

Good morning, and thank you.

In the digital age, if you can dream it, you can do it. If you can see it, you can shoot it; if you can imagine it, you can create it – that is what digital technology is all about, and the digital revolution is about the democratization of technology and the experiences it makes possible.

When you really think about it, revolutions are most often about giving power to the people. They've been about people taking control; they've been about the power of democracy.

Now when we came together last year, we said that after years of hype, the digital revolution was finally here. And now, it is everywhere. The kind of farewell party that you just saw on that video would not have been possible in January, 2004 – literally because all of the products that you just saw on that screen have one thing in common. Not a single one of them existed one year ago.

And yet, this past holiday season, every single one of those products was available in retail. So how did we get from there to here?

If you remember, from this stage last year, I said that we were moving into a new era in which every process and all content is being transformed to digital, mobile, virtual, personal.

By digital, I mean a process like digital photography, where all of the content is in bits and bytes that can be altered, and saved, and printed, and shared. Mobile: think about the camera phone, which is going to become the most ubiquitous digital photography device in the world this year. Virtual: by virtual, I mean people can now share experiences, share those stories when they are worlds away. And by personal, I mean that individuals now are in control of the process and they are in control of their own experiences.

Now, I said last year that HP was not only going to take this journey, it was our goal to help lead it, and I said that by the time I stood on this stage again in 2005, you would see HP extending our lead in digital photography, while also applying our depth and our breadth to four new markets: music, television, home projectors and digital entertainment hubs.

So, in the video that we just saw and in our booth, you're going to see lots and lots of innovative products. But we think the real story here is not just new products, but the millions of experiences that they make possible, and the countless stories that they enable people like you to tell.

If consumer electronics was about a passive form of entertainment, where everybody got the same experience as everyone else at basically the same time, then digital entertainment is about active participation, where we all create the entertainment experiences we want to have.

After all, what says more about you than your play lists, your movies, your ring tones, or your digital photographs? Digital entertainment is helping to bring out the storyteller in all of us, because for most people, the innovations that we talk about from this stage this week are just that – they're simply new

ways to create their stories, to tell those stories, and share those stories with others. Now, if we're really going to empower people to participate in a new kind of digital experience, then we actually have to think well beyond the devices we hold in our hands and hang on our walls.

At HP, we have to think about the way entertainment is created, the way it's distributed, managed and enjoyed across the whole value chain from end-to-end. Our focus has to be around the experience, and therefore focus has to be on making the whole system come together.

HP is a company that understands how it all works together, the back-end infrastructure, and the front-end consumer experience. We're a company that's involved in every part of the digital shift – from the way entertainment content is created, to how it's distributed, to how it is finally consumed and enjoyed.

HP advocates and embraces standards because standards make it easy to connect different products, different technologies and different solutions. HP is working today to make the whole system come together; a system that relies on players and partners – from service providers, to media companies, to content creators, to online services and more.

What is our job as we see it? Our job is acceleration and integration, to accelerate the transformation from analog and physical, to digital, mobile, virtual and personal, and to integrate the physical and the digital worlds.

What is our goal for consumers? It is to focus on finding new ways to help you create your stories, tell your stories, share your stories any time you want, anywhere you want, on any device you want, in a seamless, simple way.

What is our goal for the media and entertainment companies that you depend upon? It is to help integrate the physical and the digital worlds to ensure that they can manage content one way – one way to save millions of dollars, and create hundreds of possible new revenue streams, while ensuring that consumers get simple, rewarding experiences that are easy and affordable.

What is our ambition for 2005? To be at the intersection of simplicity, innovation, personalization at affordable mass market prices. We believe it is about putting consumers – not technology – at the center of the experience.

So, I want to talk today about how we are going to use our scope and scale, our innovative capability, our engineering prowess and our partnerships to make a difference in entertainment, in TV and movies, in photography, and in music to show what specific offerings we're creating to help you tell your story today and over the next 18 months.

