

HEWLETT PACKARD CO
Form 11-K
June 29, 2006

UNITED STATES
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

for the fiscal year ended December 31, 2005

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

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 401(k) 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, CALIFORNIA 94304**

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

Hewlett-Packard Company 401(k) Plan
December 31, 2005 and 2004, and for the Year Ended December 31, 2005
with Report of Independent Registered Public Accounting Firm

Hewlett-Packard Company 401(k) Plan

Financial Statements and Supplemental Schedule

December 31, 2005 and 2004,
and for the Year Ended December 31, 2005

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Report of Independent Registered Public Accounting Firm

Plan Administrator
Hewlett-Packard Company 401(k) Plan

We have audited the accompanying statements of net assets available for benefits of the Hewlett-Packard Company 401(k) Plan as of December 31, 2005 and 2004, and the related statement of changes in net assets available for benefits for the year ended December 31, 2005. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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 our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2005 and 2004, and the changes in its net assets available for benefits for the year ended December 31, 2005, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2005, is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

San Jose, California
May 25, 2006

Hewlett-Packard Company 401(k) Plan

Statements of Net Assets Available for Benefits

	December 31,	
	2005	2004
Assets		
Cash	\$ 312,433	\$ -
Investments	8,798,830,023	8,068,624,270
Receivables:		
Company contribution receivable	7,554,760	9,418,626
Amount due from brokers for securities sold	36,154,295	18,844,047
Interest and dividends receivable	4,409,007	3,709,463
Total receivables	48,118,062	31,972,136
Total assets	8,847,260,518	8,100,596,406
Liabilities		
Amounts due to brokers for securities purchased	46,167,970	16,307,044
Other payables	3,051,234	2,943,998
Total liabilities	49,219,204	19,251,042
Net assets available for benefits	\$ 8,798,041,314	\$ 8,081,345,364

See accompanying notes.

Hewlett-Packard Company 401(k) Plan

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2005

Additions	
Contributions:	
Participant	\$ 458,407,459
Company	200,357,352
Rollover	60,370,572
	<hr/>
Total contributions	719,135,383
Investment income:	
Interest and dividends	286,373,895
Net realized and unrealized appreciation in fair value of investments	607,082,193
	<hr/>
Total investment income	893,456,088
	<hr/>
Total additions	1,612,591,471
Deductions	
Benefits paid directly to participants	886,723,120
Administrative expenses and fees	2,895,954
Investment management fees	6,276,447
	<hr/>
Total deductions	895,895,521
	<hr/>
Net increase	716,695,950
Net assets available for benefits:	
Beginning of year	8,081,345,364
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End of year	\$ 8,798,041,314
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See accompanying notes.

Hewlett-Packard Company 401(k) Plan

Notes to Financial Statements

December 31, 2005

1. Description of the Plan

The following brief description of the Hewlett-Packard Company 401(k) Plan (the Plan) provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering employees of Hewlett-Packard Company (the Company or HP) and designated domestic subsidiaries who are on the U.S. payroll and who are employed as regular full-time or regular part-time employees. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Assets of the Plan are invested in a three-tier investment structure. Tier 1 includes four ready-made portfolios that represent different points on the risk/return spectrum. Tier 2 includes 14 institutional funds in a range of asset classes. Tier 3 includes 17 brand-name mutual funds spanning several investment categories. Additionally, the Plan offers Company common stock as an investment option.

The Plan includes a non-leveraged employee stock ownership plan (the ESOP) within the meaning of Internal Revenue Service Code Section 4975(e)(7). The ESOP is maintained as part of the Plan and is designed to invest primarily in the Company's common stock. The purpose of the ESOP is to permit participants the option of having dividends on the Company's common stock re-invested in the Plan or paid directly to them in cash. Participants in the Plan who were formerly participants in the Compaq Computer Corporation 401(k) Investment Plan, but who did not become employees of the Company subsequent to the acquisition of Compaq Computer Corporation in May 2002 are not eligible to participate in the ESOP.

Hewlett-Packard Company 401(k) Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Contributions

All employees are deemed to have elected a three percent compensation deferral effective on the first day of their employment unless the employee makes a change to that election in the manner prescribed by the Company.

Participants may annually contribute, on a pretax basis, up to 50% of their eligible compensation, as defined by the Plan. Contributions are subject to annual deductibility limits specified under the Internal Revenue Code (the Code). The annual limitation was \$14,000 for 2005.

Participants who are age 50 or older by the end of the plan year can contribute an additional \$4,000 above the annual limitation. These catch-up contributions are not eligible for the Company match. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

The Company contributes 100% of the first 3% and 50% of the next 2% of compensation that each participant contributes to the Plan. The Plan uses a year-end true-up matching contribution feature to allow participants to receive the maximum matching contribution available by making up any loss in matching contributions resulting from the participant's individual savings strategies. To be eligible to receive the year-end true-up match, the participant must be employed on the last day of the plan year. The true-up matching contribution was \$7,554,760 for the year ended December 31, 2005.

Vesting

Participants are one hundred percent vested in the Plan at all times.

Hewlett-Packard Company 401(k) Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of (i) Company contributions and (ii) Plan earnings and losses. Allocations are determined in accordance with the provisions of the plan document. The benefit to which a participant is entitled is the benefit that can be provided from the vested portion of the participant's account. All amounts in participant accounts, including amounts invested in the Agilent Stock Fund prior to the June 2, 2000, spin-off of Agilent Technologies, Inc., are participant-directed.

However, effective June 2, 2000, no amounts may be directed into the Agilent Stock Fund. The Agilent Stock Fund was closed effective March 31, 2005. Proceeds from the liquidation of the fund were invested in the Stable Value Fund from which participants may redirect their investment, consistent with the Plan rules.

Participant Loans

The Plan offers two types of loans, namely general-purpose loans and primary residence loans. The repayment period for a general-purpose loan may not exceed five years, and the repayment period for a primary residence loan may not exceed 15 years.

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balances. Loans are secured by the participant's account and bear interest at a rate equal to the prevailing prime rate plus 1%. Principal and interest is paid ratably through payroll deductions.

Payment of Benefits

On termination of service, death or retirement, participants may elect to receive a lump-sum amount equal to the value of their account. Participants with account balances exceeding \$5,000 may elect to receive a series of cash installment payments at their required beginning date. Lump-sum payments may be made in cash or shares of stock for distribution from the Company Stock Fund and prior to March 31, 2005, the Agilent Stock Fund. Hardship distributions and in-service withdrawals are permitted if certain criteria are met.

