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assets and liabilities of the Hewlett-Packard businesses that comprise our company We began accumulating retained earnings on November 1, 1999 Therefore, the historical financial data from 1997 through 1999 is not indicative of our future performance and does not reflect what our consolidated financial position and results of operations would have been had we operated as a separate, stand-alone entity during the periods presented

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(Unaudited)

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto included elsewhere in this Annual Report. The following discussion contains forward-looking statements including, without limitation, statements regarding the anticipated completion of transactions and our liquidity position and our expected overall growth that involve risks and uncertainties Our actual results could differ materially from the results contemplated by these forward-looking statements due to certain factors, including those discussed below in "Factors That May Affect Future Results" and elsewhere in this Annual Report.

Overview

Our company, incorporated in Delaware in May 1999, is a global diversified technology organization that provides enabling solutions to high growth markets within the communications, electronics and life sciences industries. Prior to our initial public offering of 15.9 percent of our stock in November 1999, we were a wholly-owned subsidiary of Hewlett-Packard Company ("HP") HP distributed the remaining 84.1 percent of our stock to its stockholders on June 2, 2000 in the form of a stock dividend.

Basis of Presentation

Our fiscal year end is October 31. Unless otherwise stated, all years refer to our fiscal year

The 2001 and 2000 consolidated financial statements reflect the results of operations, changes in cash flows, and the financial position of our businesses We began accumulating retained earnings on November 1, 1999

The 1999 consolidated financial statements were prepared using HP's historical bases in the assets and liabilities and our historical results of operations The 1999 consolidated financial statements include allocations of certain HP corporate expenses, including centralized research and development, legal, accounting, employee benefits, real estate, insurance services, information technology services, treasury and other HP corporate and infrastructure costs The expense allocations were determined on bases that HP and we considered to be a reasonable reflection of the utilization of services provided to us or the benefit received by us Therefore, the financial information presented in this Annual Report for 1999 is not necessarily indicative of what our consolidated financial position, results of operations or cash flows would have been had we been a separate, stand-alone entity in 1999

Discontinued Operations

On August 1, 2001, we completed the sale of our healthcare solutions business to Koninklijke Philips Electronics, N V ("Philips") pursuant to an Asset Purchase Agreement for a total purchase price of $1.7 billion. Philips paid initial proceeds of $1.6 billion to us on August 1, 2001, with further payments to follow pursuant to the terms of the Asset Purchase Agreement dated as of November 17, 2000, as amended and supplemented by the Amendment and Supplemental Agreement, dated as of August 1, 2001 The total purchase price is subject to adjustment based on the determination of the final purchased net assets and on our performance of certain services for Philips. Since August 1, 2001 we have received approximately $80 million of the $100 million purchase price holdback in additional proceeds from Philips. We expect to receive the remaining proceeds in 2002.

Our consolidated financial statements reflect our healthcare solutions business as discontinued operations in accordance with Accounting Principles Board Opinion No. 30 "Reporting the

Results of Operations – Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions" ("APB 30") The financial position, results of operations and cash flows of our healthcare solutions business have been classified as discontinued, and prior periods have been restated, including the reallocation of general overhead charges to our three remaining business segments. We recorded an after-tax gain of $646 million as a result of this transaction. We do not expect material adjustments to the gain when the determination of the final purchased net assets and the performance of certain services are complete.

We are restricted from competing in the development, manufacturing, selling or servicing of certain medical products for five years. For incremental fees, we have provided certain support services to Philips after August 1, 2001 and we will continue to provide those services in the future. A portion of these fees offset costs that include an element of fixed costs which are recognized in selling, general and administrative expenses

Restructuring and Asset Impairment

In 2001, as a result of the economic downturn that has impacted many of the markets that we serve, we have taken steps to restructure our businesses. We have announced measures to cut discretionary costs, to reduce the size of our workforce and to reduce the number of sites that we occupy On August 20, 2001, we announced a plan to reduce our workforce by approximately 4,000, or about nine percent, by the middle of 2002 In November 2001, we announced a further reduction of 4,000 jobs, combined with other measures designed to restore profitability in the latter half of 2002 The total cost of these plans is estimated to be $350 million, of which $154 million was recognized in 2001 Of this amount, $79 million was included in cost of products and services, $17 million was included in research and development expenses and $58 million was included in selling, general and administrative expenses As of October 31, 2001, $65 million in severance benefits had been paid and the remainder of the restructuring liability is expected to be utilized during 2002. In the second half of 2001, we reduced our workforce by approximately 3,000 employees.

In June 2001 we recognized a $74 million asset impairment charge with respect to our decision to cancel the development of a software system for our customer support activities. We have entered into an agreement with HP to extend our use of their legacy customer support systems in place of the one that we were developing. The decision to continue the use of HP's systems enabled us to reduce costs at a critical time, minimize disruption to our customers and businesses and to focus on our customers' needs.

In 1999, we recognized an impairment loss of $51 million related to a building that was under construction to house manufacturing operations for eight-inch CMOS semiconductor wafers. At the time construction was stopped, only the building shell was complete; we concluded that the highest fair value to be realized from this building was based on selling it for use as an office or general use facility.

Acquisitions

On January 5, 2001, we acquired Objective Systems Integrators, Inc. ("OSI") for approximately $716 million Of this total, $690 million was cash and the remainder represents the fair value of options granted Using the purchase method of accounting, the purchase price was allocated to tangible and intangible assets including goodwill. The original goodwill balance of $593 million is being amortized over three years. The net book value of goodwill associated with this acquisition at October 31, 2001 was $432 million OSI is a leading provider of next-generation operations-support-system software for communications service providers and has become part of the test and measurement business.

In July 1999, HP entered into an agreement with Yokogawa Electric Corporation ("Yokogawa") to acquire Yokogawa's 25 percent equity interest in Agilent Technologies Japan, Ltd for approximately $521 million In the initial step, which occurred in January 2000, we purchased approximately 10 4 percent of Agilent Technologies Japan, Ltd shares from Yokogawa for approximately $206 million In the second step, which occurred in April 2000, we purchased approximately 10.4 percent of additional Agilent Technologies Japan, Ltd shares from Yokogawa for approximately $216 million In January 2001, we completed our acquisition of Yokogawa's 25 percent equity interest in Agilent Technologies Japan, Ltd. by purchasing the remaining 4.2 percent interest for approximately $99 million. Of the total purchase price, $243 million was allocated to tangible assets and $278 million was attributed to goodwill which is being amortized over 10 years The remaining net book value of goodwill associated with this acquisition was $240 million at October 31, 2001

In addition to the OSI and Yokogawa acquisitions, we acquired several other companies during 2001, 2000, and 1999 which were not significant to our consolidated financial position, results of operations or cash flows These acquisitions were accounted for under the purchase method. The results of operations of the acquired companies were included prospectively from the date of acquisition and the acquisition cost was allocated to the acquired tangible and identifiable intangible assets and liabilities based on fair market values at the date of acquisition. Residual amounts were recorded as goodwill. In-process research and development write-offs have not been significant Goodwill is amortized on a straight-line basis over its estimated economic life, generally three to five years except as noted above.

The net book value of goodwill and other intangible assets was $1 1 billion at October 31, 2001 and $467 million at October 31, 2000

Sale of Leasing Portfolio

In the fourth quarter of 2000, we entered into an asset purchase agreement with Tyco Capital Corporation ("Tyco Capital") pursuant to which we have sold them substantially all of our leasing portfolio ("Tyco Capital sale") over the course of the last five quarters The impact on our consolidated cash flows and results of operations of the lease portfolio sale is shown below.

	Year Ended October 31, 2001	Year Ended October 31, 2000
Net proceeds from Tyco Capital sale.	$287	$234
Product revenue	$254	$197
Cost of products	$131	$ 83

Our service revenues and cost of services were reduced in 2001 as our portfolio of operating leases was purchased by Tyco Capital. Correspondingly, product revenue and cost of products increased as a direct result of the Tyco Capital sale. We expect future operating lease revenue to be further reduced because we also entered into a vendor financing arrangement with Tyco Capital whereby Tyco Capital will provide equipment financing and leasing services to our customers on a global basis. This agreement has been in place since the fourth quarter of 2000 As a result of this agreement and the Tyco Capital sale our lease revenue and associated costs have declined. Lease revenues as a percentage of service revenues for each of the last three fiscal years were 5 1 percent in 2001, 23 5 percent in 2000 and 22.6 percent in 1999.

Property Transactions

In February 2001, we sold a parcel of surplus land in San Jose, California for $287 million in cash, resulting in a pre-tax gain of approximately $269 million. In August 2001, we invested in the leasehold of several municipal properties in southern California for a total value of $289 million

Cyclical Business and General Economic Conditions

The sales of our products and services are dependent, to a large degree, on customers whose industries are subject to cyclical trends in the demand for their products Shifts in the semiconductor market, electronics industry, computer industry and telecommunications markets, as well as rapidly shifting global economic conditions, have had and will have significant impacts on our businesses

In 2001, an economic downturn reduced consumer and capital spending in many of the worldwide markets that we serve. It also has created an imbalance of supply and demand in the wireless and semiconductor manufacturing industries We are uncertain as to how long and how severe the current downturn may be in these markets In 2001, net revenue and net earnings were down 10 percent and 77 percent, respectively, compared to 2000 Substantially all of the impacts of this decline occurred in our test and measurement and semiconductor products businesses. Our earnings from continuing operations in 2000 declined 184 percent to a loss from continuing operations in 2001 Additionally, as a capital equipment provider, our revenue is driven by the capital expenditure budgets and spending patterns of our customers who often delay or accelerate purchases in reaction to variations in their businesses and in the economy. We expect some portions of our businesses to remain cyclical in the future. Given that a high proportion of our costs are fixed, variability in revenue as a result of these business cycles could disproportionately affect our quarterly and annual results.

Our revenue and operating results for 2000 compared to 1999 improved as a result of growth in the communications and electronics markets.

Impact of Foreign Currencies

We sell our products in many countries and a portion of our net revenue and costs and expenses are denominated in foreign currencies, especially in the Japanese yen and the Euro. Our foreign currency exposures are hedged as part of our global risk management program, which is designed to minimize short-term exposure to foreign currency fluctuations. Movements in exchange rates net of our hedging activities had no material effect on our net revenues or operating expenses in the periods presented.

Adoption of New Accounting Standards

Effective November 1, 2000, we adopted Statement of Financial Account Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities". SFAS No 133, as amended, establishes accounting and reporting standards for derivative instruments, and requires that all derivatives be recognized as either assets or liabilities on the balance sheet and carried at fair value Changes in the fair value of the derivative instruments are recognized in earnings or stockholders' equity, depending on the intended use of the instrument. The adoption of SFAS No 133 in November 2000 resulted in a cumulative pre-tax reduction in earnings of $41 million ($25 million after-tax) primarily relating to the valuation of certain warrants to purchase securities and a pre-tax increase in other comprehensive income of $10 million

We enter into certain foreign exchange contracts, primarily forwards and purchased options, to hedge exposures to changes in foreign currency exchange rates. We do not use derivative financial instruments for speculative or trading purposes.

In December 1999, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin No 101, "Revenue Recognition in Financial Statements" ("SAB 101"). During the fourth quarter of 2001, we adopted SAB 101 retroactive to the beginning of the fiscal year The cumulative effect of the adoption, reflecting the deferral of net revenue and cost of products from

October 31, 2000, resulted in a cumulative pre-tax reduction in earnings of $74 million ($47 million after tax). As a result of adopting SAB 101, delivery is considered to have occurred when title and risk of loss have transferred to the customer For the fiscal year ended October 31, 2001, the net impact on 2001 net revenue, including amounts deferred at October 31, 2001, was an increase of $67 million of net revenue and $29 million of cost of products which were included in the cumulative effect adjustment. The results for the first three quarters of 2001 have been restated in accordance with SAB 101. Pro forma amounts for the periods beginning before November 1, 2000 have not been presented, as the effect of the change could not be reasonably determined

Recent Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board issued SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets". As a result of SFAS No. 141, all acquisitions completed after June 30, 2001 are accounted for using the purchase method of accounting. The adoption of SFAS No. 141 had no material impact on our consolidated financial statements. We plan to adopt SFAS No 142 in the first quarter of 2003. SFAS No 142 requires that goodwill resulting from acquisitions completed after June 30, 2001 not be amortized. Until we adopt the new standard, we will continue to amortize goodwill existing at June 30, 2001 and to test all goodwill for impairment using the current method, that uses an undiscounted cash flow test After adoption, we will stop amortizing all goodwill and will begin to test goodwill for impairment pursuant to SFAS No 142, that applies a fair-value-based test. We are assessing the further impacts of SFAS No 142 on our consolidated financial position and results of operations.

In August 2001, the Financial Accounting Standards Board issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" which addresses financial accounting and reporting for the impairment and disposal of long-lived assets. We will be required to adopt SFAS No. 144 no later than fiscal year 2003. We are currently assessing the impact of SFAS No 144 and do not believe that it will have a material impact on our consolidated financial statements.

Results of Continuing Operations

Net Revenue

	Years Ended October 31,			2001 over 2000 % Change	2000 over 1999 % Change
	2001	2000	1999		
	(In millions)				
U S	$3,373	$3,992	$2,912	(15.5)%	37.1%
International	5,023	5,369	3,918	(6.4)%	37.0%
Total	$8,396	$9,361	$6,830	(10 3)%	37 1%

	Years Ended October 31,			2001 over 2000 % Change	2000 over 1999 % Change
	2001	2000	1999		
	(In millions)				
Products	$7,485	$8,299	$5,895	(9.8)%	40 8%
Services and other (a)	911	1,062	935	(14.2)%	13 6%
Total	$8,396	$9,361	$6,830	(10.3)%	37.1%

% of Total Net Revenue	Years Ended October 31, 2001	2000	1999	2001 over 2000 Ppts Change	2000 over 1999 Ppts Change
Products	89 2	88 7	86.3	0 5	2 4
Services and other(a)	10 8	11 3	13 7	(0 5)	(2.4)
Total	100.0	100 0	100.0	–	–

(a) Services and other includes revenue generated from servicing our installed base of products, warranty extensions, consulting and operating lease revenue Our operating lease revenue has decreased in 2001 as a result of the Tyco Capital sale, as described more fully above.

Excluding the Tyco Capital sale of $254 million in 2001 and $197 million in 2000, net revenue for 2001 decreased 11 2 percent compared to 2000 and net revenue for 2000 increased 34.2 percent compared to 1999 The decrease in net revenue for 2001 compared to 2000 related primarily to a slowdown in the telecommunications, semiconductor and computer industries, which has severely impacted our customers' ability to purchase our products The increase in net revenue for 2000 compared to 1999 was spurred by continued growth in net revenue from the communications and electronics markets This was especially due to the robust demand for our wireless, fiber-optics, networking and imaging components within our semiconductor products business and for most products throughout our test and measurement business Increased demand in Asia also contributed to net revenue growth in 2000

The decrease in domestic net revenue for 2001 compared to 2000 came primarily from our businesses which serve the communications and electronics markets. This slowdown has impacted our net revenue in the United States somewhat more severely than other parts of the world. In contrast, the increase in domestic net revenue for 2000 compared to 1999 came primarily from our businesses which serve the communications and electronics markets. The increase in international net revenue for 2000 compared to 1999 was primarily attributable to increased demand in Asia, particularly in Taiwan, Korea and Japan. There was minimal currency impact on net revenue growth in 2000

The decrease in product revenue for 2001 compared to 2000 was primarily driven by a slowdown in communications and electronics markets. The net revenue growth in 2000 was primarily due to growth in our businesses which serve the communications and electronics markets, a strengthening of the semiconductor industry and increased demand in Asia The decline in service revenue for 2001 is primarily the result of the Tyco Capital sale and the decline in service contract renewal rates. Generally, there is a lag between service revenue trends and product revenue trends. This lag occurs because service revenue is directly related to the size of our installed base of products not covered by warranty

Costs and Expenses

As a % of Net Revenue	Years Ended October 31, 2001	2000	1999	2001 over 2000 Ppts Change	2000 over 1999 Ppts Change
Cost of products as a percentage of product revenue	62.3%	49 9%	52.6%	12 4	(2 7)
Cost of services and other as a percentage of services and other revenue	55.1%	55.7%	56.6%	(0 6)	(0 9)
Total costs as a percentage of total net revenue	61.5%	50 6%	53.1%	10.9	(2.5)
Research and development	16.1%	12 1%	12.9%	4 0	(0.8)
Selling, general and administrative	31.7%	27.5%	27 8%	4 2	(0.3)

Excluding the Tyco Capital sale and restructuring charges of $79 million in 2001, cost of products and services as a percentage of net revenue for 2001 increased 10 1 percentage points compared to 2000 The increase was primarily attributable to decreased sales volume and increased charges for excess and obsolete inventory During 2001, cost of products as a percentage of product revenue has increased due to these same factors mentioned above and higher discounts offered to our customers Excluding the Tyco Capital sale in 2000 and the impairment charge of $51 million in 1999, cost of products and services as a percentage of net revenue in 2000 decreased 1.6 percentage points compared to 1999 The decrease in 2000 was primarily attributable to higher volumes in the test and measurement and semiconductor products businesses as well as a more profitable product mix in the semiconductor products business

Research and development expenses increased in 2001 compared to 2000 as a result of continuing expenditures toward new product introductions Our research and development efforts focus on potential new products covering a wide variety of technologies, none of which is individually significant to our operations.

Selling, general and administrative expenses increased in 2001 compared to 2000 primarily due to goodwill amortization relating to our 2001 acquisition of OSI. As a result of various cost-cutting initiatives in 2001, selling, general and administrative expenses before the effect of goodwill and other intangible amortization, restructuring and asset impairment charges declined 12 percent compared to 2000.

General overhead costs of $88 million in 2001, $225 million in 2000 and $194 million in 1999 previously allocated to our healthcare solutions segment have been reallocated to each of the three remaining segments

(Loss) Earnings from Operations

	Years Ended October 31,			2001 over 2000 Change	2000 over 1999 Change
	2001	2000	1999		
	(In millions)				
(Loss) earnings from operations	$(778)	$924	$422	(184.2)%	119 0%
Operating (deficit) margin	(9.3)%	9.9%	6 2%	(19.2 points)	3 7 points

Excluding the Tyco Capital sale, we had a loss from operations of $901 million in 2001 compared to earnings from operations of $810 million in 2000 and $422 million in 1999. Excluding the restructuring charges and Tyco Capital sale, we had a loss from operations of $447 million in 2001 compared to earnings from operations of $925 million in 2000 and $463 million in 1999. The decrease in 2001 compared to 2000 was primarily due to the fact that net revenue declined much more rapidly than costs and expenses in the test and measurement and semiconductor businesses. Increased goodwill amortization related to recent acquisitions also contributed to the decrease The decrease was partially offset by the performance of our chemical analysis business. The increase in 2000 compared to 1999 was primarily due to strong results in the test and measurement and semiconductor products businesses. These improved results were partially offset by flat performance from our chemical analysis business and additional on-going costs associated with operating on our own as an independent company

Other Income (Expense), Net

	Years Ended October 31,			2001 over 2000 % Change	2000 over 1999 % Change
	2001	2000	1999		
	(In millions)				
Other income (expense), net	$301	$94	$41	220.2%	129.3%

Other income (expense), net increased $207 million to $301 million in 2001 from $94 million in 2000. The increase was primarily due to the sale of land in San Jose, California which resulted

in a pre-tax gain of $269 million The increase in other income (expense), net for 2001 compared to 2000 was partially offset by higher interest expense due to a higher average debt balance Other income (expense), net increased $53 million to $94 million in 2000 from $41 million in 1999. The increase was primarily due to a pre-tax gain of $29 million related to the sale of equity investments that no longer supported our business strategies and interest income earned on the initial cash funding received from HP in 1999

We sold assets related to portions of our businesses to third parties during 2001, 2000 and 1999. Gross proceeds from these dispositions were $13 million in 2001, immaterial in 2000 and $71 million in 1999. Gains from the dispositions, included in other income (expense), net in the consolidated statement of earnings, were $9 million in 2001, immaterial in 2000 and $50 million in 1999

(Benefit) Provision for Taxes

The effective tax rate for continuing operations in 2001 was 19 percent For 2000 and 1999, the effective rate was 34 percent

In 2001, the change in the tax rate for continuing operations is due to the tax benefits arising from the losses caused by the recent global economic downturn This is offset by the impact of non-deductible goodwill from the acquisition of OSI. Taxes on the sale of our healthcare solutions business are reflected in the gain from sale of discontinued operations Our future effective tax rate will continue to be calculated using an estimate of our pre-tax income and will be subject to the impact of future profitability, the effects of business acquisitions and dispositions, as well as changes in the mix of our pre-tax earnings among jurisdictions with varying statutory rates.

Segment Results

In 2001, our management changed its measure of the profitability of each of the business segments to exclude goodwill and other intangible amortization and non-recurring items such as restructuring charges These items have been excluded for all periods presented.

Test and Measurement

Our test and measurement business provides test instruments, standard and customized test, measurement and monitoring instruments and systems for the design, manufacture and support of electronics and communications devices and software for the design of high-frequency electronic and communications devices and networks

	Years Ended October 31,			2001 over 2000 Change	2000 over 1999 Change
	2001	2000	1999		
		(In millions)			
Net revenue from products	$4,763	$5,298	$3,400	(10.1)%	55 8%
Net revenue from services and other	669	810	682	(17 4)%	18.8%
Total net revenue	5,432	6,108	4,082	(11.1)%	49.6%
(Loss) earnings from operations	(141)	706	250	(120 0)%	182.4%
Operating margin (deficit)	(2.6)%	11.6%	6 1%	(14.2) points	5.5 points

Net Revenue

Net revenue for 2001 decreased 11.1 percent compared to 2000. Excluding the Tyco Capital sale, total net revenue for 2001 declined 12.4 percent compared to 2000. The slowdown in the telecommunications and semiconductor industries was the main factor that caused the decline in net revenue for 2001. The slowdown was particularly sharp in the second half of 2001 as we

became increasingly dependent on incoming orders which declined in virtually all of the product lines of our test and measurement businesses. Net revenue for 2000 increased 49.6 percent compared to 1999 The increase in 2000 was attributable to strong growth in the sales of our products to the optical, wireless and networking markets. In addition, third-party manufacturing contractors added capacity to meet demand and increased their purchases of our test and measurement products.

Excluding the Tyco Capital sale, net revenue from products for 2001 decreased 11 6 percent compared to 2000 The decrease in net revenue from products was primarily due to a slowdown in telecommunications and semiconductor industries. Net revenue from services and other for 2001 decreased 17.4 percent compared to 2000 primarily due to the Tyco Capital sale. In addition, certain customers have chosen not to renew their service contracts. Excluding the Tyco Capital sale, net revenue from products for 2000 increased 50 1 percent compared to 1999 The increase was primarily due to the growing communications market and the increased demand in Asia. Net revenue from services and other for 2000 increased 18 8 percent compared to 1999.

Costs and Expenses

The following table shows the percentage point increase or decrease in our test and measurement business' costs and expenses as a percentage of net revenue for 2001, 2000 and 1999

Increase/(decrease) as a % of Net Revenue	2001 over 2000 Ppts Change	2000 over 1999 Ppts Change
Cost of products and services	11.2	(0.9)
Research and development	3 7	(2.2)
Selling, general and administrative	(0 7)	(2.3)

Cost of products and services as a percentage of net revenue increased in 2001 compared to 2000 primarily due to increased charges for excess and obsolete inventory Excluding the impacts of these charges, cost of products and services as a percentage of net revenue increased 5.4 percentage points in 2001 from 2000. Due to the fixed nature of our manufacturing costs, lower than anticipated manufacturing volumes contributed to the increase in cost of products and services as a percentage of net revenue.

The increase in research and development expenses as a percentage of net revenue in 2001 compared to 2000 was primarily due to our continuing expenditures toward new product introductions

(Loss) Earnings from Operations

Loss from operations in 2001 was a result of reduced demand, which led to fewer sales and increased charges for excess and obsolete inventory. Excluding the Tyco Capital sale, loss from operations was $263 million compared to earnings from operations of $594 million in 2000 and $250 million in 1999. The increase in 2000 compared to 1999 resulted primarily from higher net revenue.

Semiconductor Products

Our semiconductor products business provides fiber optic communications devices and assemblies, components and integrated circuits for wireless, networking, computing and printing applications, image sensors and general-purpose opto-electronic components.

	Years Ended October 31,			2001 over 2000 Change	2000 over 1999 Change
	2001	2000	1999		
	(In millions)				
Net revenue	$1,850	$2,213	$1,722	(16 4)%	28.5%
(Loss) earnings from operations	(183)	248	155	(173.8)%	60 0%
Operating (deficit) margin	(9 9)%	11 2%	9.0%	(21 1 points)	2.2 points

Net Revenue

The decrease in net revenue for 2001 compared to 2000 was primarily due to a sharp decline in demand for our semiconductor products. The global economic slowdown led to lower volumes in virtually all product lines of our semiconductor products business Total net revenue for 2001 included $35 million of non-recurring royalty revenue relating to changes in our agreement with Adaptec Inc. The increase in 2000 compared to 1999 was the result of strong growth in all semiconductor products including wireless, networking and imaging components. Networking component growth was the result of growth in the sales of fiber-optic transceivers and high-speed networking products tailored for Metro Area Network (MAN), as well as storage area networking products and Gigabit Ethernet Local Area Network (LAN) applications Imaging products for digital cameras and optical mice also achieved particularly strong growth in 2000. As a percentage of net revenue for the semiconductor products business, revenue from sales to HP, consisting primarily of application-specific integrated circuits and motion control products, was 30.7 percent for 2001, 30 3 percent for 2000 and 37.0 percent for 1999

In 2000, we expanded our existing joint venture relationship with Philips to develop our manufacturing of light-emitting diodes ("LED") and transferred a portion of our LED business into the joint venture LEDs are used for various lighting and display purposes Since we do not have a majority ownership interest in the joint venture, the revenue, costs and expenses of the LED business transferred to the joint venture are no longer consolidated in our results. Instead, we record our portion of the joint venture's net earnings or loss in other income (expense), net, which in 2000, was minimal. Adjusting the 1999 base for revenues relating to the LED business and our exit from the microprocessor business, net revenue growth for 2000 would have been 40.3 percent.

Costs and Expenses

The following table shows the percentage point increase or decrease in our semiconductor products business's costs and expenses as a percentage of its net revenue for 2001, 2000 and 1999.

Increase/(decrease) as a % of Net Revenue	2001 over 2000 Ppts Change	2000 over 1999 Ppts Change
Cost of products	12 0	(3 2)
Research and development	6 7	0 5
Selling, general and administrative	2 4	0.5

The increase in cost of products as a percentage of net revenue in 2001 compared to 2000 was primarily due to increased inventory charges for excess and obsolete inventory as a result of reduced demand for our semiconductor products. In addition, due to the fixed nature of our manufacturing costs, lower than anticipated manufacturing volumes contributed to the increase in cost of products as a percentage of net revenue Unfavorable mix and large shipments to single customers carrying deep discounts impacted cost of products as a percentage of net revenue unfavorably Excluding the impacts of increased inventory charges, cost of products as a percentage of net revenue for 2001 increased 7 7 percentage points compared to 2000. Cost of products as a percentage of net revenue for 2000 decreased 3.2 percentage points compared to 1999. The decrease related primarily to increased volumes and a more favorable product mix.

The increase in research and development expenses as a percentage of net revenue in 2001 compared to 2000 was driven by a continued commitment to develop new products in the fiber optics, high-speed networking, and image position sensor businesses

(Loss) Earnings from Operations

The loss from operations in 2001 compared to earnings from operations in 2000 resulted primarily from lower net revenue and higher cost of products and expenses as a percentage of net revenue The increase in 2000 compared to 1999 resulted from higher net revenue and lower cost of products as a percentage of net revenue, partially offset by higher operating expenses

Chemical Analysis

Our chemical analysis business provides analytical instruments, systems and services for chromatography, spectroscopy, bio-instrumentation and consumables to the chemical and life science markets.

	Years Ended October 31,			2001 over 2000 Change	2000 over 1999 Change
	2001	2000	1999		
	(In millions)				
Net revenue from products	$ 872	$ 788	$ 773	10.7%	1.9%
Net revenue from services and other	242	252	253	(4.0)%	(0.4)%
Total net revenue	$1,114	$1,040	$1,026	7.1%	1.4%
Earnings from operations	118	41	91	187.8%	(54.9)%
Operating margin	10.6%	3.9%	8.9%	6.7 points	(5 0 points)

Net Revenue

The increase in net revenue for 2001 compared to 2000 was the result of increased sales of our products in the life sciences market moderated by decreased sales of our products in our traditional chemical and petrochemical markets. Net revenue from products including liquid chromatography equipment, bioanalyzers and microarrays grew more than 19.6 percent in 2001 compared to 2000 Net revenue growth in 2000 as compared to 1999, was essentially flat as our products sold to the pharmaceutical and life sciences markets was partially offset by weakness in our traditional chemical and environmental markets. New product releases contributed to increased sales of our liquid chromatography and mass spectrometry products. Services and other revenue decreased slightly in 2001 compared to 2000 while it was flat in 2000 compared to 1999.

Costs and Expenses

The following table shows the percentage point increase and decrease in our chemical analysis business costs and expenses as a percentage of its net revenue for 2001, 2000 and 1999.

Increase/(decrease) as a % of Net Revenue	2001 over 2000 Ppts Change	2000 over 1999 Ppts Change
Cost of products and services	(0.5)	0 9
Research and development	(1.0)	2 4
Selling, general and administrative	(5.1)	1.6

Cost of products and services as a percentage of net revenue was relatively flat in 2001 compared to 2000. Additional depreciation expense related to increased spending in manufacturing capacity for microarrays was offset by cost controls and improved operational efficiencies The increase in 2000 compared to 1999 was primarily due to start-up costs for life sciences products.

The decrease in selling, general and administrative expenses as a percentage of net revenue for 2001 compared to 2000 reflected our efforts to reduce cost structures and discretionary

expenses. In 2000, the increase resulted primarily from increased life sciences research and development activities, higher infrastructure costs and branding expenses relating to operating on our own

Earnings from Operations

The increase in earnings from operations in 2001 compared to 2000 was primarily due to higher net revenue and reduced spending resulting from our cost reduction measures In addition, operational efficiencies arising out of manufacturing centralization efforts begun in fiscal 2000 and increased volumes contributed to the increase The decrease in earnings from operations in 2000 compared to 1999 was primarily due to higher infrastructure costs and branding expenses related to the costs of operating on our own as well as planned research and development in life sciences to launch new products

Healthcare Solutions – Discontinued Operations

Our healthcare solutions business has been classified as a discontinued operation The table below shows the results of our healthcare solutions business before general overhead allocations and net of the costs of divestiture. Results for the year ended October 31, 2001 include operations from November 1, 2000 to May 31, 2001, the measurement date in accordance with APB 30. The net loss from discontinued operations of $58 million for the two-month period following our May 31, 2001 measurement date has been included in the gain from sale of discontinued operations The after-tax gain resulting from the sale of our healthcare solutions business including this loss was $646 million.

The following table shows the detailed results of operations of our discontinued healthcare solutions business for 2001, 2000 and 1999. These results are also included in our condensed consolidated statement of earnings as net earnings from discontinued operations for the years ended 2001, 2000 and 1999.

	Years Ended October 31,		
	2001(a)	2000	1999
		(In millions)	
Net revenue	$765	$1,412	$1,501
Costs and expenses	747	1,283	1,182
Earnings from discontinued operations	18	129	319
Other income (expense), net	3	17	5
Earnings from discontinued operations before taxes	21	146	324
Provision for taxes	15	61	118
Net earnings from discontinued operations	$ 6	$ 85	$ 206

(a) Includes operations from November 1, 2000 to May 31, 2001, the measurement date.

Financial Condition

Liquidity and Capital Resources

Our financial position remained strong at October 31, 2001, with cash and cash equivalents of $1,170 million.

Cash usage from our continuing operations was $114 million in 2001 We generated cash from continuing operations of $536 million in 2000 compared to $341 million in 1999. In 2001, accounts payable used cash of $480 million and income tax payable used cash of $472 million offset by a decrease in outstanding accounts receivable totaling $933 million In 2000 and 1999, cash from continuing operations was primarily a result of net earnings. In addition, lower cash

from continuing operations in 1999 resulted from a significant increase in accounts receivable due to particularly strong shipments in October 1999.

Net cash utilized for investing activities was $1,365 million for 2001 compared to $1,062 million for 2000 and $336 million for 1999. In all periods, capital expenditures for property, plant and equipment and business acquisitions, partially offset by proceeds from divestitures and the disposal of excess, unused or retired assets constituted substantially all of our cash used in investing activities. We used $904 million for acquiring several businesses and $881 million for investments in property, plant and equipment in 2001. We used $634 million in 2000 to pay for the first and second installments of the purchase of Yokagawa's minority interest in Agilent Technologies Japan, Ltd. along with investments in several other companies We purchased the remaining 4.2 percent of Agilent Technologies Japan, Ltd.'s shares owned by Yokogawa in January 2001. HP provided the funding for the entire Yokogawa transaction in November 1999 In 2001, we sold the remaining portion of our portfolio of lease assets to Tyco Capital. Net proceeds from these sales transactions were $287 million.

We have two revolving credit facilities with no outstanding balances at the end of 2001. Those facilities are a $250 million facility that terminates on November 5, 2005 and a 364-day $250 million facility that terminated on November 2, 2001 In November 2001, we extended the latter facility to November 1, 2002. As of November 19, 2001, the revolving credit facilities were amended to reflect new debt covenants. In addition to these committed facilities, we have access to uncommitted credit lines through our banking partners.

On January 5, 2001, we acquired Objective Systems Integrators, Inc. for a total purchase price of $716 million Of this total, $690 million was cash and the remainder represents the fair value of options granted

In February 2001, we sold surplus land in San Jose, California for $287 million, net of transaction costs. In August 2001, we invested in the leasehold of several municipal properties in southern California for a total value of $289 million

On August 1, 2001 we completed the sale of our healthcare solutions business to Philips and received approximately $1.6 billion in cash at that time. We have subsequently received approximately $80 million in proceeds relating to the sale. Cash flows from discontinued operations include the proceeds from the sale and cash used in the operations of the healthcare solutions business during the year up until the date of sale

On November 27, 2001, we announced the closing of a private offering of $1.15 billion aggregate principal amount of 3 percent senior convertible debentures due 2021. We intend to use the net proceeds of the offering for working capital and general corporate purposes, and to fund potential acquisitions and restructuring costs. The debentures are convertible into our common stock at a conversion price of $32.22 per share The debentures are redeemable at our option beginning in December 2004, and holders of the debentures have the ability to require us to repurchase the debentures, in whole or in part, on specified dates in 2006, 2011 and 2016.

Prior to November 1, 1999, cash receipts associated with our businesses were transferred to HP on a daily basis and HP provided funds to cover our disbursements. Accordingly, we reported no cash or cash equivalents at October 31, 1999 and 1998. In accordance with our separation agreement with HP, as of November 1, 1999, HP retained some of our assets and liabilities and transferred to us some of the assets and liabilities related to its business. In November and December 1999, HP made cash payments to us totaling $1.3 billion to fund our working capital and other needs of our operations as a separate, stand-alone entity In addition, HP transferred approximately $0 5 billion to fund our acquisition of Yokogawa's 25 percent minority interest in Agilent Technologies Japan, Ltd. The net proceeds of our initial public offering of $2 1 billion were received in November 1999 and immediately distributed to HP as a dividend

Of the total $1 8 billion received from HP, $1 1 billion was classified as net cash provided by financing activities and $0 7 billion was classified among several categories as net cash provided by operating activities in the consolidated statement of cash flows for the year ended October 31, 2000.

Our liquidity is affected by many factors, some of which are based on the normal ongoing operations of our businesses and some of which arise from fluctuations related to global economies and markets. We believe that cash on hand plus the proceeds from our bond offering will be sufficient to satisfy our working capital, capital expenditure, research and development and restructuring requirements for the foreseeable future. However, we may require or choose to obtain additional debt or equity financing in the future We cannot assure that additional financing, if needed, will be available on favorable terms

Factors That May Affect Future Results

Our operating results and financial condition could continue to be harmed if the industries into which we sell our products, such as the communications, electronics and semiconductor industries, remain depressed.

The current economic downturn has resulted in reduced purchasing and capital spending in many of the markets that we serve worldwide In particular, the communications, semiconductor and electronics industries are currently in a downward cycle characterized by diminished product demand, excess manufacturing capacity and the erosion of average selling prices.

We are uncertain how long the current downturn will last The terrorist attacks on September 11, 2001 may exacerbate this downturn or cause it to linger Any further decline in our customers' markets or in general economic conditions would likely result in a further reduction in demand for our products and services and could harm our consolidated financial position, results of operations, cash flows and stock price. In addition, we may be required to secure additional debt or equity financing, and we cannot assure you that such financing will be available when required on acceptable terms.

The actions we have taken in response to the recent slowdown in demand for our products and services could have long-term adverse effects on our business.

Our semiconductor and test and measurement businesses have been experiencing lower revenues due to decreased or cancelled customer orders. Orders for our products and services have decreased in five of the past six quarters To scale back our operations and decrease our expenses in response to this decrease in demand for our products and services and decrease in our revenue, we have reduced our workforce, frozen hiring, cut back significantly on our use of temporary workers and reduced discretionary spending. We also have initiated short-term facility closures to reduce production levels

Earlier this year we announced our plan to reduce our workforce by approximately 4,000 people, or about 9 percent, by the middle of 2002. In addition, from May 1 to October 31 of this year, we instituted a 10 percent reduction in pay applicable to all employees globally, wherever legally permissible The reduction in pay took effect via a 10 percent reduction in hours for certain employees, in accordance with local law. On November 15, 2001, we announced that we intend to further reduce our workforce by approximately 4,000 people. We also announced that we would reinstate the 10 percent pay reduction for approximately 2,000 of our senior managers starting from the first quarter fiscal 2002 and that we would effectively reduce the salaries of our other employees by 5 percent, wherever legally permissible, effective February 2002 In addition to these measures, we are continuing our initiatives to streamline our operations.

There are several risks inherent in our efforts to transition to a new cost structure. These include the risk that we will not be able to reduce expenditures quickly enough to restore profitability and may have to undertake further restructuring initiatives that would entail

additional charges. In addition, there is the risk that cost-cutting initiatives will impair our ability to effectively develop and market products and remain competitive in the industries in which we compete. Each of the above measures could have long-term effects on our business by reducing our pool of technical talent, decreasing or slowing improvements in our products, making it more difficult for us to respond to customers, limiting our ability to increase production quickly if and when the demand for our products increases and limiting our ability to hire and retain key personnel. These circumstances could cause our earnings to be lower than they otherwise might be

As demand for our products does not match our manufacturing capacity, our earnings may continue to suffer.

Because we cannot immediately adapt our production capacity and related cost structures to rapidly changing market conditions, when demand does not meet our expectations, our manufacturing capacity will likely exceed our production requirements Currently, we have excess manufacturing capacity as a result of the recent decrease in purchasing and capital spending in the communications, electronics and semiconductor industries. The fixed costs associated with excess manufacturing capacity have adversely affected, and may continue to adversely affect, our earnings. Conversely, if during a market upturn, we cannot increase our manufacturing capacity to meet product demand, we will not be able to fulfill orders in a timely manner, which in turn may have a negative effect on our earnings and overall business.

Failure to adjust our orders for parts due to changing market conditions could adversely affect our earnings.

Our earnings could be harmed if we are unable to adjust our orders for parts to market fluctuations In order to secure components for the production of products, we may enter into non-cancelable purchase commitments with vendors, or at times make advance payments to suppliers, which could impact our ability to adjust our inventory to declining market demands Prior commitments of this type have resulted in an excess of parts as demand for our communications, semiconductor and electronics products has decreased. For example, in the year ended October 31, 2001 we incurred a charge of approximately $459 million for inventory-related charges If the demand for our products continues to decrease, we may experience an excess of parts again and be forced to incur additional charges. By contrast, during a market upturn, our results could be materially and adversely impacted if we cannot increase our parts supply quickly enough to meet increasing demand for our products. Certain parts may be available only from a single supplier or a limited number of suppliers In addition, suppliers may cease manufacturing certain components that are difficult to substitute without significant reengineering of our products Suppliers may also extend lead times, limit supplies or increase prices due to capacity constraints or other factors

Fluctuations in our quarterly operating results may cause volatility in the price of our common stock and the debentures.

Given the nature of the markets in which we participate, we cannot reliably predict future revenue and profitability. As demand for our products has decreased in recent periods, our quarterly sales and operating results have become highly dependent on the volume and timing of orders received during the quarter, which are difficult to forecast The reduction in the backlog of our orders also has significantly affected our ability to efficiently plan production and inventory levels, which has led to fluctuations in operating results In addition, a significant portion of our operating expenses is relatively fixed in nature due to our significant sales, research and development and manufacturing costs If we cannot adjust spending quickly enough to compensate for a revenue shortfall, this may magnify the adverse impact of a revenue shortfall on our results of operations. Fluctuations in our operating results may cause volatility in the price of our common stock and the debentures.

We are in the process of implementing new information systems, and problems with the redesign and implementation of these new systems could interfere with our operations.

We are in the process of implementing new information systems to eventually replace our current systems, which are largely based on legacy systems that we created when we were a part of Hewlett-Packard. We may not be successful in implementing these new systems and transitioning data As a part of this effort, we are implementing new enterprise resource planning software applications to manage our business operations. Failure to smoothly and successfully implement this and other systems could temporarily interrupt our operations and adversely impact our ability to run our business In addition, any failure or significant downtime in our legacy or new information systems could prevent us from taking customer orders, shipping products or billing customers and could harm our business.

If we do not introduce successful new products and services in a timely manner, our products and services will become obsolete, and our operating results will suffer.

We generally sell our products in industries that are characterized by rapid technological changes, frequent new product and service introductions and changing industry standards Without the timely introduction of new products, services and enhancements, our products and services will become technologically obsolete over time, in which case our revenue and operating results would suffer The success of our new product and service offerings will depend on several factors, including our ability to·

- properly identify customer needs,
- innovate and develop new technologies, services and applications,
- successfully commercialize new technologies in a timely manner;
- manufacture and deliver our products in sufficient volumes on time,
- differentiate our offerings from our competitors' offerings;
- price our products competitively; and
- anticipate our competitors' announcements of new products, services or technological innovations

Economic, political and other risks associated with international sales and operations could adversely affect our results of operations.

Since we sell our products worldwide, our business is subject to risks associated with doing business internationally We anticipate that revenue from international operations will continue to represent a substantial portion of our total revenue In addition, many of our manufacturing facilities and suppliers are located outside the United States Accordingly, our future results could be harmed by a variety of factors, including

- interruption to transportation flows for delivery of parts to us and finished goods to our customers,
- changes in foreign currency exchange rates,
- changes in a specific country's or region's political or economic conditions;
- trade protection measures and import or export licensing requirements;
- negative consequences from changes in tax laws;
- difficulty in staffing and managing widespread operations;
- differing labor regulations;

- differing protection of intellectual property; and
- unexpected changes in regulatory requirements.

The terrorist attacks on September 11, 2001 and the U.S and international response could exacerbate these risks For example, there may be an increased risk of political unrest in regions such as Southeast Asia, where we have significant manufacturing operations. This could disrupt our ability to manufacture products or important parts as well as cause interruptions and/or delays in our ability to transport products to our customers or parts to other locations for continued manufacture and assembly. Any such delay or interruption could have an adverse effect on our results of operations

Our business will suffer if we are not able to retain and hire key personnel.

Our future success depends partly on the continued service of our key research, engineering, sales, marketing, manufacturing, executive and administrative personnel If we fail to retain and hire a sufficient number of these personnel, we will not be able to maintain or expand our business Although the labor market has changed dramatically within the past year, and our attrition rate has dropped, there is still intense competition for certain highly technical specialties in geographic areas where we continue to recruit

Our acquisitions, strategic alliances, joint ventures and divestitures may result in financial results that are different than expected.

In the normal course of business, we frequently engage in discussions with third parties relating to possible acquisitions, strategic alliances, joint ventures and divestitures. As a result of such transactions, our financial results may differ from the investment community's expectations in a given quarter. In addition, acquisitions and strategic alliances may require us to integrate a different company culture, management team and business infrastructure. We may have difficulty developing, manufacturing and marketing the products of a newly-acquired company in a way that enhances the performance of our combined businesses or product lines to realize the value from expected synergies Depending on the size and complexity of an acquisition, our successful integration of the entity depends on a variety of factors, including:

- the retention of key employees;
- the management of facilities and employees in separate geographic areas,
- the retention of key customers; and
- the integration or coordination of different research and development, product manufacturing and sales programs and facilities.

A successful divestiture depends on various factors, including our ability to:

- effectively transfer liabilities, contracts, facilities and employees to the purchaser;
- identify and separate the intellectual property to be divested from the intellectual property that we wish to keep, and
- reduce fixed costs previously associated with the divested assets or business.

All of these efforts require varying levels of management resources, which may divert our attention from other business operations. If we do not realize the expected benefits or synergies of such transactions, our consolidated financial position, results of operations and stock price could be negatively impacted.

If sales of custom integrated circuits to Hewlett-Packard decline, our semiconductor products revenue will suffer, and we are limited in our ability to sell these integrated circuits to other companies.

Historically, our semiconductor products business has sold custom products to Hewlett-Packard and has engaged in product development efforts with divisions of Hewlett-Packard For the twelve months ended October 31, 2001, Hewlett-Packard accounted for approximately 6.8 percent of our total net revenue and approximately 30.7 percent of our semiconductor products business' net revenue.