So let's start with the creation side of entertainment. You may remember that last year from this stage, Ben Affleck and I talked about a partnership with Project Greenlight – a partnership that was designed to help aspiring film makers find their voice. So, let's hear from the executive producers of Project Greenlight, Chris Moore and Matt Damon, about how technology enabled

them to empower the next generation of filmmakers...

[Matt Damon and Chris Moore video plays]

In addition to helping aspiring film makers, our engineers and investors are working hard and working hand-in-hand with the major studios to find new ways to use technology to entertain, to inspire, to uplift. And in that industry, there is probably no partner that we've worked more closely with to create the next generation of content again and again, than DreamWorks. And so, I'm really pleased to stand on this stage today with a man who has been a pioneer in the digital revolution, a man that I am very proud to call a partner, and a friend. Ladies and gentlemen, please join me in giving a warm welcome to a good partner, and an even better friend, the CEO of DreamWorks Animation, Jeffrey Katzenberg.

Jeffrey Katzenberg: Thank you Carly, we couldn't agree more. At DreamWorks Animation, digital technology is helping us to create a whole new era of cutting edge entertainment. Of course, in the CG animation business, a new era happens to come along about every six months or so.

But when you consider that the first CG animated film was produced by Pixar and opened in theaters a mere nine years ago, you understand that the revolution in animation has occurred at a dizzying speed.

Today, audiences around the world, for them the very word animation implies a digital experience. And at the heart of our business has always been the desire to tell unique stories with memorable characters, whether that character is a wisecracking donkey, or a superhero who can't quite fit in to his costume.

At the same time, we also want to give audiences a new visual experience with each one of our movies, and at DreamWorks, we are always encouraging our artists to dream without boundaries. And one of the reasons that we can encourage them to explore the digital playground is that we know that we have a technology partner standing behind us who is equally determined to forge new paths – an \$80 billion company is that is ready, willing and excited to put their vast knowledge and resources at our disposal.

That company is HP.

In fact, in working together, we have received a level of support that goes beyond any definition of a customer service relationship, to something that I think is a whole new level of collaboration.

Having HP behind us is like having a digital security blanket, and sometimes, we need just that to make it happen and get us to the finish line.

So, here's an example of what I'm talking about. Over the past three years, DreamWorks Animation has been ramping up to do what no studio has ever done before, which is to produce two CG animated movies a year. In May of

last year, we released "Shrek 2," which like all good fairy tales, had a happy ending – this one particularly at the box office, where it went on to become the number one movie of last year and the third biggest movie of all time. At the very same time, we were also in post production on "Shark Tale," which was scheduled to be released on October 1st of last year.

As it was, the schedule was very, very tight. And then we got a phone call that brought, I guess, what I would say both a combination of pride and panic. The Venice Film Festival contacted us and invited us to premiere Shark Tale at the world renowned film festival. And this wouldn't be just any screening in a regular movie theater, but rather for the first time in history, the movie would be shown at an open air screening for the public in the historic Piazza San Marco.

It promised to be a worldwide event, but there was just one problem. It meant that we would have to finish the movie one full month ahead of schedule. Of course, we desperately wanted to accept Venice's offer, but while we were smiling on the outside, and practicing how to say '*grazie*' inside the company. There was '*molto*' panic about whether or not we had the computing power needed to render the movie in what effectively would be half the time that had been scheduled.

So, to get the movie to the Venice festival was going to take nothing less than a Herculean effort. One thing was clear: we would need to find additional computing power, and fast – like overnight. What we needed was the digital cavalry, so we hooked up with our partners and turned to HP, and asked how quickly they could bring us 500 CPUs of a render farm.

Now for most companies, it would take at least three months to put together a render farm with this much power, but HP did it in under three days. They chartered two jets, sent 27 delivery trucks, and had 519 boxes delivered to our front gate.

Inside those boxes were more than 250 servers, more than 500 processors and 1,000-plus gigabytes of RAM. Plus, 3,000 screws and 270 power cords.

So, fueled by a lot of Domino's pizza, adrenaline, and the vision of 6,000 people sitting in the Piazza San Marco looking at a giant blank screen, 48 hours later, we had a third render farm up and running, and we made the deadline.