Hewlett-Packard Company 401(k) Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Administrative and Investment Management Expenses

Certain fees and expenses of the Plan for legal, accounting, and other administrative services are paid directly by the Company on behalf of the Plan. Other administrative fees and all investment management fees are charged to individual participants accounts. Certain administrative fees and investment management fees related to Tiers 1 and 2 investment options are paid directly to the Plan's investment managers and are reported separately on the statement of changes in net assets available for benefits. Investment management fees charged by the Tier 3 mutual funds are deducted from the net asset values of the mutual funds and are, therefore, recorded as a component of the net realized and unrealized appreciation in fair value of the Plan's investments.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

2. Summary of Significant Accounting Policies

Investment Valuation and Income Recognition

Except for investment contracts, the Plan's investments are stated at fair value. The shares of registered investment companies are valued at quoted market prices, which represent the net asset values of shares held by the Plan at year-end. The shares of the common collective trust funds are valued at the quoted redemption value on the last business day of the plan year. Short-term investments are valued at cost plus accrued interest, which approximates fair value. Securities traded on a national securities exchange are valued at the last reported sales price on the last day of the plan year. Participant loans are valued at their outstanding balances, which approximate fair value.

Hewlett-Packard Company 401(k) Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investments in guaranteed investment contracts and synthetic investment contracts are stated at contract value, which approximates fair value, because they are fully benefit-responsive. Contract value represents contributions made plus interest accrued at the contract rate, less withdrawals. The guaranteed investment contracts are promises by an insurance company or bank to repay principal plus accrued income at contract maturity, subject to the creditworthiness of the issuer. Synthetic investment contracts consist of various fixed income investments, together with contracts under a bank or other institution, which provide for fully benefit-responsive withdrawals by plan participants at contract value. There are no limitations on liquidity guarantees, and no valuation reserves are being recorded to adjust contract amounts.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Investments

The following investments represent 5% or more of the fair value of the Plan's net assets:

	December 31	
	2005	2004
Hewlett-Packard Company common stock	\$ 954,974,636	\$ 810,232,925
Fidelity Magellan Fund	609,935,731	725,591,053
Fidelity Contrafund	577,471,923	454,973,081
Vanguard PRIMECAP Fund	716,991,549	690,285,001
Fidelity Low-Priced Stock Fund	442,313,583	437,765,920
Vanguard Employee Benefit Index Fund	952,910,499	944,314,522
Dwight Target 2 Fund	549,406,888	433,680,009

Hewlett-Packard Company 401(k) Plan

Notes to Financial Statements (continued)

3. Investments (continued)

During 2005, the Plan's investments (including investments purchased, sold, as well as held during the year) appreciated in fair value as determined by quoted market prices as follows:

	Net Realized and Unrealized Appreciation (Depreciation) in Fair Value of Investments
Registered investment companies	\$ 137,143,728
U. S. government securities	(673,087)
Common stock	86,534,362
Company common stock	266,703,410
Common collective trust fund	117,373,780
	<hr/>
	\$ 607,082,193
	<hr/>

4. Guaranteed and Synthetic Investment Contracts

The Plan offers a Stable Value Fund, which invests in guaranteed investment contracts and synthetic investment contracts, to provide participants with a stable, fixed-rate return and protection of principal from market changes.

The average yield of the various investment contracts in the Stable Value Fund for 2005 and 2004 was approximately 4.74% and 4.50%, respectively. The crediting interest rates at December 31, 2005 and 2004, range from 3.19% to 6.24% and 3.19% to 7.84%, respectively. The interest rate paid by the issuer or contract rate may be fixed over the life of the contract or adjusted periodically, but cannot fall below 0%. The fair value of the guaranteed investment contracts, estimated by the issuers based on discounted cash flows, was \$17,124,423 at December 31, 2005 and \$108,801,050 at December 31, 2004. The fair value of the underlying assets related to the synthetic investment contracts was \$1,089,792,281 at December 31, 2005 and \$850,371,023 at December 31, 2004, resulting in positive wrapper values totaling \$9,739,927 at December 31, 2005 and negative wrapper values totaling \$(10,154,670) at December 31, 2004.

Hewlett-Packard Company 401(k) Plan

Notes to Financial Statements (continued)

5. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated August 22, 2000, stating that the Plan is qualified under Section 401(a) of the Code, and therefore the related trust is exempt from taxation. Subsequent to the issuance of the determination letter, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes that the Plan is being operated in compliance with the applicable requirements of the Code and therefore believes that the Plan, as amended, is qualified and the related trust is tax-exempt.

6. Related Party Transactions

Transactions in shares of the Company's common stock qualify as party-in-interest transactions under the provisions of ERISA. During 2005, the Plan made purchases of approximately \$53,311,435 and sales of approximately \$175,268,135 of the Company's common stock.

7. Risk and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

8. Subsequent Events

Effective January 1, 2006, employees with fewer than 62 points, calculated as age plus years of service, will be eligible for an enhanced Company matching contribution equal to 100% of the first 6% of the eligible compensation the participant contributes to the Plan.

In addition, the Company will match contributions for all participants on a pay-period basis throughout the year. The year-end true-up match will no longer be made beginning with the 2006 plan year. The final true-up match was provided for the 2005 plan year in early 2006.

Effective January 1, 2006, all new employees will be subject to a three-year cliff vesting schedule with regard to matching contributions. As a result, participants with no prior HP service who enter the Plan on or after January 1, 2006, will be 0% vested in Company matching contributions until earning three years of credited service, at which time they will become 100% vested in their matching contributions.

Supplemental Schedule

Hewlett-Packard Company 401(k) Plan

EIN: 94-1081436 PN: 004

Schedule H, Line 4i Schedule of Assets (Held at End of Year)

