertible into common stock. |
| Equity Index Fund - | A fund comprised of investments in the Fidelity U.S. Equity Index Portfolio. The fund manager makes investments in equity securities and attempts to duplicate the composition and total returns of the Standard & Poor's Daily Stock Price Index of 500 Common Stocks. |
| Bond Fund - | A fund comprised of investments in Fidelity Intermediate Bond Fund. Investments are made in high and upper medium grade fixed income obligations, and may include U.S. government and agency securities, corporate bonds, bank obligations, and similar instruments. |
| Money Market Fund - | A fund comprised of investments in Fidelity Retirement Money Market Portfolio. Investments are made in high quality, U.S. dollar-denominated money market instruments of U.S. and foreign issuers, including short-term obligations of |

banks, governments and their agencies and corporations.

Employees are permitted to borrow portions of their account balance. The loan amount and term are limited by the Code and ERISA. Funds for the loans are obtained by liquidating the investment in the employee's account. Principal and interest payments, representing repayments of loans taken by participants, are typically made through payroll deductions and are paid directly into the employee's account after the end of each semi-monthly payroll period. Loans may be repaid in full at any time following the issuance of the loan.

The Plan also provides for hardship withdrawals subject to certain restrictions as outlined in the Plan document.

Although the company has no present intention to terminate the Plan, the Plan provides that in the event of Plan termination, participants' interest accrued to the date of termination shall be nonforfeitable. Benefits shall continue to be distributed in accordance with the Plan. The trustee shall continue in its capacity until all assets of the Plan have been distributed to the participants. Benefits are payable in a lump sum. Certain participants from certain companies acquired by the Company may elect to take their benefits as an annuity.

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Hewlett-Packard Company

Tax Saving Capital Accumulation Plan
Notes to Financial Statements

Fidelity Investments provides investment management, record keeping and trustee services for the Plan. The Company determines questions of eligibility for participation, interprets the Plan, communicates with participants and their beneficiaries and is otherwise generally responsible for Plan operations.

2. Summary of Significant Accounting Policies

The financial statements are prepared on the accrual basis of accounting with investments being carried at current market value, as quoted on the active market. Loans to participants are valued at their outstanding principal amount.

Realized gains/losses on investments sold and the unrealized gains/losses on investments held during the year are determined on a revalued cost basis.

All dividends and capital distributions received from the Fidelity Magellan Fund, Fidelity U.S. Equity Index Portfolio, and Fidelity Intermediate Bond Fund are reinvested, and are recognized as part of the net investment gains from registered investment companies.

All direct administrative expenses are borne by the Plan as allowed by law.

3. Contributions

Employee and Company contributions are made in cash for all Funds except the Stock Fund. Contributions to the Stock Fund may be made in either cash or Hewlett-Packard Company common stock. Stock contributions attributable to employee deferrals totaled \$21,279,000 in 1993 and \$16,646,000 in 1992. Stock contributions attributable to Company contributions totaled \$7,093,000 in 1993 and \$5,549,000 in 1992. Contributions of Hewlett-Packard Company common stock are valued at their fair market value, as quoted on the active market, on the date of contribution.

4. Investments

For the years ended July 31, 1993 and 1992, the net appreciation in the fair market value of the Hewlett-Packard Company common stock held during the year comprised realized gains of \$2,737,000 and \$4,981,000, respectively, and unrealized losses of \$2,635,000 and unrealized gains of \$78,600,000, respectively.

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Hewlett-Packard Company

Tax Saving Capital Accumulation Plan

5. Taxes

The Company has received a favorable determination letter from the Internal Revenue Service (IRS) as to the initial qualified status of the Plan. Additionally, the Company has received a favorable determination letter as to the amendments adopted relating to the Retirement Equity and Deficit Reduction Acts of 1984 and to the Tax Equity and Fiscal Responsibility Act of 1982. The Company has not yet requested but intends to request a determination letter from the IRS for the subsequent amendments adopted.

The Company's management is of the opinion that the Plan and the trust which forms a part of the Plan have been maintained in accordance with Section 401(a) of the Internal Revenue Code, and, therefore, it is believed that the Plan continues to be qualified. Accordingly, no provision for federal or state income tax has been provided.

Deferrals made on behalf of the employees and the Company's matching contributions are not subject to federal income taxes until such time as the employees' funds are withdrawn from the Plan. At withdrawal, the employees' funds may qualify for special tax treatment. Pursuant to the Unemployment Compensation amendments of 1992, effective January 1, 1993, all "eligible rollover distributions" which are not paid out in the form of a direct rollover to an IRA or another qualified plan are subject to a mandatory 20% federal income tax withholding. Loans taken by employees against their 401(k) account are not subject to federal income taxes if they are repaid within five years. However, if the employee terminates with an outstanding loan, the employee will be subject to taxation on the entire amount of the loan.

6. Transfer of Plan Assets

The Company acquired Avantek, Inc. (Avantek) on November 4, 1991 via a cash acquisition. At the time of purchase, Avantek maintained the Avantek, Inc. Profit-Sharing Investment Plan, a defined contribution plan that provided retirement benefits for eligible employees. The profit-sharing and after-tax participant accounts in the Avantek, Inc. Profit-Sharing Investment Plan were transferred to a new plan, The Profit-Sharing Plan of Avantek, Inc. on July 1, 1992. The remaining pre-tax participant accounts in the Avantek, Inc. Profit-Sharing Investment Plan were transferred to the Plan on October 1, 1992. The Avantek, Inc. Profit-Sharing Investment Plan was subsequently terminated. The plan termination was done pursuant to a favorable Internal Revenue Service determination letter.