We have a license agreement with Hewlett-Packard that covers integrated circuit technology used in custom integrated circuits for Hewlett-Packard's printers, scanners and computers. The license agreement provides that, until November 2002 in some cases and until November 2009 in other cases, we are prohibited, with some exceptions, from using this integrated circuit technology for the development and sale of integrated circuits for use in inkjet products, printer products (including printer supplies, accessories and components), document scanners and computing products to third parties other than Hewlett-Packard.

Although we have entered into a supply agreement for the sale to Hewlett-Packard of custom integrated circuits used in printers, scanners and computers, the agreement does not require Hewlett-Packard to purchase a minimum amount of product from us In the event that Hewlett-Packard reduces its purchases of our custom integrated circuits, we would be unable to address this reduction through sales of these kinds of integrated circuits for these types of products to other customers

We may face significant costs in order to comply with laws and regulations regarding the manufacture, processing, and distribution of chemicals, or regarding notification about chemicals, and if we fail to comply, we could be subject to civil or criminal penalties or be prohibited from distributing our products.

Some of our chemical analysis business' products are used in conjunction with chemicals whose manufacture, processing, distribution and notification requirements are regulated by the United States Environmental Protection Agency under the Toxic Substances Control Act, and by regulatory bodies in other countries with laws similar to the Toxic Substances Control Act We must conform the manufacture, processing, distribution of and notification about these chemicals to these laws and adapt to regulatory requirements in all countries as these requirements change. If we fail to comply with these requirements in the manufacture or distribution of our products, then we could be made to pay civil penalties, face criminal prosecution and, in some cases, be prohibited from distributing our products in commerce until the products or component substances are brought into compliance

Environmental contamination from past operations could subject us to unreimbursed costs and could harm on-site operations and the future use and value of the properties involved.

Some of our properties are undergoing remediation by Hewlett-Packard for subsurface contaminations that were known at the time of our separation from Hewlett-Packard. Hewlett-Packard has agreed to retain the liability for this subsurface contamination, perform the required remediation and indemnify us with respect to claims arising out of that contamination. The determination of the existence and cost of any additional contamination caused by us could involve costly and time-consuming negotiations and litigation. In addition, Hewlett-Packard will have access to our properties to perform remediation. While Hewlett-Packard has agreed to minimize interference with on-site operations at those properties, remediation activities and subsurface contamination may require us to incur unreimbursed costs and could harm on-site operations and the future use and value of the properties We cannot be sure that Hewlett-Packard will fulfill its indemnification or remediation obligations

We have agreed to indemnify Hewlett-Packard for any liability associated with contamination from past operations at all other properties transferred from Hewlett-Packard to us other than those properties currently undergoing remediation by Hewlett-Packard. While we are not aware of any material liabilities associated with existing subsurface contamination at any of those properties, subsurface contamination may exist, and we may be exposed to material liability as a result of the existence of that contamination

Environmental contamination caused by ongoing operations could subject us to substantial liabilities in the future.

Our semiconductor and other manufacturing processes involve the use of substances regulated under various international, federal, state and local laws governing the environment. We may be subject to liabilities for environmental contamination, and these liabilities may be substantial Although our policy is to apply strict standards for environmental protection at our sites inside and outside the United States, even if not subject to regulations imposed by foreign governments, we may not be aware of all conditions that could subject us to liability.

We and our customers are subject to various governmental regulations, compliance with which may cause us to incur significant expenses, and if we fail to maintain satisfactory compliance with certain regulations, we may be forced to recall products and cease their manufacture and distribution, and we could be subject to civil or criminal penalties.

Our businesses are subject to various significant international, federal, state and local, health and safety, packaging, product content and labor regulations These regulations are complex, change frequently and have tended to become more stringent over time. We may be required to incur significant expenses to comply with these regulations or to remedy violations of these regulations. Any failure by us to comply with applicable government regulations could also result in cessation of our operations or portions of our operations, product recalls or impositions of fines and restrictions on our ability to carry on or expand our operations. In addition, because many of our products are regulated or sold into regulated industries, we must comply with additional regulations in marketing our products

Our products and operations are also often subject to the rules of industrial standards bodies, like the International Standards Organization, as well as regulation of other agencies such as the United States Federal Communications Commission. We also must comply with work safety rules If we fail to adequately address any of these regulations, our businesses will be harmed.

Our chemical analysis products are used in the drug design and production processes to test compliance with the Toxic Substances Control Act, the Federal Food, Drug and Cosmetic Act and similar regulations. Therefore, we must continually adapt our chemical analysis products to changing regulations

We are subject to laws and regulations governing government contracts, and our failure to address these laws and regulations or comply with government contracts could harm our business.

We have agreements relating to the sale of our products to government entities and, as a result, we are subject to various statutes and regulations that apply to companies doing business with the government The laws governing government contracts differ from the laws governing private contracts. For example, many government contracts contain pricing terms and conditions that are not applicable to private contracts. We are also subject to investigation for compliance with the regulations governing government contracts.

Third parties may claim that we are infringing their intellectual property, and we could suffer significant litigation or licensing expenses or be prevented from selling products.

Third parties may claim that we are infringing their intellectual property rights, and we may be found to infringe those intellectual property rights While we do not believe that any of our products infringe the valid intellectual property rights of third parties, we may be unaware of intellectual property rights of others that may cover some of our technology, products and services.

Any litigation regarding patents or other intellectual property could be costly and time-consuming and could divert our management and key personnel from our business operations. The complexity of the technology involved and the uncertainty of intellectual property litigation increase these risks Claims of intellectual property infringement might also require us to enter into costly royalty or license agreements. However, we may not be able to obtain royalty or license agreements on terms acceptable to us, or at all. We also may be subject to significant damages or injunctions against development and sale of certain of our products

We often rely on licenses of intellectual property useful for our businesses We cannot assure you that these licenses will be available in the future on favorable terms or at all In addition, our position with respect to the negotiation of licenses has changed as a result of our separation from Hewlett-Packard. In the past, as a part of Hewlett-Packard, we benefited from our access to Hewlett-Packard's entire intellectual property portfolio when asserting counterclaims and negotiating cross-licenses with third parties Our current patent cross-license agreement with Hewlett-Packard gives us only a limited right to sublicense a portion of Hewlett-Packard's intellectual property portfolio. Accordingly, we may be unable to obtain agreements on terms as favorable as we may have been able to obtain if we could have sublicensed Hewlett-Packard's entire intellectual property portfolio. Nothing restricts Hewlett-Packard from competing with us other than some restrictions on the use of patents licensed to Hewlett-Packard by us.

Third parties may infringe our intellectual property, and we may expend significant resources enforcing our rights or suffer competitive injury.

Our success depends in large part on our proprietary technology We rely on a combination of patents, copyrights, trademarks, trade secrets, confidentiality provisions and licensing arrangements to establish and protect our proprietary rights. If we fail to successfully enforce our intellectual property rights, our competitive position could suffer, which could harm our operating results

Our pending patent and trademark registration applications may not be allowed, or competitors may challenge the validity or scope of these patents or trademark registrations. In addition, our patents may not provide us a significant competitive advantage.

We may be required to spend significant resources to monitor and police our intellectual property rights. We may not be able to detect infringement and our competitive position may be harmed before we do so In addition, competitors may design around our technology or develop competing technologies. Intellectual property rights may also be unavailable or limited in some foreign countries, which could make it easier for competitors to capture market share.

If we suffer loss to our factories, facilities or distribution system due to catastrophe, our operations could be seriously harmed.

Our factories, facilities and distribution system are subject to catastrophic loss due to fire, flood, terrorism or other natural or man-made disasters. In particular, several of our facilities could be subject to a catastrophic loss caused by earthquake due to their location. We have significant facilities in areas with above average seismic activity, such as our production facilities, headquarters and Agilent Laboratories in California and our production facilities in Washington and Japan. If any of these facilities were to experience a catastrophic loss, it could disrupt our

operations, delay production, shipments and revenue, and result in large expenses to repair or replace the facility. We self-insure against such losses and do not carry catastrophic insurance policies to cover potential losses resulting from earthquakes.

Periodic power supply problems in California could harm our business.

Our corporate headquarters, a portion of our research and development activities, other critical business operations and a certain number of our suppliers are located in California California has experienced periodic power shortages Power outages could cause disruptions to our operations and the operations of our suppliers, distributors, resellers and customers. We self-insure against such disruptions and do not carry catastrophic insurance policies to cover potential losses resulting from power shortages or outages. In addition, California has recently experienced rising energy costs that could negatively impact our results

STATEMENT OF MANAGEMENT RESPONSIBILITY

Agilent Technologies' management is responsible for the preparation, integrity and objectivity of the consolidated financial statements and other financial information presented in this report The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and reflect the effects of certain estimates and judgments made by management.

Management maintains an effective system of internal control that is designed to provide reasonable assurance that assets are safeguarded and transactions are properly recorded and executed in accordance with management's authorization The system is continuously monitored by direct management review and by internal auditors who conduct audits throughout the company. We select and train qualified people who are provided with and expected to adhere to Agilent Technologies' standards of business conduct. These standards, which set forth strong principles of business ethics and conduct, are a key element of our control system.

Our consolidated financial statements have been audited by PricewaterhouseCoopers LLP, independent accountants. Their audits were conducted in accordance with auditing standards generally accepted in the United States of America, and included a review of financial controls and tests of accounting records and procedures as they considered necessary in the circumstances.

The Audit and Finance Committee of the Board of Directors, which consists of outside directors, meets regularly with management, the internal auditors and the independent accountants to review accounting, reporting, auditing and internal control matters The committee has direct and private access to both the internal auditors and the independent accountants

Edward W Barnholt
President and
Chief Executive Officer

Adrian T Dillon
Executive Vice President and
Chief Financial Officer

REPORT OF INDEPENDENT ACCOUNTANTS

To the Stockholders and Board of Directors of Agilent Technologies, Inc

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of earnings, cash flows and stockholders' equity present fairly, in all material respects, the financial position of Agilent Technologies, Inc and its subsidiaries at October 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended October 31, 2001, in conformity with accounting principles generally accepted in the United States of America These financial statements are the responsibility of the company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in the notes to the consolidated financial statements, the company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" and changed its method of revenue recognition as of November 1, 2000

/s/ PRICEWATERHOUSECOOPERS LLP
PricewaterhouseCoopers LLP

San Jose, California
November 15, 2001,
except for Note 19 which is as of November 27, 2001

AGILENT TECHNOLOGIES, INC.

CONSOLIDATED STATEMENT OF EARNINGS

	Years Ended October 31,		
	2001	2000	1999
	(In millions, except per share amounts)		
Net revenue			
Products	$7,485	$8,299	$5,895
Services and other	911	1,062	935
Total net revenue	8,396	9,361	6,830
Costs and expenses			
Cost of products	4,664	4,143	3,098
Cost of services and other	502	592	529
Total costs	5,166	4,735	3,627
Research and development	1,349	1,129	879
Selling, general and administrative	2,659	2,573	1,902
Total costs and expenses	9,174	8,437	6,408
(Loss) earnings from operations	(778)	924	422
Other income (expense), net	301	94	41
(Loss) earnings from continuing operations before taxes	(477)	1,018	463
(Benefit) provision for taxes	(71)	346	157
(Loss) earnings from continuing operations	(406)	672	306
Net earnings from discontinued operations (net of taxes of $15 million, $61 million and $118 million in 2001, 2000 and 1999, respectively)	6	85	206
Gain from sale of discontinued operations (net of taxes of $422 million)	646	–	–
Earnings before cumulative effect of changes in accounting principles	246	757	512
Cumulative effect of adopting SFAS No 133 (net of tax benefit of $16 million)	(25)	–	–
Cumulative effect of adopting SAB 101 (net of tax benefit of $27 million)	(47)	–	–
Net earnings	$ 174	$ 757	$ 512
Net earnings per share – Basic			
(Loss) earnings from continuing operations	$ (0.89)	$ 1.49	$ 0 81
Net earnings from discontinued operations	0 01	0 19	0.54
Gain from sale of discontinued operations	1.41	–	–
Cumulative effect of adopting SFAS No. 133	(0 05)	–	–
Cumulative effect of adopting SAB 101	(0 10)	–	–
Net earnings	$ 0.38	$ 1.68	$ 1 35
Net earnings per share – Diluted			
(Loss) earnings from continuing operations	$ (0.89)	$ 1.48	$ 0.81
Net earnings from discontinued operations	0.01	0.18	0 54
Gain from sale of discontinued operations	1.41	–	–
Cumulative effect of adopting SFAS No. 133	(0.05)	–	–
Cumulative effect of adopting SAB 101	(0 10)	–	–
Net earnings	$ 0.38	$ 1 66	$ 1.35
Average shares used in computing net earnings per share:			
Basic	458	449	380
Diluted	458	455	380

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

AGILENT TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEET

	October 31, 2001	October 31, 2000
	(In millions, except par value and share data)	
ASSETS		
Current assets		
Cash and cash equivalents	$1,170	$ 996
Accounts receivable, net	977	1,938
Inventory	1,491	1,610
Net investment in lease receivable	237	–
Other current assets	924	595
Total current assets	4,799	5,139
Property, plant and equipment, net	1,848	1,685
Goodwill and other intangible assets, net	1,070	467
Other assets	269	442
Net investment in discontinued operations	–	597
Total assets	$7,986	$8,330
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 386	$ 857
Notes payable and short-term borrowings	6	110
Employee compensation and benefits	576	679
Deferred revenue	279	322
Other accrued liabilities	755	695
Total current liabilities	2,002	2,663
Other liabilities	325	402
Commitments and contingencies		
Stockholders' equity:		
Preferred stock; $.01 par value; 125 million shares authorized, none issued and outstanding	–	–
Common stock, $.01 par value; 2 billion shares authorized; 461 million shares at October 31, 2001 and 454 million shares at October 31, 2000 issued and outstanding	5	5
Additional paid-in capital	4,723	4,508
Retained earnings	931	757
Accumulated comprehensive loss	–	(5)
Total stockholders' equity	5,659	5,265
Total liabilities and stockholders' equity	$7,986	$8,330

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

AGILENT TECHNOLOGIES, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Years Ended October 31,		
	2001	2000	1999
	(In millions)		
Cash flows from operating activities			
Net (loss) earnings from continuing operations	$ (478)	$ 672	$ 306
Adjustments to reconcile net (loss) earnings from continuing operations to net cash (used in) provided by operating activities:			
Depreciation and amortization	734	460	440
Inventory-related charges	459	70	105
Deferred taxes	(94)	(59)	(12)
Non-cash restructuring and asset impairment charges	161	8	51
Gain on sale of assets	(315)	(29)	–
Gain on divestitures	(132)	(123)	(50)
Adoption of SFAS No. 133	41	–	–
Changes in assets and liabilities:			
Accounts receivable	933	(697)	(297)
Inventory	(373)	(431)	(151)
Accounts payable	(480)	356	75
Accrued compensation and benefits	(145)	149	(22)
Income taxes payable	(472)	235	–
Other current assets and liabilities	(8)	4	(41)
Other long-term assets and liabilities	55	(79)	(63)
Net cash (used in) provided by operating activities	(114)	536	341
Cash flows from investing activities.			
Investments in property, plant and equipment	(881)	(803)	(429)
Dispositions of property, plant and equipment			
Land sale	287	–	–
Equipment lease portfolio sale	287	234	–
Other	59	99	71
Net investment in lease	(289)	–	–
Sale of equity investments	74	60	–
Purchase of equity investments	(27)	(32)	–
Acquisitions, net of cash acquired	(904)	(634)	(55)
Proceeds from dispositions	13	–	71
Other, net	16	14	6
Net cash used in investing activities	(1,365)	(1,062)	(336)
Cash flows from financing activities:			
IPO proceeds	–	2,068	–
IPO proceeds transferred to Hewlett-Packard	–	(2,068)	–
Issuance of common stock under employee stock plans	150	84	–
Net (payments) proceeds from notes payable and short-term borrowings	(113)	110	–
Financing from (transfer to) Hewlett-Packard	–	1,081	(152)
Net cash provided by (used in) financing activities	37	1,275	(152)
Net proceeds and cash provided by discontinued operations	1,616	247	147
Change in cash and cash equivalents	174	996	–
Cash and cash equivalents at beginning of year	996	–	–
Cash and cash equivalents at end of year	$ 1,170	$ 996	$ –

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

AGILENT TECHNOLOGIES, INC.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	Common Stock						
	Number of Shares	Par Value	Additional Paid-in Capital	Stockholder's Net Investment	Retained Earnings	Other Comprehensive Loss	Total
	(In millions, except number of shares in thousands)						
Balance as of October 31, 1998	–	$ –	$ –	$ 3,022	$ –	$ –	$ 3,022
Net earnings	–	–	–	512	–	–	512
Net cash transfers to Hewlett-Packard Company	–	–	–	(152)	–	–	(152)
Transfer to common stock and additional paid-in capital	380,000	4	3,378	(3,382)	–	–	–
Balance as of October 31, 1999	380,000	4	3,378	–	–	–	3,382
Components of comprehensive income							
Net earnings	–	–	–	–	757	–	757
Unrealized loss on investment, net of tax	–	–	–	–	–	(5)	(5)
Total comprehensive income							752
Shares issued in the IPO	72,000	1	2,067	–	–	–	2,068
Proceeds from IPO transferred to Hewlett-Packard	–	(1)	(2,067)	–	–	–	(2,068)
Shares issued for employee benefit plans and other	1,976	1	109	–	–	–	110
Cash funding from Hewlett-Packard	–	–	1,858	–	–	–	1,858
Transfer of net assets to Hewlett-Packard	–	–	(853)	–	–	–	(853)
Tax benefit associated with stock option exercises	–	–	16	–	–	–	16
Balance as of October 31, 2000	453,976	5	4,508	–	757	(5)	5,265
Components of comprehensive income							
Net earnings	–	–	–	–	174	–	174
Reclassification adjustment relating to warrants	–	–	–	–	–	22	22
Reclassification adjustment relating to derivatives	–	–	–	–	–	(6)	(6)
SFAS No 133 cumulative transition adjustment	–	–	–	–	–	6	6
Change in unrealized loss on investment, net of tax	–	–	–	–	–	(24)	(24)
Unrealized gain on derivatives, net of tax	–	–	–	–	–	7	7
Total comprehensive income							179
Shares issued for employee benefit plans and other	5,594	–	150	–	–	–	150
Issuance of common shares and options for acquisitions	1,461	–	70	–	–	–	70
Other additional paid in capital	–	–	(5)	–	–	–	(5)
Balance as of October 31, 2001	461,031	$ 5	$ 4,723	$ –	$931	$ –	$ 5,659

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Overview and Basis of Presentation

Agilent Technologies, Inc (Agilent), incorporated in Delaware in May 1999, is a global technology leader in communications, electronics and life sciences Prior to Agilent's initial public offering of 15 9 percent of its stock in November 1999, Agilent was a wholly-owned subsidiary of Hewlett-Packard Company ("HP") HP distributed the remaining 84.1 percent of Agilent's stock to its stockholders on June 2, 2000 in the form of a stock dividend

On August 1, 2001 Agilent completed the sale of its healthcare solutions business to Koninklijke Philips Electronics, N.V The results of the healthcare solutions business are presented as discontinued operations for all periods in the consolidated financial statements included herein. See Note 3 "Discontinued Operations".

Agilent's fiscal year end is October 31. Unless otherwise stated, all years and dates refer to Agilent's fiscal year.

The consolidated 1999 financial information was prepared using HP's historical bases in the assets and liabilities and the historical results of operations of Agilent. Agilent began accumulating retained earnings on November 1, 1999.

2. Summary of Significant Accounting Policies

Basis of presentation. The accompanying financial data has been prepared by Agilent pursuant to the rules and regulations of the U.S Securities and Exchange Commission ("SEC") Certain amounts in the consolidated balance sheet, statement of earnings and statement of cash flows for 2000 and 1999 have been reclassified to conform to the presentation in 2001

Principles of consolidation The consolidated financial statements include the accounts of Agilent and its wholly- and majority-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Use of estimates. The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in Agilent's consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue recognition. Revenue from product sales, net of trade discounts and allowances, is recognized once delivery has occurred provided that persuasive evidence of an arrangement exists, the price is fixed or determinable, and collectibility is reasonably assured. Delivery is considered to have occurred when title and risk of loss have transferred to the customer. For sales that include customer-specified acceptance criteria, revenue is recognized after the acceptance criteria have been met For products that include installation, revenue for the entire arrangement is recognized once the installation is complete, unless the installation is considered to be a separate element, in which case the revenue relating to installation is deferred Provisions are established for estimated costs that may be incurred for product warranties. Revenue from services, including operating leases, is recognized over the contractual period or as services are rendered and accepted by the customer

Shipping and handling costs. Agilent's shipping and handling costs charged to its customers are included in net revenue and the associated expense is recorded in total costs for all periods presented.

Goodwill and purchased intangible assets. Goodwill and purchased intangible assets are carried at cost less accumulated amortization. Amortization is computed using the straight-line method over the economic lives of the respective assets, generally three to ten years. Goodwill resulting from acquisitions completed after June 30, 2001 has not been amortized in accordance

with the requirements of Statement of Financial Accounting Standards ("SFAS") No 142, "Goodwill and Other Intangible Assets"

Advertising Advertising costs are expensed as incurred and amounted to $115 million in 2001, $178 million in 2000, and $117 million in 1999.

Taxes on earnings Income tax expense is based on earnings before taxes Deferred tax assets and liabilities are recognized principally for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts. Prior to June 3, 2000, Agilent's operating results were included in HP's consolidated U S and state income tax returns and in tax returns of certain HP foreign subsidiaries. The provision for taxes in Agilent's consolidated financial statements for 1999 was determined on a separate return basis

Net (loss) earnings per share. Basic net (loss) earnings per share is computed by dividing net (loss) earnings (numerator) by the weighted average number of common shares outstanding (denominator) during the period excluding the dilutive effect of stock options and other employee stock plans. Diluted net (loss) earnings per share gives effect to all potentially dilutive common stock equivalents outstanding during the period. In computing diluted net (loss) earnings per share, the average stock price for the period is used in determining the number of shares assumed to be purchased from the proceeds of stock option exercises Diluted net loss per share for 2001 excludes the potentially dilutive effect of common stock equivalents as their effect is antidilutive.

Cash and cash equivalents. Agilent classifies investments as cash equivalents if their original maturity is three months or less. Cash equivalents are stated at cost, which approximates fair value.

Fair value of financial instruments. The carrying values of certain of the Company's financial instruments, including cash and cash equivalents, accrued compensation, and other accrued liabilities, approximate fair value because of their short maturities The fair values of investments are determined using quoted market prices for those securities or similar financial instruments.

Concentration of credit risk Agilent sells the majority of its products through its direct sales force No single customer accounted for 10 percent or more of the combined accounts receivable balance at October 31, 2001 and 2000 Credit risk with respect to accounts receivable is generally diversified due to the large number of entities comprising Agilent's customer base and their dispersion across many different industries and geographies. Agilent performs ongoing credit evaluations of its customers' financial condition, and requires collateral, such as letters of credit and bank guarantees, in certain circumstances

Derivative instruments. Agilent enters into foreign exchange contracts, primarily forward contracts and purchased options, to hedge exposures to changes in foreign currency exchange rates These contracts are designated at inception as hedges of the related foreign currency exposures, which include committed and anticipated foreign currency sales and assets and liabilities that are denominated in currencies other than the U.S. dollar. To achieve hedge accounting, contracts must reduce the foreign currency exchange rate risk otherwise inherent in the amount and duration of the hedged exposures and comply with established risk management policies; hedging contracts generally mature within three to six months. Agilent does not use derivative financial instruments for speculative or trading purposes

When hedging sales-related exposure, foreign exchange contract expirations are set so as to occur in the same month the hedged shipments occur, allowing realized gains and losses on the contracts to be recognized in net revenue in the same periods in which the related revenues are recognized. When hedging balance sheet exposure, realized gains and losses on foreign exchange

contracts are recognized in other income (expense), net in the same period as the realized gains and losses on remeasurement of the foreign currency denominated assets and liabilities occur The gains and losses, which have not been material, are included in cash flows from operating activities in the consolidated statement of cash flows.

Agilent may also, from time to time, acquire warrants to purchase securities of other companies as part of strategic relationships.

Inventory. Inventory is valued at standard cost which approximates actual cost computed on a first-in, first-out basis, not in excess of market value.

Property, plant and equipment Property, plant and equipment are stated at cost less accumulated depreciation. Additions, improvements and major renewals are capitalized; maintenance, repairs and minor renewals are expensed as incurred When assets are retired or disposed of, the assets and related accumulated depreciation and amortization are removed from the accounts and the resulting gain or loss is reflected in operations Depreciation is provided using accelerated methods, principally over fifteen to forty years for buildings and improvements and three to ten years for machinery and equipment, including equipment leased to customers under operating leases. Depreciation of leasehold improvements is provided using the straight-line method over the life of the asset or the term of the lease or the asset, whichever is shorter

Capitalized software. Agilent capitalizes certain internal and external costs incurred to acquire or create internal use software in accordance with Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use". Capitalized software is included in property, plant, and equipment under machinery and equipment and is amortized over its useful life when development is complete.

Impairment of long-lived assets Agilent continually monitors events and changes in circumstances that could indicate carrying amounts of long-lived assets, including intangible assets, may not be recoverable. When such events or changes in circumstances are present, Agilent assesses the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through undiscounted expected future cash flows. If the total of the future cash flows is less than the carrying amount of those assets, Agilent recognizes an impairment loss based on the excess of the carrying amount over the fair value of the assets

Foreign currency translation Agilent uses the U S dollar as its functional currency Foreign currency assets and liabilities are remeasured into U S. dollars at current exchange rates except for inventory, property, plant and equipment, other assets and deferred revenue which are remeasured at historical exchange rates. Revenue and expenses are generally translated at average exchange rates in effect during each period, except for those expenses related to balance sheet amounts that are remeasured at historical exchange rates Gains or losses from foreign currency remeasurement are included in consolidated net earnings. The effect of foreign currency exchange rate fluctuations on Agilent's cash and cash equivalents denominated in foreign currencies was not material.

Recent accounting pronouncements. In June 2001, the Financial Accounting Standards Board issued SFAS No 141, "Business Combination" and SFAS No. 142, "Goodwill and Other Intangible Assets". As a result of SFAS No. 141, all acquisitions completed after June 30, 2001 are accounted for using the purchase method of accounting. The adoption of SFAS No 141 had no material impact on Agilent's consolidated financial statements. Agilent plans to adopt SFAS No 142 in the first quarter of 2003. SFAS No. 142 requires that goodwill resulting from acquisitions completed after June 30, 2001 not be amortized. Until Agilent adopts the new standard, Agilent will continue to amortize goodwill existing at June 30, 2001 and to test all goodwill for impairment using the current method, that uses an undiscounted cash flow test

After adoption, Agilent will stop amortizing all goodwill and will begin to test goodwill for impairment pursuant to SFAS No. 142, that applies a fair-value-based test Agilent is assessing the further impacts of SFAS No. 142 on its consolidated financial position and results of operations.

In August 2001, the Financial Accounting Standards Board issued SFAS No 144, "Accounting for the Impairment or Disposal of Long Lived Assets" which addresses financial accounting and reporting for the impairment and disposal of long-lived assets. Agilent will be required to adopt SFAS No 144 no later than fiscal year 2003 Agilent is currently assessing the impact of SFAS No. 144 and does not believe that it will have a material impact on its consolidated financial position, results of operations or cash flows.

3. Discontinued Operations

On August 1, 2001, Agilent completed the sale of its healthcare solutions business to Koninklijke Philips Electronics, N V. ("Philips") pursuant to an Asset Purchase Agreement for a total purchase price of $1 7 billion Philips paid initial proceeds of $1.6 billion to Agilent on August 1, 2001, with further payments to follow pursuant to the terms of the Asset Purchase Agreement dated as of November 17, 2000, as amended and supplemented by the Amendment and Supplemental Agreement, dated as of August 1, 2001 (collectively, the "Asset Purchase Agreement"). The total purchase price is subject to adjustment based on the determination of the final purchased net assets and Agilent's performance of certain services for Philips. Since August 1, 2001 Agilent has received approximately $80 million of the $100 million purchase price holdback in additional proceeds from Philips. Agilent expects to receive the remaining proceeds in 2002.

Agilent's consolidated financial statements reflect its healthcare solutions business as discontinued operations in accordance with Accounting Principles Board Opinion No 30 "Reporting the Results of Operations – Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions" ("APB 30") The financial position, results of operations and cash flows of Agilent's healthcare solutions business have been classified as discontinued, and prior periods have been restated, including the reallocation of general overhead charges to Agilent's three remaining reporting segments. Agilent recorded an after-tax gain of $646 million as a result of this transaction Agilent does not expect material adjustments to the gain when the determination of the final purchased net assets and the performance of certain services are complete.

The following table shows the results of operations of Agilent's healthcare solutions business

	Years Ended October 31,		
	2001(a)	2000	1999
		(In millions)	
Net revenue	$765	$1,412	$1,501
Costs and expenses	747	1,283	1,182
Earnings from discontinued operations	18	129	319
Other income (expense), net	3	17	5
Earnings from discontinued operations before taxes	21	146	324
Provision for taxes	15	61	118
Net earnings from discontinued operations	$ 6	$ 85	$ 206

(a) Includes operations from November 1, 2000 to May 31, 2001, the measurement date.

The following table shows the components of the gain on sale of discontinued operations

	2001 (In millions)
Proceeds not subject to contingency	$1,771
Book value of assets and liabilities sold	(495)
Book value of assets and liabilities written off	(98)
Net loss from operations post-measurement date	(58)
Costs of disposition	(52)
Gain on sale before taxes	1,068
Taxes	(422)
Gain from sale of discontinued operations, net of taxes	$ 646

The following table shows the component assets and liabilities of Agilent's net investment in discontinued operations

	October 31, 2000 (In millions)
Current assets	$516
Property, plant and equipment, net	56
Goodwill and other intangible assets, net	90
Other assets	30
Current liabilities	(95)
Net investment in discontinued operations	$597

Certain notes to these consolidated financial statements have been restated to reflect Agilent's presentation of discontinued operations Generally, information in the notes has been restated where amounts were included in net earnings from, or net investment in, discontinued operations.

4. Acquisitions and Dispositions

On January 5, 2001, Agilent acquired Objective Systems Integrators, Inc. ("OSI") for approximately $716 million Of this total, $690 million was cash and the remainder represents the fair value of options granted. Using the purchase method of accounting, the purchase price was allocated to tangible and intangible assets including goodwill. The original goodwill balance of $593 million is being amortized over 3 years The net book value of goodwill associated with this acquisition at October 31, 2001 was $432 million. OSI is a leading provider of next-generation operations-support-system software for communications service providers and has become part of Agilent's test and measurement business.

In July 1999, HP entered into an agreement with Yokogawa Electric Corporation ("Yokogawa") to acquire Yokogawa's 25 percent equity interest in Agilent Technologies Japan, Ltd for approximately $521 million. In the initial step, which occurred in January 2000, Agilent purchased approximately 10 4 percent of Agilent Technologies Japan, Ltd shares from Yokogawa for approximately $206 million In the second step, which occurred in April 2000, Agilent purchased approximately 10.4 percent of additional Agilent Technologies Japan, Ltd. shares from Yokogawa for approximately $216 million. In January 2001, Agilent completed its acquisition of Yokogawa's 25 percent equity interest in Agilent Technologies Japan, Ltd. by purchasing the

remaining 4 2 percent interest for approximately $99 million. Of the total purchase price, $243 million was allocated to tangible assets and $278 million was attributed to goodwill which is being amortized over 10 years The remaining net book value of goodwill associated with this acquisition was $240 million at October 31, 2001.

In addition to the OSI and Yokogawa acquisitions, Agilent acquired several other companies during 2001, 2000, and 1999 which were not significant to its consolidated financial position, results of operations or cash flows. These acquisitions were accounted for under the purchase method of accounting. The results of operations of the acquired companies were included prospectively from the date of acquisition and the acquisition cost was allocated to the acquired tangible and identifiable intangible assets and liabilities based on fair values at the date of acquisition Residual amounts were recorded as goodwill. In-process research and development write-offs have not been significant Goodwill is amortized on a straight-line basis over its estimated economic life, generally three to five years except as noted above

The net book value of goodwill and other intangible assets was $1.1 billion at October 31, 2001 and $467 million at October 31, 2000.

Unaudited pro forma statement of earnings information has not been presented because the effects of these acquisitions were not material on either an individual or an aggregated basis.

Dispositions In the fourth quarter of 2000, Agilent entered into an asset purchase agreement with Tyco Capital Corporation ("Tyco Capital") pursuant to which Agilent has sold them substantially all of its leasing portfolio ("Tyco Capital sale") over the course of the last five quarters The impact on Agilent's consolidated cash flows and results of operations of the lease portfolio sale is shown below.

	Year Ended October 31, 2001	Year Ended October 31, 2000
Net proceeds from Tyco Capital sale	$287	$234
Product revenue	$254	$197
Cost of products	$131	$ 83

Agilent also entered into a vendor financing arrangement with Tyco Capital whereby Tyco Capital will provide equipment financing and leasing services to Agilent's customers on a global basis. This agreement has been in place since the fourth quarter of 2000.

In addition to the Tyco Capital sale and the sale of the healthcare solutions business, Agilent sold assets related to portions of its businesses to third parties during 2001, 2000, and 1999 Gross proceeds from these dispositions were $13 million in 2001, immaterial in 2000, and $71 million in 1999. Gains from the dispositions, included in other income (expense), net, in the consolidated statement of earnings, were $9 million in 2001, immaterial in 2000, and $50 million in 1999.

5. Adoption of SAB 101

In December 1999, the U.S Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" ("SAB 101"). During the fourth quarter of 2001, Agilent adopted SAB 101 retroactive to the beginning of the fiscal year. The cumulative effect of the adoption resulted in a charge to fiscal 2001 net earnings of $47 million (net of income taxes of $27 million) or $0 10 per basic and diluted share. As a result of adopting SAB 101, delivery is considered to have occurred when title and risk of loss have transferred to the customer. For the fiscal year ended October 31, 2001, the net impact on 2001 revenues including amounts deferred at October 31, 2001 was an increase of $67 million of

revenue and $29 million of cost of products which were included in the cumulative effect adjustment. The results for the first three quarters of 2001 have been restated in accordance with SAB 101 Pro forma amounts for the periods beginning before November 1, 2000 have not been presented, as the effect of the change could not reasonably be determined.

6. Financial Instruments

Effective November 1, 2000, Agilent adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities". SFAS No. 133, as amended, establishes accounting and reporting standards for derivative instruments, and requires that all derivatives be recognized as either assets or liabilities on the balance sheet and carried at fair value Changes in the fair value of the derivative instruments are recognized in earnings or stockholders' equity, depending on the intended use of the instrument

If derivative instruments are designated and qualify as a fair value hedge, changes in value of the derivative are recognized in earnings in the current period, along with the offsetting gain or loss on the hedged item attributable to the hedged risk. If derivative instruments are designated and qualify as a cash flow hedge, changes in the value of the effective portion of the derivative instrument are recognized in other comprehensive income, a component of stockholders' equity. These amounts are reclassified and recognized in earnings when either the forecasted transaction occurs or it becomes probable the forecasted transaction will not occur Changes in the fair value of the ineffective portion of derivative instruments are recognized in earnings in the current period. Ineffectiveness in 2001 was not significant.

Agilent enters into certain foreign exchange contracts, primarily forwards and options, to hedge exposures to changes in foreign currency exchange rates. Agilent does not use derivative financial instruments for speculative or trading purposes.

Agilent may also, from time to time, invest in warrants to purchase securities of other companies as strategic investments.

The adoption of SFAS No. 133 on November 1, 2000 resulted in a cumulative pre-tax reduction to income of $41 million ($25 million after tax) and a pre-tax increase in other comprehensive income of $10 million During the year ended October 31, 2001, pre-tax gains of $6 million were recorded in other income from continuing operations related to the value of derivative transactions Pre-tax gains of $1 million were recorded in other comprehensive income during 2001 related to derivative instruments. Discontinued operation results for the year ended October 31, 2001 include pre-tax losses of $1 million related to the value of derivative transactions Net deferred gains and losses of $7 million related to hedging activities reported in accumulated comprehensive loss at October 31, 2001 are expected to be reclassified to earnings within 12 months.

7. (Loss) Earnings Per Share

The following is a reconciliation of the numerators and denominators of the basic and diluted net earnings per share computations for the periods presented below.

	For the Years Ended October 31,		
	2001	2000	1999
	(In millions, except per share data)		
Numerator:			
(Loss) earnings from continuing operations	$(406)	$672	$306
Net earnings from discontinued operations, net of taxes	6	85	206
Gain from the sale of discontinued operations, net of taxes	646	–	–
Earnings before cumulative effect of changes in accounting principles	246	757	512
Cumulative effect of adopting SFAS No 133, net of taxes	(25)	–	–
Cumulative effect of adopting SAB 101, net of taxes	(47)	–	–
Net earnings	$ 174	$757	$512
Denominators			
Basic weighted average shares	458	449	380
Potentially dilutive common stock equivalents – stock options and other employee stock plans	–	6	–
Diluted weighted average shares	458	455	380

Options to purchase 63 7 million shares of common stock at a weighted average exercise price of $46 per share were outstanding during 2001 but were not included in the computation of diluted net earnings per share because the options were antidilutive for 2001. The options, which expire no later than 2010, were still outstanding at the end of 2001.

See Note 19 "Subsequent Events" for a discussion of Agilent's senior convertible debentures, which may be dilutive in 2002.

8. Supplemental Cash Flow Information

Cash paid for income taxes in 2001 was $450 million and in 2000 was $546 million No amounts were paid for income taxes in 1999 as HP made such payments on Agilent's behalf. Cash paid for interest was $28 million in 2001 and was not material in 2000 and 1999.

Non-cash transactions in 2001 primarily related to the issuance of common stock under various employee stock plans in the amount of $26 million and acquisitions in the amount of $71 million.

9. Inventory

	October 31,	
	2001	2000
	(In millions)	
Finished goods	$ 400	$ 356
Work in progress	239	340
Raw materials	852	914
	$1,491	$1,610

Inventory-related charges of $459 million and $70 million were recorded in total cost of products in 2001 and 2000, respectively

10. Property, Plant and Equipment, Net

	October 31,	
	2001	2000
	(In millions)	
Land	$ 148	$ 155
Buildings and leasehold improvements	1,767	1,556
Machinery and equipment	2,210	2,109
	4,125	3,820
Accumulated depreciation	(2,277)	(2,135)
	$ 1,848	$ 1,685

Agilent has sold substantially all of its portfolio of operating leases to Tyco Capital. See Note 4 "Acquisitions and Dispositions" Equipment under operating leases was $23 million at October 31, 2001 and $201 million at October 31, 2000 and is included in machinery and equipment. Accumulated depreciation related to equipment under operating leases was $4 million at October 31, 2001 and $49 million at October 31, 2000. At October 31, 2001, minimum future rentals on noncancelable operating leases with original terms of one year or longer were not material

11. Taxes on Earnings

The (benefit) provision for income taxes is comprised of

	Years Ended October 31,		
	2001(a)	2000	1999
	(In millions)		
U S. federal taxes from continuing operations·			
Current	$ 22	$ 77	$ 63
Deferred	(105)	(42)	(15)
Non-U.S. taxes from continuing operations.			
Current	(38)	310	104
Deferred	20	(18)	3
State taxes from continuing operations, net of federal benefit	(13)	19	2
Total from continuing operations:	(114)	346	157

(a) The benefit for income taxes on continuing operations in 2001 includes $71 million tax benefit from operations, $16 million tax benefit from adoption of SFAS No. 133 and $27 million tax benefit from adoption of SAB 101

The significant components of deferred tax assets, for which no valuation allowance was required, and deferred tax liabilities included on the consolidated balance sheet are

	October 31,			
	2001		2000	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
	(In millions)			
Inventory	$229	$ 9	$157	$ 7
Property, plant and equipment	62	6	71	5
Warranty reserves	30	–	34	–
Retiree medical benefits	54	–	70	–
Other retirement benefits	–	44	15	54
Employee benefits, other than retirement	189	4	220	22
Unremitted earnings of foreign subsidiaries	–	203	–	160
Other	135	24	110	19
	$699	$290	$677	$267

The current portion of the net deferred tax asset is $494 million at October 31, 2001 and $304 million at October 31, 2000 and is included in other current assets.

Tax benefits of $11 million in 2001 and $16 million in 2000 associated with the exercise of employee stock options were recognized in stockholders' equity.

The differences between the U.S. federal statutory income tax rate and Agilent's effective tax rate are

	Years Ended October 31,		
	2001	2000	1999
U.S federal statutory income tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	2.2	2.1	0 7
Lower rates in other jurisdictions, net	6.1	(4.0)	(5 6)
Goodwill	(19.8)	2.0	0 4
Other, net	(4.5)	(1.1)	3.5
	19.0%	34.0%	34 0%

The domestic and foreign components of earnings from continuing operations before taxes are:

	Years Ended October 31,		
	2001	2000	1999
U.S continuing operations	$(487)	$ 66	$ 84
Non-U S continuing operations	(105)	952	379
	$(592)	$1,018	$463

As a result of certain employment and capital investment actions undertaken by Agilent, income from manufacturing activities in certain countries is subject to reduced tax rates, and in some cases is wholly exempt from taxes, for tax years through 2010. The income tax benefits

attributable to the tax status of these subsidiaries are estimated to be $37 million in 2001, $41 million in 2000, and $31 million in 1999

Agilent has not provided for U.S. federal income and foreign withholding taxes on $871 million of non-U.S subsidiaries' undistributed earnings as of October 31, 2001 because such earnings are intended to be reinvested indefinitely Where excess cash has accumulated in Agilent's non-U.S. subsidiaries and it is advantageous for tax or foreign exchange reasons, subsidiary earnings are remitted.

12. Restructuring and Asset Impairment

In 2001, Agilent has taken steps to restructure its businesses as a result of the economic downturn that has impacted many of the markets that Agilent serves Agilent has announced measures to cut discretionary costs, to reduce the size of its workforce and to reduce the number of sites that Agilent occupies. On August 20, 2001, Agilent announced a plan to reduce its workforce by approximately 4,000, or about nine percent, by the middle of next year The total cost of this plan is estimated to be $175 million, of which $154 million was recognized this fiscal year Of this amount, $79 million was included in cost of products and services, $17 million was included in research and development expenses and $58 million was included in selling, general and administrative expenses As of October 31, 2001, $65 million in severance benefits had been paid and the remainder of the restructuring liability is expected to be utilized during 2002. In the second half of 2001, Agilent reduced its workforce by approximately 3,000 employees

In June 2001 Agilent recognized a $74 million asset impairment charge with respect to its decision to cancel the development of a software system for Agilent's customer support activities. Agilent has entered into an agreement with HP to extend its use of their legacy customer support systems in place of the one that Agilent was developing. The decision to continue the use of HP's systems enabled Agilent to reduce costs at a critical time, minimize disruption to Agilent's customers and businesses and to focus on Agilent's customers' needs.

In 1999, Agilent recognized an impairment loss of $51 million related to a building that was under construction to house manufacturing operations for eight-inch CMOS semiconductor wafers. At the time construction was stopped, only the building shell was complete; Agilent concluded that the highest fair value to be realized from this building was based on selling it for use as an office or general use facility.

13. Stock Based Compensation

Employee stock purchase plans. Prior to February 2, 2000, virtually all Agilent employees were able to contribute up to ten percent of their base compensation to the quarterly purchase of HP's common stock under the Hewlett-Packard Stock Purchase Plan (the "HP Plan") Under the provisions of the HP Plan, employee contributions to purchase shares were partially matched with shares contributed by HP These matching shares generally vested over two years After February 2, 2000, Agilent implemented the Agilent Technologies, Inc. Employee Stock Purchase Plan (the "Legacy Plan") that was similar to the HP Plan and allowed eligible employees to contribute up to ten percent of their base compensation to the purchase of Agilent common stock. Under the provisions of the Legacy Plan, employee contributions were partially matched with shares contributed by Agilent. These matching shares also generally vested over two years. On June 2, 2000, all unvested matching shares of HP stock held by our employees were forfeited and replaced by Agilent common stock of equivalent value. Compensation expense for the matching provision for both the HP Plan and the Legacy Plan was measured using the fair value of shares on the date of purchase by HP for the HP Plan and by Agilent for the Legacy Plan and was recognized by Agilent over the two-year vesting period Compensation expense under both plans

was $28 million in 2001, $34 million in 2000 and $39 million in 1999. The amount in 1999 was allocated from HP. At October 31, 2001, 9,802,100 shares of Agilent common stock had been authorized for issuance under the Legacy Plan and 3,344,371 of these shares had been issued

Effective October 31, 2000, purchases and contributions under the Legacy Plan ceased. All unvested matching shares under the Legacy Plan will maintain their original vesting terms based on the employee's continued employment with Agilent Vesting of these matching shares will be completed no later than October 31, 2002

Effective November 1, 2000, Agilent adopted a new plan, the Agilent Technologies, Inc Employee Stock Purchase Plan (the "Agilent 423(b) Plan"). Under the provisions of the Agilent 423(b) Plan, eligible employees may contribute up to 10 percent of their base compensation to purchase shares of Agilent common stock at 85 percent of the lower of the fair market value at the entry date or purchase date as defined by the Agilent 423(b) Plan As of October 31, 2001, 35,000,000 shares of Agilent common stock were authorized for issuance under the Agilent 423(b) Plan and 1,828,674 of these shares have been issued.