But the Shark Tale saga actually didn't end there. When we got to Venice, there were other challenges for us. With an audience estimated at over 6,000, including tons of children and families, we need to make sure that everyone could see the film.

Once again, we turned to HP for solutions. They helped us set up monitors around the square so everyone, no matter where they were sitting or how small they were, could watch the movie using the very HP projectors that Carly announced from the stage a year ago.

The premiere was a phenomenal success, and it generated global interest

and helped turn Shark Tale into an international phenomenon that has grossed over \$360 million to date. Its success came at a crucial time for DreamWorks, right before our IPO, elevating that movie to event status, and HP's involvement in helping us get there cannot be overstated.

So where does this relationship go from here? Well, the digital sky is the limit, but for us – with a big assist from HP – we're actually going to go from New York to the wilds of Africa in our new CG comedy called "Madagascar," which will come out in May of this year. And especially for you here today, for the first time ever, we would like to share with you a finished sequence from the movie. So let me do a little set up to kind of put you in the place of where this sequence occurs.

So, the movie is set in the New York City Central Park Zoo, and we meet our four lead characters. They're led by Alex the Lion, which is voiced by Ben Stiller. Alex is a 30-year Upper West Side yuppie who loves the zoo, gets up every day out of this little rock, gives them the big roar, the audience throws him flowers, they serve him steak. He has no idea where he comes from. Life is great, everything in the world has always been provided for him. Pampered, it's a wonderful life.

His best buddy is Marty, voiced by Chris Rock, and Marty is ten years old. In fact, it's his birthday, and he's having a mid-life crisis. He doesn't know whether he's black with white stripes or white with black stripes, and for sure, kind of thinks the grass is greener somewhere else.

We meet Gloria, our beautiful and debonair hippopotamus, voiced by Jada Pinkett Smith. And of the four characters that lead this movie, she's the one with the backbone in this.

And finally, probably the single most neurotic character ever to walk the streets of New York, is our giraffe voiced by David Schwimmer. Fortunately, if you are going to be a hypochondriac and neurotic, New York's a good place. There are more doctors per square foot there than any other place on the planet. He's very happy, thank you very much.

So anyway, when the movie opens up, it's Marty's tenth birthday. It's night time, the people have left the zoo, and they're having a little birthday party. They wheel in a birthday cake for Marty, say "Marty, make a wish. What do you wish for, Marty?"

"I want to be in the wild."

"Oh, Marty! How many times do we have to hear this from you? Can't you just enjoy the great life that we have here?"

"I don't know, I'm thinking maybe there's something else out there."

Well, the party falls apart, they all head back and go to sleep for the night. Marty wakes up in the middle of the night and says, "This is it. This is my moment." He breaks out of the zoo, jumps over the fence, heads down to Grand Central Station because he's heard that if you take a commuter train north to Connecticut, they have some wild in Connecticut, and he's going to

check it out.

The other characters wake up and realize, "Oh my, Marty's gone! He's escaped! He's finally done it! This is a disaster! This is going to be terrible for all of us!"

They bust out, head down to Grand Central Station, grab Marty one second before he's going to get on that train, and just that moment they're surrounded by New York City's finest, who shoot them with tranquilizers, they go to sleep. This is where they wake up:

["Madagascar" movie plays]

So one, I just want to say on behalf of both HP and DreamWorks, we will not "give you excuses. We will give you results", and off to Madagascar we go. And as you can see, the fun and the funny relationship between the characters are really the sort of foundation of this story.

And just like Alex and Marty and Gloria and Melman, we at DreamWorks Animation need our friends to make it happen for us each and every day. And I have to say that we have no better business colleagues than our friends at HP, so thank you very much. Thank you, Carly.

Carly: Thanks. Love those penguins, right? So while DreamWorks has mastered the digital realm, we also know that some of the best content in the world is still locked away in vaults in the physical format. And so many studios are still stuck halfway between the analog and the digital worlds.