December 31, 2005

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
Short-term investments			
	Dreyfus Cash Management Portfolio	15,358,548 shares	\$ 15,358,548
	Mellon EB Temporary Investment	2,241,294 shares	2,241,294
	The Boston Company Pooled Employee Liquidity Fund	3,344,440 shares	3,344,440
*	Fidelity Institutional Cash Portfolio	7,651,000 shares	7,651,000
	BNP PARBS FIN CP 4.34%	5,600,000 shares	5,541,265
	DNB NOR BK DN 0% 2/22/06	4,800,000 shares	4,747,114
	HBOS TREAS DN 0% 2/24/06	5,600,000 shares	5,536,677
	SOC GEN NA YCP 4.34%	2,400,000 shares	2,373,671
	WESTPAC BANK 42CP 0%	2,300,000 shares	2,277,592
			49,071,601
Registered investment companies			
	ICAP Equity Portfolio	1,811,778 shares	74,590,884
	Artisan International Fund	1,366,217 shares	34,578,945
	Montag & Caldwell Growth Fund	203,879 shares	4,866,603
	PIMCO High Yield Fund	4,918,941 shares	47,812,108
	PIMCO Real Return Fund	5,310,134 shares	58,836,289
	Vanguard PRIMECAP Fund	10,579,778 shares	716,991,549
	American Funds New World Fund	1,596,229 shares	61,853,869
	PIMCO Global Bond II Fund	2,088,733 shares	20,427,806
	MFS International New Discovery Fund	6,613,399 shares	160,374,919
	BNY Hamilton Small Cap Growth Fund	966,980 shares	14,301,630
	Domini Social Equity Fund	1,841,238 shares	20,842,819
	Templeton Foreign Advisor Class	11,024,786 shares	139,463,544
*	Fidelity Magellan Fund	5,730,324 shares	609,935,731
*	Fidelity Contrafund	8,917,108 shares	577,471,923
*	Fidelity Growth & Income Portfolio	7,438,656 shares	255,889,762
*	Fidelity Real Estate Investment Portfolio	5,117,763 shares	159,469,486
*	Fidelity Low-Priced Stock Fund	10,830,401 shares	442,313,583
	Dodge & Cox Income Fund	7,460,667 shares	93,556,763
	Dodge & Cox Stock Fund	1,118,759 shares	153,516,112
	Lord Abbett Midcap Value Fund	1,071,938 shares	23,979,254

Hewlett-Packard Company 401(k) Plan

EIN: 94-1081436 PN: 004

Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

December 31, 2005

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
Registered investment companies (continued)			
	PIMCO Asset Backed Securities Fund	196,435 shares	\$ 2,064,537
	PIMCO Emerging Markets Fund	590,635 shares	6,691,900
	PIMCO International Portfolio	1,766,621 shares	8,780,106
	PIMCO Investment Grade Corporate Portfolio	647,497 shares	6,300,144
	PIMCO Mortgage Portfolio	8,109,671 shares	84,178,385
	PIMCO Municipal Sector Portfolio	334,778 shares	3,444,870
	PIMCO Real Return Bond Fund	263,359 shares	2,815,311
	PIMCO US Government Sector Portfolio	5,133,847 shares	54,983,496
	Vanguard Extended Market Index	5,387,879 shares	184,750,364
			4,025,082,692
Common stock			
	AAR CORP	46,700 shares	1,118,465
	Abbott Laboratories	127,600 shares	5,031,268
	ACCENTURE LTD CL A	59,000 shares	1,703,330
	ACE LTD	74,400 shares	3,975,936
	ACTIVISION INC	217,866 shares	2,993,479
	ACTUANT CORP CL A	2,900 shares	161,820
	Adobe Systems Inc.	117,800 shares	4,353,888
	Advance Auto Parts Inc.	99,900 shares	4,341,654
	ADVISORY BOARD CO	46,800 shares	2,230,956
	AFTERMARKET TECH CORP	27,200 shares	528,768
	Agilent Technologies Inc.	44,200 shares	1,471,418
	Alabama Natl Bancorp Del	5,200 shares	336,752
	ALAMOSIA HLDGS INC	401,000 shares	7,462,610
	Alcoa Inc.	45,400 shares	1,342,478
	Alcon Inc.	23,600 shares	3,058,560
	Alexander & Baldwin Inc.	6,200 shares	336,288
	Alliance Data Sys Corp.	237,700 shares	8,462,120

Hewlett-Packard Company 401(k) Plan

EIN: 94-1081436 PN: 004

Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

December 31, 2005

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
Common stock (continued)			
	Altria Group Inc.	129,200 shares	\$ 9,653,824
	AMAZON.COM INC	19,600 shares	924,140
	Amer Intl Group Inc.	129,100 shares	8,808,493
	AMERICAN AXLE & MFG HLDGS	24,000 shares	439,920
	American Express Co.	89,200 shares	4,590,232
	American Tower Corp.	237,467 shares	6,435,356
	Ametek Inc. New	97,000 shares	4,126,380
	Amgen Inc.	90,600 shares	7,144,716
	AMYLIN PHARMACEUTICALS	11,200 shares	447,104
	ANAREN INC	10,100 shares	157,863
	ANIXTER INTL INC	50,900 shares	1,991,208
	Ann Taylor Stores Corp.	14,800 shares	510,896
	Anteon International Corp.	54,500 shares	2,962,075
	Apple Computer Inc.	49,100 shares	3,529,799
	APPLIED MATERIALS INC	147,700 shares	2,649,738
	ARGONAUT GROUP	35,100 shares	1,150,227
	ARRIS GROUP INC	68,800 shares	651,536
	ASHLAND INC	10,500 shares	607,950
	ASTRAZENECA PLC SPONS ADR	51,100 shares	2,483,460
	ATMI INC	113,000 shares	3,160,610
	Autoliv Inc.	113,500 shares	5,155,170
	Aviall Inc.	15,700 shares	452,160
	AVID TECHNOLOGY INC	72,900 shares	3,992,004
	Baldor Elec Co.	46,100 shares	1,182,465
	Bank Of America Corp.	364,200 shares	16,807,830
	Baxter Intl. Inc.	47,500 shares	1,788,375
	Be Aerospace Inc.	62,500 shares	1,375,000

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Hewlett-Packard Company 401(k) Plan

EIN: 94-1081436 PN: 004

Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

December 31, 2005

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
Common stock (continued)			
	Benihana Inc	15,900 shares	\$ 366,336
	Bio Rad Labs	51,000 shares	3,337,440
	Blount Intl. Inc.	3,200 shares	50,976
	Boeing Co.	29,000 shares	2,036,960
	Bowater Inc.	63,400 shares	1,947,648
	BROADCOM CORP CL A	28,900 shares	1,362,635
	C COR INC	120,000 shares	583,200
	Capital One Fin Corp.	40,500 shares	3,499,200
	Capitalsource Inc.	275,000 shares	6,160,000
	Cardinal Health Inc.	44,900 shares	3,086,875
	Caremark RX Inc.	54,400 shares	2,817,376
	Carlisle COS Inc.	25,500 shares	1,763,325
	CARPENTER TECHNOLOGY CORP	25,700 shares	1,811,079
	Casey General Stores	29,100 shares	721,680
	Castle (A.M.) & Co.	9,000 shares	196,560
	Caterpillar Inc.	29,000 shares	1,675,330
	Cb Richard Ellis Group A	96,200 shares	5,661,370
	Central Garden & Pet	73,500 shares	3,376,590
	Cephalon Inc.	58,100 shares	3,761,394
	CH ROBINSON WORLDWIDE INC	89,700 shares	3,321,591
	CHEESECAKE FACTORY INC	17,800 shares	665,542
	CHEVRON CORP	98,700 shares	5,603,199
	Chicos Fas Inc.	80,200 shares	3,523,186
	Choicepoint Inc.	85,200 shares	3,792,252
	Cisco Systems Inc.	260,500 shares	4,459,760
	Citigroup Inc.	233,500 shares	11,331,755
	Citizens Comm. Co.	202,200 shares	2,472,906
	City National Corp.	41,800 shares	3,027,992
	CNF INC	22,100 shares	1,235,169
	Coach Inc.	76,500 shares	2,550,510
	Coca Cola Enterprises Inc.	26,300 shares	504,171