Incentive compensation plans. Prior to November 1999, certain of Agilent's employees participated in HP's stock-based incentive compensation plans under which they received stock options and other equity based awards On September 17, 1999, Agilent adopted the Agilent Technologies, Inc. 1999 Stock Plan (the "Agilent stock plan") and subsequently reserved 67,800,000 shares of Agilent common stock for issuance under the plan. Stock options, stock appreciation rights, stock awards and cash awards may be granted under the Agilent stock plan Options granted under the Agilent stock plan may be either "incentive stock options," as defined in section 422 of the Internal Revenue Code, or non-statutory. Options generally vest at a rate of 25 percent per year over a period of four years from the date of grant. The exercise price for incentive stock options may not be less than 100 percent of the fair market value of the underlying Agilent stock on the date the stock award is granted.

At October 31, 2001, shares registered and available for option and restricted stock grants were 19,918,011 In February 2001, Agilent's shareholders approved an additional 45,000,000 shares to be available for option and restricted stock grants. The stock based compensation expense related to Agilent employees' discounted options, stock appreciation rights and restricted stock was $8 million in 2001, $24 million in 2000, and was not material in 1999. The amount for 1999 was allocated from HP

Effective June 2000, a majority of the HP awards held by Agilent employees were converted to Agilent awards of equivalent value. The conversion of HP options into Agilent options was done in such a manner that (1) the aggregate intrinsic value of the options immediately before and after the exchange is the same, (2) the ratio of the exercise price per option to the market value per option is not reduced, and (3) the vesting provisions and options period of the replacement Agilent options are the same as the original vesting terms and option period of the HP options.

The following table summarizes option activity for the years ended October 31, 2001 and 2000·

	Shares (000)	Weighted-Average Exercise Price
Outstanding options as of November 1, 1999	—	$ –
Converted from HP	17,667	31
Granted	30,202	59
Exercised	(645)	23
Cancelled	(1,333)	59
Outstanding as of October 31, 2000	45,891	$48
Granted	20,758	40
Exercised	(1,114)	20
Cancelled	(1,879)	72
Outstanding as of October 31, 2001	63,656	$46
Options exercisable as of October 31, 2000	10,914	$26
Fair market value of options granted and converted during fiscal 2000		$48
Options exercisable as of October 31, 2001	25,196	$40
Fair market value of options granted during fiscal 2001		$45

The following table summarizes information about all options outstanding at October 31, 2001

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding (000)	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable (000)	Weighted-Average Exercise Price
$0 – 25	5,824	5.6 years	$ 14	4,365	$ 12
$26 – 50	40,032	9.1 years	37	15,593	36
$51 – 75	4,342	9 9 years	61	1,065	62
$76 – 100	13,182	9.4 years	78	4,069	77
$101 and over	276	9.4 years	119	104	119
	63,656		$ 46	25,196	$ 40

Pro forma information Agilent has elected to follow the accounting provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," for stock-based compensation granted to Agilent employees. Accordingly, compensation expense is recognized only when options are granted with a discounted exercise price Any compensation expense is recognized ratably over the associated service period, which is generally the option vesting term.

Pro forma net earnings and net earnings per share information, as required by SFAS No. 123, "Accounting for Stock-Based Compensation" (SFAS No. 123), has been determined as if Agilent had accounted for all employee stock options granted, including shares under the Agilent 423(b) Plan to Agilent employees under SFAS No. 123's fair value method. The fair value of these options

was estimated at grant date using a Black-Scholes option pricing model with the following weighted-average assumptions:

	2001	2000	1999 (1)
Risk-free interest rate for options	4.25%	5.75%	5.53%
Risk-free interest rate for the Agilent 423(b) Plan	3.68-6.04%	–	–
Dividend yield	0%	0%	1.00%
Volatility	77%	67%	30%
Expected option life	5.5 years	7 years	7 years
Expected life for the Agilent 423(b) Plan	6 months-2 years	–	–

(1) Assumptions for HP Options for the years 1999.

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the four-year average vesting period of the options. The pro forma effect of recognizing compensation expense in accordance with SFAS No 123 would have been to reduce Agilent's reported net earnings by $503 million in 2001 and by $281 million in 2000 and $38 million in 1999. Had compensation expense been recorded by Agilent in accordance with SFAS No 123, the effect would have been to reduce basic net earnings per share by $1 10 and $0.63 in 2001 and 2000, respectively, and diluted net earnings per share by $1.10 and $0.62 in 2001 and 2000, respectively In comparison, the effect would have been to reduce both basic and diluted net earnings per share by $0 10 in 1999. These pro forma amounts include amortized fair values attributable to options granted after October 31, 1995 only, and therefore are not representative of future pro forma amounts. These amounts were calculated using all options granted to employees across all segments of Agilent's business operations

14. Retirement Plans and Postretirement Benefits

General Substantially all of Agilent's employees are covered under various Agilent defined benefit and defined contribution plans Additionally, Agilent sponsors postretirement health care benefits and a death benefit under the Survivor Protection Plan to U.S. employees.

Sale of healthcare solutions business. In the United States, employees of the healthcare solutions business ("HSG employees") were offered a choice of terminating and remaining in the Agilent Retirement Plan or terminating and taking a distribution from the Agilent Retirement Plan. In the funded status table below, amounts relating to settlements of HSG employees' benefit obligations are treated as regular plan payments Additionally, eligible HSG employees (i.e. those who qualified for retirement on August 1, 2001) were offered an opportunity to elect to receive benefits under the Agilent Continued Group Medical and SeniorMed Program. Generally, outside the United States, subject to local statutory or other practical limitations, HSG employees' Projected Benefit Obligations – calculated in accordance with the Asset Purchase Agreement – were transferred to Philips along with an equal amount of assets. Amounts reported in this footnote reflect Agilent's continuing operations excluding the healthcare solutions business, except where noted

Spin-off from HP. On or before June 2, 2000, Agilent assumed responsibility for pension, deferred profit-sharing, 401(k) and other post retirement/benefits from HP for current and former employees whose last work assignment prior to the distribution date was with Agilent These current and former employees are collectively referred to as "Agilent Employees." In the U.S., the Hewlett-Packard Company Retirement Plan and Deferred Profit-Sharing Plan Master Trust, was converted to the Group Trust for the Hewlett-Packard Company Deferred Profit-Sharing Plan and Retirement Plan and the Agilent Technologies, Inc. Deferred Profit-Sharing Plan and Retirement Plan (the "Group Trust") and a pro rata share of the assets of the Group Trust were assigned to

the Agilent Retirement Plan Trust and the Agilent Deferred Profit-Sharing Trust Outside the U.S , generally, a pro rata share of the HP pension assets, if any, were transferred or otherwise assigned to the Agilent entity in accordance with local law or practice The pro rata share was in the same proportion as the projected benefit obligation for Agilent Employees was to the total projected benefit obligation of HP and Agilent combined For all the periods presented, the consolidated financial statements include the trust assets, liabilities and expenses that were assigned to Agilent.

Pension and deferred profit-sharing plans. Worldwide pension and deferred profit-sharing costs included in earnings from continuing operations were $106 million in 2001, $69 million in 2000 and $111 million in 1999. The 1999 amount was an allocation from HP

U.S employees who meet eligibility criteria are provided benefits under Agilent's Retirement Plan ("Retirement Plan"). Defined benefits are generally based on an employee's average pay during the final five years of employment and length of service For eligible service through October 31, 1993, the benefit payable under the defined benefit plan is reduced by any amounts due to the eligible employee under Agilent's fixed and frozen defined contribution deferred profit-sharing plan ("DPSP"), which was closed to new participants in November 1993

The combined status of the Retirement Plan and DPSP for U S. Agilent Employees follows.

	October 31,	
	2001	2000
	(In millions)	
Fair value of plan assets	$1,717	$2,379
Retirement benefit obligation	$1,968	$2,309

Eligible employees outside the U S. generally receive retirement benefits under various retirement plans based upon factors such as years of service and employee compensation levels. Eligibility is generally determined in accordance with local statutory requirements.

Postretirement benefit plans. In addition to receiving pension benefits, eligible Agilent Employees may participate in Agilent's Continued Group Medical and SeniorMed Program that provides benefits to U.S retired employees. Substantially all of Agilent's current U S employees could become eligible for these benefits, and the existing benefit obligation relates primarily to those employees. Once participating in the medical plan, retirees may choose from managed-care and indemnity options, with their contributions dependent on options chosen and length of service

401(k) defined contribution plan. Agilent's U.S. eligible employees may participate in the Agilent Technologies, Inc 401(k) Plan (the "Agilent Savings Accumulation Plan" or "ASAP"), which was established as a supplemental retirement program. Assets and liabilities related to Agilent employees were transferred to Agilent by HP effective June 2, 2000. Beginning February 1, 1998, enrollment in TAXCAP/ASAP became automatic for employees who meet eligibility requirements unless they decline participation. Under the ASAP program, Agilent matches contributions by employees up to a maximum of 4 percent of an employee's annual compensation Prior to November 1, 2000, the maximum combined contribution to the Legacy Plan and ASAP was 25 percent of an employee's annual eligible compensation subject to certain regulatory and plan limitations. Beginning November 1, 2000, the maximum contribution to the Agilent 423(b) Plan and ASAP was 10 percent and 20 percent, respectively, of an employee's annual eligible compensation subject to certain regulatory and plan limitations. Agilent's expense included in earnings from continuing operations related to ASAP was $53 million in 2001, $48 million in 2000 and $44 million in 1999. The 1999 amount was an allocation from HP.

Components of net periodic cost. For the years ended October 31, 2001, 2000 and 1999, net pension and postretirement benefit costs for Agilent are comprised of

	Pensions						U.S. Postretirement Benefit Plans		
	U.S. Plans			Non-U.S. Plans					
	2001	2000	1999	2001	2000	1999	2001	2000	1999
	(In millions)								
Service cost – benefits earned during the period	$ 87	$ 74	$ 72	$ 44	$ 51	$ 54	$ 13	$ 10	$ 10
Interest cost on benefit obligation	41	35	25	42	39	38	24	18	14
Expected return on plan assets	(56)	(51)	(30)	(59)	(58)	(57)	(36)	(33)	(17)
Amortization and deferrals:									
Actuarial (gain) loss	(10)	(12)	3	6	(1)	(4)	(18)	(10)	(6)
Transition obligation (asset)	–	(3)	(3)	–	–	–	–	–	–
Prior service cost	1	2	2	1	1	1	–	(4)	(3)
Net plan costs	$ 63	$ 45	$ 69	$ 34	$ 32	$ 32	$(17)	$(19)	$ (2)
Curtailment gain	(28)	–	–	(4)	–	–	(7)	–	–
Settlement loss	1	–	–	21	–	–	–	–	–
Other	–	–	–	7	–	–	–	–	–
Total net plan costs	$ 36	$ 45	$ 69	$ 58	$ 32	$ 32	$(24)	$(19)	$ (2)
Distribution of net plan costs:									
Continuing operations	$ 32	$ 40	$ 62	$ 55	$ 29	$ 29	$(23)	$(17)	$ (2)
Discontinued operations	4	5	7	3	3	3	(1)	(2)	–
Total net plan costs	$ 36	$ 45	$ 69	$ 58	$ 32	$ 32	$(24)	$(19)	$ (2)

Funded status As of October 31, 2001 and 2000, the funded status of the defined benefit and postretirement benefit plans is:

	U.S. Defined Benefit Plans		Non-U.S. Defined Benefit Plans		U.S. Postretirement Benefit Plans	
	2001	2000	2001	2000	2001	2000
			(In millions)			
Change in fair value of plan assets						
Fair value – beginning of year	$ 655	$ 477	$807	$706	$ 426	$ 306
Actual return on plan assets	(164)	172	(64)	99	(108)	110
Employer contributions	1	13	60	84	–	–
Participants' contributions	–	–	8	7	4	5
Change in population estimate	–	16	–	8	–	15
Benefits paid	(41)	(23)	(10)	(10)	(11)	(10)
Currency impact	–	–	(9)	(87)	–	–
Divestiture of Healthcare Solutions Business	–	–	(60)	–	–	–
Other	–	–	14	–	–	–
Fair value – end of year	451	655	746	807	311	426

	U.S. Defined Benefit Plans		Non-U.S. Defined Benefit Plans		U.S. Postretirement Benefit Plans	
	2001	2000	2001	2000	2001	2000
			(In millions)			
Change in benefit obligation.						
Benefit obligation – beginning of year	585	434	821	773	317	238
Reclassification of plans	–	–	–	–	–	14
Service cost	87	74	44	51	13	10
Interest cost	41	35	42	39	24	18
Participants' contributions	–	–	8	–	4	5
Plan amendment	–	–	(17)	–	–	59
Change in population estimate	–	12	–	7	–	5
Actuarial (gain) loss	73	53	4	48	40	(22)
Benefits paid	(41)	(23)	(13)	(10)	(11)	(10)
Currency impact	–	–	(12)	(87)	–	–
Divestiture of Healthcare Solutions Business	(43)	–	(63)	–	(7)	–
Other	–	–	7	–	–	–
Benefit obligation – end of year	702	585	821	821	380	317
Plan assets in excess of (less than) benefit obligation	(251)	70	(75)	(14)	(69)	109
Unrecognized net actuarial (gain) loss	129	(160)	191	102	(102)	(304)
Unrecognized prior service cost (benefit) related to plan changes	8	10	(8)	8	3	3
Unrecognized net transition asset*	–	–	(1)	(1)	–	–
Net prepaid (accrued) costs	$(114)	$ (80)	$107	$ 95	$(168)	$(192)
Amounts recognized in the consolidated balance sheet consist of						
Prepaid (accrued) defined benefit plan costs	(114)	(80)	107	86	–	–
Prepaid defined benefit plan costs allocated to discontinued operations	–	–	–	9	–	–
(Accrued) post retirement benefits costs	–	–	–	–	(168)	(192)
Net prepaid (accrued) costs**	$(114)	$ (80)	$107	$ 95	$(168)	$(192)

* Amortized over periods ranging from 10 to 22 years

** The asset and pension obligation amounts that will be transferred to Philips for the sale of Agilent's healthcare solutions business are subject to final adjustment. The final amounts to be transferred to Philips are not expected to be materially different from the estimated amounts

Plan assets consist primarily of listed stocks and bonds.

Defined benefit plans whose benefit obligations are in excess of the fair value of the plan assets are:

	U.S. Defined Benefit Plans October 31,		Non-U.S. Defined Benefit Plans October 31,	
	2001	2000	2001	2000
	(In millions)		(In millions)	
Aggregate benefit obligation	$(702)	$(50)	$(579)	$(541)
Aggregate fair value of plan assets	$ 451	–	$ 483	$ 506

The non-current portion of the liability for retirement and post retirement benefits plans is included in other liabilities and totaled $169 million at October 31, 2001 and $221 million at October 31, 2000

Assumptions The assumptions used to measure the benefit obligations and to compute the expected long-term return on assets for Agilent's defined benefit and postretirement benefit plans are:

	Years Ended October 31,		
	2001	2000	1999
U S. defined benefit plans:			
Discount rate	7 0%	7 5%	7.25%
Average increase in compensation levels	5 5%	6.0%	5.0%
Expected long-term return on assets	9 0%	9 0%	9.0%
Non-U.S. defined benefit plans:			
Discount rate	2.5 – 6.5%	3.0 – 6.5%	3.3 – 6 0%
Average increase in compensation levels	3.5 – 5.5%	3 5 – 5.5%	3 5 – 5 3%
Expected long-term return on assets	6 5 – 8.5%	6 1 – 8.5%	6.1 – 8.5%
U.S. postretirement benefits plans:			
Discount rate	7.0%	7.5%	7.25%
Expected long-term return on assets	9.0%	9.0%	9 0%
Current medical cost trend rate	7 75%	7.75%	8.2%
Ultimate medical cost trend rate	5 5%	5 5%	5.5%
Medical cost trend rate decreases to ultimate rate in year	2007	2007	2007

Assumed health care trend rates could have a significant effect on the amounts reported for health care plans. A one-percentage point change in the assumed health care cost trend rates for the year ended October 31, 2001 would have the following effects

	1 Percentage Point Increase	1 Percentage Point Decrease
	(In millions)	
Effect on total service and interest cost components	$ 9	$ (7)
Effect on postretirement benefit obligations	$69	$(54)

15. Notes Payable and Short-term Borrowings

Notes payable and short-term borrowings. Notes payable and short-term borrowings as of October 31, 2001 consisted of notes payable to banks of $4 million and the current portion of capitalized leases of $2 million dollars. The average interest rate for the notes payable to banks

was 9.0 percent For 2000, notes payable and short-term borrowings consisted of notes payable to banks of $106 million and other short-term debt of $4 million dollars.

Lines of Credit. Agilent has two revolving credit facilities with no outstanding balances at the end of 2001. Those facilities are a $250 million facility that terminates on November 5, 2005 and a 364-day $250 million facility that terminated on November 2, 2001 In November 2001, Agilent extended the latter facility to November 1, 2002. See Note 19 "Subsequent Events" for changes to debt arrangements after October 31, 2001 In addition to these committed facilities, Agilent has access to uncommitted credit lines through its banking partners.

16. Commitments

Operating Lease Commitments Agilent leases certain real and personal property from unrelated third parties under non-cancelable operating leases Future minimum lease payments under leases at October 31, 2001 were $98 million for 2002, $86 million for 2003, $63 million for 2004, $52 million for 2005, $40 million for 2006 and $105 million thereafter. Certain leases require Agilent to pay property taxes, insurance and routine maintenance, and include escalation clauses. Rent expense was $100 million in 2001, $69 million in 2000 and $102 million in 1999.

17. Contingencies

Agilent is involved in lawsuits, claims, investigations and proceedings, including patent, commercial and environmental matters that arise in the ordinary course of business There are no such matters pending that Agilent expects to be material in relation to its business, consolidated financial condition, results of operations or cash flows

18. Segment Information

Description of segments Agilent is a diversified technology company that provides enabling solutions to customers in high growth markets within the communications, electronics, and life science industries. The results of our healthcare solutions business, previously reported as a segment, are disclosed in Note 3 "Discontinued Operations" above.

Agilent organizes its business operations into three major groups – test and measurement, semiconductor products, and chemical analysis, each of which comprises a reportable segment The segments were determined based primarily on how management views and evaluates Agilent's operations Other factors, including customer base, homogeneity of products, technology and delivery channels, were also considered in determining Agilent's reportable segments

Agilent includes the following businesses

- test and measurement, which provides test instruments, standard and customized test, measurement and monitoring instruments and systems for the design, manufacture and support of electronics and communications devices, and software for the design of high-frequency electronic and communications devices and networks. The test and measurement business includes operating segments that have been aggregated based on the similarity of the nature of their products and services, their production processes, their class of customers, their distribution methods and their economic characteristics;
- semiconductor products, which provides fiber optic communications devices and assemblies, components and integrated circuits for wireless, networking, computing and printing applications, image sensors and general-purpose opto-electronic components; and
- chemical analysis, which provides analytical instruments, systems and services for chromatography, spectroscopy, bio-instrumentation and consumables.

Segment revenue and profit The accounting policies used to derive reportable segment results are generally the same as those described in Note 2, "Summary of Significant Accounting Policies" In 2000 and 1999, internal revenue and earnings from continuing operations include transactions between segments that are intended to reflect an arm's length transfer at the best price available for comparable external customers.

A significant portion of the segments' expenses arise from shared services and infrastructure that Agilent (HP for 1999) has historically provided to the segments in order to realize economies of scale and to efficiently use resources. These expenses include costs of centralized research and development, legal, accounting, employee benefits, real estate, insurance services, information technology services, treasury and other Agilent corporate (HP in 1999) infrastructure costs These expenses are allocated to the segments and the allocations have been determined on a basis that Agilent considered to be a reasonable reflection of the utilization of services provided to or benefits received by the segments. A different result could be arrived at for any segment if costs were specifically identified to each segment.

In 2001, Agilent's management changed its measure of the profitability of each of the business segments to exclude goodwill and other intangible amortization and certain non-recurring items included within "Corporate and Other." Agilent also changed its definition of segment assets to include all assets, including an allocation of assets previously held at corporate Information provided in respect of prior periods has been restated to reflect these changes

The following tables reflect the results of Agilent's reportable segments under Agilent's management reporting system These results are not necessarily a depiction that is in conformity with accounting principles generally accepted in the United States of America The performance of each segment is measured based on several metrics, including (loss) earnings from operations. These results are used, in part, by management, in evaluating the performance of, and in allocating resources to, each of the segments

	Test and Measurement	Semiconductor Products	Chemical Analysis	Total Segments
		(In millions)		
Year Ended October 31, 2001:				
Total net revenue	$5,432	$1,850	$1,114	$8,396
Depreciation expense	$ 198	$ 149	$ 33	$ 380
(Loss) earnings from continuing operations	$ (141)	$ (183)	$ 118	$ (206)
Year Ended October 31, 2000:				
External revenue	$6,108	$2,213	$1,040	$9,361
Internal revenue	–	51	–	51
Total net revenue	$6,108	$2,264	$1,040	$9,412
Depreciation expense	$ 184	$ 171	$ 34	$ 389
Earnings from continuing operations	$ 706	$ 248	$ 41	$ 995

	Test and Measurement	Semiconductor Products	Chemical Analysis	Total Segments
		(In millions)		
Year Ended October 31, 1999:				
External revenue	$4,082	$1,722	$1,026	$6,830
Internal revenue	4	40	–	44
Total net revenue	$4,086	$1,762	$1,026	$6,874
Depreciation expense	$ 202	$ 177	$ 38	$ 417
Earnings from continuing operations	$ 210	$ 166	$ 120	$ 496

Reconciliation to Agilent, as Reported

	Years Ended October 31,		
	2001	2000	1999
		(In millions)	
Net revenue from continuing operations:			
Total reportable segments	$8,396	$9,412	$6,874
Elimination of internal revenue	–	(51)	(44)
Total net revenue, as reported	$8,396	$9,361	$6,830
(Loss) earnings from continuing operations before taxes.			
Total reportable segments' earnings from operations	$ (206)	$ 995	$ 496
Total amortization of goodwill and other non-operational one-time items	(572)	(71)	(74)
Other income (expense), net	301	94	41
Total (loss) earnings from continuing operations before taxes, as reported	$ (477)	$1,018	$ 463
Depreciation and amortization expense			
Total reportable segments depreciation	$ 380	$ 389	$ 417
Corporate amortization expense	354	71	23
Total depreciation and amortization expense, as reported	$ 734	$ 460	$ 440

Major Customers No customer represented 10 percent or more of Agilent's total net revenue in 2001 or 2000. In 1999 HP accounted for approximately 12 percent of Agilent's total net revenue.

The equity investment totals disclosed for each segment represent equity method investments directly managed by the segment

	Test and Measurement	Semiconductor Products	Chemical Analysis	Total Segments
		(In millions)		
As of October 31, 2001:				
Assets	$5,310	$1,714	962	$7,986
Capital expenditures	495	304	82	881
Investment in equity-method investees	21	14	0	35
As of October 31, 2000:				
Assets	$4,924	$1,904	$804	$7,632
Capital expenditures	553	203	47	803
Investment in equity-method investees	16	46	20	82

Total segment assets at October 31, 2000 excluded $698 million of assets allocated to the healthcare solutions business which were determined under Agilent's management reporting system Net investment in discontinued operations at October 31, 2000 of $597 million was determined using accounting principles generally accepted in the United States of America

Geographic Information

	United States	Japan	Rest of the World	Total
		(In millions)		
Net revenue (based on location of customer):				
Year ended October 31, 2001	$3,373	$1,083	$3,940	$8,396
Year ended October 31, 2000	3,992	1,032	4,337	9,361
Year ended October 31, 1999	2,912	759	3,159	6,830
Long-lived assets (all non-current assets):				
October 31, 2001	$1,796	$ 539	$ 852	$3,187
October 31, 2000	1,316	356	922	2,594

19. Subsequent Events

On November 15, 2001, Agilent announced that it would eliminate an additional 4,000 jobs, which is approximately 10 percent of its workforce by the middle of 2002

On November 19, 2001, Agilent's revolving credit agreements were amended Among other changes, the financial covenants were changed to limit the amount of debt that the company can have relative to the sum of shareholders' equity and debt, to limit the amount of cash used for future acquisitions and to require certain minimum amounts of earnings before interest, tax, depreciation and amortization on a rolling four-quarter basis

On November 27, 2001, Agilent announced the closing of a private offering of $1.15 billion aggregate principal amount of 3 percent senior convertible debentures due 2021. Agilent intends to use the net proceeds of the offering for working capital and general corporate purposes and to fund potential acquisitions and restructuring costs. The debentures are convertible into Agilent's common stock at a conversion price of $32.22 per share. Consequently Agilent's future diluted earnings per share may be reduced The debentures are redeemable at Agilent's option beginning in December 2004, and holders of the debentures have the ability to require Agilent to repurchase the debentures, in whole or in part, on specified dates in 2006, 2011 and 2016.

QUARTERLY SUMMARY
(Unaudited)

	Three Months Ended			
	January 31	April 30	July 31	October 31
	(In millions, except per share amounts)			
2001				
Net revenue				
As reported	$ 2,548	$ 2,382	$ 1,806	$ 1,606
Impact of SAB 101 adjustment	17	24	13	N/A
	$ 2,565	$ 2,406	$ 1,819	$ 1,606
Total costs				
As reported	$ 1,277	$ 1,406	$ 1,146	$ 1,317
Impact of SAB 101 adjustment	7	11	2	N/A
	$ 1,284	$ 1,417	$ 1,148	$ 1,317
Earnings (loss) from operations				
As reported	$ 284	$ (62)	$ (342)	$ (692)
Impact of SAB 101 adjustment	10	13	11	N/A
	$ 294	$ (49)	$ (331)	$ (692)
Earnings (loss) from continuing operations				
As reported	$ 181	$ 83	$ (214)	$ (449)
Impact of SAB 101 adjustment	(7)	6	(6)	N/A
	$ 174	$ 89	$ (220)	$ (449)
Net earnings (loss) from discontinued operations	(2)	13	(5)	–
Gain from sale of discontinued operations, net of taxes	–	–	–	646
(Loss) earnings from operations before cumulative effect of changes in accounting principles	172	102	(225)	197
Cumulative effect of adopting SFAS No 133, net of taxes	(25)	–	–	–
Cumulative effect of adopting SAB 101, net of taxes	(47)	–	–	–
Net earnings (loss)	$ 100	$ 102	$ (225)	$ 197
Net earnings per share – Basic				
Earnings (loss) from continuing operations				
As reported	$ 0 39	$ 0 18	$ (0 47)	$ (0.98)
Impact of SAB 101 adjustment	(0.01)	0 01	(0.01)	N/A
	0.38	0 19	(0 48)	(0.98)
Net earnings (loss) from discontinued operations	–	0 03	(0 01)	–
Gain from sale of discontinued operations, net of taxes	–	–	–	1 41
Cumulative effect of adopting SFAS No 133, net of taxes	(0 06)	–	–	–
Cumulative effect of adopting SAB 101, net of taxes	(0.10)	–	–	–
Net earnings (loss)	$ 0.22	$ 0 22	$ (0 49)	$ 0 43
Net earnings per share – Diluted				
Earnings (loss) from continuing operations				
As reported	$ 0.38	$ 0 18	$ (0 47)	$ (0 98)
Impact of SAB 101 adjustment	(0.01)	0 01	(0.01)	N/A
	0 37	0 19	(0 48)	(0.98)

	Three Months Ended			
	January 31	April 30	July 31	October 31
	(In millions, except per share amounts)			
Net earnings (loss) from discontinued operations	–	0 03	(0 01)	–
Gain from sale of discontinued operations, net of taxes	–	–	–	1 41
Cumulative effect of adopting SFAS No 133, net of taxes	(0 06)	–	–	–
Cumulative effect of adopting SAB 101, net of taxes	(0 10)	–	–	–
Net earnings (loss)	$ 0 21	$ 0 22	$ (0 49)	$ 0 43
Average shares used in computing net earnings per share				
Basic	455	456	459	460
Diluted	466	461	459	460
Range of common stock prices on NYSE	$38 06-68 00	$ 25.00-55 00	$ 26 20-41 18	$18.00-32 70
2000				
Net revenue	$ 1,851	$ 2,142	$ 2,351	$ 3,017
Total costs	$ 955	$ 1,069	$ 1,189	$ 1,522
Earnings from operations	$ 104	$ 184	$ 189	$ 447
Earnings from continuing operations	$ 88	$ 140	$ 143	$ 301
Net earnings from discontinued operations	$ 43	$ 26	$ 12	$ 4
Net earnings	$ 131	$ 166	$ 155	$ 305
Net earnings per share – Basic				
Earnings from continuing operations	$ 0 20	$ 0 31	$ 0 31	$ 0 66
Net earnings from discontinued operations	$ 0.10	$ 0.06	$ 0 03	$ 0 01
Net earnings	$ 0 30	$ 0 37	$ 0 34	$ 0 67
Net earnings per share – Diluted				
Earnings from continuing operations	$ 0.20	$ 0 31	$ 0 31	$ 0 65
Net earnings from discontinued operations	$ 0.10	$ 0.05	$ 0.03	$ 0 01
Net earnings	$ 0.30	$ 0 36	$ 0 34	$ 0 66
Average shares used in computing net earnings per share				
Basic	439	452	453	454
Diluted	440	457	461	462
Range of common stock prices on NYSE	$40 00-79.25	$71.00-159 00	$40 75-100 75	$38.80-63 00

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Agilent Technologies

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D C. 20549

Form 10-K

(Mar One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended October 31, 2001

or

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number: 001-15405

Agilent Technologies, Inc
(Exact name of registrant as specified in its charter)

Delaware	77-0518772
State or other jurisdiction of Incorporation or organization	I.R S Employer Identification No.

Address of principal executive offices· 395 Page Mill Road, Palo Alto, California 94306

Registrant's telephone number, including area code (650) 752-5000

Securities registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
Common Stock par value $0 01 per share	New York Stock Exchange, Inc

Securities registered pursuant to Section 12(g) of the Act

None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days Yes No o Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o The aggregate market value of the registrant's common stock held by non-affiliates as of December 26, 2001 was approximately $10 54 billion. As of December 26, 2001, there were 463,695,160 outstanding shares of common stock, par value $0 01 per share Shares of stock held by officers, directors and 5% or more shareholders have been excluded in that such persons may be deemed to be affiliates This determination of affiliate status is not necessarily a conclusive determination for other purposes DOCUMENTS INCORPORATED BY REFERENCE

Document Description	10-K
Portions of the Proxy Statement for the Annual Meting of Stockholders (the "Proxy Statement") to be held on February 22, 2002, and to be filed pursuant to Regulation 14A within 120 days after registrant's fiscal year ended October 31, 2001 are incorporated by reference into Part III of this Report	Part III

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Forward-Looking Statements

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 10-K This report contains forward-looking statements including, without limitation, statements regarding trends and growth in the markets we sell into, our strategic direction, expenditures in research and development, anticipated completion of transactions, our liquidity position and our expected growth that involve risks and uncertainties Our actual results could differ from the results contemplated by these forward-looking statements due to certain factors, including those discussed in Item 7 and elsewhere in this report

PART I

Item 1 Business

Overview

Business

Agilent Technologies, incorporated in Delaware in May 1999, is a global diversified technology company that provides enabling solutions to high growth markets within the communications, electronics and life sciences industries We have three primary businesses

- test and measurement, which provides test instruments, standard and customized test, measurement and monitoring instruments and systems for the design, manufacture and support of electronics and communications devices, and software for the design of high-frequency electronic and communications devices and networks,
- semiconductor products, which provides fiber optic communication devices and assemblies, components and integrated circuits for wireless, networking, computing and printing applications, image sensors and general-purpose opto-electronic components; and
- chemical analysis, which provides analytical instruments, systems and services for chromatography, spectroscopy and bio-instrumentation and consumables

Prior to our initial public offering of 15 9 percent of our stock in November 1999, we were a wholly-owned subsidiary of Hewlett-Packard Company ("HP") HP distributed the remaining 84 1 percent of our stock to its stockholders on June 2, 2000 in the form of a stock dividend

Our test and measurement and semiconductor businesses share focus on growth opportunities in the communications and electronics sector, while our chemical analysis business focuses on growth opportunities in life sciences, as well as chemical analysis in the environmental, chemical, food and petrochemical markets. On August 1, 2001, Agilent completed the sale of its healthcare solutions business to Koninklijke Philips Electronics, N V pursuant to an Asset Purchase Agreement for a total purchase price of $1 7 billion, as more specifically discussed in Item 7 and Note 3, "Discontinued Operations," to the consolidated financial statements included in Item 8 of this report

On January 5, 2001, we acquired Objective Systems Integrators, Inc for approximately $716 million. OSI was a leading provider of next-generation operations-support-system software for communications service providers and has become part of the test and measurement business In January 2000, April 2000 and January 2001, we acquired Yokogawa Electric Corporation's 25 percent equity interest in Agilent Technologies Japan, Ltd for approximately $521 million. In addition to the OSI and Yokogawa acquisitions, we acquired several other companies since our incorporation that were not material. More information about these acquisitions is contained in Item 7 and Note 4, "Acquisitions and Dispositions," to the consolidated financial statements included in Item 8 of this report

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In the fourth quarter of 2000, we entered into an asset purchase agreement with Tyco Capital Corporation pursuant to

which we have sold them substantially all of our leasing portfolio over the course of the last five quarters We also entered into a vendor financing arrangement with Tyco Capital whereby Tyco Capital will provide equipment financing and leasing services to our customers on a global basis More information about these agreements is contained in Item 7 and Note 4, "Acquisitions and Dispositions," to the consolidated financial statements included in Item 8 of this report In February 2001, we sold a parcel of surplus land in San Jose, California for $287 million in cash

We sell our products primarily through our direct sales force, but we also utilize distributors, resellers, telesales and electronic commerce Of our total net revenue of $8 4 billion in the fiscal year ended October 31, 2001, we generated 40% in the United States and 60% internationally. As of October 31, 2001, we employed approximately 41,000 people worldwide We have major research and development and manufacturing sites in California, Colorado, Delaware and Washington in the United States and in China, Germany, Japan, Malaysia, Singapore and the United Kingdom.

Our net revenue by business segment for each of the years ending October 31, 2001, 2000 and 1999 was

	2001	2000	1999
Test and measurement	$ 5,432	$ 6,108	$ 4,082
Semiconductor products	$ 1,850	$ 2,213	$ 1,722
Chemical analysis	$ 1,114	$ 1,040	$ 1,026
Total net revenue	$ 8,396	$ 9,361	$ 6,830

More financial information about the business segments is contained in Note 18, "Segment Information," of the consolidated financial statements included in Item 8 of this report Hewlett-Packard accounted for 6 8% of our total net revenue in the fiscal year ended October 31, 2001, 6.5% in fiscal year 2000 and 10 0% in fiscal year 1999

Agilent Technologies Laboratories

All of our businesses are supported by the technological expertise of Agilent Technologies Laboratories, one of the world's foremost industrial research and development organizations Agilent Technologies Laboratories works with our businesses in design, development and manufacturing engineering, and substantially all of its development staff are aligned with the research and development teams in our individual businesses.

Agilent Technologies Laboratories employs approximately 400 people Approximately half of the research and technical professionals in Agilent Technologies Laboratories have doctoral degrees

Test and Measurement

Our test and measurement business is a leader in providing test and measurement solutions to companies in the communications, electronics, semiconductor and related industries. We provide standard and customized solutions that are used in the design, development, manufacture, installation, deployment and operation of electronic equipment and systems and

communications networks and services These solutions include test and measurement instruments and systems, automated test equipment, communications network monitoring, management, and optimization tools and software design tools and associated services Our solutions are employed by a wide range of industries, including

- communications and network equipment designers and manufacturers, including providers of fiber optic, wireless and wireline components, products and systems,

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- providers of communications services, including telecommunications, Internet and cellular service providers,
- designers and manufacturers of semiconductor products, including microprocessors, memory devices, Application Specific Integrated Circuits (ASICs), system-on-a-chip (SOC) devices, radio frequency and microwave integrated circuits and other types of integrated circuits, and
- designers and manufacturers of electronic equipment, including printed circuit board assemblies and electronic equipment, such as cellular handsets, personal digital assistants (PDAs), personal computers and avionics equipment.

Our test and measurement business employed approximately 21,000 people as of October 31, 2001 We serve customers in more than 110 countries and sell our products primarily through our direct sales force, as well as through resellers, distributors, telesales and electronic commerce Our products are complemented by service and support offerings such as consulting, training, local solutions integration, and instrument calibration and repair. Our test and measurement business generated $5 4 billion in revenue in fiscal 2001, $6 1 billion in revenue in fiscal 2000 and $4 1 billion in revenue in fiscal 1999

Markets

The market for our test and measurement products comprises three major customer groups

- communications network equipment designers, manufacturers and service providers;
- electronic component and equipment designers and manufacturers, and
- semiconductor manufacturers and purchasers of semiconductors.

Communications Network Equipment Designers, Manufacturers and Service Providers

Network equipment manufacturers provide products to facilitate the transmission of voice and data traffic This transmission may be in various forms, such as electronic signals over copper wire, optical signals over fiber cables, and radio frequency or microwave signals The customers of the network equipment manufacturers are the communications service providers that deploy and operate the networks and services. These service providers require network equipment that enables their networks and services to operate at increasingly faster speeds while providing rapidly expanding capacity and superior reliability. To meet these demands, network component and equipment manufacturers require test and measurement instruments, systems and solutions for the development, production and installation of each new network technology

Communications and Internet service providers also require a range of sophisticated test instruments and systems to evaluate network performance and to identify any sources of communications failure Additionally, these customers require advanced software and systems, known as operations support systems, to monitor and manage the network infrastructure and services on a continuous, proactive basis to achieve either regulated or customer-specified service levels. Real-time monitoring of the network infrastructure also enables the implementation of additional services, such as fraud detection, which customers increasingly require of service providers In addition, accurate monitoring enables service providers to bill more precisely for different types of network traffic

The market for cellular telephony has increased in recent years, as the levels of wireless penetration in developed countries have grown rapidly Many lesser-developed countries have decided to build wireless communications infrastructure to meet their nations' needs for telephony, rather than invest in expensive wire-based infrastructure. To develop cellular telephone equipment, manufacturers require electronic design software and test instruments and systems for the development of high-frequency communications circuits, devices and systems. Cellular equipment manufacturers also require advanced, high-frequency test instruments and systems to develop, manufacture

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and deploy cellular base stations for these wireless networks. In addition, the rapid growth of the cellular handset market has created a new market segment for automated test equipment to test cellular handsets on the factory floor Further, as new standards evolve in the wireless industry, new test and measurement equipment and systems have to be developed to enable testing of the new standards in the research, design and development and later in the manufacturing and deployment phases.

We believe that in the last several years, producers of networking communications equipment have increased their use of contract manufacturers Contract manufacturers require test solutions that are particularly well-suited for faster production and flexible for use in different applications Recently, mobile phone and appliance producers have also begun to increase their use of contract manufacturers, including using contract manufacturers for functional test This requires

specialized test products and services to address the particular needs of these high-frequency products

Electronic Component and Equipment Designers and Manufacturers

The electronics industry designs, develops and manufactures a wide range of products, including products produced in high volumes, such as computers, computer peripherals, communications devices such as wireless handsets and personal digital assistants, electronic components, printed circuit assemblies and consumer electronics. These components and printed circuit assemblies may be designed, developed and manufactured by electronic components companies, by original equipment manufacturers or by third-party contract manufacturers For the development and timely commercialization of new technologies, original equipment manufacturers require state-of-the-art test instruments, systems and software design tools in order to design the products for efficient and cost-effective manufacturing and validate product performance in a variety of configurations and environments

High volume manufacturers of electronics products, such as printed circuit board assemblies, require sophisticated automated test equipment to operate and perform highly accurate tests at speeds and volumes matching those of the production line. This equipment includes in-circuit testing systems, automated x-ray inspection systems and automated optical inspection systems, all of which examine the printed circuit assemblies for manufacturing defects Manufacturers are also beginning to demand automated functional test systems, which test an electronic device as if it were in its final environment

Electronics manufacturing also requires standardized test instruments, system components and complete solutions. Aerospace and defense are important markets for standardized electronic equipment because of the high electronic content of advanced defense systems and defense-related communications and surveillance equipment. We believe that defense purchasers are shifting from specialized test equipment to off-the-shelf test products and systems

Semiconductor Manufacturers

Semiconductor test systems are used by semiconductor designers, semiconductor manufacturers and electronic component manufacturers in the design, manufacture and testing of a wide variety of semiconductor products, including logic, memory, mixed analog and digital signal, and system-on-a-chip integrated circuits Semiconductor test systems are sold to semiconductor manufacturers and assembly and test subcontractors to the semiconductor industry

Demand for automated test equipment is driven primarily by the increased volume of semiconductor devices produced. Advances in semiconductor technology are also increasing demand for semiconductor test equipment. The development of increasingly faster and more complex semiconductor devices stimulates demand for testers capable of evaluating these high-speed devices In addition, the continuing integration of functions, such as microprocessor, logic and memory, on a single integrated circuit has created a new category of device called system-on-a-chip These devices require a new category

of sophisticated and flexible automated test equipment

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Strategy

Our test and measurement business pursues the following strategies to extend our global leadership position as the communications and electronics industries shift to new business models and value chains

Address the Needs of the Wireless and Internet Communications Market

Our greatest focus is on providing product leadership and application-focused solutions to markets where wireless, Internet and computing technologies are converging We have targeted our test and measurement products and services to enable our customers in this segment to bring their new technologies to market.

Identify Customers' Business and Technology Needs, Then Leverage Across the Value Chain

Agilent addresses the business and technology needs of players across the wireless and Internet communications value chain, from component manufacturers, network equipment manufacturers, and contract and design manufacturers to content providers, operators and service providers A key success factor for this strategy is development of technologies and platforms that are reusable and leverageable, enabling us to deploy new solutions and systems faster

Introduce Emerging Test Technologies to Accelerate Customer Progress

Agilent's product strategy is to introduce products and technologies that meet the business needs of our customers Such products could give Agilent a market advantage by placing Agilent in the next generation of technology beyond what our competitors can offer

Satisfy Customers Through Operational Excellence

A key component of our strategy is to make the customer experience a competitive advantage by achieving operational excellence in three areas sales and support experience, whether contact is via the web, email, by telephone or in person, global manufacturing and supply chain management so that customers will receive high-quality products, when they need them; and product generation

Focus Intently on Leading Edge Customers

By engaging in collaborative, co-development relationships with wireless and Internet communications leaders such as Nokia, Ericsson and Motorola, component manufacturers such as Murata, contract manufacturers such as Solectron Corp., Flextronics International and SCI and service providers such as AT&T Wireless, Verizon Wireless, China Unicom and Vodafone, we are developing solutions that support next generation technologies and enable these leaders to maximize their performance and continue to lead their industry

Build a New Global Capability in Solutions, Systems and Services

Our strategy is to leverage the technologies, platforms and knowledge we acquire from growing our core product categories into application-focused solutions, world-class systems and high-value services These programs should dramatically increase our growth potential by building on and strengthening our customer relationships as we move up the value chain, and by creating a services-based annuity stream that offsets capital equipment cycles.

Products

Our test and measurement business designs, develops and manufactures test and design products that range from single-unit electronic measurement devices priced under $1,000 to large scale integrated-circuit test solutions priced at $1 million and higher

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Communications Equipment Test Solutions

We provide test solutions for fiber optic, broadband wire-based, radio frequency and microwave communications networks and products.

Fiber Optics. Our products include optical signal and spectrum analysis instruments used by the industry's leading equipment manufacturers to develop and manufacture reliable optical components Our products also include network analyzers and high-speed bit-error rate testers that measure key transmission properties of high-speed optical and electrical signals Broadband and Data Networks. Our Internet Advisor product line helps to troubleshoot high-speed local area networks, wide area networks and asynchronous transfer mode networks We also provide cable television test equipment. Wireless Communications and Microwave Our radio frequency and microwave test instruments assist in the design and production of cellular handsets and base stations, as well as satellite and aerospace defense systems Examples of our radio frequency and microwave products include network analyzers, spectrum analyzers and signal sources

Communications Service Providers Installation, Maintenance and Operations Support Solutions

Agilent's solutions for installation test enable service providers to install, commission, and activate networks and services more quickly. For example, Agilent's 10-Gigabit Field Transmission Test Set enables technicians to test 192 fiber optic channels simultaneously Also, our standards-based unification platform allows simplification of operation support and systems by reducing the software integration costs of such systems

Agilent offers a number of industry-proven monitoring systems such as AcceSS7 for Signaling System 7 (SS7) networks, AccessFIBRE, for fiber optic networks, NGN Analysis System for next-generation, mixed circuit- and packet-switched networks, and Firehunter for monitoring service level agreements by Internet service providers We also market benchtop and handheld measurement devices such as lightwave multimeters, power meters and optical sources

Electronics Design and Manufacturing Solutions

General Purpose Instrument General purpose instruments are used principally by engineers in research and development laboratories, manufacturing, calibration and service for measuring voltage, current, frequency, signal pulse width and other standard electronics measurements Examples of general purpose instruments include digitizing oscilloscopes, voltmeters and multimeters, frequency counters, bench and system power supplies, and function generators and waveform synthesizers

Modular Instruments and Test Software Our modular instruments and test software, including instruments incorporating the VXI bus and modular measurement system software, is used to dynamically configure and reconfigure test systems for designers and manufacturers of electronic devices.