Last April, at the National Association of Broadcasters Conference, we announced our intention to build a platform for the entertainment industry that would help all entertainment entities, from TV to movies make a full transition to digital reality.

And so we're working with a major studio today to deploy the first phase of what we call the Digital Media Platform for commercial use, and we'll have a lot more to say about that at NAB in April.

At HP, we also realized that one of the great opportunities of the digital revolution is giving people the chance to relive favorite movies or favorite television shows that they enjoyed twenty or thirty or forty years ago, and to enjoy them with digital quality and sound.

Now the problem, of course, is that some of the best content available is still sitting in old vaults where nobody can enjoy it. And so today, we're working with media companies as diverse as CBS, ABC News, Warner Brothers, to bring their content back to life while creating, of course, a whole new revenue stream for their creators.

Warner Brothers, in the course of this collaboration, has told us the story of how a famous director, after seeing his film restored, was literally brought to

tears halfway through the film.

Now of course, an important part of content creation is protecting content in a digital world, to make sure that content creators and the industry they are a part of thrives, while still giving consumers the best possible experience.

And so you may remember on this stage last year, HP took a very strong stand on the importance of protecting digital rights and copyright protected material. And today, we're building every single device in a way that protects artists, while also promoting the rights of consumers. And while content protection is vital, we also believe that consumers actually shouldn't have to worry about what they are buying. Everything should just work and work together.

And so in addition to protection, we're now focusing our efforts also on compatibility and interoperability.

Now among the challenges in the digital era, is how do we deliver and distribute all of this great content out to people in new, and compelling, and virtual, and personal and mobile ways?

So along with broadband, and cable, and satellite, one of the more promising technologies we think is IPTV. Using IPTV, you can order up, for example, any TV show at any time and watch it whenever you want to watch it. So, for example, unlike TIVO, you don't have to wait until the air date to actually record the programs. So we're working with global IPTV leader Orca Interactive to create a telco-grade platform, ready to deliver television services to subscribers. And the issue so far for the industry has been the scalability of IPTV. So in December, Orca Interactive using HP technology, set a record breaking benchmark that demonstrated that IPTV can be both scalable and affordable. The previous record set at a subscriber load was 100,000 subscribers, and the record we set last month was on a subscriber base of 500,000, with a response time that was actually faster than the previous record.

And so, while we work with companies like Orca to create new telco grade platforms that are scalable – which we think is truly exciting – we also at the same time are working with other kinds of companies to bring content in new ways, and one of those companies that has done a lot to bring more content to consumers in new ways is Nokia.

Now, one project that we're working on together with Nokia is to find new ways, as I said, to distribute familiar content, and in this case, we're talking about radio content.

A few months ago, HP and Nokia announced something that we call Visual Radio. It's a new technology that allows radio broadcasters and advertisers to interact in real time with their listeners via cell phone.

And we think this is important because we know that radio is a mainstay, a big part of a lot of consumer's lives and experiences. So with this service, whether you're into Usher, or U2, or Alicia Keys, you can get information

about the songs that are playing simultaneously on your cell phone, for example.

You could even download simultaneously a ring tone, or you could buy tickets for an upcoming concert. And, of course, the service also allows listeners to interact with a live broadcast for the first time, so they can share thoughts and make requests and participate in promotions and in some cases, get access to exclusive content.

And I think this example is a clear sign of things to come because it's a powerful combination of rich digital media and mobility that creates new business models for sure, but also new consumer experiences.

So for broadcasters, visual radio deepens their connection to listeners and increases brand loyalty and for operators, it means increased air time and consumer adoption of digital services. For the music industry, it represents a whole new distribution channel. And for consumers, it means instant access, instant gratification, a new level of interaction and participation.

We've recently completed successful trials of this service in Finland, in Singapore and in the U.K., and we'll be launching visual radio commercially in Europe and in Asia-Pacific the first half of this year.

Now what does all this mean that we've talked about so far? What does all this mean when it hits home – literally, when it hits home? What does it mean to consumers?

So, let's start with the place that you spend most of your time actually enjoying your music, and your movies, and your photos, and your videos, – your home.