Hewlett-Packard Company 401(k) Plan

EIN: 94-1081436 PN: 004

Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

December 31, 2005

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
Common stock (continued)			
	COGENT INC	63,400 shares	\$ 1,437,912
	Cognex Corp.	92,500 shares	2,783,325
	Comcast Corp.CL A	110,000 shares	2,854,196
	COMMERCIAL CAPITAL BANCOR	12,500 shares	214,000
	Commercial Vehicle Group	44,700 shares	839,466
	COMPUWARE CORP	107,500 shares	964,275
	Conocophillips	55,400 shares	3,223,172
	Constellation Brands	161,200 shares	4,228,276
	Cooper Cameron Corp.	72,000 shares	2,980,800
	Corning Inc.	213,800 shares	4,203,308
	Corporate Executive BRD C	62,400 shares	5,597,280
	COSTAR GROUP INC	60,000 shares	2,590,200
	Countrywide Fin. Corp.	56,400 shares	1,928,316
	COURIER CORP	3,900 shares	133,926
	Cullen Frost Bankers Inc.	14,200 shares	762,256
	Curtiss Wright Corporation	12,300 shares	671,580
	Cymer Inc.	33,200 shares	1,178,932
	CYTYC CORP	153,400 shares	4,330,482
	DATASCOPE CORP	5,300 shares	175,165
	Davita Inc.	245,000 shares	12,406,800
	Dell Inc.	227,200 shares	6,813,728
	Denbury Resources Inc.	183,400 shares	4,177,852
	DENDRITE INTL CORP	39,400 shares	567,754
	Deutsche Telekom AGSPON	180,700 shares	3,005,041
	DIAMOND ROCK HOSPITALITY C	81,200 shares	971,152
	DIGITAS INC	191,000 shares	2,391,320
	DIONEX CORP	33,300 shares	1,634,364
	DOLBY LAB INC CL A	144,100 shares	2,456,905
	DOMINION RESOURCES INC VA	17,000 shares	1,312,400
	Dupont (Ei) De Nemours	51,100 shares	2,171,750

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Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

December 31, 2005

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
Common stock (continued)			
	E TRADE FINANCIAL CORP	22,500 shares	\$ 469,350
	Ebay Inc.	130,000 shares	5,622,500
	Education Management Corp.	211,800 shares	7,097,418
	Edwards Lifesciences Corp.	85,200 shares	3,545,172
	ELECTRO SCIENTIFIC INDS	34,000 shares	821,100
	Electronic Arts Inc.	99,300 shares	5,194,383
	ELECTRONICS FOR IMAGING	66,600 shares	1,772,226
	Emc Corp.	235,400 shares	3,206,148
	EMERSON ELEC CO	43,200 shares	3,227,040
	Entercom Comm Corp.	55,900 shares	1,658,553
	Ethan Allen Interiors Inc.	49,100 shares	1,793,623
	Exelon Corp.	115,700 shares	6,148,298
	Exxon Mobil Corp.	247,100 shares	13,879,607
	FAIR ISSAC CORP	36,900 shares	1,629,873
	FAIRCHILD SEMICON INTL	148,000 shares	2,502,680
	FEDERATED DEPT STORES INC	32,700 shares	2,168,991
	Filenet Corp.	28,600 shares	739,310
	FINANCIAL FEDERAL CORP	26,300 shares	1,169,035
	First Data Corp.	63,700 shares	2,739,737
	Forest Laboratories Inc.	79,500 shares	3,234,060
	FPL GROUP INC	33,600 shares	1,396,416
	Franklin Resources Inc.	24,400 shares	2,293,844
	Freddie Mac	49,700 shares	3,247,895
	Frontier Airlines Inc.	88,000 shares	813,120
	Fuelcell Energy Inc.	50,700 shares	429,429
	Genentech Inc.	40,200 shares	3,718,500
	General Electric Co.	432,800 shares	15,169,640
	General Mills Inc.	79,800 shares	3,935,736
	Genesee & Wyoming	28,150 shares	1,057,032
	Genlyte Group Inc.	15,100 shares	808,907

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Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

December 31, 2005

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
Common stock (continued)			
	Genzyme Corp.	26,700 shares	\$ 1,889,826
	GETTY IMAGES INC	49,500 shares	4,418,865
	Gibraltar Industries Inc.	41,550 shares	953,157
	Gilead Sciences Inc.	77,500 shares	4,078,825
	Global Payments Inc.	117,800 shares	5,490,658
	Golden West Fin. Corp. DEL	27,400 shares	1,808,400
	Goldman Sachs Group Inc.	41,700 shares	5,325,507
	Google Inc.	21,300 shares	8,836,518
	Graco Inc.	62,500 shares	2,280,000
	GRANT PRIDECO INC	2,700 shares	119,124
	Grey Wolf Inc.	31,100 shares	240,403
	GUITAR CENTER INC	5,900 shares	295,059
	Gulfmark Offshore Inc.	10,200 shares	302,124
	Haemonetics Corp. Mass	32,000 shares	1,563,520
	Halliburton Co.	54,800 shares	3,395,408
	HEARTLAND EXPRESS INC	72,300 shares	1,466,967
	Helmerich & Payne Inc.	6,200 shares	383,842
	Henry (Jack) & Assoc Inc.	184,100 shares	3,512,628
	Hewitt Assoc Inc.	47,954 shares	1,343,191
	Hexcel Corporation	91,000 shares	1,642,550
	HUB INTERNATIONAL LIMITED	44,600 shares	1,150,680
	Hughes Supply Inc.	47,200 shares	1,692,120
	IDACORP INC	35,500 shares	1,040,150
	IDEX Corporation	20,000 shares	822,200
	II-VI INC	55,800 shares	997,146
	Informatica Corp.	258,900 shares	3,106,800
	Ingersoll Rand Co.	46,600 shares	1,881,242
	Intel Corp.	251,400 shares	6,274,944

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Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