Data Acquisition Devices Data acquisition and control products include digital-to-analog converters that are attached to sensors to measure a wide range of physical data such as temperature, airplane wing strain and vibrations in cars, jet engines and power generation equipment.

Digital Design Products. These systems range from simple digital control circuits to complex, high-speed servers incorporating the latest microprocessor technology. Our digital design products include logic analyzers, logic-signal sources and data generators

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Automated In-Circuit Testing. Our leading in-circuit testers use a probe fixture that makes electrical contact with the circuit board These systems make electrical measurements that identify quality defects such as bad and incorrect parts that affect electrical performance, and allow repair of the defects while it is still relatively inexpensive to make the diagnosis and repair.

Automated X-ray Inspection Our leading x-ray inspection products provide a three-dimensional scan of printed circuit board assemblies to identify and isolate quality defects caused by the manufacturing process Our products can look through a device to identify structural defects in soldering that are not identified by visual inspection and that may not be detected with in-circuit testing

Automated Optical Inspection Our automated optical inspection line of products enables automated visual inspection of printed circuit assemblies These systems are able to locate, with a high degree of repeatability and reliability, misplaced and misaligned parts, gross solder defects and other process faults without the need for a human inspector.

Intelligent Test. Our AwareTest software enables customers to design test processes that avoid unnecessary test duplication For example, an in-circuit test system will receive information about the faults that have already been detected by an x-ray inspection system and not repeat the test of that circuit.

Semiconductor Automated Test Equipment

We produce semiconductor test equipment to perform electrical functional testing of the operation of memory, logic, mixed signal, system-on-a-chip, and radio frequency integrated circuits. Our parametric test instruments and systems combine hardware technology and customizable system software, and are used to examine semiconductor wafers during the semiconductor manufacturing process Our product development efforts are targeted at leading edge technologies, such as system-on-a-chip high-speed flash memory products and 300mm parametric inspection

Our semiconductor test products test a variety of different circuit types These devices are usually tested after final assembly, but the testing of some devices is most effective immediately after the production of the silicon wafer, when the wafers are sorted We believe we are the industry leader in wafer-sort test solutions for flash memory devices, which retain data even when the power is turned off and that are critical for use in digital cameras, cellular phones, personal digital assistants and storage of portable digital audio files. Our flash memory test products can test as many as 36 devices in parallel, greatly improving test throughput and lowering test costs for our customers. Our system-on a chip can test not only multiple devices at a time, but also multiple functional elements on a given device at the same time

High-Frequency Electronic Design Tools

Our high-frequency electronic design automation software tools are used by radio frequency integrated circuit design engineers to model, simulate and analyze communications product designs at the circuit and system levels

Customers

We market our test and measurement solutions to customers across a broad array of industries Several of our customers purchase products across several of our major product lines for their different business units.

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A representative list of the customers of our test and measurement business follows

	Alcatel Alsthom	IBM	Nortel Networkstm
	AMD	Infineon Technologies AG	Qualcomm, Inc
	ASE Test	Intel Corporation	Siemens
	AT&T	Juniper	Solectron
	Bell Canada Enterprises	LG Group	Sprint
	The Boeing Company	Lockheed Martin Corporation	STATS
	Cisco	Lucent	THOMSON Multimedia, S.A.
	Ericsson	Matsushita Electric Industrial Co	Toshiba Corporation
	Fujitsu Limited	Mitsubishi Electronics America	Tyco International
	General Electric	Motorola	United States Air Force
	General Motors	NEC Corporation	US WEST
	Hitachi	Nippon Telephone & Telegraph	
	Hewlett-Packard	Nokia	

Sales, Marketing and Support

We have a focused sales strategy to strengthen customer satisfaction Our direct sales force is focused on identifying customer needs and recommending solutions involving the effective use and deployment of our equipment and systems Some members of our direct sales force focus on global accounts, providing uniform services on a worldwide basis Others focus on our more complex products such as our communications monitoring systems and our automated test equipment, where customers require intensive strategic consultation Our sales force also specifically targets the contract manufacturer market by collaborating with original equipment manufacturers to specify that our test equipment be used by contract manufacturers, as well as marketing to contract manufacturers directly.

Our direct sales force consists of field engineers and systems engineers who often hold advanced degrees and who have in-depth knowledge of the customers' business and technology needs Some of our field engineers are account managers for our large accounts, and enhance our understanding of the future needs of these customers Our systems engineers provide a combination of consulting, systems integration and application and software engineering services, and are instrumental in all stages of the sale, implementation and support of our complex systems and solutions We also use value-added resellers to address specific market segments

Manufacturing

We concentrate our test and measurement manufacturing efforts primarily on final assembly and test of our products To maximize our productivity and our ability to respond to market conditions, we use contract manufacturers for the production of printed circuit boards, sheetmetal fabrication, metal die casting, plastic molding and standard electronic components We also manufacture proprietary devices and assemblies, such as x-ray tubes and high-frequency integrated circuits and devices, in our own foundries for competitive advantage

Competition

The market for test and measurement equipment is highly competitive, and we expect this competition to increase Our test and measurement business competes with a number of significant competitors in all our major product categories and across our targeted industries In communications test, our primary competitors are Acterna, Anritsu, IFR Systems, Inc / Marconi Communications Ltd , IXIA, Network Associates, Inc , Rhode & Schwartz, Spirent, Tektronix, Inc and as well as INET Technologies, Inc. and Micromuse Inc in the communications network monitoring market In the semiconductor test market, we compete primarily against Advantest Corporation, Schlumberger Limited, Keithley Instruments and Teradyne. In the printed circuit board test market, a segment of

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the electronics manufacturing market, we compete against GenRad, Inc. (acquired by Teradyne) and Teradyne, Inc In the general purpose electronic test market, we compete against companies such as Fluke Corporation (a subsidiary of Danaher Corporation), Keithley Instruments, Inc , LeCroy Corporation, National Instruments Corporation and Tektronix

Semiconductor Products

Our semiconductor products business is a leading supplier of semiconductor components, modules and assemblies for high performance communications systems. We design, develop and manufacture products for the networking, wireless, computing and printing markets

We believe we are the leading provider of

- fiber optic communications transceiver (transmitter/receiver) modules used for high speed data communications,
- controller integrated circuits for Fibre Channel (storage networking) applications
- infrared transceivers for mobile communications (IrDA);
- light-emitting diodes (LEDs) and displays,
- application specific integrated circuits (ASICs) to Hewlett-Packard for its scanners and printers, and
- CMOS image sensors used to capture images in Web cameras and as position sensors in computer mice.

As of October 31, 2001, our semiconductor products business had approximately 9,000 employees worldwide Our semiconductor products business generated revenue of $1 9 billion in fiscal year 2001, $2 2 billion in fiscal year 2000 and $1 7 billion in fiscal year 1999

Markets

Our semiconductor products business serves the following markets

- Networking
- Mobile Communication
- Computing and Printing

We also provide general-purpose optoelectronic products such as LEDs and optocouplers that serve multiple markets including factory automation and transportation

Networking

There is a continued evolution of networks both private (Local Area and Storage Area Networks) and public (Metro Area and Wide Area Networks) to higher speeds and greater bandwidth driven by the ongoing growth of data traffic. Business-to-consumer and business-to-business e-commerce, the ever expanding World Wide Web, the growing volume of e-mail traffic, the growth of streaming video and audio, the delivery of on-line services, and peer-to-peer communications are all generating ever greater volumes of electronic data that must be processed, moved and stored. As a result, both private and public network managers drive a continual process of upgrading their networks to higher speeds and increased scalability Fiber optic transceivers and high-speed digital integrated circuits are the semiconductor technologies that help enable higher speed, higher performance networks.

We are a major supplier of fiber optic transceivers, which convert digital data into light signals for transmission, and convert light signals back into digital form on the receiving end of the communication We market fiber optic transceivers for both short-range, local area and storage area

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network applications and long-range, metro and wide area network applications to major telecommunications and data networking equipment vendors

In high-speed digital integrated circuits we are the leading supplier of controller ICs for Fibre Channel. The Fibre Channel interconnect protocol, a standard for the transfer of information between computers and storage devices defined by the American National Standards Institute, is the leading technology for building storage area networks (SANs) In addition, we are a leading supplier of physical layer ICs which connect processing ICs, such as our Fibre Channel controllers, to

fiber optic transceivers for data transmission. Finally, we are providing state-of-the-art ASICs and networking ICs for use in next-generation network switches

Mobile Communications

As in networking, the driving trend in mobile communications is for higher speed, higher bandwidth connections to offer subscribers more digital services through their mobile phones Already, products which realize the convergence of palm-top computing and mobile telephony are appearing on the market We offer innovative wireless products such as our FBAR duplexers and E-pHEMT power amplifiers which are helping enable smaller, more functionally rich mobile telephones In addition, we supply a wide range of radio frequency and microwave integrated circuits for use in both mobile telephones and mobile telephone infrastructure. We are developing digital camera solutions to be embedded in next-generation mobile phones and information appliances Finally, we are the leading supplier of infrared transceiver products for short-range, point-to-point wireless communications to manufacturers of computers, printers, mobile telephones, digital cameras, personal digital assistants and pagers

Computing and Printing

We are the leading supplier to Hewlett-Packard of ASICs for printers, workstations and servers. We provide precision motion control devices for inkjet-based printers and all-in-one products to both Hewlett-Packard and other printer manufacturers In addition, we provide optical image sensor products and optical mice for leading PC peripheral manufacturers

Strategy

To service the needs of our customers in the communications and computer industries, the semiconductor products business pursues the following strategies

Apply our Broad Technology Base to Capture Demand for Higher-speed and Mobile Data Transmission

We intend to continue to offer high-speed communications solutions that incorporate analog (optoelectronic or wireless), mixed-signal and digital integrated circuit technologies for next-generation network infrastructure and mobile communications systems.

Continue to be Hewlett-Packard's Leading Supplier of ASICs

We are focused on reducing the costs and improving the performance of the ASICs we provide to Hewlett-Packard by pursuing higher levels of device integration and employing advanced process technology.

Take Advantage of Technology Partnerships

We intend to continue to enter into strategic technology partnerships to gain access to intellectual property and advanced semiconductor manufacturing process technology

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Products

Our major product areas include

Fiber Optics

We market optical transceivers, transmitters and receivers for high-speed data communications for Fast, Gigabit and 10-Gigabit Ethernet, Fibre Channel, and ATM/ SONET applications up to 2 5 gigabits per second (OC-48) In addition, we are developing transmission and switching products for dense wave division multiplexing (DWDM) optical transport applications

High-Speed Digital Integrated Circuits

We produce physical layer integrated circuits for high speed network switches and routers, devices that direct network traffic. We produce Fibre Channel protocol-based integrated circuits and subsystems for storage area networks We are developing customer-specific ASIC solutions for next-generation data switching products

Radio Frequency and Microwave Communications Devices

We produce a broad family of radio frequency and microwave communications products, primarily integrated circuits for wireless communications products and infrastructure. Our latest products are the FBAR duplexer, a semiconductor based filter product, and E-pHEMT power amplifiers, a high power-added efficiency wireless transmitter solution Both FBAR and E-pHEMT are targeted for current and future generation mobile phones

Infrared Emitters, Detectors and Transceiver Modules

We produce a full line of infrared products that enable short range, point-to-point wireless communication between portable and stationary devices, including notebook personal computers, cellular phones, personal digital assistants and digital cameras.

Computing and Printing ASICs

We provide core electronics chipsets that support central processing units for selected Hewlett-Packard workstations and servers We provide printing ASICs which are the central processing ICs for Hewlett-Packard laser printers, inkjet printers and all-in-one products

Optical Image Sensors and Processors, and Optical Position Sensors

Our sensor products include color and monochrome still and video camera image capture solutions and intelligent optical sensors Applications include webcams and optical mice for personal computers, and in the future, embedded cameras for next-generation mobile phones. We also produce optical motion control products used primarily for precision paper handling in inkjet printers and all-in-one products.

LEDs and Optocouplers

We manufacture and sell a broad range of LEDs, alphanumeric displays and optocouplers. LEDs are semiconductor devices that emit light when an electrical signal is applied Optocoupler products are devices that provide both electrical insulation, for protection, and signal isolation, to prevent distortion of data, between differing electrical environments

Lighting Joint Venture

We are engaged in a global joint venture (Lumileds) with Philips Electronics Lumileds develops, manufactures and sells LEDs, modules, products and systems for a broad spectrum of lighting

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applications, including automotive lighting, high-brightness traffic signals, contour lighting and signs, outdoor illumination, and white LEDs for both indoor and outdoor applications

Customers

We sell to a broad array of customers in the communications and computing industries We sell to original equipment manufacturers directly, as well as contract manufacturers including Celestica, Flextronics, Jabil Circuit, Sanmina/SCI Systems and Solectron Our top customers by market area, including customers purchasing through contract manufacturers and distributors, include the following:

Networking	Mobile	Computing and Printing
3 Com	Motorola	Hewlett-Packard
Alcatel	Nokia	Logitech
Allied Telesyn International	Samsung Electronics	Microsoft®
Ciena	Siemens	

Cisco
Compaq
EMC
Hitachi
Huawei
Lucent
Nortel Networks
Tellabs
Tyco International
Sony/Ericsson

Our semiconductor technology licensing and supply arrangements with Hewlett-Packard limit our ability to sell certain products to other companies Through sales of ASICs, storage area networking components, and motion-control products, Hewlett-Packard accounted for approximately 31% of our semiconductor products revenue in fiscal year 2001, approximately 30% in fiscal year 2000, and approximately 37% in fiscal year 1999

Sales, Marketing and Support

Our semiconductor sales organization consists of nearly 400 technical sales professionals that have responsibility for large, global accounts in three regional areas the Americas, Europe and Asia Pacific Our sales force has specialized product and service knowledge that enables it to sell specific offerings at key levels throughout a customer's organization In addition to our direct sales force, we generate approximately 25% of our revenue through our relationships with key electronic distributors, such as Arrow Electronics, Inc and Avnet, Inc on a worldwide basis, Future Electronics, Inc in Europe and North America, Ryoyo Electro Singapore PTE, Ltd and Tokyo Electric Power Company in Japan and SECOM Telecom for China. We also have a direct sales team which focuses on supporting the major contract manufacturers such as Celestica, Flextronics, Jabil Circuit, Sanmina/SCI and Solectron

We also provide a broad range of products and applications-related information to customers and channel partners via the Internet

Manufacturing

The majority of our silicon and gallium arsenide wafer fabrication is done in the United States and Singapore, while our assembly and test operations are in Malaysia, Singapore and the United Kingdom In addition to these facilities, we utilize a network of contract manufacturers throughout Asia for semiconductor fabrication and test

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Our manufacturing strategy has been to outsource more mature technologies while using our in-house manufacturing fabrication, assembly and test capabilities to develop new, leading edge products Our production facilities have developed several quality-management processes designed to increase productivity We have developed proprietary automated test systems, particularly in optical, light-emitting diode and microwave.

Competition

The markets for our semiconductor products are intensely competitive, and we expect competition to increase Our ability to compete effectively depends on a number of factors, including:

- product reliability and performance in operation,
- price,
- power consumption;
- compliance with standards;
- product size and integration, and
- time to market

In the fiber-optic products market, our principal competitors are Agere, Finisar, IBM and Infineon. In the market for high-speed digital ICs, our principal competitors are IBM, Texas Instruments, LSI Logic and Vitesse Semiconductor Corporation Our principal competitors in RF wireless are Conexant, Hitachi, Infineon and RF Micro Devices. In the market for infrared products, our principal competitors are Vishay Intertechnology, Inc and IBM We compete with companies including LSI Logic, Motorola and STMicroelectronics for printer ASICs. Principal competitors in our LED businesses include Lite-on, Inc., Stanley Electronic Co., Ltd., Infineon and Toshiba

Chemical Analysis

Our chemical analysis business provides instrument solutions, consumables and services that enable customers to identify, quantify, analyze and test the atomic, molecular, physical and biological properties of substances and products. Our chemical analysis products and services are used by scientists, engineers and technicians working in disease and drug discovery, research and development, quality assurance, quality control and manufacturing.

Our six main product lines are chromatography, spectrometry, ICP-MS, bioresearch solutions and related consumables and services.

We employed approximately 3,500 people as of October 31, 2001 in our chemical analysis business. Our chemical analysis business generated revenue of $1.1 billion in fiscal year 2001, $1.0 billion in fiscal year 2000, and $1 0 billion in fiscal year 1999.

Markets

We estimate that the market niches that we serve represent approximately 30% of the total available analytical instrumentation market. Primarily, our chemical analysis business serves the following markets:

- chemical;
- environmental,
- pharmaceutical and biopharmaceutical, and
- bioagriculture and foods.

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Chemical

Our chemical analysis business encompasses the natural gas, petroleum refining, petrochemical and chemical markets We sell gas and liquid chromatographs and gas and liquid chromatography-mass spectrometry products and solutions into these markets Petroleum refiners use our measurement solutions to analyze crude oil composition and perform other raw material analysis, verify and improve refining processes, and ensure the overall quality of gasoline, fuels, lubricants and other products Our gas chromatographs are used to monitor consistent quality in the natural gas delivered to consumers and industry. Petrochemical and chemical producers use our gas and liquid chromatography products to measure and control the quality of their finished products and to verify the environmental safety of their operations

Environmental

We develop and market analytical instrumentation for the environmental market for applications such as laboratory and field analysis and characterization of chemical pollutants in air, water, soils, solid waste, agriculture and food products Environmental industry customers include all levels of government, the industrial and manufacturing sectors, engineering and consulting companies, commercial testing laboratories, colleges and universities. We believe there will be more demand for environmental instrumentation in the Asia-Pacific, Latin America and Eastern Europe regions, as these regions implement new and stricter environmental regulations.

Pharmaceutical and Biopharmaceutical

Our analytical and life sciences-instrument solutions are used by pharmaceutical and biopharmaceutical companies in every phase of the drug development process This includes research into the basic causes and understanding of disease, identification and development of new drugs, obtaining regulatory approval, manufacturing and distribution

Strategy

In order to maintain our leading position in the instrumentation solutions market, our strategy is as follows

Target High-Growth Opportunities Such as Gene Expression and Proteomics in the Pharmaceutical and Life Sciences Markets

We will continue to focus resources on the development and growth of bio-instrumentation, consumables and services solutions that increase understanding of the genetic cause of diseases in order to speed the development and increase the

efficacy of new drugs

Focus on Growth Opportunities in Current Markets

To address emerging markets in the Asia-Pacific, Latin America and Eastern Europe regions, we are broadening our worldwide distribution capabilities and developing less complex instrumentation with lower prices Finally, we continue to develop gas and liquid chromatography and mass spectrometry products that are smaller and more portable to meet increasing demand for use of these instruments outside of centralized laboratories.

Bring New Products and Technologies to Market Faster

We seek to bring new products and technologies to market both through internal development and the strategic acquisition of technologies from third parties. We are expanding our programs to offer customers early access to products under development to ensure that these products are meeting customer needs In addition, our development of modular hardware and software platforms allows us to bring new generations of products to market faster

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In addition to our internal efforts, we consider acquisitions to complement our current products, solutions and technologies and to accelerate our entry into strategic markets

Leverage Strategic Relationships and Alliances

We intend to build strategic relationships to enable us to develop products and services that complement existing technologies and products in our target markets For example, through our relationship with Caliper® Technologies Corporation, we are conducting joint research and development in microfluidics.

In addition, through our strategic alliances, we develop instruments that work with our partners' products, enabling us to offer our customers a broader range of products and solutions

Products

A key factor in our target markets is the need for new products that increase productivity of the end customer Our chemical analysis products, systems, consumables and services enable our customers to research the genetic bases of disease and enable the development, testing and use of new drugs and to analyze water, air and soil for monitoring and remediation; and to understand the properties of natural and man-made gases, liquids and chemically-based products. Our six main product lines, chromatography, spectrometry, ICP-MS, bio-instrumentation including microarrays and related consumables and services, are described below

Gas Chromatography

We produce gas chromatography systems, both portable and otherwise Gas chromatographs are used to separate molecules of a gaseous mixture to determine the quantity and identity of the molecules present A gas chromatograph can analyze gas samples as well as solids and liquids that can be converted to a gaseous state Most gas chromatographs have the approximate size and appearance of a large microwave oven

Our instruments are used in laboratories involved in research and development, quality assurance, quality control and routine testing Our products are used to test the quality and safety of food, air and water, to develop cleaner-burning fuels and more effective pharmaceuticals, and to test for alcohol in blood, drugs in urine or explosive residues in crime scene evidence.

Liquid Chromatography

Liquid chromatographs are used to separate molecules of a liquid mixture to determine the quantity and identity of the molecules present These instruments are modular in construction and can be configured to form instruments that perform specific analyses Each module is about the size of a home videocassette recorder

High-performance liquid chromatographs are an essential tool in the pharmaceutical industry for basic research, drug discovery, drug development and quality control of new drugs Other industry groups that utilize high-performance liquid chromatographs include: life science research, chemical development and manufacturing, industry and government testing laboratories for safety, quality and nutritional content of foods and beverages, athlete monitoring for illegal drug use and environmental monitoring.

Mass Spectrometry

Mass spectrometers identify chemicals based on a chemical's molecular mass and, in many cases, on characteristic patterns of fragment masses that result when a molecule is broken apart Mass spectrometers can also be used to determine how much of a known chemical is present in a particular sample.

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Mass spectrometer systems are typically used in combination with gas or liquid chromatographs in the pharmaceutical, life science, semiconductor and environmental industries The combined instruments are used to study and refine the chemical structure of proteins and other biological molecules as well as new drug candidates, to determine the presence of impurities

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in semiconductors as they are manufactured, or to identify heavy metals and other pollutants in soil and water

Bioresearch Solutions

In December 1999 we announced the launch of a DNA microarray program for the life sciences that incorporates technologies from both Rosetta Inpharmatics (subsequently acquired by Merck) and Oxford Gene Technology, among others This program is intended to enable researchers to access gene expression information.

Using our highly flexible inkjet manufacturing process, Agilent makes both oligonucleotide and cDNA microarrays. This inkjet process allows us to deposit very small volumes per spot without stopping or making contact with the slide, resulting in high-density arrays with highly uniform spot shape in a very short period of time

In addition, our GeneArray microarray scanner allows a researcher to use GeneChip arrays designed by Affymetrix® to enable high-speed detection and characterization of large amounts of genetic information. More recently, Agilent introduced its next generation scanner designed for use with its own microarrays, as well as others Consistent with Agilent's standards-based platform approach, this scanner can image up to 48 industry standard 1" x 3" glass microarray slides, and have the data automatically exported in a text, tab-delimited, or XML-based GEML format

The Agilent 2100 bioanalyzer instrument systems that we have developed through our relationship with Caliper® Technologies is the first integrated solution based on microfluidics and Caliper LabChip® technology for the analysis of a wide range of biological molecules including DNA, RNA, proteins, and cells. Using miniature, integrated biochemical-processing systems etched into glass, the microchip allows the steps customarily performed in conventional instruments to be done using minute quantities of costly reagents in a fraction of the usual time.

Consumables

We also offer a broad range of consumable products, which support our top ranked Liquid Chromatography (LC), Gas Chromatography (GC) and Mass Spectrometry (MS) and bioinstrumentation platforms These consumable products include chemical and biological reagents, instrument replacement parts, brand specific chromatography columns, and consumable supplies to meet our customer's analysis needs

All of our products were designed to work together, and so customers can leverage their Agilent technology investment with precisely matched equipment, parts and supplies Our offerings include both generic supplies, where we seek to distinguish our products on price, selection and customer loyalty, and proprietary parts developed by us, where we offer exclusive technology, optimal performance and functionality

Agilent support services cover all of Agilent's chemical and bioinstrumentation analysis hardware and software maintenance, troubleshooting, repair and compliance needs. Special services bundles have also been designed to meet the specific analysis instrument needs of various industries

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Customers

We sell our products and services to a broad array of customers in each of the markets we serve. Our top customers by market segment are the following

Chemical	Environmental	Pharmaceutical
Du Pont De Nemours Co E.I	U S. Federal Government	Merck & Co
Bayer AG	Government of Korea	Roche Holdings
Basf AG	United States Army	AstraZeneca PLC
Monsanto Company	US Department of Agriculture	Aventis S.A
Dow Chemical	Government of Australia	Glaxo Wellcome PLC
Boehringer Ingelheim	State of California	Novartis AG
Exxon Corporation	State of Georgia	SmithKline Beecham PLC
Akzo	State of Texas	Johnson & Johnson
		Pfizer
		Amgen

Sales, Marketing and Support

Our sales and support delivery channels are aligned by our key markets to maximize market coverage and to optimize selling and support delivery efficiency We market our products to our customers through our direct sales force, an inside-sales force, e-commerce, value-added resellers, manufacturers' representatives and distributors

We use our direct sales force to market our solutions to all of our pharmaceutical and biopharmaceutical accounts, large and medium-sized chemical customers and environmental accounts We supplement our direct sales force with an inside-sales force and sales agents to provide broader geographic coverage and to cover smaller accounts We also have an active value-added reseller program to augment our ability to provide more complete solutions to our customers We sell our consumable products through distributors, telesales and electronic commerce

We offer a wide range of startup, operational, educational and compliance support services for our chemical analysis measurement and data handling systems. We deliver our support services to customers in a variety of ways, including on-site

assistance, return to us for repair or exchange, telephone support and self-diagnostic services provided over the Internet Our support services limit the amount of time an instrument is out of service, provide increased system productivity, extend the instrument life and offer fast problem resolution We also offer special industry-focused service bundles that are designed to meet the specific needs of hydrocarbon processing, environmental, pharmaceutical and biopharmaceutical customers to keep instruments fully operational and compliant with the respective industry requirements.

Manufacturing

Our manufacturing strategy supports our diverse product range and customer-centric focus We assemble highly configurable products to individual customer orders and make standard products to stock We employ advanced manufacturing techniques and supply chain management systems to reduce costs and manufacturing cycle times We selectively use partners to provide manufacturing capabilities outside our core competencies, such as the manufacture of printed circuit assemblies and the delivery of shipment logistics. We have manufacturing facilities in California and Delaware in the United States, China, Germany and Japan.

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Competition

The markets for analytical instruments in which we compete are characterized by evolving industry standards and intense competition Our principal competitors include Perkin Elmer Corp , Applied Biosystems, Inc., Affymetrix, Shimadzu Corporation, Thermo Electron, Inc and Waters.

Government Regulation

The analysis products and related consumables marketed by our chemical analysis business are subject to regulation in the United States by the Environmental Protection Agency under the Toxic Substances Control Act, and by government agencies in other countries under similar laws. The Toxic Substances Control Act regulations govern, among other things, the testing, manufacture, processing and distribution of chemicals, the testing of regulated chemicals for their effects on human health and safety and import and export of chemicals The act prohibits persons from manufacturing any chemical in the United States that has not been reviewed by Environmental Protection Agency for its effect on health and safety, and placed on an Environmental Protection Agency inventory of chemical substances. Therefore, we must continually adapt our chemical analysis products to changing regulations If we fail to comply with the notification, record-keeping and other requirements in the manufacture or distribution of our products, the Environmental Protection Agency can obtain an order from a court that would prohibit the further distribution or marketing of a product that does not comply or we could face fines, civil penalties or criminal prosecution

Backlog

Agilent believes that backlog is not a meaningful indicator of future business prospects due to the large volume of products delivered from our inventories, the shortening of product life cycles and the relative portion of net revenue related to our service and support businesses. Therefore, we believe that backlog information is not material to an understanding of our business

Research and Development

Research and development expenditures were $1,349 million in 2001, $1,259 million in fiscal year 2000 and $879 million in fiscal year 1999, the vast majority of which was company-sponsored We anticipate that we will continue to have significant research and development expenditures in order to maintain our competitive position with a continuing flow of innovative, high-quality products and services.

Intellectual Property

Our general policy has been to seek patent and other intellectual property protection for those inventions and improvements likely to be incorporated into our products and services or to give us a competitive advantage While we believe that our patents and applications have value, in general no single patent is in itself essential In addition, we cannot assure you that any of our proprietary rights will not be challenged, invalidated or circumvented, or that our rights will provide significant competitive advantages

International Operations

Our net revenue originating outside the United States, as a percentage of our total net revenue, was approximately 59 8% in fiscal year 2001, 57 4% in fiscal year 2000 and 57 4% in fiscal year 1999, the majority of which was from customers other than foreign governments Approximately 20% of our international revenue in the last three years was derived from Japan. Long-lived assets located outside of the United States, as a percentage of our total long-lived assets, was approximately 43.7% in fiscal year 2001, 49 3% in fiscal year 2000 and 49 2% in fiscal 1999. Approximately 16 9% of our long-lived assets were located in Japan in fiscal year 2001 and approximately 13 7% in fiscal years 2000 and 1999

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Most of our sales in international markets are made by foreign sales subsidiaries In countries with low sales volumes, sales are made through various representatives and distributors However, we make certain sales in international markets directly from the United States

Our international business is subject to risks customarily encountered in foreign operations, including interruption to transportation flows for delivery of parts to us and finished goods to our customers, changes in a specific country's or region's political or economic conditions, trade protection measures, import or export licensing requirements, unexpected

changes in tax laws and regulatory requirements, difficulty in staffing and managing widespread operations, differing labor regulations and differing protection of intellectual property We are also exposed to foreign currency exchange rate risk inherent in our sales commitments, anticipated sales and assets and liabilities denominated in currencies other than the United States dollar and may also become subject to interest rate risk inherent in any debt, investment and finance receivable portfolios we incur The terrorist attacks on September 11, 2001 and the U.S and international response could exacerbate these risks For example, there may be an increased risk of political unrest in regions where we have significant manufacturing operations such as Southeast Asia

However, we believe that our international diversification provides stability to our worldwide operations and reduces the impact on us of adverse economic changes in any single country Financial information about our international operations is contained in Note 18, "Segment Information," of the consolidated financial statements included in Item 8 of this report

Materials

Our manufacturing operations employ a wide variety of semiconductors, electromechanical components and assemblies, and raw materials such as plastic resins and sheet metal We purchase materials, supplies and product subassemblies from a substantial number of vendors In order to secure components, we may enter into non-cancelable purchase commitments with vendors, or at times make advance payments to suppliers. Such commitments could impact our ability to adjust our inventory to declining market demands Prior commitments of this type have resulted in an excess of parts as demand for our communications, semiconductor and electronics products has decreased For example, in the year ended October 31, 2001 we recorded inventory-related charges of approximately $459 million We could experience excess parts again and additional charges if demand continues to decrease. By contrast, during a market upturn, our results could be materially and adversely impacted if we cannot increase our parts supply quickly enough to meet increasing demand for our products. Certain parts may be available only from a single supplier or a limited number of suppliers In addition, suppliers may discontinue certain components, extend lead times, limit supplies or increase price due to capacity constraints or other factors

Environmental

Our research and development, manufacturing and distribution operations involve the use of hazardous substances and are regulated under international, federal, state and local laws governing health and safety and the environment We apply strict standards for protection of the environment and worker health and safety to sites inside and outside the United States, even if not subject to regulation imposed by foreign governments. We believe that our properties and operations at our facilities comply in all material respects with applicable environmental laws, however, the risk of environmental liabilities cannot be completely eliminated and there can be no assurance that the application of environmental and health and safety laws to our Company may not require our Company to incur significant expenditures. We are also regulated under a number of international, federal, state and local laws regarding recycling, product packaging and product content requirements. These laws are gradually becoming more stringent and may in the future cause us to incur significant expenditures.

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Some of our operations are located on properties that are known to have subsurface contamination that is undergoing remediation by Hewlett-Packard Hewlett-Packard has agreed to retain the liability for the contamination, perform the required remediation and indemnify us with respect to claims arising out of the contamination The determination of the existence and cost of any additional contamination caused by us could involve costly and time-consuming negotiations and litigation While we expect that Hewlett-Packard will meet its remediation and indemnification obligations in this regard, there can be no guarantee that it will do so Under our agreement with Hewlett-Packard, Hewlett-Packard will have access to these properties to perform the remediation Hewlett-Packard has agreed to minimize interference with on-site operations at those properties during the course of the remediation, but there can be no guarantee that our operations will not be interrupted or that we will not be required to incur unreimbursed costs associated with the remediation Remediation could also harm on-site operations and the future use and value of the properties

In addition, some of these properties are undergoing remediation by Hewlett-Packard under an order of an agency of the state in which the property is located Although Hewlett-Packard has agreed to indemnify us with respect to that subsurface contamination, it is possible that one or more of the governmental agencies will require us to be named on any of these orders The naming of our Company will not affect Hewlett-Packard's obligation to indemnify us with regard to these matters

We are liable and are indemnifying Hewlett-Packard for any contamination found at all facilities transferred to us by Hewlett-Packard excluding the properties undergoing remediation. In addition, we are indemnifying Hewlett-Packard for any liability associated with past non-compliance with environmental laws regulating ongoing operations at all properties transferred to us by Hewlett-Packard, as well as at sold or discontinued businesses that related to our businesses While we are not aware of any material liabilities associated with such indemnified matters, there is no guarantee that such contamination or regulatory non-compliance does not exist, and will not expose us to material liability in the future

We are being indemnified by Hewlett-Packard with respect to all environmental liabilities for which Hewlett-Packard accrued a reserve and we are not aware of any material and probable environmental liabilities being assumed by us which are not subject to the indemnity.

Executive Officers of the Registrant

The names of our executive officers, and their ages, titles and biographies as of December 26, 2001, appear below. All officers are elected for one-year terms.

Executive Officers

Edward W. Barnholt, 58, has served as our President and Chief Executive Officer and as a director since May 1999 Before being named our Chief Executive Officer, Mr Barnholt served as General Manager of Hewlett-Packard's Measurement Organization from 1998 to 1999, which included Hewlett-Packard's Electronic Instrument Group, the Microwave and Communications Group, the Communications Test Solutions Group, the Automated Test Group, the Chemical Analysis Group, the Components Group and the Medical Products Group From 1990 to 1998, he served as General Manager of Hewlett-Packard's Test and Measurement Organization He was elected a Senior Vice President of Hewlett-Packard in 1993 and an Executive Vice President in 1996 He is a director of KLA-Tencor Corporation Byron Anderson, 58, has served as our Senior Vice President, Electronic Products and Solutions since August 1999 Prior to assuming that position, Mr Anderson served as a vice president of Hewlett-Packard since November 1995 and General Manager of the Microwave and Communications Group since September 1997. In January 1991, Mr Anderson was named General Manager of Hewlett-Packard's Communications Test Business Unit, which became the Communications Test Solutions Group in 1994. 21

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Alain Couder, 55, has served as our Executive Vice President and Chief Operating Officer since February 2000 Prior to assuming this position, Mr Couder served as President, Chairman and Chief Executive Officer at Packard Bell NEC from 1998 to 2000. Prior to joining Packard Bell NEC, Mr Couder held several management positions from 1991 through 1998, including Chief Operating Officer in 1997 with Groupe Bull. From 1984 to 1991, Mr. Couder was a General Manager in the computer business at Hewlett-Packard Company in the United States and France. Adrian T Dillon, 47, has served as our Executive Vice President and Chief Financial Officer since December 2001 Prior to assuming this position, Mr Dillon served as Executive Vice President and Chief Financial and Planning Officer of Eaton Corporation from April, 1997 to December, 2001 Mr Dillon held various management positions at Eaton Corporation from 1979 to 1997 William R. Hahn, 50, has served as our Senior Vice President, Corporate Relations since August 1999 Since October 1997, Mr Hahn served as the Sector Controller of Hewlett-Packard's Measurement Organization From September 1995 to October 1997, he served as Operations Manager for Hewlett-Packard's interactive broadband program From May 1993 to September 1995, Mr Hahn served as Vice President of Finance and Manufacturing and Chief Financial Officer at Aspect Communications Jean M Halloran, 49, has served as our Senior Vice President, Human Resources since August 1999 Since 1997, Ms Halloran served as Director of Corporate Education and Development for Hewlett-Packard Prior to assuming this position, from 1993 to 1997, Ms. Halloran acted as human resources manager for Hewlett-Packard's Measurement Systems Organization. Ms. Halloran joined Hewlett-Packard in 1980 in the Medical Products Group, where she held a variety of positions in human resources, manufacturing and strategic planning. Dorothy D. Hayes, 51, has served as our Vice President and Controller since August 1999 Prior to assuming that position, since October 1989, Ms. Hayes held a number of positions at Hewlett-Packard. She served as Transition General Manager from March to July 1999, Director of Internal Audit from July 1997 to June 1999, Measurement Systems Organization

Controller from February 1994 to July 1997, Components Group Controller from September 1993 to February 1996 and Corporate Financial Reporting Manager from October 1989 to September 1993. Larry Holmberg, 55, has served as our Senior Vice President, Sales, Marketing and Customer Support since February 2001 Prior to assuming this position, Mr Holmberg served as Vice President of Sales, Marketing and Field Operations for the Communications Solutions Group since February 1999. From October 1998 to January 1999, Mr Holmberg served as a Communications Service Provider Region Manager of Hewlett-Packard Company for the Asia Region based in Hong Kong, the Region General Manager for the Test and Measurement Organizations of Hewlett-Packard Company for the Latin America from 1996 to 1998. Prior to rejoining Hewlett-Packard Company in 1996, Mr Holmberg held various computer system sales and general management positions with Digital Equipment Corporation from 1977 to 1996. Mr Holmberg also has served on numerous boards of industry associations and public and private technology organizations such as NM Technet, one of the first US Internet Service Providers, where he was a co-founder and Riotech, a national technology transfer organization, where he was Chairman of the Board Richard D. Kniss, 61, served as our Senior Vice President, Chemical Analysis Group from August 1999 to May 2001 Prior to assuming that position, since May 1995, Mr. Kniss was General Manager of Hewlett-Packard's Chemical Analysis Group and was named a Vice President of Hewlett-Packard in June 1997 He served as General Manager of the Optical Communication Division from 1984 to 1995 D Craig Nordlund, 52, was named our Senior Vice President, General Counsel and Secretary in May 1999 and serves as an officer or director for a variety of Agilent subsidiaries He is also a director of the Hewlett-Packard Employees Federal Credit Union Mr Nordlund served as Associate General Counsel and Secretary of Hewlett-Packard Company from 1987 to 1999 22

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Stephen H Rusckowski, 44, served as our Senior Vice President, Healthcare Solutions from October 1999 until August 2001, at which time Mr Rusckowski became an employee of Koninklijke Philips Electronics NV as part of the divestiture of Healthcare Solutions Group to Koninklijke Philips Electronics NV. Prior to assuming the position as Senior Vice President, Healthcare Solutions in October 1999, Mr Rusckowski held a number of positions at Hewlett-Packard. He served as General Manager of the Cardiology Products Division from 1997 to 1999, General Manager of the Healthcare Information Management Division from 1996 to 1997 and General Manager of the Clinical Information Systems Division from 1994 to 1995. Mr. Rusckowski joined Hewlett-Packard in 1984. Mr Rusckowski was nominated by Koninklijke Philips Electronics NV to the Board of Melquist.

Thomas A Saponas, 52, has served as our Senior Vice President and Chief Technology Officer since August 1999. Prior to being named Chief Technology Officer, from June 1998 to April 1999, Mr Saponas was Vice President and General Manager of Hewlett-Packard's Electronic Instruments Group. Mr Saponas has held a number of positions since the time he joined Hewlett-Packard Mr Saponas served as General Manager of the Lake Stevens Division from August 1997 to June 1998 and

General Manager of the Colorado Springs Division from August 1989 to August 1997 In 1986, he was a White House Fellow in Washington, D C John E Scruggs, 60, has served as our Senior Vice President, Automated Test since August 1999 Prior to assuming that position, since January 1992, Mr Scruggs was General Manager of the Automated Test Group of Hewlett-Packard within the Test and Measurement Organization He was elected a Vice President of Hewlett-Packard in November 1996 William P Sullivan, 52, has served as our Senior Vice President, Semiconductor Products since August 1999 Prior to assuming that position, since February 1998, he served as Vice President and General Manager of Hewlett-Packard's Components Group In 1997, Mr. Sullivan became General Manager of the Communication Semiconductor Solutions Division From 1995 to 1997, he was General Manager of the Optical Communication Division From April 1991 to February 1995, Mr Sullivan served as Research and Development Manager for the Optical Communication Division. Chris Van Ingen, 55, has served as our Senior Vice President, Chemical Analysis Group since May 2001. Prior to assuming this position, since 1977, Mr Van Ingen held a number of positions at Hewlett-Packard Company He served as Chemical Analysis Group Sales and Marketing Manager since 1996 to April 2001, the Americas Marketing Center Manager from 1989 to 1996, Product Marketing Manager at Little Falls division from 1986 to 1989, Sales Support Manager at Little Falls division from 1984 to 1986. Robert R Walker, 51, served as our Executive Vice President and Chief Financial Officer from May 2000 to December 2001 and as our Senior Vice President and Chief Financial Officer since May 1999 During 1997 and 1998, Mr. Walker served as Vice President and General Manager of Hewlett-Packard's Professional Services Business Unit From 1993 to 1997, he led Hewlett-Packard's information systems function He became Chief Information Officer in 1995 and served in that position until 1997 Mr Walker was named a Vice President of Hewlett-Packard in 1995. From 1975 to 1993, Mr Walker held a variety of financial positions in Hewlett-Packard. Thomas White, 44, has served as our Senior Vice President, Communications Solutions since August 1999 From 1997 to August 1999, Mr White served as Vice President and General Manager of the Communications Solutions Group of Hewlett-Packard From 1996 to 1997, he served as General Manager of the Computer Peripherals Bristol Division and, in 1994, he served as General Manager for the Telecommunications Systems Division, South Queensferry, Scotland. Item 2 Properties Our corporate headquarters are located in Palo Alto, California We operate Agilent Technologies Laboratories in Palo Alto, California, and we also have 34 manufacturing sites, including eleven 23

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primary sites Of the primary sites, five are located in the United States, and an additional six sites are located in China, Germany, Japan, Malaysia, Singapore and the United Kingdom

Site	Major Activity	Owned/Leased
Palo Alto, CA -- Corporate Headquarters	Corporate Administration	Owned
Palo Alto, CA --	Research & Development	Owned

Agilent Laboratories	Santa Clara, San Jose and Newark, CA	Manufacturing	Primarily Owned
	Sonoma, CA	Manufacturing	Primarily Owned
	Loveland, CO	Research and Development, Marketing, and Manufacturing	Primarily Owned
	Wilmington, DE (Little Falls Area)	Manufacturing	Primarily Owned
	Spokane, WA	Manufacturing	Primarily Owned
	Shanghai, China	Manufacturing	Leased
	Boeblingen, Germany	Research and Development, Marketing, and Manufacturing	Primarily Owned
	Hachioji, Japan	Sales and Administration, Research and Development, Marketing, and Manufacturing	Owned
	Penang, Malaysia	Manufacturing	Owned
	Singapore	Manufacturing	Primarily Owned
	South Queensferry, United Kingdom	Manufacturing	Primarily Owned

As of October 31, 2001, we owned or leased a total of approximately 17 million square feet of space worldwide Of that, we owned approximately 11 million square feet and leased the remaining 5 million Agilent's sales and support occupied a total of approximately 3 million square feet Agilent's manufacturing plants, research and development facilities and warehouse and administrative facilities occupied approximately 14 million square feet of space. Information about each of our businesses appears below

Test and Measurement. Our test and measurement business has manufacturing and research and development facilities in Australia, Canada, China, Germany, Japan, Korea, Malaysia, Singapore, the United Kingdom and the United States, and marketing centers in Hong Kong, the Netherlands, Japan and the United States, and sales offices throughout the world

Semiconductor Products. Our semiconductor products business operates eight manufacturing sites located in California and Colorado in the United States, Malaysia, Singapore and the United Kingdom The majority of our silicon and gallium arsenide wafer fabrication is done in the United States and Singapore, while our assembly and test operations are in

Malaysia, Singapore and the United Kingdom We have a research and development facility in Italy. We have regional sales and customer support centers in Germany, Hong Kong, Japan, Singapore, the United Kingdom and the United States, and sales offices throughout the world

Chemical Analysis Our chemical analysis business has manufacturing facilities in California and Delaware in the United States, China, Germany and Japan We have marketing centers in Germany, the United States and Singapore, and sales offices throughout the world

Item 3. Legal Proceedings

In November 2001, a securities class action, Kassin v. Agilent Technologies, Inc , et al., Civil Action No 01-CV-10639, was filed in United States District Court for the Southern District of New York against certain investment bank underwriters for Agilent's initial public offering ("IPO"), Agilent, and various of Agilent's officers and directors. The complaint alleges undisclosed and improper practices by the underwriters concerning the allocation of Agilent's IPO shares, in violation of the federal securities laws, and seeks unspecified damages on behalf of persons who purchased our stock during the period from November 17, 1999 through December 6, 2000 Other actions have been

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filed making similar allegations regarding the IPOs of more than 300 other companies All of these lawsuits have been coordinated for pretrial purposes as In re Initial Public Offering Securities Litigation, Civil Action No. 21-MC-92. We believe we have meritorious defenses to the claims against us and will defend ourselves vigorously Under our separation agreements with Hewlett-Packard, HP agreed to indemnify us for a substantial portion of IPO-related liabilities

We are also involved in lawsuits, claims, investigations and proceedings, including patent, commercial and environmental matters, which arise in the ordinary course of business. Other than the matter described above, there are no matters pending that we expect to be material in relation to our business, consolidated financial condition, results of operations or cash flows There have been no material developments in the litigation previously reported in our Form 10-Q for the period ended July 31, 2001

Item 4 Submission of Matters to a Vote of Security Holders

During the fourth quarter of fiscal 2001, there were no matters submitted to a vote of securities holders, through the solicitation of proxies or otherwise.