At CES last year, I said that the real digital revolution was not just about gizmos and gadgets, it was about making the whole system work better together. And today, I'm pleased to announce a whole set of new products and services that are simple, innovative, personalized and affordable. Let's start with the Digital Entertainment Center.

Three years ago, you may remember we were the first to announce the media center PC to manage movies and photos. This past fall, we brought ease of use to a whole new level with the next generation of the media center for the living room, which we call the Digital Entertainment Center.

PC Magazine said that this is the product that makes "digital convergence a desirable reality." *US News and World Report* said it maybe a bit more prosaically, when they called it a "couch potato's dream."

And this spring, we're going to add high-definition ATSC tuning capabilities to the Digital Entertainment Center, which we think is going to be particularly attractive to PC enthusiasts who really want to combine e-mail and Internet access with digital entertainment capabilities.

At the same time, we also understand that there are a lot of people out there who actually don't want PC functionality in their living or their family rooms. What they actually want is a device that provides great personalized

entertainment experiences in a really simple way.

So I'm proud to announce that this fall, HP will release the industry's very first HDTV Media Hub. This is an HP-invented product that enables consumers to access, manage, enjoy any kind of digital content, digital photos, music, TV, video, combined with all the capabilities of HDTV, a digital set top box, a dual tuner, digital video recorder.

So with this device, consumers who are looking for a living or family room-based entertainment experience will be able to enjoy multiple kinds of content which previously required multiple technologies and devices, through a single, simple to use platform that is managed remotely from the couch.

For example, consumers can create their own slideshows using personal digital photos and videos with music. Now, the new HP Media Hub is going to launch with three key services: First, it's going to have an intuitive electronic programming guide that is designed by HP and that allows consumers to easily find and record the content they want. Second, it's going to have a music information service that automatically provides song titles, CD artwork and other artist information. And third, and I think really importantly, it's going to have an automated update service which means that the device will be upgraded automatically with new services as they become available, which extends the functionality and longevity of the device. There really is no other product like it.

Now to give you a bit of a sneak peek, because we're very excited about it, I've asked one of the inventors of this product, Chris Pederson to take us for a quick spin, so Chris, why don't you roll out your baby here. This is Chris. Let's give Chris a warm welcome, and this is the Media Hub. Good morning, how are you?

Chris: Thanks for the opportunity. I'm really excited to be here and share the new personal Media Hub with you and the rest of the audience.

The Media Hub is designed to provide a great experience, that's really the first and most important part of it. And it's supposed to pull together all of the things that consumers want to experience in their family room, all of the entertainment. So, it's a digital cable-ready, HDTV, personal video recorder and DVD recorder to bring you all of your video when you want it, and also connects up the analog broadcast television or satellite receivers.

And in addition to those traditional sources of video entertainment, it's got network connectivity, so it's aware of the content that's on your PC and in the future, a lot of content that's going to be coming into your home from the Internet.

Carly: All in one sleek, black box.

Chris: On the front, it's got a lot of interesting connectivity options, too. So in addition to getting a bunch in from the back, we have ways to share from the front. Over here we have something we pioneered in the Media Center

PC. This is the removable hard drive, personal media drive. And this is a way for consumers to easily add capacity, add new storage capacities.

Over here, we have memory card slots for bringing in personal memories and video. And then down here on this side, naturally we have a DVD recorder and it has an innovation inside that's first in this space, the LightScribe disc labeling technology.

So not only can you write a disk – maybe its photos you want to share with friends – but you can label it so you'll know what's on it.

Carly: Now this is all easy, right? I mean, this seems like a lot of functionality, so if I'm a consumer that wants something really simple and intuitive, it's going to be.

Chris: We just kind of talked through the geeky part, right? This is the box. The experience is really what you get on screen. And the way people are going to experience it is through the remote control and what they see on the screen.

So we're going to take the remote control now and we're going to walk you through an experience we've been developing working very closely with a lot of consumers. And we'll pull that up on screen.

Carly: Let's take a test drive here.