December 31, 2005

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
Common stock (continued)			
	Interline Brands Inc.	39,100 shares	\$ 889,525
	INTERSIL CORPORATION CL A	62,000 shares	1,542,560
	INTL BUS MACH CORP	76,000 shares	6,247,200
	Investors Finl Svcs Corp.	135,900 shares	5,005,197
	IPC HOLDINGS LTD	81,000 shares	2,217,780
	Iron Mountain Inc.	25,800 shares	1,089,276
	Jefferies Group Inc.	69,600 shares	3,130,608
	Jlg Industries Inc.	13,100 shares	598,146
	Johnson Controls Inc.	15,000 shares	1,093,650
	JP Morgan Chase & Co.	63,640 shares	2,525,872
	Kcs Energy Inc.	36,600 shares	886,452
	KENSEY NASH CORP	17,000 shares	374,510
	Key Energy Services Inc.	88,600 shares	1,193,442
	Keystone Automotive Inds	23,500 shares	739,780
	Kirby Corp.	21,500 shares	1,121,655
	Knbt Bancorp Inc.	20,700 shares	337,203
	KNIGHT TRANSPORTATION INC	211,650 shares	4,387,504
	Kohls Corp.	59,500 shares	2,891,700
	Ladish Inc.	16,300 shares	364,305
	Lamar Advertising Co.	147,700 shares	6,814,878
	Lilly (Eli) & Co.	69,700 shares	3,944,323
	Lincare Holdings Inc.	129,200 shares	5,414,772
	LOCKHEED MARTIN CORP	39,200 shares	2,494,296
	Lowe's COS Inc.	39,600 shares	2,639,736
	LSI INDUSTRIES INC	42,210 shares	661,009
	Magellan Hlth Svcs Inc.	134,600 shares	4,233,170
	Markel Corp.	14,400 shares	4,565,520
	MARRIOTT INTL INC A	27,100 shares	1,814,887
	Martin Marietta Materials	41,000 shares	3,145,520
	MARVEL ENTERTAINMENT INC	113,100 shares	1,852,578
	Marvell Tech Group Ltd.	77,000 shares	4,318,930
	Maxim Integrated Products	129,500 shares	4,693,080

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Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

December 31, 2005

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
Common stock (continued)			
	Mbia Inc.	63,500 shares	\$ 3,820,160
	McCormick & Schmck Sea Res	22,900 shares	517,769
	Mckesson Corp.	73,700 shares	3,802,183
	Medtronic Inc.	68,300 shares	3,932,031
	Mercury Interactive Corp.	65,700 shares	1,825,803
	MEREDITH CORP	37,000 shares	1,936,580
	MERICAN REPROGRAPHICS CO	107,000 shares	2,718,870
	Merrill Lynch & Co. Inc.	106,100 shares	7,186,153
	METAL MANAGEMENT INC	24,700 shares	574,522
	METLIFE INC	19,600 shares	960,400
	Micros Systems Inc.	57,500 shares	2,778,400
	Microsemi Corp.	92,700 shares	2,564,082
	Microsoft Corp.	397,700 shares	10,399,855
	MIDDLEBY CORP	8,500 shares	735,250
	Millennium Pharmaceutical	299,700 shares	2,907,090
	Modine Manufacturing Co.	25,900 shares	844,081
	MOLECULAR DEVICES CORP	20,600 shares	595,958
	Moog Inc.	19,300 shares	547,734
	Motorola Inc.	12,600 shares	284,634
	MUELLER INDUSTRIES INC	26,700 shares	732,114
	Nationwide Health PPTYs	58,800 shares	1,258,320
	Navigators Group Inc.	24,700 shares	1,077,167
	Navteq Corp.	69,500 shares	3,048,965
	Nci Building Systems Inc.	46,000 shares	1,954,080
	NEUSTAR INC CL A	67,900 shares	2,070,271
	NEWMONT MINING CORP	19,200 shares	1,025,280
	NICOR INC	18,600 shares	731,166
	Nike Inc.	34,100 shares	2,959,539
	NOKIA CORP SPON ADR	127,900 shares	2,340,570
	Novartis AG SPON ADR	68,800 shares	3,610,624

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Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

December 31, 2005

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
Common stock (continued)			
	NRG ENERGY INC	18,000 shares	\$ 848,160
	Occidental Petroleum Corp.	24,300 shares	1,941,084
	Odyssey Re Hldgs Corp.	14,500 shares	363,660
	OFFICE DEPOT INC	84,100 shares	2,640,740
	Omnicom Group Inc.	18,100 shares	1,540,853
	PATTERSON-UTI ENERGY INC	66,800 shares	2,201,060
	PEDIATRIX MEDICAL GROUP	56,800 shares	5,030,776
	Pepsi Bottling Group Inc.	119,100 shares	3,407,451
	PEPSICO INC	39,000 shares	2,304,120
	PETCO ANIMAL SUPPLIES INC	3,000 shares	65,850
	Petro Canada Com	115,900 shares	4,646,431
	PIEDMONT NATURAL GAS	40,500 shares	978,480
	PIKE ELECTRIC CORP	20,100 shares	326,022
	Pmc-Sierra Inc.	291,400 shares	2,246,694
	PNM RESOURCES INC	40,700 shares	996,743
	POLYMEDICA CORP	92,284 shares	3,088,745
	POSSIS MEDICAL INC	17,500 shares	174,125
	PREMIERE GLOBAL SVCS INC	94,500 shares	768,285
	Procter & Gamble Co.	239,142 shares	13,841,539
	Provident Bancshares Corp.	18,500 shares	624,745
	Prudential Financial Inc.	11,600 shares	849,004
	PSS World Medical Inc.	28,800 shares	427,392
	PUBLIC SVC ENTERPRISE GRP	14,000 shares	909,580
	Qualcomm Inc.	140,500 shares	6,052,740
	Quanex Corp.	57,700 shares	2,883,269
	QUANTA SVCS INC	18,200 shares	239,694
	Quicksilver Res Inc.	59,200 shares	2,486,992
	RADIO ONE CL D NON-VTG	145,400 shares	1,504,890
	Range Resources Corp.	168,850 shares	4,447,509
	Raymond James Fin. Inc.	7,900 shares	297,593

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Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