PART II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

Our common stock is listed on the New York Stock Exchange with the ticker symbol "A " For the 2000 and 2001 fiscal year, the New York Stock Exchange reported the high and low prices per quarter as follows

Fiscal 2000	High	Low
First Quarter (ended January 31, 2000)	$ 79 25	$ 40 00
Second Quarter (ended April 30, 2000)	$ 159 00	$ 71 00
Third Quarter (ended July 31, 2000)	$ 100 75	$ 40 75
Fourth Quarter (ended October 31, 2000)	$ 63 00	$ 38 80

Fiscal 2001	High	Low
First Quarter (ended January 31, 2001)	$ 68 00	$ 38 06
Second Quarter (ended April 30, 2001)	$ 55 00	$ 25 00
Third Quarter (ended July 31, 2001)	$ 41 18	$ 26 20
Fourth Quarter (ended October 31, 2001)	$ 32 70	$ 18 00

As of December 26, 2001, there were 74,768 stockholders of record of common stock. The closing share price for Agilent common stock on December 26, 2001, as reported by the New York Stock Exchange, was $28 10.

We have not paid any dividends to date, and we currently intend to retain any future earnings to fund the development and growth of our business and, going forward, we do not anticipate paying any cash dividends in the foreseeable future Under the First Amendment to Five Year Credit Agreement, dated as of November 19, 2001 and the Amendment to 364 Day Amended and Restated Credit Agreement, dated as of November 19, 2001, we are restricted from declaring or paying any dividends, other than shares of our common stock, unless our consolidated earnings before interest, income tax, depreciation and amortization is at least $200 million for the two quarters immediately prior to such declaration or payment.

On July 20, 2001, we issued 1,461,196 shares of Agilent common stock as consideration for all of the shares of Sirius Communications N V The shares were issued in reliance on Regulation S of the Securities Act of 1933, as amended.

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Item 6 Selected Financial Data

SELECTED FINANCIAL DATA

Years Ended October 31,	2001	2000	1999	1998	1997
	(In millions, except per share amounts)				
(Unaudited)					
Consolidated Statement of Earnings Data(1, 2, 3, 4):					
Net revenue	$ 8,396	$ 9,361	$ 6,830	$ 6,612	$ 6,577
(Loss) earnings from continuing operations before taxes	$ (477)	$ 1,018	$ 463	$ 191	$ 633
(Loss) earnings from continuing operations	$ (406)	$ 672	$ 306	$ 126	$ 418
Net earnings from discontinued operations, net of taxes	$ 6	$ 85	$ 206	$ 131	$ 125
Gain from the sale of discontinued operations, net of taxes	$ 646	--	--	--	--
Earnings before cumulative effect of changes in accounting principles	$ 246	$ 757	$ 512	$ 257	$ 543
Cumulative effect of adopting SFAS No 133, net of taxes	$ (25)	--	--	--	--
Cumulative effect of adopting SAB 101, net of taxes	$ (47)	--	--	--	--
Net earnings	$ 174	$ 757	$ 512	$ 257	$ 543
Net (loss) earnings per share -- Basic					
(Loss) earnings from continuing operations	$ (0 89)	$ 1.49	$ 0.81	$ 0 33	$ 1 10
Net earnings from discontinued operations	$ 0 01	$ 0.19	$ 0.54	$ 0.35	$ 0 33
Gain from the sale of discontinued operations	$ 1.41	--	--	--	--
Cumulative effect of adopting SFAS No 133	$ (0 05)	--	--	--	--
Cumulative effect of adopting SAB 101	$ (0.10)	--	--	--	--
Net earnings	$ 0 38	$ 1.68	$ 1.35	$ 0 68	$ 1.43
Net (loss) earnings per share -- Diluted:					
(Loss) earnings from continuing operations	$ (0 89)	$ 1 48	$ 0 81	$ 0.33	$ 1.10
Net earnings from discontinued operations	$ 0 01	$ 0 18	$ 0 54	$ 0 35	$ 0.33
Gain from the sale of discontinued operations	$ 1.41	--	--	--	--
Cumulative effect of adopting SFAS No 133	$ (0.05)	--	--	--	--
Cumulative effect of adopting SAB 101	$ (0 10)	--	--	--	--
Net earnings	$ 0 38	$ 1 66	$ 1 35	$ 0 68	$ 1.43
Average shares used in computing basic net earnings per share	458	449	380	380	380
Average shares used in computing diluted net	458	455	380	380	380

earnings per share

	2001	2000	October 31, 1999	1998	1997
			(In millions)		
Consolidated Balance Sheet Data(1, 4)					
Working capital	$ 2,797	$ 2,476	$ 1,275	$ 1,010	$ 937
Total assets	$ 7,986	$ 8,330	$ 5,364	$ 4,922	$ 4,950
Stockholders' equity	$ 5,659	$ 5,265	$ 3,382	$ 3,022	$ 3,110

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(1) Consolidated financial data and notes for all periods present Agilent's healthcare solutions business as a discontinued operation See Note 3 "Discontinued Operations" to the consolidated financial statements

(2) Loss from continuing operations for the year ended October 31, 2001 includes a pre-tax gain of $269 million relating to the sale of surplus land in California, a pre-tax restructuring charge of $154 million primarily relating to severance expenses and a pre-tax asset impairment charge of $74 million Earnings from continuing operations for the year ended October 31, 1999 includes a pre-tax asset impairment charge of $51 million See Note 12, "Restructuring and Asset Impairment," to the consolidated financial statements Earnings from continuing operations for the year ended October 31, 1998 includes a pre-tax restructuring charge of $155 million

(3) Consolidated statement of earnings data for the year ended October 31, 2001 and 2000 includes the impact of the sale of certain portions of our portfolio of lease assets to Tyco Capital Corporation In 2001, net proceeds from this sales transaction were $287 million and we recognized $254 million in net revenue from continuing operations and $131 million in cost of products from continuing operations. In 2000, net proceeds from this sales transaction were $234 million and we recognized $197 million in net revenue from continuing operations and $83 million in cost of products from continuing operations See Note 4, "Acquisitions and Dispositions," to the consolidated financial statements

(4) The historical financial data from 1997 through 1999 was carved out from the historical financial information of Hewlett-Packard using the historical results of operations and historical bases of the assets and liabilities of the Hewlett-Packard businesses that comprise our company We began accumulating retained earnings on November 1, 1999. Therefore, the historical financial data from 1997 through 1999 is not indicative of our future performance and does not reflect what our consolidated financial position and results of operations would have been had we operated

as a separate, stand-alone entity during the periods presented

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto included elsewhere in this Annual Report The following discussion contains forward-looking statements including, without limitation, statements regarding the anticipated completion of transactions and our liquidity position and our expected overall growth that involve risks and uncertainties. Our actual results could differ materially from the results contemplated by these forward-looking statements due to certain factors, including those discussed below in "Factors That May Affect Future Results" and elsewhere in this Annual Report.

Overview

Our company, incorporated in Delaware in May 1999, is a global diversified technology organization that provides enabling solutions to high growth markets within the communications, electronics and life sciences industries Prior to our initial public offering of 15 9 percent of our stock in November 1999, we were a wholly-owned subsidiary of Hewlett-Packard Company ("HP"). HP distributed the remaining 84.1 percent of our stock to its stockholders on June 2, 2000 in the form of a stock dividend.

Basis of Presentation

Our fiscal year end is October 31 Unless otherwise stated, all years refer to our fiscal year

The 2001 and 2000 consolidated financial statements reflect the results of operations, changes in cash flows, and the financial position of our businesses We began accumulating retained earnings on November 1, 1999

The 1999 consolidated financial statements were prepared using HP's historical bases in the assets and liabilities and our historical results of operations. The 1999 consolidated financial statements include allocations of certain HP corporate expenses, including centralized research and development, legal, accounting, employee benefits, real estate, insurance services, information technology services, treasury and other HP corporate and infrastructure costs. The expense allocations were determined on bases that HP and we considered to be a reasonable reflection of the utilization of services provided to us or the benefit received by us. Therefore, the financial information presented in this Annual Report for 1999 is not necessarily indicative of what our consolidated financial position, results of operations or cash flows would have been had we been a separate, stand-alone entity in 1999

Discontinued Operations

On August 1, 2001, we completed the sale of our healthcare solutions business to Koninklijke Philips Electronics, N V ("Philips") pursuant to an Asset Purchase Agreement for a total purchase price of $1.7 billion Philips paid initial proceeds of $1 6 billion to us on August 1, 2001, with further payments to follow pursuant to the terms of the Asset Purchase Agreement dated as of November 17, 2000, as amended and supplemented by the Amendment and Supplemental Agreement, dated as of August 1, 2001. The total purchase price is subject to adjustment based on the determination of the final purchased net assets and on our performance of certain services for Philips Since August 1, 2001 we have received approximately $80 million of the $100 million purchase price holdback in additional proceeds from Philips We expect to receive the remaining proceeds in 2002.

Our consolidated financial statements reflect our healthcare solutions business as discontinued operations in accordance with Accounting Principles Board Opinion No 30 "Reporting the Results of Operations -- Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions" ("APB 30") The financial position, results of operations and cash flows of our healthcare solutions business have been classified as

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discontinued, and prior periods have been restated, including the reallocation of general overhead charges to our three remaining business segments. We recorded an after-tax gain of $646 million as a result of this transaction We do not expect material adjustments to the gain when the determination of the final purchased net assets and the performance of certain services are complete.

We are restricted from competing in the development, manufacturing, selling or servicing of certain medical products for five years For incremental fees, we have provided certain support services to Philips after August 1, 2001 and we will continue to provide those services in the future A portion of these fees offset costs that include an element of fixed costs which are recognized in selling, general and administrative expenses

Restructuring and Asset Impairment

In 2001, as a result of the economic downturn that has impacted many of the markets that we serve, we have taken steps to restructure our businesses We have announced measures to cut discretionary costs, to reduce the size of our workforce and to reduce the number of sites that we occupy On August 20, 2001, we announced a plan to reduce our workforce by approximately 4,000, or about nine percent, by the middle of 2002. In November 2001, we announced a further reduction of 4,000 jobs, combined with other measures designed to restore profitability in the latter half of 2002. The total cost of these plans is estimated to be $350 million, of which $154 million was recognized in 2001 Of this amount, $79 million was included in cost of products and services, $17 million was included in research and development expenses and $58 million was

included in selling, general and administrative expenses As of October 31, 2001, $65 million in severance benefits had been paid and the remainder of the restructuring liability is expected to be utilized during 2002 In the second half of 2001, we reduced our workforce by approximately 3,000 employees

In June 2001 we recognized a $74 million asset impairment charge with respect to our decision to cancel the development of a software system for our customer support activities We have entered into an agreement with HP to extend our use of their legacy customer support systems in place of the one that we were developing The decision to continue the use of HP's systems enabled us to reduce costs at a critical time, minimize disruption to our customers and businesses and to focus on our customers' needs

In 1999, we recognized an impairment loss of $51 million related to a building that was under construction to house manufacturing operations for eight-inch CMOS semiconductor wafers At the time construction was stopped, only the building shell was complete, we concluded that the highest fair value to be realized from this building was based on selling it for use as an office or general use facility.

Acquisitions

On January 5, 2001, we acquired Objective Systems Integrators, Inc ("OSI") for approximately $716 million Of this total, $690 million was cash and the remainder represents the fair value of options granted. Using the purchase method of accounting, the purchase price was allocated to tangible and intangible assets including goodwill The original goodwill balance of $593 million is being amortized over three years The net book value of goodwill associated with this acquisition at October 31, 2001 was $432 million OSI is a leading provider of next-generation operations-support-system software for communications service providers and has become part of the test and measurement business

In July 1999, HP entered into an agreement with Yokogawa Electric Corporation ("Yokogawa") to acquire Yokogawa's 25 percent equity interest in Agilent Technologies Japan, Ltd for approximately $521 million In the initial step, which occurred in January 2000, we purchased approximately 10.4 percent of Agilent Technologies Japan, Ltd. shares from Yokogawa for approximately $206 million In the second step, which occurred in April 2000, we purchased approximately 10 4 percent of additional Agilent Technologies Japan, Ltd shares from Yokogawa for approximately $216 million In

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January 2001, we completed our acquisition of Yokogawa's 25 percent equity interest in Agilent Technologies Japan, Ltd. by purchasing the remaining 4 2 percent interest for approximately $99 million Of the total purchase price, $243 million was allocated to tangible assets and $278 million was attributed to goodwill which is being amortized over 10 years. The remaining net book value of goodwill associated with this acquisition was $240 million at October 31, 2001.

In addition to the OSI and Yokogawa acquisitions, we acquired several other companies during 2001, 2000, and 1999 which were not significant to our consolidated financial position, results of operations or cash flows These acquisitions were accounted for under the purchase method The results of operations of the acquired companies were included prospectively from the date of acquisition and the acquisition cost was allocated to the acquired tangible and identifiable intangible assets and liabilities based on fair market values at the date of acquisition Residual amounts were recorded as goodwill In-process research and development write-offs have not been significant Goodwill is amortized on a straight-line basis over its estimated economic life, generally three to five years except as noted above.

The net book value of goodwill and other intangible assets was $1.1 billion at October 31, 2001 and $467 million at October 31, 2000

Sale of Leasing Portfolio

In the fourth quarter of 2000, we entered into an asset purchase agreement with Tyco Capital Corporation ("Tyco Capital") pursuant to which we have sold them substantially all of our leasing portfolio ("Tyco Capital sale") over the course of the last five quarters The impact on our consolidated cash flows and results of operations of the lease portfolio sale is shown below

	Year Ended October 31, 2001	Year Ended October 31, 2000
Net proceeds from Tyco Capital sale	$ 287	$ 234
Product revenue	$ 254	$ 197
Cost of products	$ 131	$ 83

Our service revenues and cost of services were reduced in 2001 as our portfolio of operating leases was purchased by Tyco Capital Correspondingly, product revenue and cost of products increased as a direct result of the Tyco Capital sale We expect future operating lease revenue to be further reduced because we also entered into a vendor financing arrangement with Tyco Capital whereby Tyco Capital will provide equipment financing and leasing services to our customers on a global basis This agreement has been in place since the fourth quarter of 2000 As a result of this agreement and the Tyco Capital sale our lease revenue and associated costs have declined Lease revenues as a percentage of service revenues for each of the last three fiscal years were 5.1 percent in 2001, 23.5 percent in 2000 and 22 6 percent in 1999

Property Transactions

In February 2001, we sold a parcel of surplus land in San Jose, California for $287 million in cash, resulting in a pre-tax gain of approximately $269 million In August 2001, we invested in the leasehold of several municipal properties in southern California for a total value of $289 million

Cyclical Business and General Economic Conditions

The sales of our products and services are dependent, to a large degree, on customers whose industries are subject to cyclical trends in the demand for their products Shifts in the semiconductor market, electronics industry, computer

industry and telecommunications markets, as well as rapidly shifting global economic conditions, have had and will have significant impacts on our businesses.

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In 2001, an economic downturn reduced consumer and capital spending in many of the worldwide markets that we serve It also has created an imbalance of supply and demand in the wireless and semiconductor manufacturing industries We are uncertain as to how long and how severe the current downturn may be in these markets. In 2001, net revenue and net earnings were down 10 percent and 77 percent, respectively, compared to 2000 Substantially all of the impacts of this decline occurred in our test and measurement and semiconductor products businesses Our earnings from continuing operations in 2000 declined 184 percent to a loss from continuing operations in 2001. Additionally, as a capital equipment provider, our revenue is driven by the capital expenditure budgets and spending patterns of our customers who often delay or accelerate purchases in reaction to variations in their businesses and in the economy. We expect some portions of our businesses to remain cyclical in the future Given that a high proportion of our costs are fixed, variability in revenue as a result of these business cycles could disproportionately affect our quarterly and annual results.

Our revenue and operating results for 2000 compared to 1999 improved as a result of growth in the communications and electronics markets.

Impact of Foreign Currencies

We sell our products in many countries and a portion of our net revenue and costs and expenses are denominated in foreign currencies, especially in the Japanese yen and the Euro Our foreign currency exposures are hedged as part of our global risk management program, which is designed to minimize short-term exposure to foreign currency fluctuations. Movements in exchange rates net of our hedging activities had no material effect on our net revenues or operating expenses in the periods presented

Adoption of New Accounting Standards

Effective November 1, 2000, we adopted Statement of Financial Account Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities" SFAS No 133, as amended, establishes accounting and reporting standards for derivative instruments, and requires that all derivatives be recognized as either assets or liabilities on the balance sheet and carried at fair value. Changes in the fair value of the derivative instruments are recognized in earnings or stockholders' equity, depending on the intended use of the instrument The adoption of SFAS No. 133 in November 2000 resulted in a cumulative pre-tax reduction in earnings of $41 million ($25 million after-tax) primarily relating to the valuation of

certain warrants to purchase securities and a pre-tax increase in other comprehensive income of $10 million.

We enter into certain foreign exchange contracts, primarily forwards and purchased options, to hedge exposures to changes in foreign currency exchange rates We do not use derivative financial instruments for speculative or trading purposes.

In December 1999, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin No 101, "Revenue Recognition in Financial Statements" ("SAB 101") During the fourth quarter of 2001, we adopted SAB 101 retroactive to the beginning of the fiscal year The cumulative effect of the adoption, reflecting the deferral of net revenue and cost of products from October 31, 2000, resulted in a cumulative pre-tax reduction in earnings of $74 million ($47 million after tax) As a result of adopting SAB 101, delivery is considered to have occurred when title and risk of loss have transferred to the customer For the fiscal year ended October 31, 2001, the net impact on 2001 net revenue, including amounts deferred at October 31, 2001, was an increase of $67 million of net revenue and $29 million of cost of products which were included in the cumulative effect adjustment The results for the first three quarters of 2001 have been restated in accordance with SAB 101. Pro forma amounts for the periods beginning before November 1, 2000 have not been presented, as the effect of the change could not be reasonably determined

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Recent Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board issued SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets" As a result of SFAS No 141, all acquisitions completed after June 30, 2001 are accounted for using the purchase method of accounting The adoption of SFAS No 141 had no material impact on our consolidated financial statements We plan to adopt SFAS No 142 in the first quarter of 2003 SFAS No. 142 requires that goodwill resulting from acquisitions completed after June 30, 2001 not be amortized. Until we adopt the new standard, we will continue to amortize goodwill existing at June 30, 2001 and to test all goodwill for impairment using the current method, that uses an undiscounted cash flow test After adoption, we will stop amortizing all goodwill and will begin to test goodwill for impairment pursuant to SFAS No 142, that applies a fair-value-based test We are assessing the further impacts of SFAS No. 142 on our consolidated financial position and results of operations.

In August 2001, the Financial Accounting Standards Board issued SFAS No 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" which addresses financial accounting and reporting for the impairment and disposal of long-lived assets We will be required to adopt SFAS No. 144 no later than fiscal year 2003 We are currently assessing the impact of SFAS No 144 and do not believe that it will have a material impact on our consolidated financial statements

Results of Continuing Operations

Net Revenue

	Years Ended October 31,			2001 over 2000	2000 over 1999
	2001	2000	1999	% Change	% Change
	(In millions)				
U S	$ 3,373	$ 3,992	$ 2,912	(15 5)%	37 1 %
International	5,023	5,369	3,918	(6 4)%	37 0 %
Total	$ 8,396	$ 9,361	$ 6,830	(10 3)%	37 1 %

	Years Ended October 31,			2001 over 2000	2000 over 1999
	2001	2000	1999	% Change	% Change
	(In millions)				
Products	$ 7,485	$ 8,299	$ 5,895	(9 8)%	40 8 %
Services and other(a)	911	1,062	935	(14 2)%	13 6 %
Total	$ 8,396	$ 9,361	$ 6,830	(10 3)%	37 1 %

	Years Ended October 31,			2001 over 2000	2000 over 1999
	% of Total Net Revenue	2001	2000	1999	Ppts Change	Ppts Change
Products		89 2	88 7	86 3	0 5	2 4
Services and other(a)		10 8	11 3	13 7	(0.5)	(2 4)
Total		100 0	100 0	100 0	--	--

(a) Services and other includes revenue generated from servicing our installed base of products, warranty extensions, consulting and operating lease revenue Our operating lease revenue has decreased in 2001 as a result of the Tyco Capital sale, as described more fully above.

Excluding the Tyco Capital sale of $254 million in 2001 and $197 million in 2000, net revenue for 2001 decreased 11.2 percent compared to 2000 and net revenue for 2000 increased 34.2 percent compared to 1999. The decrease in net revenue for 2001 compared to 2000 related primarily to a slowdown in the telecommunications, semiconductor and computer industries, which has severely impacted our customers' ability to purchase our products. The increase in net revenue for 2000 compared to 1999 was spurred by continued growth in net revenue from the communications and

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electronics markets This was especially due to the robust demand for our wireless, fiber-optics, networking and imaging components within our semiconductor products business and for most products throughout our test and measurement business Increased demand in Asia also contributed to net revenue growth in 2000

The decrease in domestic net revenue for 2001 compared to 2000 came primarily from our businesses which serve the communications and electronics markets This slowdown has impacted our net revenue in the United States somewhat more severely than other parts of the world In contrast, the increase in domestic net revenue for 2000 compared to 1999 came primarily from our businesses which serve the communications and electronics markets. The increase in international net revenue for 2000 compared to 1999 was primarily attributable to increased demand in Asia, particularly in Taiwan, Korea and Japan There was minimal currency impact on net revenue growth in 2000.

The decrease in product revenue for 2001 compared to 2000 was primarily driven by a slowdown in communications and electronics markets The net revenue growth in 2000 was primarily due to growth in our businesses which serve the communications and electronics markets, a strengthening of the semiconductor industry and increased demand in Asia The decline in service revenue for 2001 is primarily the result of the Tyco Capital sale and the decline in service contract renewal rates. Generally, there is a lag between service revenue trends and product revenue trends This lag occurs because service revenue is directly related to the size of our installed base of products not covered by warranty.

Costs and Expenses

	Years Ended October 31,				
As a % of Net Revenue	2001	2000	1999	2001 over 2000 Ppts Change	2000 over 1999 Ppts Change
Cost of products as a percentage of product revenue	62 3 %	49 9 %	52 6 %	12 4	(2 7)
Cost of services and other as a percentage of services and other revenue	55 1 %	55 7 %	56 6 %	(0 6)	(0 9)
Total costs as a percentage of total net revenue	61 5 %	50 6 %	53 1 %	10 9	(2 5)
Research and development	16 1 %	12 1 %	12 9 %	4 0	(0 8)
Selling, general and administrative	31 7 %	27 5 %	27 8 %	4 2	(0 3)

Excluding the Tyco Capital sale and restructuring charges of $79 million in 2001, cost of products and services as a percentage of net revenue for 2001 increased 10.1 percentage points compared to 2000. The increase was primarily attributable to decreased sales volume and increased charges for excess and obsolete inventory. During 2001, cost of products as a percentage of product revenue has increased due to these same factors mentioned above and higher discounts offered to our customers Excluding the Tyco Capital sale in 2000 and the impairment charge of $51 million in 1999, cost of products and services as a percentage of net revenue in 2000 decreased 1 6 percentage points compared to 1999 The decrease in 2000 was primarily attributable to higher volumes in the test and measurement and semiconductor products businesses as well as a more profitable product mix in the semiconductor products business

Research and development expenses increased in 2001 compared to 2000 as a result of continuing expenditures toward new

product introductions Our research and development efforts focus on potential new products covering a wide variety of technologies, none of which is individually significant to our operations

Selling, general and administrative expenses increased in 2001 compared to 2000 primarily due to goodwill amortization relating to our 2001 acquisition of OSI As a result of various cost-cutting initiatives in 2001, selling, general and administrative expenses before the effect of goodwill and

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other intangible amortization, restructuring and asset impairment charges declined 12 percent compared to 2000.

General overhead costs of $88 million in 2001, $225 million in 2000 and $194 million in 1999 previously allocated to our healthcare solutions segment have been reallocated to each of the three remaining segments

(Loss) Earnings from Operations

	Years Ended October 31,				
	2001	2000	1999	2001 over 2000 Change	2000 over 1999 Change
	(In millions)				
(Loss) earnings from operations	$ (778)	$ 924	$ 422	(184 2)%	119 0%
Operating (deficit) margin	(9.3)%	9 9 %	6.2 %	(19.2 points)	3 7 points

Excluding the Tyco Capital sale, we had a loss from operations of $901 million in 2001 compared to earnings from operations of $810 million in 2000 and $422 million in 1999 Excluding the restructuring charges and Tyco Capital sale, we had a loss from operations of $447 million in 2001 compared to earnings from operations of $925 million in 2000 and $463 million in 1999 The decrease in 2001 compared to 2000 was primarily due to the fact that net revenue declined much more rapidly than costs and expenses in the test and measurement and semiconductor businesses. Increased goodwill amortization related to recent acquisitions also contributed to the decrease The decrease was partially offset by the performance of our chemical analysis business The increase in 2000 compared to 1999 was primarily due to strong results in the test and measurement and semiconductor products businesses These improved results were partially offset by flat performance from our chemical analysis business and additional on-going costs associated with operating on our own as an independent company

Other Income (Expense), Net

Years Ended October 31,

2001 over 2000 % Change	2000 over 1999 % Change		2001	2000	1999
			(In millions)		
220 2%	129 3%	Other income (expense), net	$ 301	$ 94	$ 41

Other income (expense), net increased $207 million to $301 million in 2001 from $94 million in 2000 The increase was primarily due to the sale of land in San Jose, California which resulted in a pre-tax gain of $269 million The increase in other income (expense), net for 2001 compared to 2000 was partially offset by higher interest expense due to a higher average debt balance Other income (expense), net increased $53 million to $94 million in 2000 from $41 million in 1999 The increase was primarily due to a pre-tax gain of $29 million related to the sale of equity investments that no longer supported our business strategies and interest income earned on the initial cash funding received from HP in 1999

We sold assets related to portions of our businesses to third parties during 2001, 2000 and 1999 Gross proceeds from these dispositions were $13 million in 2001, immaterial in 2000 and $71 million in 1999 Gains from the dispositions, included in other income (expense), net in the consolidated statement of earnings, were $9 million in 2001, immaterial in 2000 and $50 million in 1999

(Benefit) Provision for Taxes

The effective tax rate for continuing operations in 2001 was 19 percent For 2000 and 1999, the effective rate was 34 percent.

In 2001, the change in the tax rate for continuing operations is due to the tax benefits arising from the losses caused by the recent global economic downturn This is offset by the impact of non-deductible goodwill from the acquisition of OSI. Taxes on the sale of our healthcare solutions

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business are reflected in the gain from sale of discontinued operations. Our future effective tax rate will continue to be calculated using an estimate of our pre-tax income and will be subject to the impact of future profitability, the effects of business acquisitions and dispositions, as well as changes in the mix of our pre-tax earnings among jurisdictions with varying statutory rates

Segment Results

In 2001, our management changed its measure of the profitability of each of the business segments to exclude goodwill and other intangible amortization and non-recurring items such as restructuring charges These items have been excluded for all periods presented.

Test and Measurement

Our test and measurement business provides test instruments, standard and customized test, measurement and monitoring instruments and systems for the design, manufacture and support of electronics and communications devices and software for the design of high-frequency electronic and communications devices and networks

	Years Ended October 31,				
	2001	2000	1999	2001 over 2000 Change	2000 over 1999 Change
	(In millions)				
Net revenue from products	$ 4,763	$ 5,298	$ 3,400	(10.1)%	55.8%
Net revenue from services and other	669	810	682	(17 4)%	18 8%
Total net revenue	$ 5,432	$ 6,108	$ 4,082	(11 1)%	49 6%
(Loss) earnings from operations	(141)	706	250	(120 0)%	182 4%
Operating margin (deficit)	(2 6)%	11 6 %	6 1 %	(14.2) points	5.5 points

Net Revenue

Net revenue for 2001 decreased 11 1 percent compared to 2000. Excluding the Tyco Capital sale, total net revenue for 2001 declined 12 4 percent compared to 2000 The slowdown in the telecommunications and semiconductor industries was the main factor that caused the decline in net revenue for 2001 The slowdown was particularly sharp in the second half of 2001 as we became increasingly dependent on incoming orders which declined in virtually all of the product lines of our test and measurement businesses Net revenue for 2000 increased 49.6 percent compared to 1999 The increase in 2000 was attributable to strong growth in the sales of our products to the optical, wireless and networking markets In addition, third-party manufacturing contractors added capacity to meet demand and increased their purchases of our test and measurement products

Excluding the Tyco Capital sale, net revenue from products for 2001 decreased 11 6 percent compared to 2000 The decrease in net revenue from products was primarily due to a slowdown in telecommunications and semiconductor industries Net revenue from services and other for 2001 decreased 17 4 percent compared to 2000 primarily due to the Tyco Capital sale In addition, certain customers have chosen not to renew their service contracts Excluding the Tyco Capital sale, net revenue from products for 2000 increased 50 1 percent compared to 1999. The increase was primarily due to the growing communications market and the increased demand in Asia. Net revenue from services and other for 2000 increased 18 8 percent compared to 1999.

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Costs and Expenses

The following table shows the percentage point increase or decrease in our test and measurement business' costs and expenses as a percentage of net revenue for 2001, 2000 and 1999

	2001 over 2000	2000 over 1999
	Increase/(decrease) as a % of Net Revenue	Ppts Change	Ppts Change
Cost of products and services	11.2	(0 9)
Research and development	3.7	(2.2)
Selling, general and administrative	(0.7)	(2.3)

Cost of products and services as a percentage of net revenue increased in 2001 compared to 2000 primarily due to increased charges for excess and obsolete inventory Excluding the impacts of these charges, cost of products and services as a percentage of net revenue increased 5 4 percentage points in 2001 from 2000 Due to the fixed nature of our manufacturing costs, lower than anticipated manufacturing volumes contributed to the increase in cost of products and services as a percentage of net revenue

The increase in research and development expenses as a percentage of net revenue in 2001 compared to 2000 was primarily due to our continuing expenditures toward new product introductions

(Loss) Earnings from Operations

Loss from operations in 2001 was a result of reduced demand, which led to fewer sales and increased charges for excess and obsolete inventory Excluding the Tyco Capital sale, loss from operations was $263 million compared to earnings from operations of $594 million in 2000 and $250 million in 1999. The increase in 2000 compared to 1999 resulted primarily from higher net revenue.

Semiconductor Products

Our semiconductor products business provides fiber optic communications devices and assemblies, components and integrated circuits for wireless, networking, computing and printing applications, image sensors and general-purpose opto-electronic components

	Years Ended October 31,				
2001 over 2000 Change	2000 over 1999 Change	2001	2000	1999
		(In millions)		
(16 4)%	28.5%	Net revenue	$ 1,850	$ 2,213	$ 1,722
(173.8)%	60 0%	(Loss) earnings from operations	(183)	248	155

Operating (deficit) margin	(9 9)%	11 2 %	9 0 %	(21.1 points) 2 2 points

Net Revenue

The decrease in net revenue for 2001 compared to 2000 was primarily due to a sharp decline in demand for our semiconductor products The global economic slowdown led to lower volumes in virtually all product lines of our semiconductor products business Total net revenue for 2001 included $35 million of non-recurring royalty revenue relating to changes in our agreement with Adaptec Inc. The increase in 2000 compared to 1999 was the result of strong growth in all semiconductor products including wireless, networking and imaging components Networking component growth was the result of growth in the sales of fiber-optic transceivers and high-speed networking products tailored for Metro Area Network (MAN), as well as storage area networking products and Gigabit Ethernet Local Area Network (LAN) applications. Imaging products for digital cameras and optical mice also achieved particularly strong growth in 2000 As a percentage of net revenue for the semiconductor products business, revenue from sales to HP, consisting primarily of

application-specific integrated circuits and motion control products, was 30 7 percent for 2001, 30 3 percent for 2000 and 37 0 percent for 1999.

In 2000, we expanded our existing joint venture relationship with Philips to develop our manufacturing of light-emitting diodes ("LED") and transferred a portion of our LED business into the joint venture LEDs are used for various lighting and display purposes. Since we do not have a majority ownership interest in the joint venture, the revenue, costs and expenses of the LED business transferred to the joint venture are no longer consolidated in our results Instead, we record our portion of the joint venture's net earnings or loss in other income (expense), net, which in 2000, was minimal. Adjusting the 1999 base for revenues relating to the LED business and our exit from the microprocessor business, net revenue growth for 2000 would have been 40.3 percent.

Costs and Expenses

The following table shows the percentage point increase or decrease in our semiconductor products business's costs and expenses as a percentage of its net revenue for 2001, 2000 and 1999

Increase/(decrease) as a % of Net Revenue	2001 over 2000 Ppts Change	2000 over 1999 Ppts Change
Cost of products	12.0	(3.2)
Research and development	6.7	0.5
Selling, general and		

administrative 2 4
0 5

The increase in cost of products as a percentage of net revenue in 2001 compared to 2000 was primarily due to increased inventory charges for excess and obsolete inventory as a result of reduced demand for our semiconductor products In addition, due to the fixed nature of our manufacturing costs, lower than anticipated manufacturing volumes contributed to the increase in cost of products as a percentage of net revenue Unfavorable mix and large shipments to single customers carrying deep discounts impacted cost of products as a percentage of net revenue unfavorably Excluding the impacts of increased inventory charges, cost of products as a percentage of net revenue for 2001 increased 7 7 percentage points compared to 2000. Cost of products as a percentage of net revenue for 2000 decreased 3 2 percentage points compared to 1999 The decrease related primarily to increased volumes and a more favorable product mix

The increase in research and development expenses as a percentage of net revenue in 2001 compared to 2000 was driven by a continued commitment to develop new products in the fiber optics, high-speed networking, and image position sensor businesses.

(Loss) Earnings from Operations

The loss from operations in 2001 compared to earnings from operations in 2000 resulted primarily from lower net revenue and higher cost of products and expenses as a percentage of net revenue. The increase in 2000 compared to 1999 resulted from higher net revenue and lower cost of products as a percentage of net revenue, partially offset by higher operating expenses.

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Chemical Analysis

Our chemical analysis business provides analytical instruments, systems and services for chromatography, spectroscopy, bio-instrumentation and consumables to the chemical and life science markets.

	Years Ended October 31,			2001 over 2000	2000 over 1999
	2001	2000	1999	Change	Change
	(In millions)				
Net revenue from products	$ 872	$ 788	$ 773	10 7%	1 9%
Net revenue from services and other	242	252	253	(4 0)%	(0.4)%
Total net revenue	$ 1,114	$ 1,040	$ 1,026	7 1%	1.4%

Earnings from operations	118	41	91	187 8%
Operating margin	10 6 %	3 9 %	8 9 %	(54 9)%
			6 7 points	(5 0 points)

Net Revenue

The increase in net revenue for 2001 compared to 2000 was the result of increased sales of our products in the life sciences market moderated by decreased sales of our products in our traditional chemical and petrochemical markets Net revenue from products including liquid chromatography equipment, bioanalyzers and microarrays grew more than 19 6 percent in 2001 compared to 2000 Net revenue growth in 2000 as compared to 1999, was essentially flat as our products sold to the pharmaceutical and life sciences markets was partially offset by weakness in our traditional chemical and environmental markets New product releases contributed to increased sales of our liquid chromatography and mass spectrometry products Services and other revenue decreased slightly in 2001 compared to 2000 while it was flat in 2000 compared to 1999

Costs and Expenses

The following table shows the percentage point increase and decrease in our chemical analysis business costs and expenses as a percentage of its net revenue for 2001, 2000 and 1999.

Increase/(decrease) as a % of Net Revenue	2001 over 2000 Ppts Change	2000 over 1999 Ppts Change
Cost of products and services	(0 5)	0 9
Research and development	(1.0)	2 4
Selling, general and administrative	(5.1)	1 6

Cost of products and services as a percentage of net revenue was relatively flat in 2001 compared to 2000 Additional depreciation expense related to increased spending in manufacturing capacity for microarrays was offset by cost controls and improved operational efficiencies The increase in 2000 compared to 1999 was primarily due to start-up costs for life sciences products.

The decrease in selling, general and administrative expenses as a percentage of net revenue for 2001 compared to 2000 reflected our efforts to reduce cost structures and discretionary expenses In 2000, the increase resulted primarily from increased life sciences research and development activities, higher infrastructure costs and branding expenses relating to operating on our own.

Earnings from Operations

The increase in earnings from operations in 2001 compared to 2000 was primarily due to higher net revenue and reduced spending resulting from our cost reduction measures In addition, operational efficiencies arising out of manufacturing

centralization efforts begun in fiscal 2000 and increased volumes contributed to the increase The decrease in earnings from operations in 2000 compared to 1999 was primarily due to higher infrastructure costs and branding expenses related to

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the costs of operating on our own as well as planned research and development in life sciences to launch new products

Healthcare Solutions -- Discontinued Operations

Our healthcare solutions business has been classified as a discontinued operation The table below shows the results of our healthcare solutions business before general overhead allocations and net of the costs of divestiture Results for the year ended October 31, 2001 include operations from November 1, 2000 to May 31, 2001, the measurement date in accordance with APB 30 The net loss from discontinued operations of $58 million for the two-month period following our May 31, 2001 measurement date has been included in the gain from sale of discontinued operations. The after-tax gain resulting from the sale of our healthcare solutions business including this loss was $646 million.

The following table shows the detailed results of operations of our discontinued healthcare solutions business for 2001, 2000 and 1999 These results are also included in our condensed consolidated statement of earnings as net earnings from discontinued operations for the years ended 2001, 2000 and 1999

Years Ended October 31,		
2001(a)	2000	1999
(In millions)		
Net revenue	$	
765	$ 1,412	$ 1,501
Costs and expenses		
747	1,283	1,182
Earnings from discontinued operations		18
129	319	
Other income (expense), net		3
17	5	
Earnings from discontinued operations before taxes		21
146	324	
Provision for taxes		15
61	118	
Net earnings from discontinued operations	$	6
$ 85	$ 206	

(a) Includes operations from November 1, 2000 to May 31, 2001, the measurement date

Financial Condition

Liquidity and Capital Resources

Our financial position remained strong at October 31, 2001, with cash and cash equivalents of $1,170 million

Cash usage from our continuing operations was $114 million in 2001 We generated cash from continuing operations of $536 million in 2000 compared to $341 million in 1999 In 2001, accounts payable used cash of $480 million and income tax payable used cash of $472 million offset by a decrease in outstanding accounts receivable totaling $933 million. In 2000 and 1999, cash from continuing operations was primarily a result of net earnings In addition, lower cash from continuing operations in 1999 resulted from a significant increase in accounts receivable due to particularly strong shipments in October 1999

Net cash utilized for investing activities was $1,365 million for 2001 compared to $1,062 million for 2000 and $336 million for 1999 In all periods, capital expenditures for property, plant and equipment and business acquisitions, partially offset by proceeds from divestitures and the disposal of excess, unused or retired assets constituted substantially all of our cash used in investing activities. We used $904 million for acquiring several businesses and $881 million for investments in property, plant and equipment in 2001 We used $634 million in 2000 to pay for the first and second installments of the purchase of Yokagawa's minority interest in Agilent Technologies Japan, Ltd. along with investments in several other companies We purchased the remaining 4.2 percent of Agilent Technologies Japan, Ltd 's shares owned by Yokogawa in January 2001. HP provided the

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funding for the entire Yokogawa transaction in November 1999 In 2001, we sold the remaining portion of our portfolio of lease assets to Tyco Capital Net proceeds from these sales transactions were $287 million

We have two revolving credit facilities with no outstanding balances at the end of 2001. Those facilities are a $250 million facility that terminates on November 5, 2005 and a 364-day $250 million facility that terminated on November 2, 2001 In November 2001, we extended the latter facility to November 1, 2002 As of November 19, 2001, the revolving credit facilities were amended to reflect new debt covenants In addition to these committed facilities, we have access to uncommitted credit lines through our banking partners

On January 5, 2001, we acquired Objective Systems Integrators, Inc for a total purchase price of $716 million Of this total, $690 million was cash and the remainder represents the fair value of options granted

In February 2001, we sold surplus land in San Jose, California for $287 million, net of transaction costs In August 2001, we invested in the leasehold of several municipal properties in southern California for a total value of $289 million

On August 1, 2001 we completed the sale of our healthcare solutions business to Philips and received approximately $1 6 billion in cash at that time We have subsequently received approximately $80 million in proceeds relating to the sale Cash flows from discontinued operations include the proceeds from the sale and cash used in the operations of the healthcare solutions business during the year up until the date of sale

On November 27, 2001, we announced the closing of a private offering of $1.15 billion aggregate principal amount of 3 percent senior convertible debentures due 2021 We intend to use the net proceeds of the offering for working capital and general corporate purposes, and to fund potential acquisitions and restructuring costs The debentures are convertible into our common stock at a conversion price of $32 22 per share The debentures are redeemable at our option beginning in December 2004, and holders of the debentures have the ability to require us to repurchase the debentures, in whole or in part, on specified dates in 2006, 2011 and 2016

Prior to November 1, 1999, cash receipts associated with our businesses were transferred to HP on a daily basis and HP provided funds to cover our disbursements. Accordingly, we reported no cash or cash equivalents at October 31, 1999 and 1998 In accordance with our separation agreement with HP, as of November 1, 1999, HP retained some of our assets and liabilities and transferred to us some of the assets and liabilities related to its business In November and December 1999, HP made cash payments to us totaling $1 3 billion to fund our working capital and other needs of our operations as a separate, stand-alone entity. In addition, HP transferred approximately $0 5 billion to fund our acquisition of Yokogawa's 25 percent minority interest in Agilent Technologies Japan, Ltd The net proceeds of our initial public offering of $2 1 billion were received in November 1999 and immediately distributed to HP as a dividend

Of the total $1.8 billion received from HP, $1.1 billion was classified as net cash provided by financing activities and $0 7 billion was classified among several categories as net cash provided by operating activities in the consolidated statement of cash flows for the year ended October 31, 2000

Our liquidity is affected by many factors, some of which are based on the normal ongoing operations of our businesses and some of which arise from fluctuations related to global economies and markets. We believe that cash on hand plus the proceeds from our bond offering will be sufficient to satisfy our working capital, capital expenditure, research and development and restructuring requirements for the foreseeable future. However, we may require or choose to obtain additional debt or equity financing in the future. We cannot assure that additional financing, if needed, will be available on favorable terms

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Factors That May Affect Future Results

Our operating results and financial condition could continue to be harmed if the industries into which we sell our products, such as the communications, electronics and semiconductor industries, remain depressed

The current economic downturn has resulted in reduced purchasing and capital spending in many of the markets that we serve worldwide In particular, the communications, semiconductor and electronics industries are currently in a downward cycle characterized by diminished product demand, excess manufacturing capacity and the erosion of average selling prices

We are uncertain how long the current downturn will last The terrorist attacks on September 11, 2001 may exacerbate this downturn or cause it to linger. Any further decline in our customers' markets or in general economic conditions would likely result in a further reduction in demand for our products and services and could harm our consolidated financial position, results of operations, cash flows and stock price In addition, we may be required to secure additional debt or equity financing, and we cannot assure you that such financing will be available when required on acceptable terms.

The actions we have taken in response to the recent slowdown in demand for our products and services could have long-term adverse effects on our business

Our semiconductor and test and measurement businesses have been experiencing lower revenues due to decreased or cancelled customer orders Orders for our products and services have decreased in five of the past six quarters To scale back our operations and decrease our expenses in response to this decrease in demand for our products and services and decrease in our revenue, we have reduced our workforce, frozen hiring, cut back significantly on our use of temporary workers and reduced discretionary spending. We also have initiated short-term facility closures to reduce production levels.

Earlier this year we announced our plan to reduce our workforce by approximately 4,000 people, or about 9 percent, by the middle of 2002 In addition, from May 1 to October 31 of this year, we instituted a 10 percent reduction in pay applicable to all employees globally, wherever legally permissible. The reduction in pay took effect via a 10 percent reduction in hours for certain employees, in accordance with local law On November 15, 2001, we announced that we intend to further reduce our workforce by approximately 4,000 people We also announced that we would reinstate the 10 percent pay reduction for approximately 2,000 of our senior managers starting from the first quarter fiscal 2002 and that we would effectively reduce the salaries of our other employees by 5 percent, wherever legally permissible, effective February 2002 In addition to these measures, we are continuing our initiatives to streamline our operations.

There are several risks inherent in our efforts to transition to a new cost structure. These include the risk that we will not be able to reduce expenditures quickly enough to restore profitability and may have to undertake further

restructuring initiatives that would entail additional charges. In addition, there is the risk that cost-cutting initiatives will impair our ability to effectively develop and market products and remain competitive in the industries in which we compete Each of the above measures could have long-term effects on our business by reducing our pool of technical talent, decreasing or slowing improvements in our products, making it more difficult for us to respond to customers, limiting our ability to increase production quickly if and when the demand for our products increases and limiting our ability to hire and retain key personnel These circumstances could cause our earnings to be lower than they otherwise might be

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As demand for our products does not match our manufacturing capacity, our earnings may continue to suffer

Because we cannot immediately adapt our production capacity and related cost structures to rapidly changing market conditions, when demand does not meet our expectations, our manufacturing capacity will likely exceed our production requirements Currently, we have excess manufacturing capacity as a result of the recent decrease in purchasing and capital spending in the communications, electronics and semiconductor industries The fixed costs associated with excess manufacturing capacity have adversely affected, and may continue to adversely affect, our earnings. Conversely, if during a market upturn, we cannot increase our manufacturing capacity to meet product demand, we will not be able to fulfill orders in a timely manner, which in turn may have a negative effect on our earnings and overall business.

