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Multi-billion dollar showdown over Hewlett-Packard's \$11bn Autonomy purchase starts in London's High Court

A multi-billion dollar showdown over US technology giant Hewlett-Packard Co's \$11bn purchase of UK software firm Autonomy software in 2011 started in London's High Court on Monday.

Former Autonomy CEO Mike Lynch, together with his former CFO Sushovan Hussain are being sued by the US group - which in 2015 split into two separate publicly traded companies, HP Inc .(NYSE:HPQ) and Hewlett Packard Enterprise - for damages of around \$5bn.

READ: British tech billionaire Mike Lynch charged with fraud in US
The charges allege that the value of former FTSE 100-listed Autonomy was inflated before the sale of the big data firm. Lynch has repeatedly denied the allegations, saying the failure of the acquisition was down to Hewlett-Packard's mismanagement.

On Friday, US prosecutors added three new criminal charges to their indictment against Lynch, including for securities fraud, which carries a maximum prison term of 25 years, as well as additional charges of wire fraud and conspiracy.

The charges were revealed in an indictment filed with the federal court in San Francisco.

Lynch has been engaged in a battle with the group ever since he was fired by former Hewlett-Packard CEO Meg Whitman in 2012, less than a year after the deal was completed.

Hussain was found guilty in a related case in April 2018 in San Francisco but has yet to be sentenced.

The London High Court case is expected to last until the end of the year and it could then take another six months for the judge to reach a decision.

Just over a year after the takeover completed, Hewlett-Packard said it had discovered "serious accounting improprieties" that had inflated the value of Autonomy, leading it to write off more than \$5bn in relation to the deal.

Many shareholders had criticised the Autonomy deal before it even completed, with its architect Hewlett-Packard's CEO Leo Apotheker sacked and the board having looked into the possibility of just walking away from the acquisition.

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Price: US\$18.96

Market Cap: US\$29075.19M

1 Year Share Price Graph



Share Information

Code: HPQ

Listing: NYSE

52 week	High	Low
	\$27.08	\$18.07

Sector: Computer Hardware

Website: www.hp.com

Company Synopsis:

Hewlett-Packard (HP) is a global provider of products, technologies, software, solutions and services to individual consumers, small- and medium-sized businesses and large enterprises, including customers in the government, health and education sectors.

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