December 31, 2005

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
Common stock (continued)			
	Resources Connection Inc.	141,700 shares	\$ 3,692,702
	RESPIRONICS INC	120,000 shares	4,448,400
	Roche Hldgs. Ltd. SPON ADR	51,500 shares	3,867,650
	Rogers Corp.	29,000 shares	1,136,220
	Roper Industries Inc.	84,000 shares	3,318,840
	RUBY TUESDAY INC	20,400 shares	528,156
	Sanfilippo (John B.) & Son	5,900 shares	76,287
	SANOFI-AVENTIS	26,500 shares	2,326,699
	SAP AG SPON ADR	62,700 shares	2,825,889
	Sapient Corporation	102,200 shares	581,518
	SBS TECHNOLOGIES INC	23,000 shares	231,610
	SCANSOURCE INC	11,900 shares	650,692
	Schering Plough Corp.	372,500 shares	7,766,625
	Schlumberger Ltd.	51,100 shares	4,964,365
	School Specialty Inc.	9,950 shares	362,578
	Schwab Charles Corp.	207,700 shares	3,046,959
	Scp Pool Corp.	230,100 shares	8,564,322
	SEACOAST BANKING FLORIDA	8,600 shares	197,370
	Sealed Air Corp.	19,200 shares	1,078,464
	Selective Insurance Group	9,000 shares	477,900
	Semtech Corp.	82,400 shares	1,504,624
	SERENA SOFTWARE INC	112,600 shares	2,639,344
	Shaw Group Inc.	39,500 shares	1,149,055
	Signature Bank	34,000 shares	954,380
	Simpson Manufacturing Co.	43,800 shares	1,592,130
	Smith International Inc.	68,800 shares	2,553,168
	SPRINT NEXTEL CORP	109,726 shares	2,563,199
	ST JUDE MEDICAL INC	52,200 shares	2,620,440
	Staples Inc.	138,750 shares	3,151,012
	Starbucks Corp.	27,300 shares	819,273
	State Street Corp.	49,900 shares	2,766,456
	STEEL DYNAMICS INC	57,800 shares	2,052,478
	Steel Technologies Inc.	38,800 shares	1,086,012

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Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

December 31, 2005

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
Common stock (continued)			
	Stericycle Inc.	75,300 shares	\$ 4,433,664
	Suncor Energy Inc.	37,400 shares	2,358,753
	SUPERIOR ENERGY SVCS INC	32,200 shares	677,810
	SYNIVERSE HOLDINGS INC	55,200 shares	1,153,680
	Target Corp.	91,800 shares	5,046,246
	Teledyne Technologies Inc.	9,800 shares	285,180
	TENNECO INC	72,400 shares	1,419,764
	TEXAS INSTRUMENTS INC	116,900 shares	3,748,983
	TEXAS REGL BANCSHARE CL A	26,500 shares	749,950
	THOR INDUSTRIES INC	26,900 shares	1,077,883
	TIFFANY & CO	22,800 shares	873,012
	Time Warner Inc.	211,200 shares	3,683,328
	TODCO CL A	114,000 shares	4,338,840
	TRC COMPANIES INC	18,200 shares	199,290
	Trinity Industries Inc.	77,000 shares	3,393,390
	TRW Automotive Hldgs. Corp.	33,200 shares	874,820
	Txu Corp.	56,600 shares	2,840,754
	U S CONCRETE INC	27,700 shares	262,596
	Uap Holding Corp.	48,700 shares	994,454
	UBIQUITEL INC	173,500 shares	1,715,915
	UBS AG REG (USA)	37,000 shares	3,520,550
	Ucbh Holdings Inc.	87,000 shares	1,555,560
	Unionbanca Corp.	28,300 shares	1,944,776
	UNITED COMMUNITY BANKS GA	10,700 shares	285,262
	UNITED NATURAL FOODS INC	61,000 shares	1,610,400
	UNITED RENTALS INC	15,000 shares	350,850
	United Technologies Corp.	40,800 shares	2,281,128
	Unitedhealth Group Inc.	140,200 shares	8,712,028
	Universal Compression Hld	114,200 shares	4,695,904
	Universal Forest Products	30,400 shares	1,679,600
	UNIVISION COMM CL A	79,900 shares	2,348,261

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Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

December 31, 2005

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
Common stock (continued)			
	URS Corp. New	34,400 shares	\$ 1,293,784
	UTI Worldwide Inc.	37,900 shares	3,518,636
	VALEANT PHARMACEUTICALS I	136,000 shares	2,458,880
	Valmont Industries Inc.	27,300 shares	913,458
	VALSPAR CORP	20,200 shares	498,334
	VARIAN SEMICONDUCT EQP ASS	59,400 shares	2,609,442
	VCA Antech Inc.	130,500 shares	3,680,100
	VERINT SYSTEMS INC	51,400 shares	1,771,758
	Verizon Comm Inc.	39,500 shares	1,189,740
	VIACOM CL B NON-VTG (OLD)	61,400 shares	2,001,640
	Vishay Intertechnology	48,500 shares	667,360
	Wabtec	25,200 shares	677,880
	Wal Mart Stores Inc.	99,000 shares	4,633,200
	Warnaco Group Inc.	60,800 shares	1,624,576
	Waste Management Inc.	52,800 shares	1,602,480
	Webster Financial	36,000 shares	1,688,400
	Wellpoint Inc.	34,100 shares	2,720,839
	WERNER ENTERPRISES INC	132,000 shares	2,600,400
	West Corp.	128,500 shares	5,416,275
	WEST PHARMACEUTICAL SVCS	39,200 shares	981,176
	Whole Foods Market Inc.	41,400 shares	3,203,946
	WILLIAMS COMPANIES INC	36,300 shares	841,071
	WILLIAMS SCOTSMAN INTL	5,700 shares	98,667
	Williams-Sonoma Inc.	38,200 shares	1,648,330
	WIND RIVER SYSTEMS INC	186,700 shares	2,757,559
	Woodward Governor Co.	13,500 shares	1,161,135
	WRIGHT EXPRESS CORP	142,200 shares	3,128,400
	Wyeth	56,800 shares	2,616,776
	Xerox Corp.	122,600 shares	1,796,090
	Xm Satellite Radio	54,800 shares	1,494,944

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Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

December 31, 2005

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
Common stock (continued)			
	Yahoo Inc.	230,100 shares	\$ 9,015,318
	Yellow Roadway Corp.	17,600 shares	785,137
	Ishares TR Russell 2000	117,500 shares	7,836,075
	SPDR Trust	32,300 shares	4,021,673
			924,363,606
Common/collective trusts			
	SSGA Bond Mkt. Ser. A-CME9	5,758,815 units	95,014,693
	SSGA Daily EAFE FD Ser T	5,263,271 units	88,291,371
	Capital Guardian Intl Eq-Instl Cls	18,781,743 units	339,386,102
	Vanguard Employee Benefit Index Fund	81,865,163 units	952,910,499
			1,475,602,665
U.S. Government securities			
	U.S. Treasury Bill	\$250,000 principal, 0%, due 3/02/06	248,443
	U.S. Treasury Bill	\$500,000 principal, 0%, due 3/16/06	496,089
	U.S. Treasury Note	\$7,000,000 principal, 3.375%, due 10/15/09	6,759,648
	U.S. Treasury Note	\$1,000,000 principal, 4.25%, due 11/15/13	990,469
	U.S. Treasury Bill	\$1,800,000 principal, 8.125%, due 8/15/19	2,441,954
	U.S. Treasury Bill	\$2,200,000 principal, 6.25%, due 8/15/23	2,627,110
	FNMA Discount Note	\$20,500,000 principal, 5%, due 2/36	19,852,969
			33,416,682
Employer Stock			
*	Hewlett-Packard Company	33,355,733 shares	954,974,636
Stable Value Fund Holdings			
Short-term investments			
*	Fidelity Institutional Cash Portfolio	5,395,817 shares	5,395,817
Common/collective trust			
	SEI Financial Management	94,012,288 units	94,012,288