Failure to adjust our orders for parts due to changing market conditions could adversely affect our earnings

Our earnings could be harmed if we are unable to adjust our orders for parts to market fluctuations In order to secure components for the production of products, we may enter into non-cancelable purchase commitments with vendors, or at times make advance payments to suppliers, which could impact our ability to adjust our inventory to declining market demands. Prior commitments of this type have resulted in an excess of parts as demand for our communications, semiconductor and electronics products has decreased. For example, in the year ended October 31, 2001 we incurred a charge of approximately $459 million for inventory-related charges If the demand for our products continues to decrease, we may experience an excess of parts again and be forced to incur additional charges. By contrast, during a market upturn, our results could be materially and adversely impacted if we cannot increase our parts supply quickly enough to meet increasing demand for our products Certain parts may be available only from a single supplier or a limited number of suppliers In addition, suppliers may cease manufacturing certain components that are difficult to substitute without significant

reengineering of our products Suppliers may also extend lead times, limit supplies or increase prices due to capacity constraints or other factors

Fluctuations in our quarterly operating results may cause volatility in the price of our common stock and the debentures

Given the nature of the markets in which we participate, we cannot reliably predict future revenue and profitability As demand for our products has decreased in recent periods, our quarterly sales and operating results have become highly dependent on the volume and timing of orders received during the quarter, which are difficult to forecast The reduction in the backlog of our orders also has significantly affected our ability to efficiently plan production and inventory levels, which has led to fluctuations in operating results. In addition, a significant portion of our operating expenses is relatively fixed in nature due to our significant sales, research and development and manufacturing costs. If we cannot adjust spending quickly enough to compensate for a revenue shortfall, this may magnify the adverse impact of a revenue shortfall on our results of operations Fluctuations in our operating results may cause volatility in the price of our common stock and the debentures

We are in the process of implementing new information systems, and problems with the redesign and implementation of these new systems could interfere with our operations

We are in the process of implementing new information systems to eventually replace our current systems, which are largely based on legacy systems that we created when we were a part of Hewlett-Packard We may not be successful in implementing these new systems and transitioning data As a part of this effort, we are implementing new enterprise resource planning software applications to manage our business operations Failure to smoothly and successfully implement this and other systems could temporarily interrupt our operations and adversely impact our ability to run

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our business. In addition, any failure or significant downtime in our legacy or new information systems could prevent us from taking customer orders, shipping products or billing customers and could harm our business

If we do not introduce successful new products and services in a timely manner, our products and services will become obsolete, and our operating results will suffer

We generally sell our products in industries that are characterized by rapid technological changes, frequent new

product and service introductions and changing industry standards Without the timely introduction of new products, services and enhancements, our products and services will become technologically obsolete over time, in which case our revenue and operating results would suffer The success of our new product and service offerings will depend on several factors, including our ability to.

- o properly identify customer needs,
- o innovate and develop new technologies, services and applications,
- o successfully commercialize new technologies in a timely manner,
- o manufacture and deliver our products in sufficient volumes on time,
- o differentiate our offerings from our competitors' offerings,
- o price our products competitively, and
- o anticipate our competitors' announcements of new products, services or technological innovations

Economic, political and other risks associated with international sales and operations could adversely affect our results of operations.

Since we sell our products worldwide, our business is subject to risks associated with doing business internationally. We anticipate that revenue from international operations will continue to represent a substantial portion of our total revenue In addition, many of our manufacturing facilities and suppliers are located outside the United States Accordingly, our future results could be harmed by a variety of factors, including.

- o interruption to transportation flows for delivery of parts to us and finished goods to our customers,
- o changes in foreign currency exchange rates;
- o changes in a specific country's or region's political or economic conditions,
- o trade protection measures and import or export licensing requirements;
- o negative consequences from changes in tax laws,
- o difficulty in staffing and managing widespread operations,
- o differing labor regulations;
- o differing protection of intellectual property, and
- o unexpected changes in regulatory requirements

The terrorist attacks on September 11, 2001 and the U.S. and international response could exacerbate these risks For example, there may be an increased risk of political unrest in regions such as Southeast Asia, where we have significant manufacturing operations. This could disrupt our ability to manufacture products or important parts as well as cause interruptions and/or delays in our ability to transport products to our customers or parts to other locations for continued

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manufacture and assembly Any such delay or interruption could have an adverse effect on our results of operations.

Our business will suffer if we are not able to retain and hire key personnel.

Our future success depends partly on the continued service of our key research, engineering, sales, marketing, manufacturing, executive and administrative personnel If we fail to retain and hire a sufficient number of these personnel, we will not be able to maintain or expand our business Although the labor market has changed dramatically within the past year, and our attrition rate has dropped, there is still intense competition for certain highly technical specialties in geographic areas where we continue to recruit

Our acquisitions, strategic alliances, joint ventures and divestitures may result in financial results that are different than expected

In the normal course of business, we frequently engage in discussions with third parties relating to possible acquisitions, strategic alliances, joint ventures and divestitures As a result of such transactions, our financial results may differ from the investment community's expectations in a given quarter In addition, acquisitions and strategic alliances may require us to integrate a different company culture, management team and business infrastructure We may have difficulty developing, manufacturing and marketing the products of a newly-acquired company in a way that enhances the performance of our combined businesses or product lines to realize the value from expected synergies. Depending on the size and complexity of an acquisition, our successful integration of the entity depends on a variety of factors, including.

- o the retention of key employees,
- o the management of facilities and employees in separate geographic areas,
- o the retention of key customers, and
- o the integration or coordination of different research and development, product manufacturing and sales programs and facilities

A successful divestiture depends on various factors, including our ability to

- o effectively transfer liabilities, contracts, facilities and employees to the purchaser,
- o identify and separate the intellectual property to be divested from the intellectual property that we wish to keep, and
- o reduce fixed costs previously associated with the divested assets or business

All of these efforts require varying levels of management resources, which may divert our attention from other business operations If we do not realize the expected benefits or synergies of such transactions, our consolidated financial position, results of operations and stock price could be negatively impacted

If sales of custom integrated circuits to Hewlett-Packard decline, our semiconductor products revenue will suffer, and we are limited in our ability to sell these integrated circuits to other companies.

Historically, our semiconductor products business has sold custom products to Hewlett-Packard and has engaged in product development efforts with divisions of Hewlett-Packard For the twelve months ended October 31, 2001, Hewlett-Packard accounted for approximately 6 8 percent of our total net revenue and approximately 30.7 percent of our semiconductor products business' net revenue.

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We have a license agreement with Hewlett-Packard that covers integrated circuit technology used in custom integrated circuits for Hewlett-Packard's printers, scanners and computers The license agreement provides that, until November 2002 in some cases and until November 2009 in other cases, we are prohibited, with some exceptions, from using this integrated circuit technology for the development and sale of integrated circuits for use in inkjet products, printer products (including printer supplies, accessories and components), document scanners and computing products to third parties other than Hewlett-Packard

Although we have entered into a supply agreement for the sale to Hewlett-Packard of custom integrated circuits used in printers, scanners and computers, the agreement does not require Hewlett-Packard to purchase a minimum amount of product from us In the event that Hewlett-Packard reduces its purchases of our custom integrated circuits, we would be unable to address this reduction through sales of these kinds of integrated circuits for these types of products to other customers

We may face significant costs in order to comply with laws and regulations regarding the manufacture, processing, and distribution of chemicals, or regarding notification about chemicals, and if we fail to comply, we could be subject to civil or criminal penalties or be prohibited from distributing our products

Some of our chemical analysis business' products are used in conjunction with chemicals whose manufacture, processing, distribution and notification requirements are regulated by the United States Environmental Protection Agency under the Toxic Substances Control Act, and by regulatory bodies in other countries with laws similar to the Toxic Substances Control Act We must conform the manufacture, processing, distribution of and notification about these chemicals to these laws and adapt to regulatory requirements in all countries as these requirements change If we fail to comply with these requirements in the manufacture or distribution of our products, then we could be made to pay civil penalties, face criminal prosecution and, in some cases, be prohibited from distributing our products in commerce until the products or component substances are

brought into compliance.

Environmental contamination from past operations could subject us to unreimbursed costs and could harm on-site operations and the future use and value of the properties involved

Some of our properties are undergoing remediation by Hewlett-Packard for subsurface contaminations that were known at the time of our separation from Hewlett-Packard Hewlett-Packard has agreed to retain the liability for this subsurface contamination, perform the required remediation and indemnify us with respect to claims arising out of that contamination The determination of the existence and cost of any additional contamination caused by us could involve costly and time-consuming negotiations and litigation. In addition, Hewlett-Packard will have access to our properties to perform remediation While Hewlett-Packard has agreed to minimize interference with on-site operations at those properties, remediation activities and subsurface contamination may require us to incur unreimbursed costs and could harm on-site operations and the future use and value of the properties We cannot be sure that Hewlett-Packard will fulfill its indemnification or remediation obligations.

We have agreed to indemnify Hewlett-Packard for any liability associated with contamination from past operations at all other properties transferred from Hewlett-Packard to us other than those properties currently undergoing remediation by Hewlett-Packard While we are not aware of any material liabilities associated with existing subsurface contamination at any of those properties, subsurface contamination may exist, and we may be exposed to material liability as a result of the existence of that contamination

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Environmental contamination caused by ongoing operations could subject us to substantial liabilities in the future

Our semiconductor and other manufacturing processes involve the use of substances regulated under various international, federal, state and local laws governing the environment. We may be subject to liabilities for environmental contamination, and these liabilities may be substantial. Although our policy is to apply strict standards for environmental protection at our sites inside and outside the United States, even if not subject to regulations imposed by foreign governments, we may not be aware of all conditions that could subject us to liability.

We and our customers are subject to various governmental regulations, compliance with which may cause us to incur significant expenses, and if we fail to maintain satisfactory compliance with certain regulations, we may be forced to

recall products and cease their manufacture and distribution, and we could be subject to civil or criminal penalties

Our businesses are subject to various significant international, federal, state and local, health and safety, packaging, product content and labor regulations These regulations are complex, change frequently and have tended to become more stringent over time We may be required to incur significant expenses to comply with these regulations or to remedy violations of these regulations Any failure by us to comply with applicable government regulations could also result in cessation of our operations or portions of our operations, product recalls or impositions of fines and restrictions on our ability to carry on or expand our operations In addition, because many of our products are regulated or sold into regulated industries, we must comply with additional regulations in marketing our products

Our products and operations are also often subject to the rules of industrial standards bodies, like the International Standards Organization, as well as regulation of other agencies such as the United States Federal Communications Commission We also must comply with work safety rules. If we fail to adequately address any of these regulations, our businesses will be harmed.

Our chemical analysis products are used in the drug design and production processes to test compliance with the Toxic Substances Control Act, the Federal Food, Drug and Cosmetic Act and similar regulations Therefore, we must continually adapt our chemical analysis products to changing regulations

We are subject to laws and regulations governing government contracts, and our failure to address these laws and regulations or comply with government contracts could harm our business.

We have agreements relating to the sale of our products to government entities and, as a result, we are subject to various statutes and regulations that apply to companies doing business with the government The laws governing government contracts differ from the laws governing private contracts For example, many government contracts contain pricing terms and conditions that are not applicable to private contracts We are also subject to investigation for compliance with the regulations governing government contracts

Third parties may claim that we are infringing their intellectual property, and we could suffer significant litigation or licensing expenses or be prevented from selling products

Third parties may claim that we are infringing their intellectual property rights, and we may be found to infringe those intellectual property rights While we do not believe that any of our products infringe the valid intellectual property rights of third parties, we may be unaware of intellectual property rights of others that may cover some of our technology, products and services

Any litigation regarding patents or other intellectual property could be costly and time-consuming and could divert our management and key personnel from our business operations

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The complexity of the technology involved and the uncertainty of intellectual property litigation increase these risks. Claims of intellectual property infringement might also require us to enter into costly royalty or license agreements However, we may not be able to obtain royalty or license agreements on terms acceptable to us, or at all We also may be subject to significant damages or injunctions against development and sale of certain of our products

We often rely on licenses of intellectual property useful for our businesses We cannot assure you that these licenses will be available in the future on favorable terms or at all. In addition, our position with respect to the negotiation of licenses has changed as a result of our separation from Hewlett-Packard In the past, as a part of Hewlett-Packard, we benefited from our access to Hewlett-Packard's entire intellectual property portfolio when asserting counterclaims and negotiating cross-licenses with third parties Our current patent cross-license agreement with Hewlett-Packard gives us only a limited right to sublicense a portion of Hewlett-Packard's intellectual property portfolio Accordingly, we may be unable to obtain agreements on terms as favorable as we may have been able to obtain if we could have sublicensed Hewlett-Packard's entire intellectual property portfolio. Nothing restricts Hewlett-Packard from competing with us other than some restrictions on the use of patents licensed to Hewlett-Packard by us

Third parties may infringe our intellectual property, and we may expend significant resources enforcing our rights or suffer competitive injury

Our success depends in large part on our proprietary technology We rely on a combination of patents, copyrights, trademarks, trade secrets, confidentiality provisions and licensing arrangements to establish and protect our proprietary rights. If we fail to successfully enforce our intellectual property rights, our competitive position could suffer, which could harm our operating results

Our pending patent and trademark registration applications may not be allowed, or competitors may challenge the validity or scope of these patents or trademark registrations In addition, our patents may not provide us a significant competitive advantage

We may be required to spend significant resources to monitor and police our intellectual property rights We may not be able to detect infringement and our competitive position may be harmed before we do so. In addition, competitors may design around our technology or develop competing technologies. Intellectual property rights may also be unavailable or limited in some foreign countries, which could make it easier for competitors to capture market share

If we suffer loss to our factories, facilities or distribution system due to catastrophe, our operations could be seriously harmed

Our factories, facilities and distribution system are subject to catastrophic loss due to fire, flood, terrorism or other natural or man-made disasters In particular, several of our facilities could be subject to a catastrophic loss caused by earthquake due to their location. We have significant facilities in areas with above average seismic activity, such as our production facilities, headquarters and Agilent Laboratories in California and our production facilities in Washington and Japan If any of these facilities were to experience a catastrophic loss, it could disrupt our operations, delay production, shipments and revenue, and result in large expenses to repair or replace the facility We self-insure against such losses and do not carry catastrophic insurance policies to cover potential losses resulting from earthquakes

Periodic power supply problems in California could harm our business

Our corporate headquarters, a portion of our research and development activities, other critical business operations and a certain number of our suppliers are located in California California has experienced periodic power shortages Power outages could cause disruptions to our operations and the operations of our suppliers, distributors, resellers and customers. We self-insure against such disruptions and do not carry catastrophic insurance policies to cover potential losses resulting from

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power shortages or outages In addition, California has recently experienced rising energy costs that could negatively impact our results.

Item 7A Quantitative and Qualitative Disclosures About Market Risk

We are exposed to foreign currency exchange rate risks inherent in our sales commitments, anticipated sales, and assets and liabilities denominated in currencies other than the United States dollar. Our exposure to exchange rate risks has been managed on an enterprise-wide basis This strategy utilizes derivative financial instruments, including option and forward contracts, to hedge certain foreign currency exposures, with the intent of offsetting gains and losses that occur on the underlying exposures with gains and loses on the derivative contracts hedging them. We do not currently and do not intend to utilize derivative financial instruments for speculative or trading purposes

We performed a sensitivity analysis assuming a hypothetical 10% adverse movement in foreign exchange rates to the hedging contracts and the underlying exposures described above As of October 31, 2001 and 2000, the analysis indicated that theses hypothetical market movements would not have a material effect on our consolidated financial position, results of operations or cash flows

Item 8 Financial Statements and Supplementary Data

The Financial Statements appear in Item 14 of this report

Item 9 Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

PART III

Item 10 Directors and Executive Officers of the Registrant

Information regarding our directors appears under "Election of Directors" on pages 7-9 of our Proxy Statement for the Annual Meeting of Stockholders (the "Proxy Statement"), to be held February 22, 2002 That portion of the Proxy Statement is incorporated by reference into this report. Information regarding our executive officers appears in Item 1 of this report under "Executive Officers of the Registrant "

Section 16(a) Beneficial Ownership Reporting Compliance

Information about compliance with Section 16(a) of the Securities Exchange Act of 1934 appears under "Section 16(a) Beneficial Ownership Reporting Compliance" on page 12 of the Proxy Statement That portion of the Proxy Statement is incorporated by reference into this report.

Item 11 Executive Compensation

Information about compensation of our named executive officers appears under "Executive Compensation" on pages 12-21 of the Proxy Statement Information about compensation of our directors appears under "Director Compensation Arrangements and Stock Ownership Guidelines" on page 6 of the Proxy Statement Those portions of the Proxy Statement are incorporated by reference into this report.

Item 12 Security Ownership of Certain Beneficial Owners and Management

Information about security ownership of certain beneficial owners and management appears under "Common Stock Ownership of Certain Beneficial Owners and Management" on pages 10-12 of

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the Proxy Statement Those portions of the Proxy Statement are incorporated by reference into this report

Item 13. Certain Relationships and Related Transactions

None

PART IV

Item 14 Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) The following documents are filed as part of this report·

1 Financial Statements

Page
Statement of Management Responsibility 50
Report of Independent Accountants 51
Consolidated Statement of Earnings for the three years ended October 31, 2001 52
Consolidated Balance Sheet at October 31, 2001 and 2000 53
Consolidated Statement of Cash Flows for the three years ended October 31, 2001 54
Consolidated Statement of Stockholders' Equity for the three years ended October 31, 2001 55
Notes to Consolidated Financial Statements 56

2 Financial Statement Schedules

None

3 Exhibits

See Index to Exhibits The Exhibits listed in the accompanying Index to Exhibits are filed as part of this report

(b) Reports on Form 8-K

(i) Form 8-K dated August 15, 2001 reporting under Item 2 "Acquisition or Disposition of Assets" the completion of the sale of Agilent's Healthcare Solutions Group ("HSG") to Koninklijke Philips Electronics N V ("Philips"). Also reporting under Item 7 "Financial Statements and Exhibits" pro forma financial information, agreements and a press release relating to the sale of HSG to Philips

(ii) Form 8-K dated August 22, 2001 reporting under Item 5 "Other Events" Agilent's third quarter results

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STATEMENT OF MANAGEMENT RESPONSIBILITY

Agilent Technologies' management is responsible for the preparation, integrity and objectivity of the consolidated financial statements and other financial information presented in this report. The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and reflect the effects of certain estimates and judgments made by management

Management maintains an effective system of internal control that is designed to provide reasonable assurance that assets are safeguarded and transactions are properly recorded and executed in accordance with management's authorization The system is continuously monitored by direct management review and by internal auditors who conduct audits throughout the company We select and train qualified people who are provided with and expected to adhere to Agilent Technologies' standards of business conduct These standards, which set forth strong principles of business ethics and conduct, are a key element of our control system

Our consolidated financial statements have been audited by PricewaterhouseCoopers LLP, independent accountants. Their audits were conducted in accordance with auditing standards generally accepted in the United States of America, and included a review of financial controls and tests of accounting records and procedures as they considered necessary in the circumstances

The Audit and Finance Committee of the Board of Directors, which consists of outside directors, meets regularly with management, the internal auditors and the independent accountants to review accounting, reporting, auditing and internal control matters The committee has direct and private access to both the internal auditors and the independent accountants.

Edward W. Barnholt	Adrian T. Dillon
President and	Executive Vice President and
Chief Executive Officer	Chief Financial Officer

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Stockholders and Board of Directors of Agilent Technologies, Inc

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of earnings, cash flows and stockholders' equity present fairly, in all material respects, the financial position of Agilent Technologies, Inc and its subsidiaries at October 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended October 31, 2001, in conformity with accounting principles generally accepted in the

United States of America These financial statements are the responsibility of the company's management, our responsibility is to express an opinion on these financial statements based on our audits We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

As discussed in the notes to the consolidated financial statements, the company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" and changed its method of revenue recognition as of November 1, 2000

/s/ PRICEWATERHOUSECOOPERS LLP
PricewaterhouseCoopers LLP

San Jose, California
November 15, 2001,

except for Note 19 which is as of November 27, 2001

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AGILENT TECHNOLOGIES, INC

CONSOLIDATED STATEMENT OF EARNINGS

	Years Ended October 31, 2001	2000	1999
	(In millions, except per share amounts)		
Net revenue			
Products	$ 7 485	$ 8,299	$ 5,895
Services and other	911	1,062	935
Total net revenue	8,396	9,361	6,830
Costs and expenses			
Cost of products	4,664	4,143	3,098
Cost of services and other	502	592	529
Total costs	5,166	4,735	3,627
Research and development	1,349	1,129	879
Selling, general and administrative	2,659	2,573	1,902
Total costs and expenses	9,174	8,437	6,408
(Loss) earnings from operations	(778)	924	422
Other income (expense) net	301	94	41
(Loss) earnings from continuing operations before taxes	(477)	1 018	463
(Benefit) provision for taxes	(71)	346	157
(Loss) earnings from continuing operations	(406)	672	306
Net earnings from discontinued operations (net of taxes of $15 million, $61 million and $118 million in 2001, 2000 and 1999, respectively)	6	85	206
Gain from sale of discontinued operations (net of taxes of $422 million)	646	--	--
Earnings before cumulative effect of changes in accounting principles	246	757	512
Cumulative effect of adopting SFAS No 133 (net of tax benefit of $16 million)	(25)	--	--
Cumulative effect of adopting SAB 101 (net of tax benefit of $27 million)	(47)	--	--
Net earnings	$ 174	$ 757	$ 512

Net earnings per share -- Basic			
(Loss) earnings from continuing operations	$ (0 89)	$ 1 49	$ 0 81
Net earnings from discontinued operations	0 01	0 19	0 54
Gain from sale of discontinued operations	1 41	--	--
Cumulative effect of adopting SFAS No 133	(0 05)	--	--
Cumulative effect of adopting SAB 101	(0 10)	--	--
Net earnings	$ 0 38	$ 1 68	$ 1 35
Net earnings per share -- Diluted			
(Loss) earnings from continuing operations	$ (0 89)	$ 1 48	$ 0 81
Net earnings from discontinued operations	0 01	0 18	0 54
Gain from sale of discontinued operations	1 41	--	--
Cumulative effect of adopting SFAS No 133	(0 05)	--	--
Cumulative effect of adopting SAB 101	(0 10)	--	--
Net earnings	$ 0 38	$ 1 66	$ 1 35
Average shares used in computing net earnings per share			
Basic	458	449	380
Diluted	458	455	380

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

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AGILENT TECHNOLOGIES, INC

CONSOLIDATED BALANCE SHEET

	October 31, 2001	2000
	(In millions, except par value and share data)	
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,170	$ 996
Accounts receivable, net	977	1 938
Inventory	1,491	1,610
Net investment in lease receivable	237	--
Other current assets	924	595
Total current assets	4,799	5,139
Property, plant and equipment, net	1,848	1,685
Goodwill and other intangible assets, net	1,070	467
Other assets	269	442
Net investment in discontinued operations	--	597
Total assets	$ 7,986	$ 8,330
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 386	$ 857
Notes payable and short-term borrowings	6	110
Employee compensation and benefits	576	679
Deferred revenue	279	322
Other accrued liabilities	755	695
Total current liabilities	2,002	2,663
Other liabilities	325	402
Commitments and contingencies		
Stockholders' equity		
Preferred stock, $ 01 par value 125 million shares authorized none issued and outstanding	--	--
Common stock, $ 01 par value, 2 billion shares authorized 461 million shares at October 31 2001 and 454 million shares at October 31, 2000 issued and outstanding	5	5
Additional paid-in capital	4,723	4,508
Retained earnings	931	757
Accumulated comprehensive loss	--	(5)
Total stockholders' equity	5,659	5,265
Total liabilities and stockholders' equity	$ 7,986	$ 8,330

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

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AGILENT TECHNOLOGIES, INC

CONSOLIDATED STATEMENT OF CASH FLOWS

	Years Ended October 31, 2001	2000	1999
	(In millions)		
Cash flows from operating activities			
Net (loss) earnings from continuing operations	$ (478)	$ 672	$ 306
Adjustments to reconcile net (loss) earnings from continuing operations to net cash (used in) provided by operating activities			
Depreciation and amortization	734	460	440
Inventory-related charges	459	70	105
Deferred taxes	(94)	(59)	(12)
Non-cash restructuring and asset impairment charges	161	8	51
Gain on sale of assets	(315)	(29)	--
Gain on divestitures	(132)	(123)	(50)
Adoption of SFAS No 133	41	--	--
Changes in assets and liabilities			
Accounts receivable	933	(697)	(297)
Inventory	(373)	(431)	(151)
Accounts payable	(480)	356	75
Accrued compensation and benefits	(145)	149	(22)
Income taxes payable	(472)	235	--
Other current assets and liabilities	(8)	4	(41)
Other long-term assets and liabilities	55	(79)	(63)
Net cash (used in) provided by operating activities	(114)	536	341
Cash flows from investing activities			
Investments in property, plant and equipment	(881)	(803)	(429)
Dispositions of property, plant and equipment			
Land sale	287	--	--
Equipment lease portfolio sale	287	234	--
Other	59	99	71
Net investment in lease	(289)	--	--
Sale of equity investments	74	60	--
Purchase of equity investments	(27)	(32)	--
Acquisitions net of cash acquired	(904)	(634)	(55)
Proceeds from dispositions	13	--	71
Other, net	16	14	6
Net cash used in investing activities	(1,365)	(1,062)	(336)
Cash flows from financing activities			
IPO proceeds	--	2,068	--
IPO proceeds transferred to Hewlett-Packard	--	(2,068)	--
Issuance of common stock under employee stock plans	150	84	--
Net (payments) proceeds from notes payable and short-term borrowings	(113)	110	--
Financing from (transfer to) Hewlett-Packard	--	1,081	(152)
Net cash provided by (used in) financing activities	37	1,275	(152)
Net proceeds and cash provided by discontinued operations	1,616	247	147
Change in cash and cash equivalents	174	996	--
Cash and cash equivalents at beginning of year	996	--	--
Cash and cash equivalents at end of year	$ 1,170	$ 996	$ --

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

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AGILENT TECHNOLOGIES, INC

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

Common Stock

	Number of Shares	Par Value	Additional Paid-in Capital	Stockholder's Net Investment	Other Retained Earnings	Comprehensive Loss	Total
			(In millions, except number of shares in thousands)				
Balance as of October 31, 1998	--	$ --	$ --	$ 3,022	$ --	$ --	$ 3,022
Net earnings	--	--	--	512	--	--	512
Net cash transfers to Hewlett-Packard Company	--	--	--	(152)	--	--	(152)
Transfer to common stock and additional paid-in capital	380,000	4	3,378	(3,382)	--	--	--
Balance as of October 31, 1999	380,000	4	3,378	--	--	--	3,382
Components of comprehensive income:							
Net earnings	--	--	--	--	757	--	757
Unrealized loss on investment, net of tax	--	--	--	--	--	(5)	(5)
Total comprehensive income							752
Shares issued in the IPO	72,000	1	2,067	--	--	--	2,068
Proceeds from IPO transferred to Hewlett-Packard	--	(1)	(2,067)	--	--	--	(2,068)
Shares issued for employee benefit plans and other	1,976	1	109	--	--	--	110
Cash funding from Hewlett-Packard	--	--	1,858	--	--	--	1,858
Transfer of net assets to Hewlett-Packard	--	--	(853)	--	--	--	(853)
Tax benefit associated with stock option exercises	--	--	16	--	--	--	16
Balance as of October 31, 2000	453,976	5	4,508	--	757	(5)	5,265
Components of comprehensive							

	income								
	Net	--	--	--	--				
174	--	174							
	earnings								
	Reclassific								
	adjustment relating								
	to warrants	--	--	--	--				
--	22	22							
	Reclassific	--	--	--	--				
--	(6)	(6)							
	adjustment relating								
	to derivatives								
	SFAS								
	No. 133 cumulative								
	transition								
	adjustment	--	--	--	--				
--	6	6							
	Change in	--	--	--	--				
--	(24)	(24)							
	unrealized loss on								
	investment, net of								
	tax								
	Unrealized								
	gain on derivatives,								
	net of tax	--	--	--	--				
--	7	7							
	Total								
179									
	comprehensive								
	income								
	Shares								
	issued for employee								
	benefit plans and								
	other	5,594	--	150	--				
--	--	150							
	Issuance of	1,461	--	70	--				
--	--	70							
	common shares and								
	options for								
	acquisitions								
	Other								
	additional paid in								
	capital	--	--	(5)	--				
--	--	(5)							
	Balance as	461,031	$ 5	$ 4,723	$ --				
$ 931	$ --	$ 5,659							
	of October 31, 2001								

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

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AGILENT TECHNOLOGIES, INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Overview and Basis of Presentation

Agilent Technologies, Inc (Agilent), incorporated in Delaware in May 1999, is a global technology leader in communications, electronics and life sciences Prior to Agilent's initial public offering of 15 9 percent of its stock in November 1999, Agilent was a wholly-owned subsidiary of Hewlett-Packard Company ("HP") HP distributed the remaining 84 1 percent of Agilent's stock to its stockholders on June 2, 2000 in the form of a stock dividend

On August 1, 2001 Agilent completed the sale of its healthcare solutions business to Koninklijke Philips Electronics, N V The results of the healthcare solutions business are presented as discontinued operations for all periods in the consolidated financial statements included herein See Note 3 "Discontinued Operations"

Agilent's fiscal year end is October 31 Unless otherwise stated, all years and dates refer to Agilent's fiscal year

The consolidated 1999 financial information was prepared using HP's historical bases in the assets and liabilities and the historical results of operations of Agilent. Agilent began accumulating retained earnings on November 1, 1999.

2. Summary of Significant Accounting Policies

Basis of presentation. The accompanying financial data has been prepared by Agilent pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") Certain amounts in the consolidated balance sheet, statement of earnings and statement of cash flows for 2000 and 1999 have been reclassified to conform to the presentation in 2001.

Principles of consolidation. The consolidated financial statements include the accounts of Agilent and its wholly- and majority-owned subsidiaries All significant intercompany accounts and transactions have been eliminated

Use of estimates. The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in Agilent's consolidated financial statements and accompanying notes. Actual results could differ from those estimates

Revenue recognition. Revenue from product sales, net of trade discounts and allowances, is recognized once delivery has occurred provided that persuasive evidence of an arrangement exists, the price is fixed or determinable, and collectibility is reasonably assured Delivery is considered to have occurred when title and risk of loss have transferred to the customer For sales that include customer-specified acceptance criteria, revenue is recognized after the acceptance criteria have been met. For products that include installation, revenue for the entire arrangement is recognized once the installation is complete, unless the installation is considered to be a separate element, in which case the revenue relating to installation is deferred Provisions are established for estimated costs that may be incurred for product warranties Revenue from services, including operating leases, is recognized over the contractual period or as services are rendered and accepted by the customer

Shipping and handling costs. Agilent's shipping and handling costs charged to its customers are included in net

revenue and the associated expense is recorded in total costs for all periods presented.

Goodwill and purchased intangible assets Goodwill and purchased intangible assets are carried at cost less accumulated amortization Amortization is computed using the straight-line method over the economic lives of the respective assets, generally three to ten years. Goodwill

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AGILENT TECHNOLOGIES, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS --
(Continued)

resulting from acquisitions completed after June 30, 2001 has not been amortized in accordance with the requirements of Statement of Financial Accounting Standards ("SFAS") No 142, "Goodwill and Other Intangible Assets"

Advertising Advertising costs are expensed as incurred and amounted to $115 million in 2001, $178 million in 2000, and $117 million in 1999

Taxes on earnings Income tax expense is based on earnings before taxes. Deferred tax assets and liabilities are recognized principally for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts. Prior to June 3, 2000, Agilent's operating results were included in HP's consolidated U.S and state income tax returns and in tax returns of certain HP foreign subsidiaries The provision for taxes in Agilent's consolidated financial statements for 1999 was determined on a separate return basis

Net (loss) earnings per share Basic net (loss) earnings per share is computed by dividing net (loss) earnings (numerator) by the weighted average number of common shares outstanding (denominator) during the period excluding the dilutive effect of stock options and other employee stock plans Diluted net (loss) earnings per share gives effect to all potentially dilutive common stock equivalents outstanding during the period In computing diluted net (loss) earnings per share, the average stock price for the period is used in determining the number of shares assumed to be purchased from the proceeds of stock option exercises Diluted net loss per share for 2001 excludes the potentially dilutive effect of common stock equivalents as their effect is antidilutive

Cash and cash equivalents Agilent classifies investments as cash equivalents if their original maturity is three months or less. Cash equivalents are stated at cost, which approximates fair value

Fair value of financial instruments The carrying values of certain of the Company's financial instruments, including cash and cash equivalents, accrued compensation, and other accrued liabilities, approximate fair value because of their short maturities. The fair values of investments are determined using quoted market prices for those securities or similar financial instruments.

Concentration of credit risk Agilent sells the majority of its products through its direct sales force No single customer accounted for 10 percent or more of the combined accounts receivable balance at October 31, 2001 and 2000. Credit risk with respect to accounts receivable is generally diversified due to the large number of entities comprising Agilent's customer base and their dispersion across many different industries and geographies. Agilent performs ongoing credit evaluations of its customers' financial condition, and requires collateral, such as letters of credit and bank guarantees, in certain circumstances

Derivative instruments Agilent enters into foreign exchange contracts, primarily forward contracts and purchased options, to hedge exposures to changes in foreign currency exchange rates These contracts are designated at inception as hedges of the related foreign currency exposures, which include committed and anticipated foreign currency sales and assets and liabilities that are denominated in currencies other than the U S dollar To achieve hedge accounting, contracts must reduce the foreign currency exchange rate risk otherwise inherent in the amount and duration of the hedged exposures and comply with established risk management policies; hedging contracts generally mature within three to six months. Agilent does not use derivative financial instruments for speculative or trading purposes.

When hedging sales-related exposure, foreign exchange contract expirations are set so as to occur in the same month the hedged shipments occur, allowing realized gains and losses on the contracts to be recognized in net revenue in the same periods in which the related revenues are recognized When hedging balance sheet exposure, realized gains and losses on foreign exchange

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contracts are recognized in other income (expense), net in the same period as the realized gains and losses on remeasurement of the foreign currency denominated assets and liabilities occur. The gains and losses, which have not been material, are included in cash flows from operating activities in the consolidated statement of cash flows.

Agilent may also, from time to time, acquire warrants to purchase securities of other companies as part of strategic relationships.

Inventory Inventory is valued at standard cost which approximates actual cost computed on a first-in, first-out basis, not in excess of market value. Property, plant and equipment Property, plant and equipment are stated at cost less accumulated depreciation Additions, improvements and major renewals are capitalized, maintenance, repairs and minor renewals are expensed as incurred. When assets are retired or disposed of, the assets and related accumulated depreciation

and amortization are removed from the accounts and the resulting gain or loss is reflected in operations Depreciation is provided using accelerated methods, principally over fifteen to forty years for buildings and improvements and three to ten years for machinery and equipment, including equipment leased to customers under operating leases Depreciation of leasehold improvements is provided using the straight-line method over the life of the asset or the term of the lease or the asset, whichever is shorter Capitalized software Agilent capitalizes certain internal and external costs incurred to acquire or create internal use software in accordance with Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use" Capitalized software is included in property, plant, and equipment under machinery and equipment and is amortized over its useful life when development is complete Impairment of long-lived assets Agilent continually monitors events and changes in circumstances that could indicate carrying amounts of long-lived assets, including intangible assets, may not be recoverable When such events or changes in circumstances are present, Agilent assesses the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through undiscounted expected future cash flows If the total of the future cash flows is less than the carrying amount of those assets, Agilent recognizes an impairment loss based on the excess of the carrying amount over the fair value of the assets. Foreign currency translation Agilent uses the U S dollar as its functional currency Foreign currency assets and liabilities are remeasured into U.S dollars at current exchange rates except for inventory, property, plant and equipment, other assets and deferred revenue which are remeasured at historical exchange rates / Revenue and expenses are generally translated at average exchange rates in effect during each period, except for those expenses related to balance sheet amounts that are remeasured at historical exchange rates Gains or losses from foreign currency remeasurement are included in consolidated net earnings. The effect of foreign currency exchange rate fluctuations on Agilent's cash and cash equivalents denominated in foreign currencies was not material Recent accounting pronouncements In June 2001, the Financial Accounting Standards Board issued SFAS No. 141, "Business Combination" and SFAS No 142, "Goodwill and Other Intangible Assets" As a result of SFAS No. 141, all acquisitions completed after June 30, 2001 are accounted for using the purchase method of accounting The adoption of SFAS No. 141 had no material impact on Agilent's consolidated financial statements. Agilent plans to adopt SFAS No. 142 in the first quarter of 2003 SFAS No. 142 requires that goodwill resulting from acquisitions completed after June 30, 2001 not be amortized Until Agilent adopts the new standard, Agilent will continue to amortize goodwill existing at June 30, 2001 and to test all goodwill for impairment using the current method, that uses an undiscounted cash flow test After adoption, Agilent will stop amortizing all goodwill 58

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and will begin to test goodwill for impairment pursuant to SFAS No 142, that applies a fair-value-based test Agilent is

assessing the further impacts of SFAS No 142 on its consolidated financial position and results of operations

In August 2001, the Financial Accounting Standards Board issued SFAS No 144, "Accounting for the Impairment or Disposal of Long Lived Assets" which addresses financial accounting and reporting for the impairment and disposal of long-lived assets Agilent will be required to adopt SFAS No 144 no later than fiscal year 2003 Agilent is currently assessing the impact of SFAS No 144 and does not believe that it will have a material impact on its consolidated financial position, results of operations or cash flows.

3 , Discontinued Operations

On August 1, 2001, Agilent completed the sale of its healthcare solutions business to Koninklijke Philips Electronics, N V. ("Philips") pursuant to an Asset Purchase Agreement for a total purchase price of $1 7 billion Philips paid initial proceeds of $1.6 billion to Agilent on August 1, 2001, with further payments to follow pursuant to the terms of the Asset Purchase Agreement dated as of November 17, 2000, as amended and supplemented by the Amendment and Supplemental Agreement, dated as of August 1, 2001 (collectively, the "Asset Purchase Agreement") The total purchase price is subject to adjustment based on the determination of the final purchased net assets and Agilent's performance of certain services for Philips Since August 1, 2001 Agilent has received approximately $80 million of the $100 million purchase price holdback in additional proceeds from Philips. Agilent expects to receive the remaining proceeds in 2002

Agilent's consolidated financial statements reflect its healthcare solutions business as discontinued operations in accordance with Accounting Principles Board Opinion No 30 "Reporting the Results of Operations -- Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions" ("APB 30") The financial position, results of operations and cash flows of Agilent's healthcare solutions business have been classified as discontinued, and prior periods have been restated, including the reallocation of general overhead charges to Agilent's three remaining reporting segments. Agilent recorded an after-tax gain of $646 million as a result of this transaction Agilent does not expect material adjustments to the gain when the determination of the final purchased net assets and the performance of certain services are complete.

The following table shows the results of operations of Agilent's healthcare solutions business.

Years Ended October 31,			
2001(a)	2000	1999	
(In millions)			
			Net revenue $
765	$ 1,412	$ 1,501	
			Costs and expenses
747	1,283	1,182	
			Earnings from discontinued operations 18
129	319		
			Other income (expense), net 3
17	5		
			Earnings from discontinued operations

		before taxes	21
146	324		
		Provision for taxes	15
61	118		
		Net earnings from discontinued operations	$ 6
$ 85	$ 206		

(a) Includes operations from November 1, 2000 to May 31, 2001, the measurement date.

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The following table shows the components of the gain on sale of discontinued operations

2001	
(In millions)	
	Proceeds not subject to contingency
$ 1,771	
	Book value of assets and liabilities sold
(495)	
	Book value of assets and liabilities written
	off
(98)	
	Net loss from operations post-measurement
date	
(58)	
	Costs of disposition
(52)	
	Gain on sale before taxes
1,068	
	Taxes
(422)	
	Gain from sale of discontinued operations,
net $ 646	
	of taxes

The following table shows the component assets and liabilities of Agilent's net investment in discontinued operations

	October 31, 2000 (In millions)
Current assets	$ 516
Property, plant and equipment,	56
net	

Goodwill and other intangible assets, net	90
Other assets	30
Current liabilities	(95)
Net investment in discontinued operations	$ 597

Certain notes to these consolidated financial statements have been restated to reflect Agilent's presentation of discontinued operations Generally, information in the notes has been restated where amounts were included in net earnings from, or net investment in, discontinued operations.

4 Acquisitions and Dispositions

On January 5, 2001, Agilent acquired Objective Systems Integrators, Inc ("OSI") for approximately $716 million. Of this total, $690 million was cash and the remainder represents the fair value of options granted Using the purchase method of accounting, the purchase price was allocated to tangible and intangible assets including goodwill. The original goodwill balance of $593 million is being amortized over 3 years. The net book value of goodwill associated with this acquisition at October 31, 2001 was $432 million. OSI is a leading provider of next-generation operations-support-system software for communications service providers and has become part of Agilent's test and measurement business

In July 1999, HP entered into an agreement with Yokogawa Electric Corporation ("Yokogawa") to acquire Yokogawa's 25 percent equity interest in Agilent Technologies Japan, Ltd. for approximately $521 million In the initial step, which occurred in January 2000, Agilent purchased approximately 10 4 percent of Agilent Technologies Japan, Ltd shares from Yokogawa for approximately $206 million In the second step, which occurred in April 2000, Agilent purchased approximately 10.4 percent of additional Agilent Technologies Japan, Ltd shares from Yokogawa for approximately $216 million In January 2001, Agilent completed its acquisition of Yokogawa's 25 percent equity interest in Agilent Technologies Japan, Ltd by purchasing the remaining 4.2 percent interest for approximately

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$99 million Of the total purchase price, $243 million was allocated to tangible assets and $278 million was attributed to goodwill which is being amortized over 10 years The remaining net book value of goodwill associated with this acquisition was $240 million at October 31, 2001

In addition to the OSI and Yokogawa acquisitions, Agilent acquired several other companies during 2001, 2000, and 1999 which were not significant to its consolidated financial position, results of operations or cash flows These acquisitions

were accounted for under the purchase method of accounting. The results of operations of the acquired companies were included prospectively from the date of acquisition and the acquisition cost was allocated to the acquired tangible and identifiable intangible assets and liabilities based on fair values at the date of acquisition Residual amounts were recorded as goodwill. In-process research and development write-offs have not been significant Goodwill is amortized on a straight-line basis over its estimated economic life, generally three to five years except as noted above.

The net book value of goodwill and other intangible assets was $1 1 billion at October 31, 2001 and $467 million at October 31, 2000

Unaudited pro forma statement of earnings information has not been presented because the effects of these acquisitions were not material on either an individual or an aggregated basis

Dispositions In the fourth quarter of 2000, Agilent entered into an asset purchase agreement with Tyco Capital Corporation ("Tyco Capital") pursuant to which Agilent has sold them substantially all of its leasing portfolio ("Tyco Capital sale") over the course of the last five quarters. The impact on Agilent's consolidated cash flows and results of operations of the lease portfolio sale is shown below

	Year Ended October 31, 2001	Year Ended October 31, 2000
Net proceeds from Tyco Capital sale	$ 287	$ 234
Product revenue	$ 254	$ 197
Cost of products	$ 131	$ 83

Agilent also entered into a vendor financing arrangement with Tyco Capital whereby Tyco Capital will provide equipment financing and leasing services to Agilent's customers on a global basis This agreement has been in place since the fourth quarter of 2000.

In addition to the Tyco Capital sale and the sale of the healthcare solutions business, Agilent sold assets related to portions of its businesses to third parties during 2001, 2000, and 1999 Gross proceeds from these dispositions were $13 million in 2001, immaterial in 2000, and $71 million in 1999 Gains from the dispositions, included in other income (expense), net, in the consolidated statement of earnings, were $9 million in 2001, immaterial in 2000, and $50 million in 1999.

5. Adoption of SAB 101

In December 1999, the U.S Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin No 101, "Revenue Recognition in Financial Statements" ("SAB 101") During the fourth quarter of 2001, Agilent adopted SAB 101 retroactive to the beginning of the fiscal year The cumulative effect of the adoption resulted in a charge to fiscal 2001 net earnings of

$47 million (net of income taxes of $27 million) or $0 10 per basic and diluted share As a result of adopting SAB 101, delivery is considered to have occurred when title and risk of loss have transferred to the customer For the fiscal year ended October 31, 2001, the net impact on 2001 revenues including amounts deferred at October 31, 2001 was an increase of $67 million of revenue and $29 million of cost of

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products which were included in the cumulative effect adjustment The results for the first three quarters of 2001 have been restated in accordance with SAB 101. Pro forma amounts for the periods beginning before November 1, 2000 have not been presented, as the effect of the change could not reasonably be determined.