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<TABLE>

Hewlett-Packard Company

(Form 5500)

Tax Saving Capital Accumulation Plan (Plan 004)
Employer Identification Number 94-1081436
Schedule I - Assets Held for Investment at
July 31, 1993
(In thousands except number of shares/loans)

(Item 27a - Schedule of Assets
Held for Investment Purposes)

<CAPTION>

Issuer	Description	Number of Shares/Loans	Historical Cost	Current Value
<S>	<C>	<C>	<C>	<C>
Hewlett-Packard Company	Common Stock, \$1.00 par value	4,173,945	\$ 209,316	\$ 300,524
Fidelity Investments Fidelity Magellan Fund	Equity Mutual Fund, no par value	6,682,851	445,231	471,609
Fidelity Investments Fidelity U.S. Equity Index Portfolio	Equity Mutual Fund, no par value	2,552,144	40,530	42,800
Fidelity Investments Fidelity Intermediate Bond Fund	Fixed Income Mutual Fund, no par value	4,369,085	45,888	47,274
Fidelity Investments Fidelity Retirement Money Market Portfolio	Money Market Fund, \$1.00 par value	131,780,387	131,780	131,780

Fidelity Investments Fidelity Institutional Cash Portfolio Money Market	Money Market Fund, \$1.00 par value	23,872,972	23,873	23,873
Fidelity Investments Fidelity U.S. Government Reserves Portfolio	Money Market Fund, \$1.00 par value	4,008,428	4,008	4,008
Participant Loans	Loans issued for terms of 1 - 4 years, with 6.5% interest during the 1993 Plan year	14,780		57,087 -----
Total assets held for investment				\$1,078,955 =====

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Hewlett-Packard Company

Tax Saving Capital Accumulation Plan (Plan 004)

Employer Identification Number 94-1081436

Schedule II - Transactions Occurring During the Year Ended July 31, 1993

Which Were in Excess of 5% of the Current Value of Plan Assets

as of the Beginning of the Year (August 1, 1992)

Series of Transactions in the Same Security

(In thousands, except number of transactions)

Form 5500
(Item 27d - Schedule of
Reportable Transactions)

<CAPTION>

Identity of Party Involved Description of Asset	Number of Transactions	Purchases	Proceeds from Sales	Cost of Assets Disposed	Net Realized Gain/(Loss)
<S>	<C>	<C>	<C>	<C>	<C>
Fidelity U.S. Government Reserves Portfolio Money Market Fund	258	\$ 73,156	\$ 70,022	\$ 70,022	\$ -
Fidelity Retirement Money Market Portfolio Money Market Fund	257	117,839	91,945	91,945	-
Fidelity Intermediate Bond Fund Fixed Income Mutual Fund	257	39,431	21,678	21,437	(14)
Fidelity Magellan Fund Equity Mutual Fund	252	201,950	81,492	81,473	818
Hewlett-Packard Company Common Stock	110	57,571	68,599	44,058	2,737

Note: Cost of assets disposed is stated at historical cost. Net realized gain/(loss) is calculated as described in Note 2 to the financial statements. The normal expenses associated with asset purchases and sales are built into the cost records and therefore are not shown separately here. Additionally, the number of transactions for the Fidelity funds represent record keeping transaction activity, not the gross numbers of purchases and sales.

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</TABLE>

EXHIBIT 2

CHAPTER 10
Tax Saving Capital Accumulation Plan

This section is a "Summary Plan Description" as required by the Employee Retirement Income Security Act of 1974 (ERISA). This section provides the highlights of the Plan, but it is far shorter and less technical than the official Plan documents. The official Plan documents are always used to determine when and what benefits will be provided under the Plan.

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What TAXCAP Offers You

Your retirement income comes from three sources: HP retirement benefits, Social Security benefits and your personal savings. The Company offers the Hewlett-Packard Company Tax Saving Capital Accumulation Plan (TAXCAP) to help you accumulate personal savings for retirement.

TAXCAP provides you:

An opportunity to share in the ownership and performance of HP.

An incentive to save regularly on a pretax basis and gain additional contributions from HP.

The Plan in Brief

Hewlett-Packard administers and sponsors TAXCAP. The Company determines eligibility for participation and benefits, interprets the Plan and authorizes transactions.

In 1991, HP hired Fidelity Investments (Fidelity), a group of affiliated financial service companies, to be the full-service provider for TAXCAP. Full service is a package which offers recordkeeping, trustee and investment management services. Headquartered in Boston, with offices in 54 cities nationwide, Fidelity is one of the largest and best known investment management organizations in the country. The firm currently manages more than \$150 billion for more than nine million individual and institutional accounts. As a leader in the mutual fund industry, Fidelity has developed both investment products and services that are now standard for the industry.

If you are a regular full-time or regular part-time employee, you become eligible to join TAXCAP on the first February 1, May 1, August 1, or November 1 which is one year after your original hire date. You may also join the first of any following month after you have satisfied the eligibility requirements.

Under TAXCAP, generally you can elect to have HP defer 1 to 6

percent of your pay into your TAXCAP account through payroll deductions. However, if your Plan year compensation is less than an amount defined by federal tax laws (\$60,535 for the Plan year ending July 31, 1992) you can defer up to 12 percent for the following Plan year (beginning August 1, 1992). You will be informed in August of each year whether your TAXCAP limit is 6 percent or 12 percent. The combined limit on your TAXCAP deferrals and contributions to the Stock Purchase Plan is 12 percent.

For every \$3 of your deferrals, HP contributes an additional \$1 (which includes interest on your deferred contributions prior to investment in your elected investment options) to your account. You choose how you want to invest your TAXCAP deferred contributions among five options: four mutual funds from the Fidelity family of funds plus the HP Stock Fund. These options reflect risk versus investment return opportunities ranging from conservative to aggressive.

Saving in TAXCAP reduces your current income taxes. This is because deferrals to your TAXCAP account are made before federal and most state income taxes are calculated. In addition, you do not pay any taxes on amounts in your account as long as they remain in TAXCAP.

TAXCAP is offered to help you meet your long range financial goals. Your full account value is paid when you leave HP or die. Because of the tax advantages the Plan offers you, the government limits withdrawals of your account before these events. While you are an active employee, you can make in-service withdrawals either after you reach age 59 1/2 or for reasons of hardship. You can also borrow money from your account while you are an active employee. The following pages describe the main provisions of TAXCAP. The ERISA Information section of this book contains administrative details and other information about the Plan.

The following special terms used to describe the provisions of the Plan are more fully defined in the Glossary:

defer or deferrals

fiscal quarter

fiscal year

pay

Pension Benefit Guaranty Corporation (PBGC)

TAXCAP

valuation date

vested

years of service

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Who Can Join The Plan

You are eligible to join the Plan only if you are a regular full-time or regular part-time employee on the U.S. payroll except employees in Puerto Rico. You are not eligible to join the Plan if you are classified in any other employment status. If you meet the eligibility requirements, you may enroll in the Plan-enrollment is not automatic.