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Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

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(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
Synthetic guaranteed investment contracts			
Underlying asset fair market values:			
PIMCO Managed Stable Value Account Net Assets:			
<i>Registered investment companies:</i>			
	<i>PIMCO Asset Backed Securities Portfolio</i>	131,228 shares	\$ 1,379,209
	PIMCO Investment Grade Corporate Portfolio	551,263 shares	5,363,792
	PIMCO Mortgage Portfolio	5,400,652 shares	56,058,764
	PIMCO Muni Sector Portfolio	240,002 shares	2,469,617
	PIMCO International Portfolio	1,124,388 shares	5,588,209
	PIMCO US Government Sector Portfolio	3,198,981 shares	34,261,086
	PIMCO Emerging Markets Fund	430,298 shares	4,875,274
	PIMCO Real Return Bond Fund	178,279 shares	1,905,802
U.S. Government obligations:			
	U.S. Treasury Note	\$6,500,000 principal, 3.375%, due 10/15/09	6,276,816
	U.S. Treasury Bill	\$500,000 principal, 0%, due 3/16/06	496,090
	U.S. Treasury Bill	\$600,000 principal, 8.125%, due 8/15/19	813,985
	U.S. Treasury Bill	\$1,800,000 principal, 6.25%, due 8/15/23	2,149,454
Short-term investments			
	Dreyfus Cash Management Plus	1,142,406 shares	1,142,406
	DNB NOR BK DN	\$2,000,000 principal, 0%, due 2/22/06	1,977,964
	WESTPAC BANK 42CP	\$3,700,000 principal, 0%, due 2/21/06	3,663,953
	HBOS TREAS DN	\$3,700,000 principal, 0%, due 2/24/06	3,658,162
	SKANDI ENSK 42CP	\$1,400,000 principal, 0%, due 2/17/06	1,384,776
	SVENSHA HANDELSBK CP	\$3,200,000 principal, 0%, due 3/98	3,164,894
	FNMA (short sale)	\$(4,000,000) principal, 5%, due 1/36	(3,876,250)
	FNMA	\$4,000,000 principal, 5%, due 1/36	3,876,250
	FNMA	\$13,500,000 principal, 5%, due 2/36	13,073,906

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Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

December 31, 2005

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
PIMCO Managed Stable Value Account Net Assets (continued):			
<i>Other</i>			
	Interest Rate Swap	\$(30,400,000) principal, 6/15/06	\$ (226,438)
	Interest Rate Swap	\$(13,600,000) principal, 6/21/06	(115,323)
	Interest Rate Swap	\$2,500,000 principal, 6/21/06	20,831
	Interest Receivable		159,131
	Pending Trades, net		(12,948,926)
	Accrued expenses		(48,764)
TOTAL NET ASSETS - PIMCO Managed Stable Value Account			136,544,670
Dodge & Cox Stable Value Fund Net Assets:			
<i>Corporate debt securities:</i>			
	Federal Express	\$659,359 principal, 6.72%, due 1/15/22	720,158
	Union Pacific PTC	\$1,900,000 principal, 5.082%, due 1/2/29	1,863,404
	AOL Time Warner	\$2,070,000 principal, 7.625%, due 4/15/31	2,305,253
	AOL Time Warner	\$250,000 principal, 7.7%, due 5/01/32	281,165
	AT&T Corp.	\$1,000,000 principal, 9.75%, due 11/15/31	1,256,124
	Amhome	\$525,000 principal, 6.7%, due 3/15/11	566,351
	Bank One Cap III	\$500,000 principal, 8.75%, due 9/1/30	672,061
	BankAmerica Cap II	\$625,000 principal, 8%, due 12/15/26	663,806
	Boston Property Ltd.	\$650,000 principal, 6.25%, due 1/15/13	681,883
	Boston Property Ltd.	\$600,000 principal, 5.625%, due 4/15/15	606,377
	Burlington	\$369,275 principal, 8.251%, due 1/15/21	445,180
	CIGNA Corp.	\$826,000 principal, 7.875%, due 5/15/27	1,010,591
	CIGNA	\$500,000 principal, 6.375%, due 10/15/11	530,161
	Citicorp Cap II	\$555,000 principal, 8.015%, due 2/15/27	592,828
	Comcast Corp.	\$950,000 principal, 5.3%, due 1/15/14	931,996
	Comcast	\$375,000 principal, 5.85%, due 11/15/15	379,845
	Cox Communications	\$1,325,000 principal, 5.45%, due 12/15/14	1,292,939
	Dillard Dept Stores	\$250,000 principal, 7.75%, due 5/15/27	242,500
	Dow Chemical	\$600,000 principal, 7.375%, due 11/01/29	722,893

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Hewlett-Packard Company 401(k) Plan