6 Financial Instruments

Effective November 1, 2000, Agilent adopted SFAS No 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities" SFAS No. 133, as amended, establishes accounting and reporting standards for derivative instruments, and requires that all derivatives be recognized as either assets or liabilities on the balance sheet and carried at fair value Changes in the fair value of the derivative instruments are recognized in earnings or stockholders' equity, depending on the intended use of the instrument

If derivative instruments are designated and qualify as a fair value hedge, changes in value of the derivative are recognized in earnings in the current period, along with the offsetting gain or loss on the hedged item attributable to the hedged risk If derivative instruments are designated and qualify as a cash flow hedge, changes in the value of the effective portion of the derivative instrument are recognized in other comprehensive income, a component of stockholders' equity. These amounts are reclassified and recognized in earnings when either the forecasted transaction occurs or it becomes probable the forecasted transaction will not occur Changes in the fair value of the ineffective portion of derivative instruments are recognized in earnings in the current period Ineffectiveness in 2001 was not significant

Agilent enters into certain foreign exchange contracts, primarily forwards and options, to hedge exposures to changes in foreign currency exchange rates Agilent does not use derivative financial instruments for speculative or trading purposes

Agilent may also, from time to time, invest in warrants to purchase securities of other companies as strategic investments

The adoption of SFAS No 133 on November 1, 2000 resulted in a cumulative pre-tax reduction to income of $41 million ($25 million after tax) and a pre-tax increase in other comprehensive income of $10 million During the year ended October 31, 2001, pre-tax gains of $6 million were recorded in other income from continuing operations related to the value of derivative transactions Pre-tax gains of $1 million were recorded in other comprehensive income during 2001 related to derivative instruments Discontinued operation results for the year ended October 31, 2001 include pre-tax losses of $1 million related to the value of derivative transactions Net deferred gains and losses of $7 million related to hedging activities reported in accumulated comprehensive loss at October 31, 2001 are expected to be reclassified to earnings within 12 months

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7. (Loss) Earnings Per Share

The following is a reconciliation of the numerators and denominators of the basic and diluted net earnings per share computations for the periods presented below

For the Years Ended October 31,		
2001	2000	1999
(In millions, except per share data)		
	Numerator	
	(Loss) earnings from continuing operations	
$ (406)	$ 672	$ 306
	Net earnings from discontinued operations, net of taxes	
6	85	206
	Gain from the sale of discontinued operations, net of taxes	
646	--	--
	Earnings before cumulative effect of changes in accounting principles	
246	757	512
	Cumulative effect of adopting SFAS No 133, net of taxes	
(25)	--	--
	Cumulative effect of adopting SAB 101, net of taxes	
(47)	--	--
	Net earnings	
$ 174	$ 757	$ 512
	Denominators:	
	Basic weighted average shares	
458	449	380
	Potentially dilutive common stock equivalents -- stock options and	

other employee stock plans		
--	6	--
Diluted weighted average shares		
458	455	380

Options to purchase 63 7 million shares of common stock at a weighted average exercise price of $46 per share were outstanding during 2001, but were not included in the computation of diluted net earnings per share because the options were antidilutive for 2001 The options, which expire no later than 2010, were still outstanding at the end of 2001

See Note 19 "Subsequent Events" for a discussion of Agilent's senior convertible debentures, which may be dilutive in 2002

8. Supplemental Cash Flow Information

Cash paid for income taxes in 2001 was $450 million and in 2000 was $546 million No amounts were paid for income taxes in 1999 as HP made such payments on Agilent's behalf Cash paid for interest was $28 million in 2001 and was not material in 2000 and 1999.

Non-cash transactions in 2001 primarily related to the issuance of common stock under various employee stock plans in the amount of $26 million and acquisitions in the amount of $71 million

9 Inventory

	October 31, 2001	2000
	(In millions)	
Finishe goods	$ 400	$ 356
Work in progress	239	340
Raw materials	852	914
	$ 1,491	$ 1,610

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Inventory-related charges of $459 million and $70 million were recorded in total cost of products in 2001 and 2000, respectively

10. Property, Plant and Equipment, Net

October 31,

	2001	2000
	(In millions)	
Land	$ 148	$ 155
Buildings and leasehold improvements	1,767	1,556
Machinery and equipment	2,210	2,109
	4,125	3,820
Accumulated depreciation	(2,277)	(2,135)
	$ 1,848	$ 1,685

Agilent has sold substantially all of its portfolio of operating leases to Tyco Capital See Note 4 "Acquisitions and Dispositions" Equipment under operating leases was $23 million at October 31, 2001 and $201 million at October 31, 2000 and is included in machinery and equipment. Accumulated depreciation related to equipment under operating leases was $4 million at October 31, 2001 and $49 million at October 31, 2000. At October 31, 2001, minimum future rentals on noncancelable operating leases with original terms of one year or longer were not material

11 Taxes on Earnings

The (benefit) provision for income taxes is comprised of:

	Years Ended October 31,		
	2001(a)	2000	1999
	(In millions)		
U S federal taxes from continuing operations			
Current	$ 22	$ 77	$ 63
Deferred	(105)	(42)	(15)
Non-U S taxes from continuing operations			
Current	(38)	310	104
Deferred	20	(18)	3
State taxes from continuing operations, net of federal benefit	(13)	19	2
Total from continuing operations	$ (114)	$ 346	$ 157

(a) The benefit for income taxes on continuing operations in 2001 includes $71 million tax benefit from operations,

$16 million tax benefit from adoption of SFAS No 133 and $27 million tax benefit from adoption of SAB 101.

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The significant components of deferred tax assets, for which no valuation allowance was required, and deferred tax liabilities included on the consolidated balance sheet are

October 31,	2001		2000	
	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets
(In millions)				
Inventory	$ 229	$ 157	$ 7	$ 9
Property, plant and equipment	62	71	5	6
Warranty reserves	30	34	--	--
Retiree medical benefits	54	70	--	--
Other retirement benefits	--	15	54	44
Employee benefits, other than retirement	189	220	22	4
Unremitted earnings of foreign subsidiaries	--	--	160	203
Other	135	110	19	24
	$ 699	$ 677	$ 267	$ 290

The current portion of the net deferred tax asset is $494 million at October 31, 2001 and $304 million at October 31, 2000 and is included in other current assets.

Tax benefits of $11 million in 2001 and $16 million in 2000 associated with the exercise of employee stock options were recognized in stockholders' equity

The differences between the U.S federal statutory income tax rate and Agilent's effective tax rate are·

	Years Ended October 31, 2001	2000	1999
U S federal statutory income tax rate	35 0 %	35 0 %	35 0 %
State income taxes, net of federal benefit	2 2	2 1	0 7
Lower rates in other jurisdictions, net	6 1	(4 0)	(5 6)
Goodwill	(19 8)	2 0	0 4
Other, net	(4 5)	(1 1)	3 5
	19 0 %	34 0 %	34 0 %

The domestic and foreign components of earnings from continuing operations before taxes are

	Years Ended October 31,		
	2001	2000	1999
U.S continuing operations	$ (487)	$ 66	$ 84
Non-U S continuing operations	(105)	952	379
	$ (592)	$ 1,018	$ 463

As a result of certain employment and capital investment actions undertaken by Agilent, income from manufacturing activities in certain countries is subject to reduced tax rates, and in some cases is wholly exempt from taxes, for tax years through 2010 The income tax benefits attributable to the tax status of these subsidiaries are estimated to be $37 million in 2001, $41 million in 2000, and $31 million in 1999

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Agilent has not provided for U.S federal income and foreign withholding taxes on $871 million of non-U S. subsidiaries' undistributed earnings as of October 31, 2001 because such earnings are intended to be reinvested indefinitely Where excess cash has accumulated in Agilent's non-U S subsidiaries and it is advantageous for tax or foreign exchange reasons, subsidiary earnings are remitted

12 Restructuring and Asset Impairment

In 2001, Agilent has taken steps to restructure its businesses as a result of the economic downturn that has impacted many of the markets that Agilent serves. Agilent has announced measures to cut discretionary costs, to reduce the size of its workforce and to reduce the number of sites that Agilent occupies. On August 20, 2001, Agilent announced a plan to reduce its workforce by approximately 4,000, or about nine percent, by the middle of next year The total cost of this plan is estimated to be $175 million, of which $154 million was recognized this fiscal year Of this amount, $79 million was included in cost of products and services, $17 million was included in research and development expenses and $58 million was included in selling, general and administrative expenses. As of October 31, 2001, $65 million in severance benefits had been paid and the remainder of the restructuring liability is expected to be utilized during 2002. In the second half of 2001, Agilent reduced its workforce by approximately 3,000 employees

In June 2001 Agilent recognized a $74 million asset impairment charge with respect to its decision to cancel the development of a software system for Agilent's customer support activities. Agilent has entered into an agreement with HP to extend its use of their legacy customer support systems in place of the one that Agilent was developing The decision to continue the use of HP's systems enabled Agilent to reduce costs at a critical time, minimize disruption to Agilent's customers and businesses and to focus on Agilent's customers' needs

In 1999, Agilent recognized an impairment loss of $51 million related to a building that was under construction to house manufacturing operations for eight-inch CMOS semiconductor wafers At the time construction was stopped, only the building shell was complete, Agilent concluded that the highest fair value to be realized from this building was based on selling it for use as an office or general use facility.

13 Stock Based Compensation

Employee stock purchase plans. Prior to February 2, 2000, virtually all Agilent employees were able to contribute up to ten percent of their base compensation to the quarterly purchase of HP's common stock under the Hewlett-Packard Stock Purchase Plan (the "HP Plan") Under the provisions of the HP Plan, employee contributions to purchase shares were partially matched with shares contributed by HP. These matching shares generally vested over two years After February 2, 2000, Agilent implemented the Agilent Technologies, Inc Employee Stock Purchase Plan (the "Legacy Plan") that was similar to the HP Plan and allowed eligible employees to contribute up to ten percent of their base compensation to the purchase of Agilent common stock Under the provisions of the Legacy Plan, employee contributions were partially matched with shares contributed by Agilent These matching shares also generally vested over two years On June 2, 2000, all unvested matching shares of HP stock held by our employees were forfeited and replaced by Agilent common stock of equivalent value Compensation expense for the matching provision for both the HP Plan and the Legacy Plan was measured using the fair value of shares on the date of purchase by HP for the HP Plan and by Agilent for the Legacy Plan and was recognized by Agilent over the two-year vesting period Compensation expense under both plans was $28 million in 2001, $34 million in 2000 and $39 million in 1999 The amount in 1999 was allocated from HP. At October 31, 2001, 9,802,100

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shares of Agilent common stock had been authorized for issuance under the Legacy Plan and 3,344,371 of these shares had been issued

Effective October 31, 2000, purchases and contributions under the Legacy Plan ceased All unvested matching shares under the Legacy Plan will maintain their original vesting terms based on the employee's continued employment with

Agilent Vesting of these matching shares will be completed no later than October 31, 2002

Effective November 1, 2000, Agilent adopted a new plan, the Agilent Technologies, Inc Employee Stock Purchase Plan (the "Agilent 423(b) Plan") Under the provisions of the Agilent 423(b) Plan, eligible employees may contribute up to 10 percent of their base compensation to purchase shares of Agilent common stock at 85 percent of the lower of the fair market value at the entry date or purchase date as defined by the Agilent 423(b) Plan. As of October 31, 2001, 35,000,000 shares of Agilent common stock were authorized for issuance under the Agilent 423(b) Plan and 1,828,674 of these shares have been issued

Incentive compensation plans Prior to November 1999, certain of Agilent's employees participated in HP's stock-based incentive compensation plans under which they received stock options and other equity based awards On September 17, 1999, Agilent adopted the Agilent Technologies, Inc 1999 Stock Plan (the "Agilent stock plan") and subsequently reserved 67,800,000 shares of Agilent common stock for issuance under the plan Stock options, stock appreciation rights, stock awards and cash awards may be granted under the Agilent stock plan Options granted under the Agilent stock plan may be either "incentive stock options," as defined in section 422 of the Internal Revenue Code, or non-statutory Options generally vest at a rate of 25 percent per year over a period of four years from the date of grant The exercise price for incentive stock options may not be less than 100 percent of the fair market value of the underlying Agilent stock on the date the stock award is granted.

At October 31, 2001, shares registered and available for option and restricted stock grants were 19,918,011 In February 2001, Agilent's shareholders approved an additional 45,000,000 shares to be available for option and restricted stock grants The stock based compensation expense related to Agilent employees' discounted options, stock appreciation rights and restricted stock was $8 million in 2001, $24 million in 2000, and was not material in 1999 The amount for 1999 was allocated from HP.

Effective June 2000, a majority of the HP awards held by Agilent employees were converted to Agilent awards of equivalent value The conversion of HP options into Agilent options was done in such a manner that (1) the aggregate intrinsic value of the options immediately before and after the exchange is the same, (2) the ratio of the exercise price per option to the market value per option is not reduced, and (3) the vesting provisions and options period of the replacement Agilent options are the same as the original vesting terms and option period of the HP options

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The following table summarizes option activity for the years ended October 31, 2001 and 2000·

Shares (000)	Weighted-Average Exercise Price	
--	$ --	Outstanding options as of November 1, 1999
17,667	31	Converted from HP
30,202	59	Granted
(645)	23	Exercised
(1,333)	59	Cancelled
45,891	$ 48	Outstanding as of October 31, 2000
20,758	40	Granted
(1,114)	20	Exercised
(1,879)	72	Cancelled
63,656	$ 46	Outstanding as of October 31, 2001
10,914	$ 26	Options exercisable as of October 31, 2000
$ 48		Fair market value of options granted and converted during fiscal 2000
25,196	$ 40	Options exercisable as of October 31, 2001
$ 45		Fair market value of options granted during fiscal 2001

The following table summarizes information about all options outstanding at October 31, 2001

	Options Exercisable			Options Outstanding	
Range of Exercise Prices	Number Outstanding (000)	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable (000)	Weighted-Average Exercise Price
$0 - 25	5,824	5 6 years	$ 14	4,365	$ 12
$26 - 50	40,032	9 1 years	37	15,593	36
$51 - 75	4,342	9 9 years	61	1,065	62
$76 - 100	13,182	9 4 years	78	4,069	77
$101 and over	276	9 4 years	119	104	119
	63,656		$ 46	25,196	$ 40

Pro forma information. Agilent has elected to follow the accounting provisions of Accounting Principles Board Opinion No 25, "Accounting for Stock Issued to Employees," for stock-based compensation granted to Agilent employees. Accordingly,

compensation expense is recognized only when options are granted with a discounted exercise price Any compensation expense
is recognized ratably over the associated service period, which is generally the option vesting term

Pro forma net earnings and net earnings per share information, as required by SFAS No. 123, "Accounting for
Stock-Based Compensation" (SFAS No. 123), has been determined as if Agilent had accounted for all employee stock options
granted, including shares under the Agilent 423(b) Plan to Agilent employees under SFAS No 123's fair value method The
fair value of these options was

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(Continued)

estimated at grant date using a Black-Scholes option pricing model with the following weighted-average assumptions

2001	2000	1999(1)	
			Risk-free interest rate for options
4 25%	5.75%	5.53%	
			Risk-free interest rate for the Agilent 423(b) Plan
3.68-6 04%	--	--	
			Dividend yield
0%	0%	1 00%	
			Volatility
77%	67%	30%	
			Expected option life
5 5 years	7 years	7 years	
			Expected life for the Agilent 423(b) Plan 6 months-2 years
	--	--	

(1) Assumptions for HP Options for the years 1999

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the
four-year average vesting period of the options. The pro forma effect of recognizing compensation expense in accordance with
SFAS No 123 would have been to reduce Agilent's reported net earnings by $503 million in 2001 and by $281 million in 2000
and $38 million in 1999 Had compensation expense been recorded by Agilent in accordance with SFAS No 123, the effect would
have been to reduce basic net earnings per share by $1.10 and $0 63 in 2001 and 2000, respectively, and diluted net earnings
per share by $1 10 and $0 62 in 2001 and 2000, respectively In comparison, the effect would have been to reduce both basic

and diluted net earnings per share by $0 10 in 1999. These pro forma amounts include amortized fair values attributable to
options granted after October 31, 1995 only, and therefore are not representative of future pro forma amounts. These amounts
were calculated using all options granted to employees across all segments of Agilent's business operations.

14 Retirement Plans and Postretirement Benefits

General Substantially all of Agilent's employees are covered under various Agilent defined benefit and defined
contribution plans. Additionally, Agilent sponsors postretirement health care benefits and a death benefit under the
Survivor Protection Plan to U S employees.

Sale of healthcare solutions business In the United States, employees of the healthcare solutions business ("HSG
employees") were offered a choice of terminating and remaining in the Agilent Retirement Plan or terminating and taking a
distribution from the Agilent Retirement Plan. In the funded status table below, amounts relating to settlements of HSG
employees' benefit obligations are treated as regular plan payments Additionally, eligible HSG employees (i e those who
qualified for retirement on August 1, 2001) were offered an opportunity to elect to receive benefits under the Agilent
Continued Group Medical and SeniorMed Program Generally, outside the United States, subject to local statutory or other
practical limitations, HSG employees' Projected Benefit Obligations -- calculated in accordance with the Asset Purchase
Agreement -- were transferred to Philips along with an equal amount of assets Amounts reported in this footnote reflect
Agilent's continuing operations excluding the healthcare solutions business, except where noted.

Spin-off from HP. On or before June 2, 2000, Agilent assumed responsibility for pension, deferred profit-sharing,
401(k) and other post retirement benefits from HP for current and former employees whose last work assignment prior to the
distribution date was with Agilent. These current and former employees are collectively referred to as "Agilent Employees."
In the U S , the Hewlett-Packard Company Retirement Plan and Deferred Profit-Sharing Plan Master Trust, was converted to the
Group Trust for the Hewlett-Packard Company Deferred Profit-Sharing Plan and Retirement Plan and the Agilent Technologies,
Inc Deferred Profit-Sharing Plan and Retirement Plan 69

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AGILENT TECHNOLOGIES, INC
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(the "Group Trust") and a pro rata share of the assets of the Group Trust were assigned to the Agilent Retirement Plan Trust
and the Agilent Deferred Profit-Sharing Trust. Outside the U.S , generally, a pro rata share of the HP pension assets, if
any, were transferred or otherwise assigned to the Agilent entity in accordance with local law or practice The pro rata
share was in the same proportion as the projected benefit obligation for Agilent Employees was to the total projected
benefit obligation of HP and Agilent combined For all the periods presented, the consolidated financial statements include
the trust assets, liabilities and expenses that were assigned to Agilent.

Pension and deferred profit-sharing plans Worldwide pension and deferred profit-sharing costs included in earnings from continuing operations were $106 million in 2001, $69 million in 2000 and $111 million in 1999 The 1999 amount was an allocation from HP

U.S employees who meet eligibility criteria are provided benefits under Agilent's Retirement Plan ("Retirement Plan") Defined benefits are generally based on an employee's average pay during the final five years of employment and length of service. For eligible service through October 31, 1993, the benefit payable under the defined benefit plan is reduced by any amounts due to the eligible employee under Agilent's fixed and frozen defined contribution deferred profit-sharing plan ("DPSP"), which was closed to new participants in November 1993

The combined status of the Retirement Plan and DPSP for U S. Agilent Employees follows

	October 31, 2001	2000
	(In millions)	
Fair value of plan assets	$ 1,717	$ 2,379
Retirement benefit obligation	$ 1,968	$ 2,309

Eligible employees outside the U S generally receive retirement benefits under various retirement plans based upon factors such as years of service and employee compensation levels Eligibility is generally determined in accordance with local statutory requirements.

Postretirement benefit plans In addition to receiving pension benefits, eligible Agilent Employees may participate in Agilent's Continued Group Medical and SeniorMed Program that provides benefits to U S. retired employees. Substantially all of Agilent's current U.S. employees could become eligible for these benefits, and the existing benefit obligation relates primarily to those employees Once participating in the medical plan, retirees may choose from managed-care and indemnity options, with their contributions dependent on options chosen and length of service.

401(k) defined contribution plan Agilent's U S. eligible employees may participate in the Agilent Technologies, Inc. 401(k) Plan (the "Agilent Savings Accumulation Plan" or "ASAP"), which was established as a supplemental retirement program Assets and liabilities related to Agilent employees were transferred to Agilent by HP effective June 2, 2000. Beginning February 1, 1998, enrollment in TAXCAP/ ASAP became automatic for employees who meet eligibility requirements unless they decline participation Under the ASAP program, Agilent matches contributions by employees up to a maximum of 4 percent of an employee's annual compensation. Prior to November 1, 2000, the maximum combined contribution to the Legacy Plan and ASAP was 25 percent of an employee's annual eligible compensation subject to certain regulatory and plan limitations Beginning November 1, 2000, the maximum contribution to the Agilent 423(b) Plan and ASAP was 10 percent and 20 percent, respectively, of an employee's annual eligible compensation subject to certain regulatory and plan limitations. Agilent's expense included in earnings from continuing operations related to ASAP was $53 million in 2001,

$48 million in 2000 and $44 million in 1999 The 1999 amount was an allocation from HP.

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AGILENT TECHNOLOGIES, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS --
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Components of net periodic cost For the years ended October 31, 2001, 2000 and 1999, net pension and postretirement benefit costs for Agilent are comprised of:

	Pensions						U.S Postretirement Benefit Plans		
	U S Plans			Non-U S. Plans					
	2001	2000	1999	2001	2000	1999	2001	2000	1999
	(In millions)								
Service cost -- benefits earned during the period	$ 87	$ 74	$ 72	$ 44	$ 51	$ 54	$ 13	$ 10	$ 10
Interest cost on benefit obligation	41	35	25	42	39	38	24	18	14
Expected return on plan assets	(56)	(51)	(30)	(59)	(58)	(57)	(36)	(33)	(17)
Amortization and deferrals									
Actuarial (gain) loss	(10)	(12)	3	6	(1)	(4)	(18)	(10)	(6)
Transition obligation (asset)	--	(3)	(3)	--	--	--	--	--	--
Prior service cost	1	2	2	1	1	1	--	(4)	(3)
Net plan costs	$ 63	$ 45	$ 69	$ 34	$ 32	$ 32	$ (17)	$ (19)	$ (2)
Curtailment gain	(28)	--	--	(4)	--	--	(7)	--	--
Settlement loss	1	--	--	21	--	--	--	--	--

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	U S Defined Benefit Plans		Non-U S Defined Benefit Plans		U S Postretirement Benefit Plans	
	2001	2000	2001	2000	2001	2000
(In millions)						
Amounts recognized in the consolidated balance sheet consist of:						
Prepaid (accrued) defined benefit plan costs	$ (114)	$ (80)	$ 107	$ 86	--	--
Prepaid defined benefit plan costs allocated to discontinued operations	--	--	--	$ 9	--	--
(Accrued) post retirement benefits costs	--	--	--	--	$ (168)	$ (192)
Net prepaid (accrued) costs**	$ (114)	$ (80)	$ 107	$ 95	$ (168)	$ (192)

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* Amortized over periods ranging from 10 to 22 years

** The asset and pension obligation amounts that will be transferred to Philips for the sale of Agilent's healthcare solutions business are subject to final adjustment. The final amounts to be transferred to Philips are not expected to be materially different from the estimated amounts.

Plan assets consist primarily of listed stocks and bonds.

Defined benefit plans whose benefit obligations are in excess of the fair value of the plan assets are·

	U S. Defined Benefit Plans October 31,		Non-U S. Defined Benefit Plans October 31,	
	2001	2000	2001	2000
(In millions)				
Aggregate benefit obligation	$ (702)	$ (50)	$ (579)	$ (541)
Aggregate fair value of plan assets	$ 451	--	$ 483	$ 506

The non-current portion of the liability for retirement and post retirement benefits plans is included in other liabilities and totaled $169 million at October 31, 2001 and $221 million at October 31, 2000

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AGILENT TECHNOLOGIES, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS --
(Continued)

Assumptions The assumptions used to measure the benefit obligations and to compute the expected long-term return on assets for Agilent's defined benefit and postretirement benefit plans are:

Years Ended October 31,			
2000	1999		2001
		U.S defined benefit plans	
		Discount rate	
7.0 %	7.5 %	7 25 %	
		Average increase in compensation levels	
5 5 %	6.0 %	5 0 %	
		Expected long-term return on assets	
9 0 %	9.0 %	9 0 %	
		Non-U.S. defined benefit plans:	
		Discount rate	2.5 -
6 5 %	3 0 - 6 5 %	3.3 - 6.0 %	
		Average increase in compensation levels	3.5 -
5.5 %	3 5 - 5 5 %	3 5 - 5.3 %	
		Expected long-term return on assets	6 5 -
8 5 %	6 1 - 8 5 %	6 1 - 8 5 %	
		U S postretirement benefits plans·	
		Discount rate	
7 0 %	7.5 %	7 25 %	
		Expected long-term return on assets	
9 0 %	9.0 %	9 0 %	
		Current medical cost trend rate	
7 75 %	7.75 %	8 2 %	
		Ultimate medical cost trend rate	
5 5 %	5.5 %	5 5 %	
		Medical cost trend rate decreases to ultimate	
2007	2007	2007	
	rate in year		

Assumed health care trend rates could have a significant effect on the amounts reported for health care plans A one-percentage point change in the assumed health care cost trend rates for the year ended October 31, 2001 would have the following effects.

Percentage Increase	1 Percentage Point Decrease	1 Point

(In millions)

		Effect on total service and interest cost	$
9	$	(7)	
		components	
		Effect on postretirement benefit	$
69	$	(54)	
		obligations	

15. Notes Payable and Short-term Borrowings

Notes payable and short-term borrowings. Notes payable and short-term borrowings as of October 31, 2001 consisted of notes payable to banks of $4 million and the current portion of capitalized leases of $2 million dollars. The average interest rate for the notes payable to banks was 9.0 percent For 2000, notes payable and short-term borrowings consisted of notes payable to banks of $106 million and other short-term debt of $4 million dollars

Lines of Credit. Agilent has two revolving credit facilities with no outstanding balances at the end of 2001. Those facilities are a $250 million facility that terminates on November 5, 2005 and a 364-day $250 million facility that terminated on November 2, 2001 In November 2001, Agilent extended the latter facility to November 1, 2002 See Note 19 "Subsequent Events" for changes to debt arrangements after October 31, 2001 In addition to these committed facilities, Agilent has access to uncommitted credit lines through its banking partners.

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AGILENT TECHNOLOGIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS --
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16 Commitments

Operating Lease Commitments: Agilent leases certain real and personal property from unrelated third parties under non-cancelable operating leases Future minimum lease payments under leases at October 31, 2001 were $98 million for 2002, $86 million for 2003, $63 million for 2004, $52 million for 2005, $40 million for 2006 and $105 million thereafter. Certain leases require Agilent to pay property taxes, insurance and routine maintenance, and include escalation clauses. Rent expense was $100 million in 2001, $69 million in 2000 and $102 million in 1999

17. Contingencies

Agilent is involved in lawsuits, claims, investigations and proceedings, including patent, commercial and environmental matters that arise in the ordinary course of business. There are no such matters pending that Agilent expects to be material in relation to its business, consolidated financial condition, results of operations or cash flows

18 Segment Information

Description of segments Agilent is a diversified technology company that provides enabling solutions to customers in high growth markets within the communications, electronics, and life science industries The results of our healthcare solutions business, previously reported as a segment, are disclosed in Note 3 "Discontinued Operations" above

Agilent organizes its business operations into three major groups -- test and measurement, semiconductor products, and chemical analysis, each of which comprises a reportable segment The segments were determined based primarily on how management views and evaluates Agilent's operations Other factors, including customer base, homogeneity of products, technology and delivery channels, were also considered in determining Agilent's reportable segments

Agilent includes the following businesses

- test and measurement, which provides test instruments, standard and customized test, measurement and monitoring instruments and systems for the design, manufacture and support of electronics and communications devices, and software for the design of high-frequency electronic and communications devices and networks The test and measurement business includes operating segments that have been aggregated based on the similarity of the nature of their products and services, their production processes, their class of customers, their distribution methods and their economic characteristics;
- semiconductor products, which provides fiber optic communications devices and assemblies, components and integrated circuits for wireless, networking, computing and printing applications, image sensors and general-purpose opto-electronic components, and
- chemical analysis, which provides analytical instruments, systems and services for chromatography, spectroscopy, bio-instrumentation and consumables.

Segment revenue and profit. The accounting policies used to derive reportable segment results are generally the same as those described in Note 2, "Summary of Significant Accounting Policies." In 2000 and 1999, internal revenue and earnings from continuing operations include transactions between segments that are intended to reflect an arm's length transfer at the best price available for comparable external customers.

A significant portion of the segments' expenses arise from shared services and infrastructure that Agilent (HP for 1999) has historically provided to the segments in order to realize economies of

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AGILENT TECHNOLOGIES, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS --
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scale and to efficiently use resources. These expenses include costs of centralized research and development, legal, accounting, employee benefits, real estate, insurance services, information technology services, treasury and other Agilent corporate (HP in 1999) infrastructure costs These expenses are allocated to the segments and the allocations have been determined on a basis that Agilent considered to be a reasonable reflection of the utilization of services provided to or benefits received by the segments A different result could be arrived at for any segment if costs were specifically identified to each segment

In 2001, Agilent's management changed its measure of the profitability of each of the business segments to exclude goodwill and other intangible amortization and certain non-recurring items included within "Corporate and Other " Agilent also changed its definition of segment assets to include all assets, including an allocation of assets previously held at corporate Information provided in respect of prior periods has been restated to reflect these changes

The following tables reflect the results of Agilent's reportable segments under Agilent's management reporting system These results are not necessarily a depiction that is in conformity with accounting principles generally accepted in the United States of America The performance of each segment is measured based on several metrics, including (loss) earnings from operations. These results are used, in part, by management, in evaluating the performance of, and in allocating resources to, each of the segments

	Test and Measurement	Semiconductor Products	Chemical Analysis	Total Segments
		(In millions)		
Year Ended October 31, 2001				
Total net revenue	$ 5,432	$ 1,850	$ 1,114	$ 8,396
Depreciation expense	$ 198	$ 149	$ 33	$ 380
(Loss) earnings from continuing operations	$ (141)	$ (183)	$ 118	$ (206)
Year Ended October 31, 2000				
External revenue	$ 6,108	$ 2,213	$ 1,040	$ 9,361
Internal revenue	--	51	--	51
Total net revenue	$ 6,108	$ 2,264	$ 1,040	$ 9,412
Depreciation expense	$ 184	$ 171	$ 34	$ 389
Earnings from continuing operations	$ 706	$ 248	$ 41	$ 995
Year Ended October 31, 1999				
External revenue	$ 4,082	$ 1,722	$ 1,026	$ 6,830
Internal revenue	4	40	--	44
Total net revenue	$ 4,086	$ 1,762	$ 1,026	$ 6,874
Depreciation expense	$ 202	$ 177	$ 38	$ 417
Earnings from continuing operations	$ 210	$ 166	$ 120	$ 496

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AGILENT TECHNOLOGIES, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS --
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Reconciliation to Agilent, as Reported

Years Ended October 31,

2001	2000	1999
(In millions)		
		Net revenue from continuing operations
		Total reportable segments
$ 8,396	$ 9,412	$ 6,874
		Elimination of internal revenue
--	(51)	(44)
		Total net revenue, as reported
$ 8,396	$ 9,361	$ 6,830
		(Loss) earnings from continuing operations before taxes:
		Total reportable segments' earnings from operations
$ (206)	$ 995	$ 496
		Total amortization of goodwill and other non-operational one-time items
(572)	(71)	(74)
		Other income (expense), net
301	94	41
		Total (loss) earnings from continuing operations before taxes, as reported
$ (477)	$ 1,018	$ 463
		Depreciation and amortization expense:
		Total reportable segments depreciation
$ 380	$ 389	$ 417
		Corporate amortization expense
354	71	23
		Total depreciation and amortization expense, as reported
$ 734	$ 460	$ 440

Major Customers No customer represented 10 percent or more of Agilent's total net revenue in 2001 or 2000 In 1999 HP accounted for approximately 12 percent of Agilent's total net revenue The equity investment totals disclosed for each segment represent equity method investments directly managed by the segment

	Test and Measurement	Semiconductor Products	Chemical Analysis	Total Segments
		(In millions)		
As of October 31, 2001				
Assets	$ 5,310	$ 1,714	$ 962	$ 7,986
Capital expenditures	495	304	82	881
Investment in equity-method investees	21	14	0	35
As of October 31, 2000				
Assets	$ 4,924	$ 1,904	$ 804	$ 7,632
Capital expenditures	553	203	47	803
Investment in equity-method investees	16	46	20	82
As of October 31, 1999				
Assets	$ 2,906	$ 1,098	$ 601	$ 4,605
Capital expenditures	281	119	29	429
Investment in equity-method investees	13	15	12	40

Total segment assets at October 31, 2000 excluded $698 million of assets allocated to the healthcare solutions business which were determined under Agilent's management reporting system

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AGILENT TECHNOLOGIES, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS --
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Net investment in discontinued operations at October 31, 2000 of $597 million was determined using accounting principles
generally accepted in the United States of America

Geographic Information

	United States	Japan	Rest of the World	Total
(In millions)				
Net revenue (based on location of customer)				
Year ended October 31, 2001	$ 3,373	$ 1,083	$ 3,940	$ 8,396
Year ended October 31, 2000	3,992	1,032	4,337	9,361
Year ended October 31, 1999	2,912	759	3,159	6,830
Long-lived assets (all non-current assets).				
October 31, 2001	$ 1,796	$ 539	$ 852	$ 3,187
October 31, 2000	1,316	356	922	2,594
October 31, 1999	878	237	614	1,729

19 Subsequent Events

On November 15, 2001, Agilent announced that it would eliminate an additional 4,000 jobs, which is approximately
10 percent of its workforce by the middle of 2002.

On November 19, 2001, Agilent's revolving credit agreements were amended Among other changes, the financial covenants
were changed to limit the amount of debt that the company can have relative to the sum of shareholders' equity and debt, to
limit the amount of cash used for future acquisitions and to require certain minimum amounts of earnings before interest,
tax, depreciation and amortization on a rolling four-quarter basis

On November 27, 2001, Agilent announced the closing of a private offering of $1 15 billion aggregate principal amount
of 3 percent senior convertible debentures due 2021 Agilent intends to use the net proceeds of the offering for working
capital and general corporate purposes and to fund potential acquisitions and restructuring costs The debentures are
convertible into Agilent's common stock at a conversion price of $32 22 per share. Consequently Agilent's future diluted
earnings per share may be reduced The debentures are redeemable at Agilent's option beginning in December 2004, and holders
of the debentures have the ability to require Agilent to repurchase the debentures, in whole or in part, on specified dates
in 2006, 2011 and 2016

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QUARTERLY SUMMARY

Three Months Ended

April 30	July 31	October 31	January 31
(In millions, except per share amounts)			
(Unaudited)			
2001			
Net revenue			
As reported			$ 2,548
$ 2,382	$ 1,806	$ 1,606	
Impact of SAB 101 adjustment			17
24	13	N/A	
			$ 2,565
$ 2,406	$ 1,819	$ 1,606	
Total costs			
As reported			$ 1,277
$ 1,406	$ 1,146	$ 1,317	
Impact of SAB 101 adjustment			7
11	2	N/A	
			$ 1,284
$ 1,417	$ 1,148	$ 1,317	
Earnings (loss) from operations			
As reported			$ 284
$ (62)	$ (342)	$ (692)	
Impact of SAB 101 adjustment			10
13	11	N/A	
			$ 294
$ (49)	$ (331)	$ (692)	
Earnings (loss) from continuing operations			
As reported			$ 181
$ 83	$ (214)	$ (449)	
Impact of SAB 101 adjustment			(7)
6	(6)	N/A	
			$ 174
$ 89	$ (220)	$ (449)	
Net earnings (loss) from discontinued operations			(2)
13	(5)	--	
Gain from sale of discontinued operations, net of taxes			--
--	--	646	
(Loss) earnings from operations before cumulative effect of changes in accounting principles			172
102	(225)	197	
Cumulative effect of adopting SFAS No 133, net of taxes			(25)
--	--	--	
Cumulative effect of adopting SAB 101, net of taxes			(47)
--	--	--	
Net earnings (loss)			$ 100
$ 102	$ (225)	$ 197	
Net earnings per share -- Basic			
Earnings (loss) from continuing operations			
As reported			$ 0.39
$ 0 18	$ (0 47)	$ (0 98)	

		Impact of SAB 101 adjustment		(0.01)
0 01	(0 01)	N/A		
				0 38
0 19	(0.48)	(0 98)		
		Net earnings (loss) from discontinued operations		--
0 03	(0 01)	--		
		Gain from sale of discontinued operations, net of		--
--	--	1 41		
		taxes		
		Cumulative effect of adopting SFAS No 133, net		
		of taxes		(0.06)
--	--	--		
		Cumulative effect of adopting SAB 101, net of		(0 10)
--	--	--		
		taxes		
		Net earnings (loss)	$	0 22
$ 0 22	$ (0 49)	$ 0 43		
		Net earnings per share -- Diluted		
		Earnings (loss) from continuing operations		
		As reported	$	0 38
$ 0 18	$ (0 47)	$ (0.98)		
		Impact of SAB 101 adjustment		(0.01)
0.01	(0.01)	N/A		
				0 37
0.19	(0 48)	(0 98)		

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized

AGILENT TECHNOLOGIES, INC

BY /s/ D CRAIG NORDLUND

D Craig Nordlund
Senior Vice President,
General Counsel and Secretary

Date: January 22, 2002

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints D. Craig

Nordlund and Marie Oh Huber, or either of them, his or her attorneys-in-fact, for such person in any and all capacities, to
sign any amendments to this report and to file the same, with exhibits thereto, and other documents in connection therewith,
with the Securities and Exchange Commission, hereby ratifying and confirming all that either of said attorneys-in-fact, or
substitute or substitutes, may do or cause to be done by virtue hereof Pursuant to the requirements of the Securities
Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the
capacities and on the dates indicated

Signature	Title	Date
/s/ EDWARD W BARNHOLT Edward W Barnholt	President, Chief Executive Officer and Director (Principal Executive Officer)	1/22/02
Gerald Grinstein	Non-Executive Chairman of the Board of Directors	
/s/ ADRIAN T DILLON Adrian T Dillon	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	1/22/02
/s/ DOROTHY D HAYES Dorothy D Hayes	Vice President and Controller (Principal Accounting Officer)	1/22/02
/s/ JAMES CULLEN James Cullen	Director	1/22/02
/s/ THOMAS E EVERHART Thomas E Everhart	Director	1/22/02
/s/ ROBERT J HERBOLD Robert J Herbold	Director	1/22/02

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Signature	Title	Date
/s/ WALTER B. HEWLETT Walter B Hewlett	Director	1/22/02
/s/ HEIDI KUNZ Heidi Kunz	Director	1/22/02
/s/ DAVID M LAWRENCE, M D David M. Lawrence, M D	Director	1/22/02
/s/ A. BARRY RAND A Barry Rand	Director	1/22/02

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AGILENT TECHNOLOGIES INC

EXHIBIT INDEX

Exhibit Number	Description
1	Not applicable
2 1	Master Separation and Distribution Agreement between Hewlett-Packard and the Company effective as of August 12, 1999 Incorporated by reference from Exhibit 2 1 of the Company's Registration Statement on Form S-1, Registration No 333-85249 ("S-1").
2 2	General Assignment and Assumption Agreement between Hewlett-Packard and the Company Incorporated by reference from Exhibit 2 2 of the Company's S-1
2 3	Master Technology Ownership and License Agreement between Hewlett-Packard and the Company Incorporated by reference from Exhibit 2 3 of the Company's S-1.
2 4	Master Patent Ownership and License Agreement between Hewlett-Packard and the Company Incorporated by reference from Exhibit 2 4 of the Company's S-1
2.5	Master Trademark Ownership and License Agreement between Hewlett-Packard and the Company Incorporated by reference from Exhibit 2 5 of the Company's S-1
2.6	ICBD Technology Ownership and License Agreement between Hewlett-Packard and the Company Incorporated by reference from Exhibit 2.6 of the Company's S-1.
2 7	Employee Matters Agreement between Hewlett-Packard and the Company Incorporated by reference from Exhibit 2 7 of the Company's S-1.
2 8	Tax Sharing Agreement between Hewlett-Packard and the Company Incorporated by reference from Exhibit 2.8 of the Company's S-1
2.9	Master IT Service Level Agreement between Hewlett-Packard and the Company Incorporated by reference from Exhibit 2.9 of the Company's S-1
2 10	Real Estate Matters Agreement between Hewlett-Packard and the Company. Incorporated by reference from Exhibit 2 10 of the Company's S-1
2 11	Environmental Matters Agreement between Hewlett-Packard and the Company Incorporated by reference from Exhibit 2 11 of the Company's S-1.
2 12	Master Confidential Disclosure Agreement between Hewlett-Packard and the Company Incorporated by reference from Exhibit 2 12 of the Company's S-1.
2 13	Indemnification and Insurance Matters Agreement between Hewlett-Packard and the Company Incorporated by reference from Exhibit 2.13 of the Company's S-1
2 14	Non U S Plan Incorporated by reference from Exhibit 2 14 of the Company's S-1.
2 15	Agreement and Plan of Merger, dated as of November 24, 2000, by and among Agilent Technologies, Inc., Tahoe Acquisition Corp and Objective Systems Integrators, Inc Incorporated by reference from Exhibit 99 1(A) of the Schedule 13D filed by Agilent Technologies, Inc on December 4, 2000
2 16	Tender and Voting Agreement, dated as of November 24, 2000, by and among Agilent Technologies, Inc., Tahoe Acquisition Corp. and Objective Systems Integrators, Inc Incorporated by reference from Exhibit 99 1(B) of the Schedule 13D filed by Agilent Technologies, Inc. on December 4, 2000.
2.17	Asset Purchase Agreement between the Company and Philips dated as of November 17, 2000 Incorporated by reference from Exhibit 2 17 of the Company's 10-Q filed on March 19, 2001.
2 18	Amendment and Supplemental Agreement dated as of August 1, 2001 between Agilent Technologies, Inc. and Koninklijke Philips Electronics N V. Incorporated by reference from Exhibit 2 2 of the Company's Form 8-K filed August 15, 2001.

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Exhibit Number	Description
2 19	Master Service Level Agreement dated as of August 1, 2001 between Agilent Technologies, Inc and Koninklijke Philips Electronics N V Incorporated by reference from Exhibit 2 3 of the Company's Form 8-K filed August 15, 2001.
3.1	Amended and Restated Certificate of Incorporation Incorporated by reference from Exhibit 3.1 of the Company's S-1
3 2	Bylaws Incorporated by reference from Exhibit 3 2 of the Company's S-1.
4 1	Preferred Stock Rights Agreement between the Company and Harris Trust and Savings Bank dated as of May 12, 2000. Incorporated by reference from Exhibit 1 of the Company's Form 8-A, filed on May 17, 2000
5-8	Not applicable
9.	None
10 1	Agilent Technologies, Inc Employee Stock Purchase Plan Incorporated by reference from Exhibit 10 1 of the Company's S-1.*
10 2	Agilent Technologies, Inc 1999 Stock Plan. Incorporated by reference from Exhibit 10.2 of the Company's S-1.*
10 3	1999 Non-Employee Director Stock Plan Incorporated by reference from Exhibit 10.3 of the Company's S-1 *
10.4	Yokogawa Electric Corporation and Hewlett-Packard Company Agreement for the Redemption and Sale of Shares and Termination of Joint Venture Relationship Incorporated by reference from Exhibit 10.4 of the Company's S-1.
10 5	Form of Indemnification Agreement entered into by the Company with each of its directors and executive officers Incorporated by reference from Exhibit 10 5 of the Company's S-1 *
10 6	Agilent Technologies, Inc. Executive Deferred Compensation Plan Incorporated by reference from Exhibit 10.6 of the Company's Form 10-K filed January 25, 2000 *
10 7	Agilent Technologies, Inc. Excess Benefit Retirement Plan *
10 8	Five Year Credit Agreement dated as of November 5, 1999 Incorporated by reference from Exhibit 2 15 of the Company's S-1
10 9	Amended and Restated 364-Day Credit Agreement dated November 3, 2000. Incorporated by reference from Exhibit (d)(11) of the Company's Form SC TO-T/A as filed with the Commission on January 3, 2001
10 10	Asset Purchase Agreement, dated September 29, 2000, between Agilent Technologies, Inc. and The CIT Group/ Equipment Financing, Inc. Incorporated by reference from Exhibit 10.10 of the Company's 10-Q filed on March 19, 2001
10 11	Purchase and Sale Agreement dated February 1, 2001, between Agilent Technologies, Inc and BEA Systems, Inc. Incorporated by reference from Exhibit 10 11 of the Company's Form 10-Q filed on June 16, 2001
10.12	Agilent Technologies, Inc. Employee Stock Purchase Plan. Incorporated by reference from Exhibit 4 1 of the Company's Form S-8 filed September 29, 2000.*

10 13 Agilent Technologies, Inc 1999 Stock Plan (restatement, effective September 17, 2001) *
10.14 Agilent Technologies, Inc Deferred Compensation Plan (amended and restated as of November 1, 2001) *
11.1 See Note 7 in Notes to Condensed Consolidated Financial Statements on page 63
12-15 Not applicable
16 None
17 Not applicable
18 None
19-20 Not applicable

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Exhibit Number	Description
21.1	Subsidiaries of Agilent Technologies, Inc as of October 31, 2001
22.	None
23 1	Consent of Independent Accountants
24 1	Powers of Attorney Contained in the signature page of this Annual Report on Form 10-K
25-26	Not applicable.
27-98	Not applicable
99.	None

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* Indicates management contract or compensatory plan, contract or arrangement

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AGILENT TECHNOLOGIES, INC.