When You May Join The Plan

You may join TAXCAP on the first of any month, starting with the first entry date one year after your original hire date. Entry dates are February 1, May 1, August 1, and November 1. Your Personnel Department will let you know when you first become eligible.

For Example:

If your hire date is June 1, 1992, you may first enroll on August 1, 1993. That is the first entry date one year after your hire date. If you choose not to enroll on August 1, 1993, you may enroll as of the first day of any following month.

You can enroll in TAXCAP via HP's Telephone Activated Benefits System - TABS. TABS phone number is 800-262-TABS or Telnet 857-TABS. When you call TABS you must enter your desired deferral percentage and specify the investment mix you want in 10 percent increments. Once you have enrolled in TAXCAP via TABS, your participation will begin in the first pay period after you become eligible.

Your Beneficiary

Once you enroll via TABS, you should also name a beneficiary to receive your TAXCAP benefits at your death. A beneficiary form can be obtained from your Personnel Department. If you are married, your spouse will automatically be your sole beneficiary. If you wish to name someone other than your spouse as beneficiary for any part of your TAXCAP benefit, the law requires that you obtain your spouse's written consent. This consent must be witnessed by a Plan representative or a notary public. If your spouse does not provide consent, the full value of your account will be paid to your spouse

in the event of your death, regardless of whom you have named as beneficiary. If you remarry, any previous consent is no longer valid and you must obtain your new spouse's consent. To change your beneficiary, you must complete a new beneficiary form and submit it to your Personnel Department.

If you do not name a beneficiary - or if your beneficiary is not living at the time of your death - payment of your TAXCAP account will be made, in the following order, to:

- your surviving spouse
- your surviving children - in equal portions
- your surviving parents - in equal portions
- your estate

How Much You May Defer

When you enroll, you authorize HP to defer up to your deferral percentage limit of 1 to 12 percent of your pay through payroll deductions from each paycheck. Generally, pay is your regular wage or salary, including commissions and shift differential, but not including overtime or bonuses. Pay is defined more completely in the Glossary.

Your combined TAXCAP deferrals and Stock Purchase Plan contributions cannot exceed 12 percent of your pay at any time. You will be informed on your earnings statement for the July 31 pay period the percentage you are eligible to defer for the following Plan year (up to 6 percent or 12 percent).

You may change your deferral rate as of any pay period. You can stop your deferrals at any time. However, when your deferrals stop, so do HP's contributions. Once you have stopped, you can resume your deferrals as of any February 1, May 1, August 1, or November 1. YOUR DEFERRALS ARE PAID INTO THE TRUST ON THE SCHEDULED HP PAYDAYS BUT ARE NOT INVESTED IN YOUR DESIGNATED INVESTMENT OPTIONS UNTIL AFTER THE END OF EACH FISCAL QUARTER.

How Your Deferrals Can Reduce Your Current Taxes

Federal and most state income taxes are based on the portion of your pay remaining after your deferrals have been taken. Therefore, participating in TAXCAP lowers your current federal taxable income and possibly lowers current state and local taxable income.

For Example:

Assume your annual pay is \$35,000 and you elect to defer 6 percent in TAXCAP. Your annual deferral will be \$2,100. Although your actual pay is \$35,000, your taxable pay will be \$32,900. This is because you are deferring \$2,100 in the Plan before taxes.

As of late 1992, the state of Pennsylvania and some cities are the only tax-levying entities that consider your deferrals to be part of your taxable income.

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How Much HP Contributes

HP contributes \$1 (which includes interest on your deferred contributions prior to investment in your elected investment options) for every \$3 you defer in the Plan. You do not pay any income taxes on HP's contributions until you receive them from the Plan.

HP's contributions are paid into the trust after the end of each fiscal quarter. HP's contributions will be added to your account if you:

Are an employee on the last business day of the fiscal quarter.

Retired from HP at age 55 or older and had at least 15 years of service, as defined in the retirement plan, with HP.

Died during the quarter.

How Your TAXCAP Account Is Invested

You can choose to invest the money in your TAXCAP account among the five investment options described below. Investment earnings or dividends will be reinvested in the options you have chosen and included in your account balance. You can invest your account entirely in one option or can divide it among the five options, in any combination.

For Example:

You can choose to invest 100 percent in one option or choose to invest 10 percent in one option, 60 percent in another, 20 percent in a third, and 10 percent in a fourth.

After the end of each fiscal quarter, your deferrals and HP's contributions are invested as you choose. In the following paragraphs, the options are described beginning with the most conservative and ending with the most aggressive.

Fidelity Retirement Money Market Portfolio - Retirement Money Market Portfolio is a money market fund. It seeks as high a level of current income as is consistent with the preservation of principal and liquidity. It invests in high-quality, U.S. dollar-denominated money market instruments of U.S. and foreign issuers.

While the Portfolio seeks to maintain a \$1.00 share price, there is no assurance that it will be able to do so. An investment in the Portfolio is not insured or guaranteed by the U.S. government. The Portfolio's yield will fluctuate. Retirement Money Market Portfolio is a conservative, relatively low-risk investment.

Fidelity Intermediate Bond Fund - Intermediate Bond Fund is an income fund. It seeks a high level of current income by investing primarily in investment-grade fixed income obligations rated Baa or better by Moody's or BBB or better by Standard & Poor's, including corporate bonds, mortgage securities, bank obligations and U.S. government and agency securities. The Fund's dollar-weighted average portfolio maturity ranges between three and ten years. The Fund's share price, yield and return will fluctuate.

Fidelity U.S. Equity Index Portfolio - U.S. Equity Index Portfolio is a growth and income fund. It seeks investment results that correspond to the total return performance of the S&P 500 Index, which is comprised of common stocks. Dividend amounts will vary. The Portfolio's share price and return will fluctuate.

Fidelity Magellan Fund - Magellan Fund is a growth fund. It seeks long-term capital appreciation by investing in the stocks of both well-known and lesser known companies with potentially above-average growth potential and a correspondingly higher level of risk. Securities may be of foreign and domestic companies. The Fund's share price and return will fluctuate.