Chris: So, say you're watching some television, some good DreamWorks content here, maybe it's a DVD, we'll go into a menu and one of the first things consumers have told us, is 'Tell me what's new. What have I recorded that has come in, or what photos have been uploaded on my system?' So we have a featured area where you can see the new content that's come in.

If we go down a notch, we can look at entertainment, that's the second thing they've said, 'Bring all of my entertainment together in one place.' So if you wanted to watch live TV, you'd get their program guide, you can go in and look at things that are available to watch now, or start recording in the future.

They can be high def or standard def. We can go down – TV and movies – and look at all of the content that's been stored on the box. A lot of different ways to cut it like, what's expiring off your system. And then if we go back out to music, we can cut your collection, and that can be music that's on the Media Hub or on the PC or on the network. And again, the way we've organized that's intuitive to consumers.

The third thing they've told us – and this is really important – is that memories are very valuable in the family room. So if we look in memories, you can see again a different organization, but this fits with the way people want to examine their collection.

Carly: And these are all different ways of organizing their content?

Chris: That's exactly right. These aren't different directories if you will, these are just different cuts of the same content, so you look by date, by event, by

album.

So we're going to take a look at some photos in here. And one of the things that we know is people have different resolution displays, so we can zoom in and let you look at a lot of photos or a few photos, depending on the kind of display, and then we can highlight some photographs, we'll select a few here. And then we can press play and automatically combine them with music to create a great experience in the family room and let you enjoy your photographs.

Carly: Now, how about if I wanted to share this?

Chris: If you wanted to share it, if you decided that was a great presentation, you can burn a DVD, get it labeled with the LightScribe technology, mail it out to a friend.

Carly: Great. Well, that's exciting and it sure looks simple. Anything else you want to show us?

Chris: No, I think that's a pretty good preview. There'll be a lot more to come.

Carly: Great. So, we're looking forward to introducing this in the fall of this year. Thanks, Chris, very much. So that's how we start 2005 in the living room.

Now let's talk about TV's and projectors for a minute. Last year, we entered the television market for the first time, and we entered with three plasma and LCD products. In 2005, we are introducing a full line of 17 new HDTV and home theater projectors.

And for the first time, these TV's are going to include a flagship rear projection TV, as well as a new front projector, both of which are going to be ready for the fall selling season.

Now we don't just OEM somebody else's TVs and slap a logo on them. We bring our own unique innovation. So starting this spring, just as one example, HP will introduce this full line of 17 new HD TV's and home projectors based on HP-developed visual fidelity technology. Now we have a real geeky word for this, but we call it our "wobulation" technology. And fundamentally what "wobulation" does, is it produces twice the current resolution of digital projection displays without increasing the cost.

And so our picture enhancing technologies, which fundamentally, what they're doing is analyzing each and every pixel in every image so that we can reduce noise and enhance color and compensate motion and detail.

The result of all this is a much sharper, clearer picture at a much better price point. Now, one place where you can really see our visual fidelity technology at work is in the HP Instant Cinema Home Theater that I talked about earlier, and that Jeffrey mentioned when he was out here.

This was, without a doubt, one of our most popular products during this past holiday season because it brings together just terrific surround sound with a

crystal clear DVD picture, and the visual impact of a big screen movie and it does it all in one simple, portable package.

And by the way, that package is priced at one tenth of other home theater systems. So it is a boom box for movies at under \$2,000, and the best thing is that it's simple. In just 30 seconds, anybody can set this up, they can work the device, they can take it anywhere, they can plug it in, they can push play and they can go.

It's one of the reasons why it was named the best consumer electronic solution and the Best of Show at TechX New York last year, so we talked a lot about what you can expect in the living room this year, and those of you who were with us last year also may remember that Rob Cordry of the Daily Show got up here, virtually on this stage a digital "jeu(jing)" in his living room.

[Cordry video plays]

And this year, Rob came to visit our consumer labs to find out what his living room might look like, not in 2005, which we've already shown you, but what it's going to look like a few years from now, so let's take a look at that one.