EIN: 94-1081436 PN: 004

Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

December 31, 2005

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
Dodge & Cox Stable Value Fund Net Assets (continued):			
<i>Corporate debt securities (continued):</i>			
	Dow Chemical PTC	\$725,000 principal, 4.027%, due 9/30/09	\$; 698,568
	EOP Oper	\$1,150,000 principal, 5.875%, due 1/15/13	1,169,166
	EOP Oper	\$875,000 principal, 4.75%, due 3/15/14	826,866
	EDS	\$625,000 principal, 6%, due 8/01/13	642,321
	Ford Motor Credit	\$1,100,000 principal, 7.375%, due 10/28/09	975,575
	Ford Motor Global	\$750,000 principal, 7.375%, due 2/01/11	657,389
	Ford Motor Credit	\$1,700,000 principal, 7.25%, due 10/25/11	1,468,555
	General Electric	\$1,100,000 principal, 5%, due 2/1/13	1,099,428
	GMAC Global	\$800,000 principal, 7.75%, due 1/19/10	747,110
	GMAC	\$2,675,000 principal, 6.875%, due 9/15/11	2,440,937
	HCA Inc.	\$1,300,000 principal, 6.25%, due 2/15/13	1,300,924
	Health Net Inc.	\$800,000 principal, 9.875%, due 4/15/11	930,641
	International Paper	\$650,000 principal, 5.25%, due 4/01/16	617,811
	Lockheed Martin	\$500,000 principal, 8.5%, due 12/01/29	681,484
	May Department Stores	\$1,625,000 principal, 8.5%, due 6/01/19	1,970,105
	Nordstrom	\$325,000 principal, 6.95%, due 3/15/28	358,312
	Provident Company	\$925,000 principal, 7.25%, due 3/15/28	954,325
	Safeco Corp.	\$400,000 principal, 7.25%, due 9/01/12	445,903
	St. Paul Companies	\$525,000 principal, 8.125%, due 4/15/10	582,993
	UNUM Provident	\$165,000 principal, 6.85%, due 11/15/15	170,363
	UNUM Provident	\$475,000 principal, 7.625%, due 3/01/11	512,291
	Wyeth	\$1,075,000 principal, 5.5%, due 2/01/14	1,088,924
	Xerox Corp.	\$1,750,000 principal, 7.125%, due 6/15/10	1,815,625
<i>U.S. Government obligations:</i>			
	US Treasury Note	\$5,000,000 principal, 6.25%, due 2/15/07	5,096,095
	US Treasury Note	\$11,600,000 principal, 4.375%, due 5/15/07	11,590,488
	US Treasury Note	\$11,300,000 principal, 3.125%, due 10/15/08	10,930,546
	US Treasury Note	\$7,000,000 principal, 3.25%, due 1/15/09	6,777,694
	US Treasury Note	\$4,500,000 principal, 3.5%, due 8/15/09	4,369,041
	US Treasury Note	\$5,500,000 principal, 4%, due 3/15/10	5,421,152
<i>Government agency obligations:</i>			
	SBAP 05-20L 1	\$1,315,000 5.39%, due 12/1/25	1,336,653
	GSBA 504	\$572,292 principal, 4.72%, due 2/1/24	565,951
	FHLG 6.00 2/19	\$2,657,668 principal, 6%, due 3/1/18	2,712,997

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Hewlett-Packard Company 401(k) Plan

EIN: 94-1081436 PN: 004

Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

December 31, 2005

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
Dodge & Cox Stable Value Fund Net Assets (continued):			
<i>Government agency obligations:</i>			
	FHLG	\$1,508,349 principal, 6%, due 2/1/19	\$ 1,539,768
	FHLG	\$2,046,416 principal, 6.5%, due 7/1/16	2,103,132
	FHLG	\$2,877,026 principal, 5.5%, due 12/1/19	2,895,996
	FNGT	\$1,016,251 principal, 6.983%, due 2/13/30	1,043,850
	FNMA	\$759,776 principal, 6.231%, 5/1/11	789,620
	FNMA	\$1,172,682 principal, 5.795%, 12/1/11	1,203,484
	FNMA	\$933,744 principal, 5.520%, 2/1/12	972,112
	FNMA	\$2,262,919 principal, 7.00%, due 4/1/32	2,362,261
	FNMA	\$2,623,072 principal, 7%, due 8/1/32	2,741,932
	FNR	\$2,600,000 principal, 6%, due 3/25/18	2,637,270
	FNW	\$892,463 principal, 7%, due 2/25/44	926,551
	FNW	\$1,338,252 principal, 7.5%, due 3/25/44	1,411,039
	FNMA	\$2,830,699 principal, 6%, due 5/1/18	2,893,599
	FNMA	\$1,653,222 principal, 6.5%, due 9/1/17	1,700,729
	FNMA	\$2,397,361 principal, 6.5%, due 4/1/18	2,466,251
	FNMA	\$2,195,758 principal, 7%, due 9/1/28	2,295,636
	FNMA	\$1,432,716 principal, 6%, due 12/1/18	1,464,551
	FNMA	\$2,146,709 principal, 6%, due 2/1/19	2,194,410
	FNMA	\$2,088,566 principal, 5.5%, due 2/1/18	2,105,407
	FNMA	\$2,094,072 principal, 6.5%, due 12/1/32	2,152,550
	FNMA	\$338,422 principal, 6%, due 12/1/32	342,216
	FNMA	\$887,175 principal, 5.5%, due 12/1/18	892,720
	FNMA	\$791,014 principal, 6.5%, due 2/1/34	813,103
	GSMPS	\$1,183,296 principal, 8%, due 6/25/34	1,234,476
	SBAP	\$802,403 principal, 6.65%, due 6/1/13	828,082
	SBAP	\$982,877 principal, 6.15%, due 4/1/18	1,012,427
	SBAP	\$537,224 principal, 4.625%, due 2/1/25	523,626
<i>Short-term investments:</i>			
	The Boston Company Pooled Employee Daily Liquidity Fund	2,202,073 share	2,202,073

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Hewlett-Packard Company 401(k) Plan

EIN: 94-1081436 PN: 004

Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

December 31, 2005

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
Dodge & Cox Stable Value Fund Net Assets (continued):			
<i>Other:</i>			
	Interest receivable		\$ 1,391,923
	Pending trades		(818,848)
	Accrued expenses		(23,665)
TOTAL NET ASSETS - Dodge & Cox Managed Stable Value Account			133,020,029
Common/collective trusts			
	Dwight Intermediate Core Plus	9,907,015 units	134,563,231
	Dwight Target 5 Fund	7,522,598 units	126,517,536
	Dwight Target 2 Fund	36,154,410 units	549,406,888
Total common/collective trusts			810,487,655
Total market value of underlying assets			1,080,052,354
Wrapper values			
	AIG Financial Products Corp. 245258	4.72% interest rate	1,618,112
	CDC Financial Products 1423-01	4.72% interest rate	1,615,826
	RABOBANK NEDERLAND CPQ090001	4.87% interest rate	1,615,926
	ROYAL BANK OF CANADA NYDW109	4.71% interest rate	1,649,298
	STATE ST BK & TR CO Boston 100003	4.71% interest rate	1,621,621
	UBS AG 2752	4.87% interest rate	1,619,144
Total wrapper values			9,739,927
Total contract value of synthetic guaranteed investment contracts			1,089,792,281
Guaranteed investment contracts			
	Metropolitan Life Ins. Co. GIC 2884706901	3.19% interest rate	10,819,008
	New York Life Insurance Co. GIC GA31257	6.24% interest rate	6,711,339
Total guaranteed investment contracts			17,530,347
Total Stable Value Fund			1,206,730,733
* Participant loans	Interest rates ranging from 4.5%-28.88%, maturing through 2033		129,587,408
			\$ 8,798,830,023

* Indicates party-in-interest to the Plan.

Note: Column (d), cost, has been omitted, as all investments are participant-directed.

SIGNATURE

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

HEWLETT-PACKARD COMPANY
401(k) PLAN

June 29, 2006

/s/ Ann O. Baskins

ANN O. BASKINS
Senior Vice President, General Counsel
and Secretary

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