Hewlett-Packard Stock Fund - The Hewlett-Packard Stock Fund enables you to become a stockholder in the Company and to participate in HP's growth by investing almost exclusively in Hewlett-Packard Common Stock. Like a mutual fund, this option holds a small percentage of high-quality money market instruments providing the option with same day exchangeability without the five-day-settlement period normally associated with purchases and sales of common stocks. Unlike a mutual fund, this option is neither a managed nor diversified portfolio and is subject to both the normal external factors affecting the general level of stock prices and to specific factors affecting HP. As a TAXCAP participant investing in the Hewlett-Packard Stock Fund, you have the right to vote the full shares of stock represented by your TAXCAP account. Each year before the annual meeting, information will be mailed to you that will enable you to exercise your voting right.

If you do not specify how your account is to be invested the entire amount will automatically be invested in the Fidelity Retirement Money Market Portfolio which is the most conservative investment.

Once you have enrolled in TAXCAP you may change your investment mixes for future contributions in 1 percent increments as often as you feel necessary by calling Fidelity at their toll free number

800-457-4015. You may also exchange your current account balance as often as you feel necessary by calling Fidelity at this number.

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Fund Information

To obtain your current account balances or performance and investment information about the Fidelity funds offered in TAXCAP, call the Fidelity toll-free automated phone line at 800-457-4015, 24 hours a day, seven days a week. To access your account, you must have your Social Security number, the TAXCAP number - 89740, your date of birth, and the fund codes. The fund codes are:

Fidelity Retirement Money Market Portfolio	0630
Fidelity Intermediate Bond Fund	0032
Fidelity U.S. Equity Index Portfolio	0650
Fidelity Magellan Fund	0021
HP Stock Fund	8655

To exchange existing assets from one investment option to another or to redirect your future contributions to a different investment option with the help of a Fidelity representative, you can call the same toll-free number, 800-457-4015. A Fidelity representative is on duty from 8:30 am to 8:00 pm Eastern Time. FIDELITY REPRESENTATIVES CAN ONLY GIVE INFORMATION ABOUT THE FUNDS AND LIMITED PLAN INFORMATION. THEY CANNOT PROVIDE FINANCIAL ADVICE. If you have a hearing impairment, you can call Fidelity toll-free at 800-835-5089 to conduct account transactions or to get specific information about your TAXCAP account. A Fidelity representative will be available to answer your questions any business day from 8:30 am to 8:00 pm Eastern Time.

Quarterly Participant Statements

Approximately four weeks after the end of each fiscal quarter you will receive a statement from Fidelity summarizing all of your account activity and administrative costs since the last statement and the total value of your account.

The information provided includes:

the beginning balance, which is the closing balance from the previous statement

investment performance (gains or losses)

investment elections (mixes)

any fund exchange activities that you authorized for the quarter

your deferrals for the quarter

loan information

HP's contributions for the quarter (which include interest on your deferred contributions prior to investment in your elected investment options)

your ending balance

administrative costs

Administrative costs for TAXCAP include administrative costs for both Fidelity and TAXCAP Administration in Corporate Offices. The costs are divided among participants based on the number of individuals enrolled in the Plan. The administrative costs are expected to be \$16 to \$18 per participant, per year and are a line item on the TAXCAP quarterly participant statement.

How You Vest in Your Account

You are 100 percent vested in the value of all funds contributed to your account from the moment they are placed in your account. This includes your deferrals, HP's contributions, rollover contributions, and gains or losses. The trustee holds the assets for your exclusive benefit and they cannot be used for any other purpose.

Being immediately 100 percent vested does not mean you have immediate access to the funds. Rather, it means that 100 percent of your account can be distributed if you leave HP or die.

When Payouts Are Made

The primary purpose of TAXCAP is to help you meet your long-range financial goals. Therefore, your account value is only payable when you leave HP or die. EXCEPTIONS: While you are still an HP employee, you can request an in-service hardship withdrawal, or after you reach age 59 1/2, you can withdraw all or part of your account.

When Your HP Career Ends

The full value of your TAXCAP account is payable when you leave HP or die.

You must elect a distribution option on the TAXCAP Payment Application at Termination of Participant form before you leave HP. The distribution options you have are:

lump sum amount in cash

HP stock and cash (only available if you are invested in the HP Stock Fund)

a direct rollover from TAXCAP to a Fidelity Investments Individual Retirement Account (IRA)

a direct rollover from TAXCAP to any other Individual Retirement Arrangement or another qualified plan

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If you elect a direct rollover form of payment, no federal or state income tax withholding will apply to the amount directly rolled over. If you elect to have a portion of your TAXCAP account paid directly to you, that portion of the distribution and any loan amount outstanding in your account will be subject to mandatory 20 percent federal income tax withholding and, where applicable, elective state income tax withholding. You can avoid the mandatory federal income tax withholding by electing to roll over 100 percent of your distribution through the direct rollover options.

If you elect to be paid in HP stock for your investments in the HP Stock Fund, you will receive an HP stock certificate for the equivalent number of whole shares in your HP Stock Fund. The remainder of your TAXCAP account after the stock shares are issued will be paid in cash. This distribution is subject to the mandatory 20 percent federal income tax withholding. However, income tax will be withheld only to the extent that cash is available.

If you do not make a distribution election within 60 days after the time of termination and your account balance is \$3,500 or less, or your account balance exceeds \$3,500 and you have a loan outstanding, then your full account balance will default to payment in cash and the 20 percent mandatory federal income tax withholding will apply.

If you do not elect a form of payment at the time of termination and your account balance exceeds \$3,500, and you have no loan outstanding, distribution of your account balance will not be made until TAXCAP Administration receives a signed TAXCAP Payment Application at Termination of Participant form.

If you terminate between quarters, you are not eligible for the company contribution for the quarter in which you terminate unless your termination is due to retirement (at least age 55 with 15 or more years of retirement plan service) or death. If you terminate on the last business day of the quarter, you are eligible for a company contribution.

Any benefit paid from the Plan will be based on the valuation date immediately following the next HP payday after Fidelity's receipt of your claim from HP. See the Glossary for the definition of "valuation date" for TAXCAP.