[Rob Cordry video plays]

Now, while Rob continues to have fun chewing on his sensor, let's talk about another important aspect of the digital entertainment experience, which is digital photography.

In 2004, 258 million digital images will have been saved and shared each day – that's 94 billion images. The good news is that 40 percent of you own digital cameras, at least 40 percent of you in the audience own digital cameras, I'm noticing. The bad news is that 80 percent of all the captured images are still locked in a camera or a PC.

So consumers have told us that for all the progress that has been made on digital photography, it is still too expensive to print at home.

And so today, HP is working to take away the last barrier to affordable home printing. This past fall, we announced HP Vivera inks that deliver 4x6 prints for 29 cents. That means lab quality prints at drug store prices, and you don't even have to leave home. And of course, you get to discard bad photos before anyone else sees them.

In 2004, digital cameras were the number one consumer gift. Last year, our new digital camera, the R707, was called "the camera that will make your Mothers Day." *Popular Science* gave it their "Best Of What's New" award and the *New York Times* said that the R707 "runneth over with fresh thinking."

We think part of the reason our cameras are so popular today is because they represent an attitude as well as a product. People want to use digital photography to express their own sense of empowerment, their own sense of individual style. So it was logical that we would work with a style icon to design our next camera.

We all know her as a singer, a songwriter and a performer, and on the heels of her Grammy-winning success with her band, "No Doubt", she recently launched her platinum-selling solo album, "Love. Angel. Music. Baby." This past year she also added the titles actress and fashion designer to her biography, because she created her own Harajuku Lovers line that is making its debut this month. Ladies and Gentleman, Gwen

Stefani.

[Gwen Stefani video plays]

Carly: Please welcome our hippest product engineer, and HP's newest camera, Gwen Stefani in person with her Harajuku Lovers camera. Gwen, welcome.

Gwen Stefani: I can't believe I'm on a stage with this woman.

Carly: I can't believe I'm on the stage with this woman. Hey, what was your inspiration for this?

Gwen: Well you know, when I was first deciding, I wanted to do a dance record first of all, so that's where it all started, and then when I was trying to find my inspiration to make the record, I basically just got really excited about going back to Tokyo, because the first time I went to Tokyo in '96 I went to Harajuku, which is this shopping district in Tokyo and all these kids kind of gather and they have this real sense of personal style and expression through fashion and it was just a very motivating, exciting place. And it just motivated me with my music, with songs, and when I was going to make the record, I was thinking about the idea of putting out a regular merchandise line with the album, it seemed ridiculous at this point. I was like, I can't just put a shirt out with my face on it. You know what I mean? So I wanted to do an accessory line.

So I think that cameras these days are obviously one of the biggest accessories, I mean I know that for a fact, because everywhere I go there's a camera somewhere. I'm feeling it right now.

So the idea of a camera that's actually very, very cute and very Japanese-inspired is what I wanted.

Carly: Well, great, and this is actually based on our R607. Now, when's this coming out, Gwen? It's so exciting.

Gwen: I know. When is it coming out?

Carly: Well, it's [laughter] actually, I know it's ready for graduation season, I think you have a big video coming out at the same time?

Gwen: Yeah, the next video that I'm doing is for a song off the record called "Hollaback Girl" so it's going to come out around that time.

Carly: Yeah, well I can tell you that there are lots of engineering teams at HP that really want Gwen to help them design from now on. And if you want, here – how about you take a picture of you and I together here?

Gwen: Okay, together like this?

Carly: You got it? Okay, if you want more information on this camera, you can go to gwelstefani.com, or you can go to HPshopping.com. We're just delighted to be in this collaboration. It is cute. Now you only have one problem with this, Gwen.

Gwen: I know, I was thinking about this yesterday. I'm like, okay, so now forever I will never be able to say no, if someone comes up to me, and asks, 'can I have a photo?' I'll be like, 'oh, okay.'

Carly: You have to say yes to every photo op, right? Because you're a designer of a

camera.

Gwen: I never thought this would happen, but here we are.

Carly: Thanks for coming.