While You Are an HP Employee

Withdrawals from TAXCAP are available after age 59 1/2. After you reach age 59 1/2, you may withdraw all or part of your account. The minimum amount you can withdraw is \$1,000, or if there is less in the account, the entire value of the account. The withdrawal will be subject to mandatory 20 percent federal income tax withholding unless it is directly rolled over. The withdrawal will not be subject to the 10 percent early withdrawal tax penalty.

Hardship withdrawals are available to participants who meet certain stringent Internal Revenue Service (IRS) requirements. The following financial needs qualify a participant for a TAXCAP hardship withdrawal:

Unreimbursed medical expenses for you, your spouse or dependents.

Purchase or construction of your principal residence.

Payment of tuition and related educational fees for the next 12 months of post-secondary education for you, your spouse, your children, or dependents.

Prevention of eviction from or foreclosure on the mortgage on your principal residence.

Funeral expenses of a family member.

As a further requirement for applying for a hardship withdrawal, you must exhaust all other financial resources available to you. One of these resources is loans available through TAXCAP. You must have two TAXCAP loans outstanding prior to applying for a hardship withdrawal. If you are not eligible to apply for a loan, then you may apply for a hardship withdrawal directly.

As a condition of receiving your hardship withdrawal, the IRS requires that you will be unable to contribute to TAXCAP or the HP Stock Purchase Plan until the beginning of the quarter following one year from the date of your hardship withdrawal. The combined amount of your deferrals into TAXCAP for the year you request a hardship withdrawal and the next calendar year will be limited to the next year's maximum employee pre-tax contribution limit as set by the IRS.

The minimum withdrawal amount is the lesser of \$1,000 or all that is available. All withdrawals are subject to mandatory 20 percent

federal income tax withholding unless directly rolled over. Hardship withdrawals may be subject to a 10 percent early withdrawal tax penalty. There are exceptions to the 10 percent tax penalty so you should consult your accountant or tax advisor. Withdrawals are funded through the sale of your TAXCAP investments beginning with the most conservative and progressing to the most aggressive investment fund.

To request a withdrawal, call Fidelity at 800-457-4015 for your available withdrawal amount and an application. Fill out the required information and mail the application to Hewlett-Packard Company, TAXCAP Administration, 3000 Hanover Street, Palo Alto, California, 94304, MS 20CAX. There is no processing fee for in-service withdrawals.

In-service withdrawal requests are processed each Wednesday by TAXCAP Administration, and checks are issued from Fidelity within 10 business days after the application is received by TAXCAP Administration.

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How You Can Borrow From Your Account

While you are an active employee, regular full-time or regular part-time, you can borrow from your TAXCAP account. You cannot borrow from your account if you are on a medical, military, or personal leave of absence, or receiving benefits under the Income Protection Plan.

The maximum amount available is 50 percent of the account balance (including outstanding loan amounts) on the date of valuation less any loan balance outstanding. The total of all loans is limited to \$50,000 minus the highest loan balance outstanding during the prior 12-month period. Loans are subject to a \$1,000 minimum. No more than two loans can be outstanding at any time.

This chart shows the maximum outstanding loan amount you may have at any one time.

If your TAXCAP account balance is...	The maximum/outstanding loan amount is...
\$2,000 - \$100,000	50 percent of account balance
\$100,000+	\$50,000

To initiate a loan, call Fidelity at 800-457-4015. Once you have provided the proper security information, the Fidelity representative will guide you through the steps of the loan process

and inform you of any restrictions that may apply (maximum allowable loan amount, etc.). The Fidelity representative will complete the loan application over the phone once you have accepted the terms of the loan. The loan application includes the confirmation number for the loan, and the terms of the loan including the principal amount, interest rate, payback period for the loan, and payroll deduction amount.

Your eligibility for a loan is based on your account value as of the date you call Fidelity to request a loan application.

Your loan application is dated by the Fidelity phone representative and becomes void on the 30th day after the date of your request.

You will receive the application from Fidelity via U.S. mail. If you find the application to be in order, you must sign it, keep a copy for yourself and forward the remaining copy to TAXCAP Administration in Corporate Offices. Your application must be accompanied by a \$35 processing fee, payable to Hewlett-Packard Company. The processing fee is non-refundable. If you do not agree with the personalized loan information stated on the application, you can call Fidelity to change this information and receive a new application.

Loan applications are processed each Wednesday by TAXCAP Administration, and checks are issued from Fidelity within 10 business days after the application is received by TAXCAP Administration. Any loan applications received by TAXCAP after the expiration date will not be processed.

How Your Loan Is Funded

Your loan will be funded through the sale of your TAXCAP investments beginning with the most conservative fund and progressing to the most aggressive fund.

For Example:

You have a total of \$30,000 in TAXCAP investments. You have \$10,000 in the Retirement Money Market Portfolio, \$10,000 in the Intermediate Bond Fund and \$10,000 in the Magellan Fund. If you want to take a \$15,000 loan, \$10,000 will come from your Retirement Money Market Portfolio and the remaining \$5,000 will come from your Intermediate Bond Fund.

How You Repay Your Loan

You repay your loan through automatic, irrevocable payroll deductions. You can choose to repay the loan over one two, three, or four years. TAXCAP loan interest rates are determined by the prime rate on the last business day of the month preceding the loan

request plus 1/2 percent. The loan interest rate may change monthly. TAXCAP loans are amortized on a semi-monthly basis. Amounts repaid are reinvested semi-monthly based on your investment elections (mixes) in effect at the time of reinvestment.

Payroll deductions for your loan will begin approximately two weeks after receipt of the loan distribution check. Repayments, including interest paid, will be taken out of your paycheck each payday. Payroll deductions CANNOT be discontinued until the loan is fully repaid.

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Loan Prepayment

If you wish, you may prepay the full amount of the outstanding principal and accrued interest without penalty. You cannot make partial prepayments except in the case of certain personal leaves of absence.

To initiate a prepayment, you can call Fidelity at 800-457-4015. Once you have provided the proper security information, the Fidelity representative will guide you through the steps of the prepayment process. The Fidelity representative will provide you with the prepayment amount and the terms of the prepayment transaction.

If you want to have your prepayment effective for the end of the current month you must call Fidelity on or before the second payday of the month. If the request is made after this date, Fidelity will inform you that the prepayment will be effective for the next month.

Once you have agreed to the terms of the prepayment, Fidelity will process your loan prepayment application and send it to you. Upon receipt of the application, you must sign it, attach a money order, cashier's check or HP Credit Union teller check - payable to Fidelity Investments - and send both the application and check to TAXCAP Administration in Corporate Offices.

In order to have your prepayment effective in the current month, TAXCAP Administration must receive the completed application and check from you on or before the last business day of the month. If your application is received after this time, the prepayment application is void. All prepayment applications received by TAXCAP Administration by the last business day of the month will be forwarded to Fidelity. Fidelity will process your loan prepayment on the following payday. The prepayment will be invested according to your investment elections (mixes) on file at the time of repayment to the TAXCAP trust fund. The next statement that you receive will reflect that your loan is paid in full.

If you are transferring to a foreign entity or to HP's Flex Force as an On-Contract or On-Call employee, you must prepay your loan in full prior to transfer.

Loan Repayment Due to Leave of Absence

IRS restrictions regarding loans prohibit the employee from defaulting on a loan. The loan MUST be repaid per the terms of the loan. If you are going on a medical leave of absence and you have an outstanding TAXCAP loan, you do not have to prepay your loan unless you so desire. However, if you are taking a military or personal (this includes parental) leave, you must prepay ALL anticipated missed payments during your leave. In some instances, you may be required to prepay the entire loan before being granted time off for a leave.

The loan repayment procedure for leaves is as follows. You and your personnel representative will determine the amount of the repayment. Personnel will forward your money order, cashier's check, or HP Credit Union teller check - made payable to Fidelity Investments - to TAXCAP Administration for review and processing on the last business day of each pay period. Fidelity will process the repayment on the payday following receipt. Your repayments will either be entered as individual payments (if payroll deductions were just interrupted and you will be returning from leave) or as a lump sum (if the amount is a full repayment). If applicable, you will resume payroll deductions upon returning to work. Repayments will be invested according to your investment election (mixes) on file at the time of repayment to the TAXCAP trust fund.

Outstanding Loan at Termination

If you leave HP while a loan is outstanding, the amount you owe will be subtracted from the payout of your TAXCAP account. For income tax purposes, HP will report the amount you owe on your loan as part of the total payout you received from the Plan. Therefore, the entire amount distributed from the Plan - including the outstanding loan amount and interest due - is taxable income and subject to 20 percent mandatory federal income tax withholding unless the part of your account actually distributed from TAXCAP is subject to a direct rollover. You can defer taxation on your loan amount by rolling over this amount to an Individual Retirement Arrangement (IRA) or another qualified plan within 60 days of the distribution.

Special Rules for Acquisition Employees

If you were formerly employed by Avantek or AOT and had money transferred from the Avantek or AOT plan to TAXCAP, there are special TAXCAP rules described in this section that apply to you. In addition to cash or HP stock distributions upon termination of employment, you may also receive your distribution in various annuity forms of benefit - single life, joint and survivor or term certain annuities. Former Avantek plan participants may also elect an in-service withdrawal of any money formerly attributed to a "rollover account" in the Avantek plan.

Upon termination of employment, you will need spousal consent to receive your distribution in any form other than a joint and survivor annuity. You will also need spousal consent to receive in-service withdrawals (at age 59 1/2, for hardship, or for an Avantek rollover account) as well as for loans.

The rules regarding beneficiary designations described at page 140 will apply to you. In addition, if you name someone other than your spouse as beneficiary before the plan year in which you turn age 35, you must complete a new form in the plan year you turn age 35 or your spouse will automatically become your beneficiary.

Special claim forms for former Avantek and AOT plan participants have been prepared and will be provided to you as needed. These forms will reflect the special rules described in this section.

How to Make Changes or Receive Your Money

This chart provides a brief summary of how to change the way you are participating in TAXCAP and to receive money from you account.

If You Want To...

You Need To...

Enroll in the Plan.

Call TABS at 800-262-TABS or Telnet 800-262-TABS or Telnet 857-TABS and enroll in TAXCAP. You must enter your desired deferral percentage and specify the investment mix you want in 10 percent increments. Once you have enrolled in TAXCAP, your participation will begin in the first pay period after you become eligible. It is your responsibility to complete a beneficiary designation form for TAXCAP and return it to your personnel representative upon enrollment.

Change your deferral percentage.

Call TABS and make the desired deferral percentage changes. TABS will tell you when your changes will become effective.

Stop making deferrals into TAXCAP (that is, change the percentage to zero).

Call TABS and change your deferral to 0 percent. Your deferral will stop as of the first possible pay period after you call TABS. TABS will tell you when your deferrals will be stopped.

Resume making deferrals to TAXCAP after you have stopped.

Call TABS to re-enroll. TABS will tell you when you are eligible to begin deferrals again.

Resume making deferrals after a period of suspension due to a formal leave of absence.

Take no action. Your deferrals will resume automatically at the previous percentage when you absence. return. If you wish to change your percentage or cease deferrals entirely, call TABS upon your return. TABS will tell you when your deferral amount will be changed or stopped.

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How to Make Changes or Receive Your Money continued

If You Want To...

You Need To...

Change your beneficiaries.

Complete a new beneficiary form. If you are married and your spouse is not named as your sole beneficiary, your TAXCAP account will be distributed to your spouse upon your death unless the spousal consent section on the beneficiary form is completed. The change in beneficiary will be effective when the completed beneficiary form is received by your Personnel Department.

Apply for a withdrawal after age 59 1/2.

Call Fidelity Investments at 800-457-4015 to obtain an application. Once Fidelity mails you the application, sign it and send it to TAXCAP Administration.

Apply for a hardship withdrawal.

Call Fidelity Investments at 800-457-4015 to obtain an application. Once Fidelity mails you the application, sign it and send it to TAXCAP Administration.

Apply for a loan.

Call Fidelity Investments at 800-457-4015 to obtain a loan application. Once Fidelity mails you the application, sign it and send it and a \$35 non-refundable check made out to Hewlett-Packard Company to TAXCAP Administration.