So we're really delighted to be working with Gwen, and as I said, this will be available graduation season and it's going to come with a case and other accessories, all of which are designed exclusively by Gwen, and you can get the information as I mentioned on Gwen's or HP's Web site.

Now obviously, Gwen is a really good transition to what we're doing in music today, and last year, we were pleased to announce here that HP and Apple signed a first of its kind agreement to bring Apple's iPod from HP to the Windows world.

One year later, the Apple iPod from HP is not only at a store near you -- it's the second-best selling digital music player in the world. One analyst recommended it for its Window-centricity and its extended HP support.

Now we also announced that all HP consumer PCs would come loaded with Apple's iTunes, and so during 2004, we shipped more than eight million PCs with this great music service, and also created a 10-foot experience for iTunes in our Media Center PCs.

We know that consumers who carry their music in their pockets also like to carry their digital photos in their pockets, and so in the coming months, we're extending our partnership with Apple by introducing the Apple iPod photo from HP.

Last year, we brought our own innovation to the Apple iPod from HP, because one thing we know about consumers, and I think you saw it in what Gwen is doing as well, is consumers want to connect emotionally to their products. So for example, you can go online today and design your own Nike shoes, you can custom order a Mini Cooper right down to the last detail.

And now with HP, you can also customize your iPod just like you would customize your play list. We call them HP Printable Tattoos, and it's a product that has been called "devilishly hot." *Time Magazine* named it one of the ten most innovative products of the year. And we think it's a sure sign that these tattoos are a hit when ESPN Winter X Games will be awarding their athletes a gold, silver or bronze tattoos along with their iPods.

Now to create some of the coolest tattoos around, we've partnered with the Universal Music Group and key artists to have the cover art from their newest CDs as well as other designs available for consumers to print and tattoo their iPod.

I could tell you a thousand reasons why one particular artist's tattoo is among the most frequently downloaded on our web site today.

But I just thought you'd rather see for yourself. Ladies and gentlemen please join me in welcoming the extremely talented, Vanessa Carlton.

[Vanessa Carlton performs]

Carly: Hi Vanessa, how are you? Thanks so much for coming.

Vanessa Carlton: Nice to meet you as well.

Carly: It's all yours.

[Vanessa Carlton sings and plays on stage]

Carly: One hot artist, one great tattoo. You're wonderful. Thank you, we so appreciate it. Download that tattoo. By the way, she was trained classically by her mother from the age of two.

Now of course, the favorite destination for music lovers for the last 23 years was and continues to be MTV. As you know, we teamed up with MTV to sponsor the global MTV Awards this year as the first ever global technology partner.

It was a lot of fun and it was a great success in Miami, Latin America and Rome. Let's take a look...

[MTV video plays]

As impressive and entertaining as what you just saw is, and as fundamental as music is to the digital revolution, this actually is about more than pure entertainment. From the very beginning, the ultimate promise of the digital revolution has been about putting more power in the hands of people – to allow all of us to do more, and be more.

This revolution is about democratization and the removal of traditional barriers of time, and distance, and even wealth. It is empowering people to make connections and contributions that weren't possible before.

One of the great needs today is to build the connections and make the contributions required to help the millions of people affected by last month's tsunamis. Many companies, institutions and individuals around the world are contributing to the relief efforts. We're also doing our part. HP is donating money, technology, and people.

Today I want to announce that HP will also partner with MTV and UNICEF in a unique, global event to support the recovery in the region. MTV's Asia Aid will replace the annual MTV Asia Video Music Awards. This global music benefit will be held in Bangkok on February 3 and will be broadcast around the world on all of MTV's channels, reaching a viewing audience of over 1 billion people. You will have the opportunity to participate. More details will be available shortly.

In the end, the digital revolution can be an expression of the best part of ourselves, because it unlocks that part of us that creates, that inspires, that connects stories that make other people care. At HP, we say everything is possible. We actually believe that.

The true power and promise of a digital, mobile, virtual, personal world is to unleash the potential and realize the possibilities in each of you and all of us. Thank you, and I hope you enjoy the rest of the Consumer Electronics Show.