Elect payout options.

Complete a TAXCAP Payment Application at Termination of Participant form and return it to your Personnel Department prior to termination of employment with HP.

How To Claim Benefits

To receive payment of your TAXCAP account balance, you should complete and return the TAXCAP Payment Application at Termination of Participant form to your Personnel Department prior to leaving HP. A TAXCAP Payment Application at Termination of Participant form is available from your Personnel Department.

If information provided results in incorrect benefit amounts (whether the information is false, wrong or incomplete), the benefit amount will be adjusted. If HP pays a larger benefit amount than it should have, reasonable steps will be taken to recover the overpayment.

If a Qualified Domestic Relations Order has required the Plan to set aside a portion of your account for payment to your ex-spouse or children, you will have no rights to that portion of the value of your account. If HP determines that a person who is to receive benefits has become unable to handle them properly, the Company may make any reasonable arrangement to distribute the benefits on the person's behalf.

If a Claim Is Denied

If all or part of a claim is denied, HP will notify the claimant (you or your beneficiary) in writing, within 90 days after the claim is received. This notice will explain:

Why the claim was denied and the specific Plan provisions on which the denial is based.

What additional information is needed and why.

How to appeal the denial.

The Plan's review procedure.

If you or your beneficiary do not receive this notice within 90 days after HP receives the claim, you or your beneficiary can consider the claim denied. To appeal a claim denial, use the procedure described in the next section.

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How to Appeal a Denied Claim

You or your beneficiary can appeal a denied claim by submitting a written request for the appeal to the Plan's Review Panel. You or your beneficiary must make the request within 60 days after the date of the denial. If you or your beneficiary do not receive a written denial, you must make the request within 150 days after the date you first filed the claim.

Send the written request to:

Review Panel Under the Hewlett-Packard Company Tax Saving Capital Accumulation Plan
3000 Hanover Street, 20CAX
Palo Alto, CA 94304

The request must explain why you or your beneficiary believe an appeal is in order and it must include supporting facts and any other pertinent information. HP will let you or your beneficiary review any pertinent documents which legally can be disclosed in preparing the request.

The Review Panel will act upon the request within 60 days after receiving it. The Panel may ask for additional time, but a decision, in writing, will be given within 120 days after the date of the written request for appeal. You or your beneficiary will receive a written explanation of the reasons for the Panel's decision. If you or your beneficiary do not receive notice of the Panel's decision by the end of the 120-day period, you may consider the appeal denied.

If the Panel decides that benefits should have been paid, HP will take whatever action is necessary to pay them as soon as possible after receiving notice of the Panel's decision.

You Cannot Assign Benefits

No action can be taken to assign your interest in the Plan or your account to anyone other than you. However, a court order that divides your benefits under this Plan as part of a marital settlement agreement will be allowed if it is a Qualified Domestic Relations Order as defined by law and approved by the Company.

How You Can Make Rollover Contributions

If you are a newly hired or rehired employee, you may be able to make a rollover contribution to the Plan before you are otherwise eligible to enroll. You may do this as described in this section if the check is made payable to you. You may also make a direct rollover, as prescribed by law, into TAXCAP if the check is made payable to Fidelity Investments as trustee of the TAXCAP.

A rollover contribution is a contribution you make to the Plan with the funds distributed to you from another qualified retirement plan in order to preserve the tax deferred status of the money. A rollover contribution will be allowed if HP decides that all IRS requirements have been met.

There are two situations when you may make a rollover contribution to TAXCAP with a payout from a qualified retirement plan from a previous employer:

You are still in possession of this payout and less than 60 days have elapsed since the date the payout was received by you.

You originally rolled the payout into a new and separate IRA.

See your Personnel Department for a rollover contribution form if you think you are qualified.

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What Circumstances Can Affect Your Benefits

The chart below describes situations which can affect your benefits.

This Situation	Has This Effect on Your Account
You leave HP.	Your deferrals and HP's contributions end. You elect a payout option of HP stock, and/or cash, or direct rollover to a Fidelity Investments or other IRA,

or qualified plan of your choice. TAXCAP termination distributions are processed semi-monthly provided payout options have been entered into HP's payroll/benefits system.

You take an unpaid personal, medical or military leave of absence.

Your deferrals and HP's contributions are suspended during leave of absence. Your deferrals and HP's contributions resume automatically once you return to active employment status. You are not eligible to take a loan while on leave.

You are disabled and on the HP Income Protection Plan, integrating FTO and in the first 90 days of disability.

You may continue your deferrals and HP's contributions under TAXCAP. The amount contributed will be a percentage of both your IPP benefits and the pay you receive from HP while on IPP. You are not eligible to take a loan while on IPP.

You are disabled and have been on the Income Protection Plan for 90 days. You are still integrating benefits.

As with FTO accrual, cash profit-sharing and the Stock Purchase Plan, you will no longer be able to participate in TAXCAP. You are not eligible to take a loan while on IPP.

You die.

Your deferrals and HP's contributions end. Your beneficiaries may elect a payout option of HP stock, and/or cash or a direct rollover to an IRA. TAXCAP termination distributions are processed semi-monthly provided payment application forms from the beneficiary are received by TAXCAP Administration.

If You Leave and Are Rehired

If you leave HP and are rehired, your eligibility to enroll will be measured from your original hire date, as if you had never left. It does not matter whether you had previously participated in TAXCAP

or not. Therefore, if less than a year has passed since your original hire date, you become eligible to enroll, after you are on HP's payroll, on the same entry date on which you would have been eligible when you were first hired. If more than a year has passed since your original hire date and you are already eligible to enroll when you return, you may enroll immediately or on the first day of any following month, after you are on HP's payroll.

Under no circumstances will you receive a payout while on HP's payroll. Payment cannot be made until you leave HP or die.

When Your Participation Is Automatically Suspended

Your participation in TAXCAP is automatically suspended while you are on:

- a leave of absence without pay

- military leave

- a non-U.S. Hewlett-Packard payroll

the HP Income Protection Plan after 90 days of disability (The suspension will start with the pay period after the 90th day. However, your deferrals before the 90th day will be eligible for HP's contributions.)

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During this time, you cannot make deferrals and HP will not make any contributions to your account. Your account will continue to share in the performance of the investment options you have selected. Your deferrals will automatically resume when you return to active employment status.

How Your Deferrals May Be Limited

The Internal Revenue Code places a limit on the amount you may defer in TAXCAP during a calendar year. This limit is \$8,728 for calendar year 1992. At the time of this printing, the calendar 1993 limit was not yet available. This limit does not include HP's contributions.

In addition, the IRS requires the Plan to pass a special test - called a non-discrimination test - designed to ensure a fair mix of deferrals and HP's contributions among employees at all income levels. If the Plan does not meet the test, it may be necessary to reduce the deferral rate of higher-paid participants from time to time. If so, the percentage of pay that those participants may defer may be reduced below 6 percent. You will be notified if you are affected by this test.

TAXCAP Participation Does Not Affect Your Other HP Benefits

Although participating in TAXCAP reduces your taxable pay, it does not affect your Social Security or other pay-related-HP benefits, nor will participation affect future pay increases.

How HP Contributions May Be Limited

The law limits the maximum annual contributions HP can make to your TAXCAP account when combined with contributions to your Deferred Profit-Sharing Plan account. Currently, the maximum amount HP can contribute to both accounts combined each year - including your TAXCAP deferrals - cannot exceed \$30,000 or 25 percent of compensation, whichever is less. This limit generally will apply only to certain highly paid employees. The Company will notify you if this limit applies to you.

TAXCAP deferrals may only be taken from the first \$228,860 of covered compensation (that is, wages or salary, commissions and shift differential) in the Plan year August 1, 1992 through July 31, 1993. This limitation will be adjusted for cost of living by the Secretary of the Treasury.

Changing or Ending the Plan

Although HP expects to continue the Plan indefinitely, the Company reserves the right to amend or terminate the Plan at any time. No amendment of the Plan will reduce the benefits that any participant has accumulated before the date the amendment is adopted, except as allowed by law.

The assets of the trust fund exist to provide benefits under the Plan and to pay reasonable expenses of administering the Plan. No amendment may divert any part of the assets for other purposes.

If the Plan is terminated, each participant retains a 100 percent vested non-forfeitable right in his or her Plan accounts. No part of the trust funds will revert to HP.

Under present law, the Pension Benefit Guaranty Corporation does not insure the adequacy of trusts such as TAXCAP. Therefore, benefits under TAXCAP are not insured.

This Plan is subject to Internal Revenue Service approval under the Internal Revenue Code. The Plan and this book are subject to any changes required by the Internal Revenue Service to meet applicable federal rules and regulations.

Income Tax Withholding

A new federal law, The Unemployment Compensation Amendments of

1992, imposes a mandatory 20 percent federal tax withholding rate on distributions that are not directly and immediately rolled over to an individual retirement account or individual retirement annuity (both referred to as IRAs) or to another qualified plan.

If you request that any portion of your TAXCAP account balance be paid directly to you, you will have 20 percent of that distribution withheld as federal income taxes. In general, this applies to most distributions, e.g., a distribution upon termination from HP, a withdrawal at or after age 59 1/2 or a hardship withdrawal - but not a TAXCAP loan.

The Company will provide you with a statement entitled TAXCAP Special Tax Notice Regarding Plan Payments whenever you make a withdrawal from the Plan. This statement will give you general information about taxation of your benefits at the time your benefits are payable.

Special rules apply for payments made to individuals who live outside the U.S.

How The Plan Is Funded

HP makes its contributions to the Plan's trust fund based on the amount contributed by Plan participants. Assets in this trust are invested according to the directions of the Plan participants within the guidelines established by the Company.

All the money in this trust is used exclusively for providing Plan benefits to eligible employees and beneficiaries and for paying the cost of administering the Plan.

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How The Stock Purchase Plan Compares To TAXCAP

The following chart compares the Stock Purchase Plan to TAXCAP.

A Comparison

	Stock Purchase Plan	TAXCAP
Eligibility	Regular full-time and regular part-time employees after one year of active service.	Regular full-time and regular part-time employees one year after the original hire date.

Earliest Date Participation Starts	February 1, May 1, August 1, or November 1, after meeting eligibility requirements.	February 1, May 1, August 1, or November 1, after meeting eligibility requirements.
Employee Contributions or Deferrals	Generally 1 to 10 percent of pay. Combined maximum of 12 percent if you are in both Plans.	Generally 1 to 6 percent of pay. Combined maximum of 12 percent if you are in both Plans.
Company Shares or Contributions	For every two Employee Shares purchased, HP contributes one additional share. The Company Shares are subject to a two-year restriction period.	One dollar for every three dollars the employee contributes. (The company contribution includes interest on participant's deferred contributions prior to investment in your elected investment options.)
Income Taxes on Employee Contributions or Deferrals	Income taxes are withheld from contributions. Taxes are also withheld at the time of purchase at quarter end, if the valuation price is greater than the purchase price.	Income taxes are not withheld from deferral amounts.
Withholding Taxes on Company Contributions	Income taxes are withheld on Company Shares at the end of the restriction period.	Income taxes are not withheld from company contributions.
Access to Funds	Unrestricted shares can be withdrawn or sold at any time. To receive Company Shares, employees must hold their Employee Shares for two years; or upon retirement or death.	Leaving HP or upon death; in-service withdrawals (\$1,000 minimum) are available at age 59 1/2; in-service hardship withdrawals are available upon meeting certain IRS requirements.
Loans From Account	Not allowed.	Allowed--\$1,000 minimum.

Form of
Payout

HP stock or cash.

HP stock, cash, or
a combination.

Stopping
Contributions
or Deferrals
During Quarter

If due to withdrawal
from Stock Purchase
Plan, refunded and
no company
contributions. If due
to leave of absence,
purchase and match will
occur.

Stays in trust, HP
contributions are made
at the end of the
quarter.

EXHIBIT 3

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference of the Registration Statement constituting part of Post-Effective Amendment No. 3 to the Registration Statement on Form S-8 (registration No. 2-92331) of the Hewlett-Packard Company Tax Saving Capital Accumulation Plan of our report dated September 24, 1993 appearing on page 1 of this Form 11-K.

Price Waterhouse
San Francisco, California

January 25, 1994