EXCESS BENEFIT RETIREMENT PLAN

SECTION 1 ESTABLISHMENT AND PURPOSE OF PLAN

On the Distribution Date, Hewlett-Packard Company distributed to its shareholders its interest in the Company. In connection with this transaction,

the Agilent Technologies, Inc Excess Benefit Retirement Plan was established effective as of May 1, 2000 as a spin-off of the portion of the liabilities of the Hewlett-Packard Company Excess Benefit Retirement Plan attributable to Participants in this Plan. On and after May 1, 2000, all Participant's Plan Benefits shall be payable from this Plan rather than the Hewlett-Packard Company Excess Benefit Retirement Plan

The Plan is intended to provide supplemental retirement benefits to certain management and highly compensated employees equal to those benefits that are limited under the Deferred Profit Sharing Plan and/or Retirement Plan because of the limitations on contributions and benefits imposed by Section 415 of the Internal Revenue Code of 1986 (the "Code") and the limitation on compensation imposed by Section 401(a)(17) of the Code This Plan is intended to be an unfunded excess benefit plan under Sections 3(36) and 4(b)(5) of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan is also intended to be a plan which is

unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees under Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA The Company retains the right, as provided in Section 8, to amend or terminate the Plan at any time The Plan is administered by the Compensation Committee of the Board of Directors of the Company, as provided in Section 7.

SECTION 2 DEFINITIONS

Certain capitalized words and phrases used in the text of the Plan shall have the meaning attributed to them in the DPSP or RP or the following meaning unless the text further specifies the meaning or from the context it clearly appears otherwise·

(a) "Actual DPSP Account" means the amount in the separate account established for each Participant under the DPSP

(b) "Actual RP Benefit" means the benefit in fact determined under the RP as of the date when benefits are to be paid under the DPSP or RP.

(c) "Committee" means the Compensation Committee of the Board of Directors of the Company, provided, that for purposes of Sections 5(b) and 9, with respect to any Participant other than a Participant who is an executive officer as defined under the Securities Exchange Act of 1934 and the regulations thereunder, Committee means the Executive Committee of the Board of Directors of the Company

(d) "Distribution Date" means the date the Company is no longer a member of the Hewlett-Packard Company controlled group of corporations (within the meaning of section 1563(a) of the Code)

(e) "DPSP" or "Deferred Profit Sharing Plan" means the Agilent Technologies, Inc Deferred Profit Sharing Plan adopted and effective as of May 1, 2000, and as it may be amended from time to time

(f) "Participant" means any individual entitled to a Virtual DPSP Account under Section 4 or a Virtual Retirement Benefit under Section 5

(g) "Plan" means the Agilent Technologies, Inc. Excess Benefit Retirement Plan, as described herein and as it may be amended from time to time

(h) "RP" or "Retirement Plan" means the Agilent Technologies, Inc. Retirement Plan adopted and effective as of May 1, 2000, and as it may be

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amended from time to time.

(i) "Virtual DPSP Account" means a bookkeeping account established under Section 4 to which is credited all investment earnings as provided in Section 4

(j) "Virtual Retirement Benefit" means the benefit payable to a Participant or Beneficiary determined under Section 5.

(k) "Virtual RP Benefit" means the benefit determined under the RP based on the Annuity Value of the Actual DPSP Account, if applicable, but otherwise without regard to the limitations of Section 415 or Section 401(a)(17) of the Code

SECTION 3 ELIGIBILITY AND PARTICIPATION

(a) General Rule Any individual who is participating in the DPSP and/or the RP and who by reason of the limitations of Section 415 or Section 401(a)(17) of the Code is unable to receive the formula contributions or benefits otherwise provided under the DPSP and/or RP shall automatically be a Participant in this Plan

(b) Termination of Participation. An individual shall cease to be a Participant as of the date he or she ceases to be an Employee, unless the individual is entitled to benefits hereunder, in which event his or her status as a Participant shall terminate on the earlier of the date of his or her death or the date no further amount is payable to the individual hereunder

SECTION 4 VIRTUAL DPSP ACCOUNTS

A separate account, called a "Virtual DPSP Account," shall be maintained by the Committee for each Participant The value of the Virtual DPSP Account as of May 1, 2000 shall equal the value of the Virtual DPSP Account each Participant had under the Hewlett-Packard Company Excess Benefit Retirement Plan on the business day preceding May 1, 2000 As of the last day of each Plan Year, or in the case of an Employee whose employment by the Affiliated Group has terminated and who has made claim for benefits under the DPSP, as of the Employee's Valuation Date (if other than the last day of the Plan Year), each Virtual DPSP Account shall be revalued For purposes of valuation, the Virtual DPSP Account shall be deemed invested as the assets of the DPSP

SECTION 5. VIRTUAL RETIREMENT BENEFIT

(a) Determination of Benefit The benefits payable under this Plan shall be determined as of the date when benefits are to be paid under the DPSP or RP. As of that date the Committee shall determine the Virtual RP Benefit and the Actual RP Benefit. As of the same date the Committee shall determine the Annuity Value of the Virtual DPSP Account, if any, in the same manner as the Annuity Value of the Actual DPSP Account, if any, is determined under the RP The benefit payable under this Plan, if any, shall equal:

(i) The greater of the Virtual RP Benefit or the Annuity Value of the Virtual DPSP Account, less

(ii) The Actual RP Benefit

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The benefit determined pursuant to the immediately preceding sentence shall be known as the Virtual Retirement Benefit

(b) Form and Time of Payment The Participant's Virtual Retirement Benefit shall be converted to a lump sum benefit as of the date the Participant's DPSP or RP benefit is to be paid. The conversion shall be based on the same actuarial factors that would be used to convert an RP benefit from an annuity to a lump sum at the time of the conversion Thereafter, the unpaid portion of such lump sum Virtual Retirement Benefit shall be credited with earnings (i) through May 31, 2000 as if it were a benefit invested in Fund B and (ii) on and after June 1, 2000, as if it were a benefit invested in Fund A under the DPSP, until it is paid out to the Participant under this Plan as set forth below in this Section 5(b)

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Benefits are payable under this Plan in the form of a lump sum or annual installments at such time or times as the Committee shall determine in its sole discretion, subject to the following limitations

(i) If benefits are payable under the DPSP, no benefits shall be payable under this Plan until benefits are to be paid under the DPSP,

(ii) The Committee may change the date a payment is to be made at any time before the date of the scheduled payment,

(iii) Any annual installments shall be payable in January of the particular year,

(iv) No lump sum may be payable later than January of the calendar year following the later of (A) the calendar year in which the Participant attains (or would have attained) age 70-1/2, or (B) the calendar year in which the Participant's employment by the Company terminates; provided, that the Committee may allow the unpaid balance to be paid in a lump sum after annual installment payments have commenced,

(v) Annual installments must be 15 or fewer in number and commence no later than January of the calendar year following the later of (A) the calendar year in which the Participant attains (or would have attained) age 70-1/2, or (B) the calendar year in which the Participant's employment by the Company terminates,

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(vi) The amount of each annual installment shall be determined by dividing the unpaid balance as of the last day of the prior Plan Year by the sum of the annual payments remaining to be made, and

(vii) If at the time the Virtual Retirement Benefit is first determined under this Section 5 the lump sum equivalent of such benefit does not exceed one hundred fifty thousand dollars ($150,000 00), benefits shall be payable under this Plan as soon as administratively practicable after

the date the Virtual Retirement Benefit is first determined and only in the form of a lump sum

If the Committee has not otherwise determined, benefits shall be payable in 15 annual installments commencing in January of the calendar year following the later of (A) the calendar year in which the Participant attains (or would have attained) age 70-1/2, or (B) the calendar year in which the Participant's employment by the Company terminates

In administering these payment provisions of the Plan, the Committee may allow Participants to elect the form and time of payment that they desire consistent with these rules, and the Committee may establish guidelines for its own use in determining what elections made pursuant to these rules shall be disapproved However, such Participant elections and Committee guidelines shall not in any way limit the Committee's sole discretion to determine the form and time of payment of a Participant's Virtual Retirement Benefit consistent with the rules set forth in this Section 5(b) of the Plan.

(c) Death of Participant If a Participant dies, without regard to whether he or she is employed by any member of the Affiliated Group at the time of death, his or her Beneficiary shall be the individual (or individuals) designated on the form prescribed by the Committee (or, in the absence of such a designation, his or her Beneficiary under the DPSP, or, in the absence of a DPSP benefit, his or her Beneficiary under the RP) Such Beneficiary shall be entitled to the unpaid portion (if any) of the Virtual Retirement Benefit determined under Section 5(a). The Beneficiary shall be subject to the rules of form and time of payment established under Section 5(b)

SECTION 6 FUNDING POLICY AND METHOD

Benefits and administrative expenses shall be paid as needed solely from the general assets of the Company This Plan shall be unfunded within the meaning of Section 4(b)(5) of ERISA. No contributions are required or permitted from any Participant

SECTION 7 ADMINISTRATION

The Plan shall be administered by the Committee No member of the Committee shall become a Participant in the Plan The Committee shall make such rules, interpretations and computations as it may deem appropriate, and any decision of the Committee with respect to the Plan, including (without limitation) any determination of eligibility to participate in the Plan and any calculation of benefits under the Plan shall be conclusive and binding on all persons. Those responsibilities of the Committee that do not involve the exercise of its discretion may be performed on behalf of the Committee by the Company through its employees.

SECTION 8 AMENDMENT AND TERMINATION OF THE PLAN

The Company reserves the right to amend or terminate the Plan at any time by resolution of the Company's Board of Directors or by resolution of any proper delegatee of the Company's Board of Directors Any amendment or termination of the Plan will not affect the entitlement of any Participant who terminates employment before the amendment or termination All benefits to which

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any Participant may be entitled shall be determined under the Plan as in effect at the time the Participant terminates employment and shall not be affected by any subsequent change in the provisions of the Plan. Participants will be given notice prior to the discontinuance of the Plan or reduction of any benefits provided by the Plan

SECTION 9 GENERAL PROVISIONS

(a) Choice of Law This Plan, and all rights under this Plan, shall be interpreted and construed in accordance with the law of the State of California

(b) Assignment The interest and property rights of any person in the Plan or in any payment to be made under the Plan shall not be subject to option nor be assignable either by voluntary or involuntary assignment or operation of law, including (without limitation) bankruptcy, garnishment, attachment or other creditor's process, and any act in violation of this Section 9(b) shall be void

(c) Number Except as otherwise clearly indicated, the singular shall include the plural, and vice versa

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(d) Headings and Captions. The headings and captions herein are provided for reference and convenience only and shall not be considered part of the Plan nor shall they be employed in the construction of the Plan

(e) Competency to Handle Benefits. If, in the opinion of the Committee, any person becomes unable to properly handle any property distributable to such person under the Plan, the Committee may make any reasonable arrangement for the distribution of Plan benefits on such person's behalf as it deems appropriate Payment to anyone described in this Section 9(e) will release the Company from all further liability to the extent of the payment made.

(f) Severability of Provisions. If any provision of the Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and the Plan shall be construed and enforced as if such provision had not been included

(g) Tax Withholding If any Federal or state tax withholding or payroll tax is required with respect to a Participant's Virtual Retirement Benefit, the Committee shall make appropriate arrangements with the Participant for satisfaction of such obligation

(h) No Employment Rights Nothing in the Plan, nor any action of the Committee or the Company pursuant to the Plan, shall be deemed to give any person any right to remain in the employ of the Company or affect the right of the Company to terminate a person's employment at any time, with or without cause

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SECTION 10 EXECUTION

To record the adoption of the Plan as set forth herein, the Company has caused its Chair of the Compensation Committee of the Board of Directors to affix the Company's name and seal hereto this_____day of_____, 2000

AGILENT TECHNOLOGIES, INC

By

David M Lawrence, M D
Chair of the Compensation
Committee of the Board
of Directors

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AGILENT TECHNOLOGIES, INC

1999 STOCK PLAN

(Restatement, effective September 17, 2001)

1 Purposes of the Plan The purpose of this 1999 Stock Plan is to encourage ownership in the Company by key personnel whose long-term employment is considered essential to the Company's continued progress and, thereby, encourage recipients to act in the stockholder's interest and share in the Company's success

2 Definitions. As used herein, the following definitions shall apply

(a) "Administrator" means the Board or any of its Committees as shall be administering the Plan, in accordance with Section 4 of the Plan

(b) "Affiliate" means any entity that is directly or indirectly controlled by the Company or any entity in which the Company has a significant ownership interest as determined by the Administrator.

(c) "Applicable Laws" means the requirements relating to the administration of stock option plans under U S federal and state laws, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign jurisdiction where Awards are, or will be, granted under the Plan.

(d) "Award" means a Cash Award, Stock Award, SAR, or Option granted in accordance with the terms of the Plan.

(e) "Awardee" means the holder of an outstanding Award

(f) "Award Agreement" means a written or electronic agreement between the Company and an Awardee evidencing the terms and conditions of an individual Award The Award Agreement is subject to the terms and conditions of the Plan

(g) "Board" means the Board of Directors of the Company.

(h) "Cash Awards" means cash awards granted pursuant to Section 13 of the Plan

(i) "Code" means the United States Internal Revenue Code of 1986, as amended

(j) "Committee" means a committee of Directors appointed by the Board in accordance with Section 4 of the Plan

(k) "Common Stock" means the common stock of the Company

(l) "Company" means Agilent Technologies, Inc , a Delaware corporation

(m) "Consultant" means any person, including an advisor, engaged by the Company or a Subsidiary to render services to such entity or any person who is an employee, advisor, director or consultant of an Affiliate

(n) "Director" means a member of the Board.

(o) "Employee" means a regular employee of the Company or any Subsidiary, including Officers and Directors, who is treated as an employee in the personnel records of the Company or its Subsidiary for the relevant period, but shall exclude individuals who are classified by the Company or its Subsidiary as (A) leased from or otherwise employed by a third party, (B) independent contractors, or (C) intermittent or temporary, even if any such classification is changed retroactively as a result of an audit, litigation or otherwise An Awardee shall not cease to be an Employee in the case of (i) any leave of absence approved by the Company or its Subsidiary or (ii) transfers between locations of the Company or between the Company, any Subsidiary, or any successor Neither service as a Director nor payment of a director's fee by the Company shall be sufficient to constitute "employment" by the Company.

(p) "Exchange Act" means the Securities Exchange Act of 1934, as amended

(q) "Fair Market Value" means, as of any date, the average of the highest and lowest quoted sales prices for such Common Stock as of such date (or if no sales were reported on such date, the average on the last preceding day a sale was made) as quoted on the stock exchange or a national market system, with the highest trading volume, as reported in such source as the Administrator shall determine

(r) "Grant Date" means the date selected by the Administrator, from time to time, upon which Awards are granted to Participants pursuant to this Plan

(s) "Incentive Stock Option" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(t) "Nonstatutory Stock Option" means an Option not intended to qualify as an Incentive Stock Option

(u) "Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder

(v) "Option" means a stock option granted pursuant to the Plan Options granted under the Plan may be Incentive Stock Options or Nonstatutory Stock Options.

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(w) "Participant" means an Employee, Director or Consultant

(x) "Plan" means this 1999 Stock Plan, as restated effective September 17, 2000

(y) "Restricted Stock" means shares of Common Stock acquired pursuant to a grant of a Stock Award under Section 12 of the Plan

(z) "Share" means a share of the Common Stock, as adjusted in accordance with Section 15 of the Plan

(aa) "SAR" means a stock appreciation right granted pursuant to Section 11 of the Plan.

(bb) "Stock Awards" means right to purchase or receive Common Stock pursuant to Section 12 of the Plan

(cc) "Subsidiary" means a "subsidiary corporation", whether now or hereafter existing, as defined in Section 424(f) of the Code.

3 Stock Subject to the Plan. Subject to the provisions of Section 15 of the Plan, the maximum aggregate number of Shares that may be issued under the Plan is 112,800,000 Shares The Shares may be authorized, but unissued, or reacquired Common Stock Preferred stock may be issued in lieu of Common Stock for Awards.

If an Award expires or becomes unexercisable without having been exercised in full, the unpurchased Shares which were subject thereto, if any, shall become available for future grant or sale under the Plan (unless the Plan has terminated), provided, however, that Shares that have actually been issued under the Plan, whether upon exercise of an Award, shall not be returned to the Plan and shall not become available for future distribution under the Plan, except that if Shares of Restricted Stock are repurchased by the Company at their original purchase price, such Shares shall become available for future grant under the Plan

4. Administration of the Plan

(a) Procedure.

(i) Multiple Administrative Bodies The Plan may be administered by different Committees with respect to different groups of Participants.

(ii) Section 162(m). To the extent that the Administrator determines it to be desirable to qualify Awards granted hereunder as "performance-based compensation" within the meaning of Section 162(m) of the Code, the Plan shall be administered by a Committee of two or more "outside directors" within the meaning of Section 162(m) of the Code

(iii) Rule 16b-3 To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3 promulgated under the Exchange Act ("Rule 16b-3"), the transactions contemplated hereunder shall be structured to satisfy the requirements for exemption under Rule 16b-3.

(iv) Other Administration The Board may delegate to the Executive Committee of the Board (the "Executive Committee") the power to approve Awards to Participants who are not (A) subject to Section 16 of the Exchange Act or (B) at the time of such approval, "covered employees" under Section 162(m) of the Code

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated

by the Board to such Committee, the Administrator shall have the authority, in its discretion:

(i) to select the Participants to whom Awards may be granted hereunder,

(ii) to determine the number of shares of Common Stock to be covered by each Award granted hereunder,

(iii) to approve forms of agreement for use under the Plan,

(iv) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when an Award may be exercised (which may or may not be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine,

(v) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(vi) to adopt rules and procedures relating to the operation and administration of the Plan to accommodate the specific requirements of local laws and procedures. Without limiting the generality of the foregoing, the Administrator is specifically authorized (A) to adopt the rules and procedures regarding the conversion of local currency, withholding procedures and handling of stock certificates which vary with local requirements, (B) to adopt sub-plans and Plan addenda as the Administrator deems desirable, to accommodate foreign tax laws, regulations and practice,

(vii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans and Plan addenda,

(viii) to modify or amend each Award, including the discretionary authority to extend the post-termination exercisability period of Options longer than is otherwise provided for in the Plan, provided, however, that any such amendment is subject to Section 16(c) of the Plan and may not impair any outstanding Award unless agreed to in writing by the Awardee;

(ix) to allow Awardees to satisfy withholding tax obligations by electing to have the Company withhold from the Shares to be issued upon exercise of an Award that number of Shares having a Fair Market Value equal to the amount required to be withheld The Fair Market Value of the Shares to be withheld shall be determined on the date that the amount of tax to be withheld is to be determined All elections by an Awardee to have Shares withheld for this purpose

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shall be made in such form and under such conditions as the Administrator may deem necessary or advisable;

(x) to authorize conversion or substitution under the Plan of any or all outstanding stock options held by optionees of an entity acquired by the Company (the "Conversion Options"). Any conversion or substitution shall be effective as of the close of the merger or acquisition The Conversion Options may be Nonstatutory Stock Options or Incentive Stock Options, as determined by the Administrator Unless otherwise determined by the Administrator at the time of conversion or substitution, all Conversion Options shall have the same terms and conditions as Options generally granted by the Company under the Plan;

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(xi) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator,

(xii) to make all other determinations deemed necessary or advisable for administering the Plan and any Award granted hereunder

(c) Effect of Administrator's Decision The Administrator's decisions, determinations and interpretations shall be final and binding on all Awardees.

5. Eligibility Awards may be granted to Participants, provided, however, that Incentive Stock Options may be granted only to Employees

6 Limitations

(a) Each Option shall be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Awardee during any calendar year (under all plans of the Company and any Subsidiary) exceeds $100,000, such Options shall be treated as Nonstatutory Stock Options For purposes of this Section 6(a), Incentive Stock Options shall be taken into account in the order in which they were granted The Fair Market Value of the Shares shall be determined as of the time the Option with respect to such Shares is granted.

(b) For purposes of Incentive Stock Options, no leave of absence may exceed ninety (90) days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, on the 91st day of such leave an Awardee's employment with the Company shall be deemed terminated for Incentive Stock Option purposes and any Incentive Stock Option held by the Awardee shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option three (3) months thereafter

(c) No Participant shall have any claim or right to be granted an Award and the grant of any Award shall not be construed as giving a Participant the right to continue in the employ of the Company, its Subsidiaries or Affiliates Further, the Company, its Subsidiaries and Affiliates expressly reserve the right, at any time, to dismiss a Participant at any time without liability or any claim under the Plan, except as provided herein or in any Award Agreement entered into hereunder

(d) The following limitations shall apply to grants of Options and SARs

(i) No Participant shall be granted, in any fiscal year of the Company, Options to purchase or SARs for more than 1,000,000 Shares

(ii) In connection with his or her initial service, a Participant may be granted Options to purchase or SARs for up to an additional 1,000,000 Shares which shall not count against the limit set forth in subsection (i) above

(iii) The foregoing limitations shall be adjusted proportionately in connection with any change in the Company's capitalization as described in Section 15

(iv) If an Option or SAR is cancelled in the same fiscal year of the Company in which it was granted (other than in connection

with a transaction described in Section 15), the cancelled Option or SAR will be counted against the limits set forth in subsections (i) and (ii) above

(v) SARs to be granted under this Plan shall not exceed 5% of the total shares reserved for issuance under the Plan,

(vi) No more than 10% of the total shares reserved for issuance under the Plan will constitute Stock Awards granted under this Plan,

(vii) No more than 20% of the total shares reserved for issuance under the Plan will constitute Nonstatutory Stock Options, with an exercise price less than Fair Market Value on the Grant Date, granted under this Plan, and

(viii) Nonstatutory Stock Option with an exercise price less than Fair Market Value on the Grant Date shall not be granted to any Officer.

7. Term of Plan Subject to Section 21 of the Plan, the Plan shall become effective upon its adoption by the Board It shall continue in effect for a term of ten (10) years unless terminated earlier under Section 16 of the Plan

8. Term of Award. The term of each Award shall be determined by the Administrator and stated in the Award Agreement In the case of an Incentive Stock Option, the term shall be ten (10) years from the Grant Date or such shorter term as may be provided in the Award Agreement

9 Option Exercise Price and Consideration

(a) Exercise Price The per share exercise price for the Shares to be issued pursuant to exercise of an Option shall be determined by the Administrator, subject to the following:

(i) In the case of an Incentive Stock Option the per Share exercise price shall be no less than 100% of the Fair Market Value per Share on the Grant Date

(ii) In the case of a Nonstatutory Stock Option, the per Share exercise price shall be no less than seventy-five per cent (75%) of the Fair Market Value per Share on the

Grant Date. In the case of a Nonstatutory Stock Option intended to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code, the per Share exercise price shall be no less than 100% of the Fair Market Value per Share on the Grant Date

(iii) Notwithstanding the foregoing, at the Administrator's discretion, Conversion Options (as defined in Section 4(b)(x)) may be granted with a per Share exercise price of less than 75% of the Fair Market Value per Share on the Grant Date

(iv) Other than in connection with a change in the Company's capitalization (as described in Section 15(a), Options may not be repriced, replaced, regranted through cancellation or modified without shareholder approval if the effect of such repricing, replacement, regrant or modification would be to reduce the exercise price of such Incentive Stock Options or Nonstatutory Stock Options

(b) Vesting Period and Exercise Dates At the time an Option is granted, the Administrator shall fix the period within which the Option may be exercised and shall determine any conditions that must be satisfied before the Option may be exercised

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(c) Form of Consideration The Administrator shall determine the acceptable form of consideration for exercising an Option, including the method of payment In the case of an Incentive Stock Option, the Administrator shall determine the acceptable form of consideration at the Grant Date Acceptable forms of consideration may include

(i) cash,

(ii) check or wire transfer (denominated in U.S Dollars);

(iii) other Shares which (A) in the case of Shares acquired upon exercise of an Option, have been owned by the Awardee for more than six months on the date of surrender, and (B) have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which said Option shall be exercised;

(iv) consideration received by the Company under a cashless exercise program implemented by the Company in connection with the Plan,

(v) any combination of the foregoing methods of payment, or

(vi) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws.

10 Exercise of Option

(a) Procedure for Exercise; Rights as a Shareholder. Any Option granted hereunder shall be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the respective Award Agreement No Option may be exercised during any leave of absence other than an approved personal or medical leave with an employment guarantee upon return. An Option shall continue to vest during any authorized leave

of absence and such Option may be exercised to the extent vested upon the Awardee's return to active employment status. An Option may not be exercised for a fraction of a Share

An Option shall be deemed exercised when the Company receives (i) written or electronic notice of exercise (in accordance with the Award Agreement) from the person entitled to exercise the Option, (ii) full payment for the Shares with respect to which the related Option is exercised, and (iii) with respect to Nonstatutory Stock Options, payment of all applicable withholding taxes due upon such exercise

Shares issued upon exercise of an Option shall be issued in the name of the Awardee or, if requested by the Awardee, in the name of the Awardee and his or her spouse Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option The Company shall issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 15 of the Plan.

Exercising an Option in any manner shall decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(b) Termination of Employment Unless otherwise provided for by the Administrator in the Award Agreement, if an Awardee ceases to be an Employee, other than as a result of circumstances described in Sections 10(c), (d), (e) and (f) below, the Awardee's unvested Option shall terminate immediately upon the Awardee's termination On the date of the Awardee's termination of employment, the Shares covered by the unvested portion of his or her Option shall revert to the Plan

Unless otherwise provided for by the Administrator in the Award Agreement, if an Awardee ceases to be an Employee, other than as a result of circumstances described in Sections 10(c), (d), (e) and (f) below, the Awardee's vested Option shall be exercisable for 3 months after the Awardee's termination, or if earlier, the expiration of the term of such Option If the Awardee does not exercise his or her vested Option within the appropriate exercise period set forth above, the Option shall automatically terminate, and the Shares covered by such Option shall revert to the Plan.

(c) Disability or Retirement of Awardee Unless otherwise provided for by the Administrator in the Award Agreement, if an Awardee ceases to be an Employee as a result of the Awardee's total and permanent disability or retirement due to age, in accordance with the Company's or its Subsidiaries' retirement policy, all unvested Options shall immediately vest and the Awardee may exercise his or her Option within three (3) years of the date of such disability or retirement for a Nonstatutory Stock Option, within three (3) months of the date of such disability or retirement for an Incentive Stock Option, or if earlier, the expiration of the term of such Option 'If the Awardee does not exercise his or her Option within the time specified herein, the Option shall automatically terminate, and the Shares covered by such Option shall revert to the Plan

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(d) Death of Awardee. Unless otherwise provided for by the Administrator in the Award Agreement, if an Awardee dies while an Employee, all unvested Options shall immediately vest and all Options may be exercised for one (1) year following the Awardee's death, or if earlier, the expiration of the term of such Option The Option may be exercised by the beneficiary designated by the Awardee (as provided in Section 17), the executor or administrator of the Awardee's estate or, if none, by the person(s) entitled to exercise the Option under the Awardee's will or the laws of descent or distribution. If the Option is not so exercised within the time specified herein, the Option shall automatically terminate, and the Shares covered by such Option shall revert to the Plan

(e) Voluntary Severance Incentive Program and Workforce Management Program If an Awardee ceases to be an Employee as a result of participation in the Company's or its Subsidiaries' voluntary severance incentive program approved by the Board or Executive Committee, all unvested Options shall immediately vest and all outstanding Options shall be exercisable for three (3) months following the Awardee's termination (or such other period of time as provided for by the Administrator) or if earlier, the expiration of the term of such Option If, after termination, of Awardee's employment the Awardee does not exercise his or her Option within the time specified herein, the Option shall automatically terminate, and the Shares covered by such Option shall revert to the Plan

If an Awardee ceases to be an Employee as a result of participation in the Company's Workforce Management Program, all unvested Options or SARs granted after August 28, 2001, shall immediately vest and all outstanding Options or SARs shall be exercisable for three (3) months following the Awardee's termination or if earlier, the expiration of the term of such Option or SAR If, after termination, of Awardee's employment the Awardee does not exercise his or her Option or SAR within the time specified herein, the Option or SAR shall automatically terminate, and the Shares covered by such Option or SAR shall revert to the Plan.

(f) Divestiture If an Employee ceases to be a Participant because of a divestiture of the Company, the Administrator may, in its sole discretion, make such Employee's outstanding Options fully vested and exercisable and provide that such Options remain exercisable for a period of time to be determined by the Administrator The determination of whether a divestiture will occur shall be made by the Administrator in its sole discretion. If, after the close of the divestiture, the Awardee does not exercise his or her Option within the time specified herein, the Option shall automatically terminate and the shares covered by such Option shall revert to the Plan.

(g) Buyout Provisions At any time, the Administrator may, but shall not be required to, offer to buy out for a payment in cash or Shares an Option previously granted based on such terms and conditions as the Administrator shall establish and communicate to the Awardee at the time that such offer is made

11. SARs.

(a) General The Administrator may grant SARs to Participants subject to the terms and conditions not inconsistent with the Plan and determined by the Administrator The terms and conditions shall be provided for in the Award Agreement which may be delivered in writing or

electronically SARs shall be exercisable, in whole or in part, at such times as the Administrator shall specify in the Award Agreement.

(b) Exercise. Upon the exercise of a SAR, in whole or in part, an Awardee shall be entitled to a cash payment in an amount equal to the difference between the Fair Market Value of a fixed number of shares of Common Stock covered by the exercised portion of the SAR on the date of such exercise, over the Fair Market Value of the Common Stock covered by the exercised portion of the SAR on the Grant Date, provided, however, that the Administrator may place limits on the aggregate amount that may be paid upon the exercise of a SAR The Company's obligation arising upon the exercise of a SAR will be paid in cash.

(c) Method of Exercise A SAR shall be deemed to be exercised when written or electronic notice of such exercise has been given to the Company in accordance with the terms of the SAR by the person entitled to exercise the SAR. The SAR shall cease to be exercisable to the extent it has been exercised

(d) Termination of Employment Unless otherwise provided for by the Administrator in the Award Agreement, if an Awardee ceases to be an Employee, other than as a result of circumstances described in Sections 11(e) and (f) below, the Awardee's unvested SAR, shall terminate immediately upon the Awardee's termination

Unless otherwise provided for by the Administrator in the Award Agreement, if an Awardee ceases to be an Employee, other than as a result of circumstances described in Sections 11(e) and (f) below, the Awardee's vested SAR shall be exercisable for 3 months after the Awardee's termination, or if earlier, the expiration of the term of such SAR

(e) Disability or Retirement of Awardee Unless otherwise provided for by the Administrator in the Award Agreement, if an Awardee ceases to be an Employee as a result of the Awardee's total and permanent disability or retirement due to age, in accordance with the Company's or its Subsidiaries' retirement policy, the Award shall immediately vest The Awardee may exercise his or her SAR within three (3) three years following the Awardee's total and permanent disability or retirement or, if earlier, the expiration of the term of such SAR. If the Awardee fails to exercise his or her SAR within the specified time period, the SAR shall terminate.

(f) Death of Awardee Unless otherwise provided for by the Administrator in the Award Agreement, if an Awardee dies while an Employee, the SAR shall immediately vest and be exercisable for (1) one year following the Awardee's death or, if earlier, the expiration of the term of such SAR. The SAR may be exercised by the beneficiary designated by the Awardee (as provided in Section 17), the executor or administrator of the Awardee's estate or, if none, by the person(s) entitled to exercise the SAR under the Awardee's will or the laws of descent or distribution If the SAR is not so exercised within the specified time period, the SAR shall terminate.

(g) Buyout Provisions At any time, the Administrator may, but shall not be required to, offer to buy out for a payment in cash or Shares, SAR previously granted based on such terms and conditions as the Administrator shall establish and communicate to the Awardee at the time that such offer is made

12 Stock Awards

(a) General Stock Awards may be issued either alone, in addition to, or in tandem with other Awards granted under the Plan. After the Administrator determines that it will offer a Stock Award under the Plan, it shall advise the Awardee in writing or electronically, by means of an Award Agreement, of the terms, conditions and restrictions related to the offer, including the number of Shares that the Awardee shall be entitled to receive or purchase, the price to be paid, if any, and, if applicable, the time within which the Awardee must accept such offer. The offer shall be accepted by execution of an Award Agreement in the form determined by the Administrator The Administrator will require that all shares subject to a right of repurchase or forfeiture be held in escrow until such repurchase right or risk of forfeiture lapses The grant or vesting of a stock award may be made contingent on achievement of performance conditions, including net order dollars, net profit dollars, net profit growth, net revenue dollars, revenue growth, individual performance, earnings per share, return on assets, return on equity, and other financial objectives, customer satisfaction indicators and guaranteed efficiency measures, each with respect to Agilent and/or an individual business unit

(b) Forfeiture Unless the Administrator determines otherwise, the Award Agreement shall provide for the forfeiture of the unvested Restricted Stock upon the Awardee ceasing to be an Employee except as provided below in Sections 12(c), (d) and (e). To the extent that the Awardee purchased the Restricted Stock, the Company shall have a right to repurchase the unvested Restricted Stock at the original price paid by the Awardee upon Awardee ceasing to be a Participant for any reason, except as provided below in Sections 12(c), (d) and (e).

(c) Disability or Retirement of Awardee Unless otherwise provided for by the Administrator in the Award Agreement, if an Awardee ceases to be an Employee as a result of the Awardee's total and permanent disability or retirement due to age, in accordance with the Company's or its Subsidiaries' retirement policy, the Award shall continue to vest, provided the following conditions are met

(1) The Awardee shall not render services for any organization or engage directly or indirectly in any business which, in the opinion of the Administrator, competes with, or is in conflict with the interest of, the Company. The Awardee shall be free, however, to purchase as an investment or otherwise stock or other securities of such organizations as long as they are listed upon a recognized securities exchange or traded over-the-counter, or as long as such investment does not represent a substantial investment to the Awardee or a significant (greater than 10%) interest in the particular organization For the purposes of this subsection, a company (other than a Subsidiary) which is engaged in the business of producing, leasing or selling products or providing services of the type now or at any time hereafter

made or provided by the Company shall be deemed to compete with the Company,

(ii) The Awardee shall not, without prior written authorization from the Company, use in other than the Company's business, any confidential information or material relating to the business of the Company, either during or after employment with the Company,

(iii) The Awardee shall disclose promptly and assign to the Company all right, title and interest in any invention or idea, patentable or not, made or conceived by the Awardee

during employment by the Company, relating in any manner to the actual or anticipated business, research or development work of the Company and shall do anything reasonably necessary to enable the Company to secure a patent where appropriate in the United States and in foreign countries; and

(iv) An Awardee retiring due to age shall render, as a Consultant and not as an Employee, such advisory or consultative services to the Company as shall be reasonably requested by the Board or the Executive Committee in writing from time to time, consistent with the state of the retired Awardee's health and any employment or other activities in which such Awardee may be engaged. For purposes of this Plan, the Awardee shall not be required to devote a major portion of time to such services and shall be entitled to reimbursement for any reasonable out-of-pocket expenses incurred in connection with the performance of such services.

(d) Death of Awardee Unless otherwise provided for by the Administrator in the Award Agreement, if an Awardee dies while an Employee, the Stock Award shall immediately vest and all forfeiture provisions and repurchase rights shall lapse as to a prorated number of shares determined by dividing the number of whole years since the Grant Date by the number of whole years between the Grant Date and the date that the Stock Award would have fully vested (as provided for in the Award Agreement). The vested portion of the Stock Award shall be delivered to the beneficiary designated by the Awardee (as provided in Section 17), the executor or administrator of the Awardee's estate or, if none, by the person(s) entitled to receive the vested Stock Award under the Awardee's will or the laws of descent or distribution

(e) Voluntary Severance Incentive Program If an Awardee ceases to be an Employee as a result of participation in the Company's or its Subsidiaries' voluntary severance incentive program approved by the Board or Executive Committee, the Stock Award shall immediately vest and all forfeiture provisions and repurchase rights shall lapse as to a prorated number of shares determined by dividing the number of whole years since the Grant Date by the number of whole years between the Grant Date and the date that the Stock Award would have fully vested (as provided for in the Award Agreement).

(f) Rights as a Shareholder Unless otherwise provided for by the Administrator, once the Stock Award is accepted, the Awardee shall have the rights equivalent to those of a shareholder, and shall be a shareholder when his or her acceptance of the Stock Award is entered upon the records of the duly authorized transfer agent of the Company.

13 Cash Awards. Cash Awards may be granted either alone, in addition to, or in tandem with other Awards granted under the Plan After the Administrator determines that it will offer a Cash Award, it shall advise the Awardee in writing or electronically, by means of an Award Agreement, of the terms, conditions and restrictions related to the Cash Award

14 Non-Transferability of Awards Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by the beneficiary designation, will or by the laws of descent or distribution and may be exercised, during the lifetime of the Awardee, only by the Awardee If the

Administrator makes an Award transferable, such Award shall contain such additional terms and conditions as the Administrator deems appropriate

15 Adjustments Upon Changes in Capitalization, Dissolution, Merger or Asset Sale

(a) Changes in Capitalization Subject to any required action by the shareholders of the Company, the number and kind of shares of Common Stock covered by each outstanding Award, and the number and kind of shares of Common Stock which have been authorized for issuance under the Plan but as to which no Awards have yet been granted or which have been returned to the Plan upon cancellation or expiration of an Award, as well as the price per share of Common Stock covered by each such outstanding Award, shall be proportionately adjusted for any increase or decrease in the number or kind of issued shares of Common Stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Common Stock, or any other increase or decrease in the number of issued shares of Common Stock effected without receipt of consideration by the Company, provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration " Such adjustment shall be made by the Board, whose determination in that respect shall be final, binding and conclusive Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares of Common Stock subject to an Award

(b) Dissolution or Liquidation In the event of the proposed dissolution or liquidation of the Company, the Administrator shall notify each Awardee as soon as practicable prior to the effective date of such proposed transaction The Administrator in its discretion may provide for an Option or SAR to be fully vested and exercisable until ten (10) days prior to such transaction In addition, the Administrator may provide that any restrictions on any Award shall lapse prior to the transaction, provided the proposed dissolution or liquidation takes place at the time and in the manner contemplated To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed transaction

(c) Merger or Asset Sale In the event there is a change of control of the Company, as determined by the Board, the Board may, in its discretion, (A) provide for the assumption or substitution of, or adjustment to, each outstanding Award (B) accelerate the vesting of Options and SARs and terminate any restrictions on Cash Awards or Stock Awards and (C) provide for the cancellation of Awards for a cash payment to the Awardee

16 Amendment and Termination of the Plan

(a) Amendment and Termination. The Board may at any time amend, alter, suspend or terminate the Plan.

(b) Shareholder Approval The Company shall obtain shareholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws

(c) Effect of Amendment or Termination No amendment, alteration, suspension or termination of the Plan shall impair the rights of any Award, unless mutually agreed otherwise between the Awardee and the Administrator, which agreement must be in writing and signed by the Awardee and the Company Termination of the Plan shall not affect the Administrator's ability to

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exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

17 Designation of Beneficiary

(a) An Awardee may file a written designation of a beneficiary who is to receive the Awardee's rights pursuant to Awardee's Award or the Awardee may include his or her Awards in an omnibus beneficiary designation for all benefits under the Plan. To the extent that Awardee has completed a designation of beneficiary while employed with Hewlett-Packard Company, such beneficiary designation shall remain in effect with respect to any Award hereunder until changed by the Awardee

(b) Such designation of beneficiary may be changed by the Awardee at any time by written notice. In the event of the death of an Awardee and in the absence of a beneficiary validly designated under the Plan who is living at the time of such Awardee's death, the Company shall allow the executor or administrator of the estate of the Awardee to exercise the Award, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may allow the spouse or one or more dependents or relatives of the Awardee to exercise the Award

18 Legal Compliance Shares shall not be issued pursuant to the exercise of an Option or Stock Award unless the exercise of such Option or Stock Award and the issuance and delivery of such Shares shall comply with Applicable Laws and shall be further subject to the approval of counsel for the Company with respect to such compliance

19 Inability to Obtain Authority To the extent the Company is unable to or the Administrator deems it infeasible to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, the Company shall be relieved of any liability with respect to the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained

20 Reservation of Shares The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan

21 Shareholder Approval The Plan shall be subject to approval by the shareholders of the Company within twelve (12) months of the date the Plan is adopted Such shareholder approval shall be obtained in the manner and to the degree required under Applicable Laws

22 Notice Any written notice to the Company required by any provisions of this Plan shall be addressed to the Secretary of the Company and shall be effective when received

23 Governing Law. This Plan and all determinations made and actions taken pursuant hereto shall be governed by the substantive laws, but not the choice of law rules, of the state of Delaware

24 Unfunded Plan Insofar as it provides for Awards, the Plan shall be unfunded Although bookkeeping accounts may be established with respect to Participants who are granted Awards of

Shares under this Plan, any such accounts will be used merely as a bookkeeping convenience Except for the holding of Restricted Stock in escrow pursuant to Section 12, the Company shall not be required to segregate any assets which may at any time be represented by Awards, nor shall this Plan be construed as providing for such segregation, nor shall the Company nor the Administrator be deemed to be a trustee of stock or cash to be awarded under the Plan Any

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liability of the Company to any Awardee with respect to an Award shall be based solely upon any contractual obligations which may be created by the Plan; no such obligation of the Company shall be deemed to be secured by any pledge or other encumbrance on any property of the Company. Neither the Company nor the Administrator shall be required to give any security or bond for the performance of any obligation, which may be created by this Plan

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ADDENDUM TO THE AGILENT TECHNOLOGIES, INC 1999 STOCK PLAN

Pursuant to Section 4(b)(vi) of the Plan the following modifications to the Plan will apply in the countries as set forth below

AUSTRALIA

Pursuant to Section 4(b)(vi) of the Plan the following modifications to the Plan will apply in Australia:

(a) Purpose

This Addendum (the "Australian Addendum") to the 1999 Stock Plan is hereby adopted to set out certain rules which, together with the provisions of the Plan which are not modified hereby, will govern the operation of the Plan with respect to Australian-resident employees of the Company

(b) Definitions

Except as set forth below, capitalized terms used herein shall have the meaning ascribed to them in the Plan. In the event of any conflict between these provisions and the Plan, these provisions shall prevail.

For the purposes of this Australian Addendum

"Agilent" means Agilent Technologies, Inc or its duly authorized subsidiary;

"Australian Participants" means all persons to whom an offer or invitation of options over shares of common stock in Agilent is made in Australia under the Plan,

"Plan" means collectively the 1999 Stock Plan and the Australian Addendum, and

(c) Form of Awards

Non-statutory Stock Options to acquire common stock in Agilent are the only Awards that will be granted to Australian Participants.

AUSTRIA

Notwithstanding Section 3 herein, only newly issued shares will be issued to employees in Austria pursuant to the Plan

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BRAZIL

All stock options granted in Brazil will only be exercisable using the cashless exercise method Both full cashless exercise (proceeds remitted in cash) and partial cashless exercise (proceeds remitted in stock) may be permitted. Cash exercises are prohibited.

CHINA

All stock options granted in China will only be exercisable using the cashless exercise method Only full cashless exercise (proceeds remitted in cash) will be permitted Cash exercises are prohibited

FRANCE

All options granted in France shall be subject to the additional terms and conditions of the Agilent Technologies, Inc Sub-Plan for French Employees

INDIA

All options granted in India shall be subject to the additional terms and conditions of the Agilent Technologies, Inc India Cashless Stock Option Sub-Plan.

ITALY

Notwithstanding Section 3 herein, only newly issued shares will be issued to employees in Italy pursuant to the Plan All stock options granted in Italy will only be exercisable using the cashless exercise method. Only full cashless exercise (proceeds remitted in cash) will be permitted Cash exercises are prohibited

SWITZERLAND

Notwithstanding Section 8 herein, options granted in Switzerland shall have a term of ten (10) years and six (6) months

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AGILENT TECHNOLOGIES, INC
DEFERRED COMPENSATION PLAN

(AMENDED AND RESTATED AS OF NOVEMBER 1, 2001)

SECTION 1 ESTABLISHMENT AND PURPOSE OF PLAN

The Agilent Technologies, Inc. Deferred Compensation Plan was adopted and established effective November 1, 1999 and has been amended from time to time. The Plan provides deferred compensation for a select group of management or highly compensated employees as established in Title I of ERISA Effective November 1, 2001, the Plan is hereby amended and restated

The Plan is intended to be an unfunded and unsecured deferred compensation arrangement between the Participant and Agilent, in which the Participant agrees to give up a portion of the Participant's current compensation in exchange for Agilent's unfunded and unsecured promise to make a payment at a future date, as specified in Section 6 Agilent retains the right, as provided in Section 14, to amend or terminate the Plan at any time Certain capitalized words used in the text of the Plan are defined in Section 22 in

alphabetical order.

SECTION 2. PARTICIPATION IN THE PLAN

Participation in General All Eligible Employees on the U S payroll of Agilent are eligible to defer Base Pay or Bonus under the Plan if they have Base Pay, at the time of election as specified in Section 3.1 1, in excess of the Base Pay Threshold.

SECTION 3 TIMING AND AMOUNTS OF DEFERRED COMPENSATION

Eligible Employees shall make elections to participate in the Plan, as follows.

3.1 Base Pay Deferrals

3 1 1 Timing of Base Pay Deferral With respect to a deferral of Base Pay, an election to participate must be made on or before December 15, or such earlier date established by the Committee, of the calendar year preceding the calendar year with respect to which an election to defer Base Pay is made, in accordance with procedures established by the Committee Notwithstanding the foregoing, a newly hired Eligible Employee may make an initial deferral election by the date the Committee specifies after the individual receives enrollment materials Currently, the Committee has specified that for a newly hired Eligible Employee an initial deferral election must be made within 30 days of becoming an Eligible Employee

3.1 2 Amount of Base Pay Deferral The amount that will be deferred from Base Pay

for an Eligible Employee is determined as follows:

3 1 2.1 The Eligible Employee will elect an annual whole dollar amount to be deferred from Base Pay The minimum annual whole dollar amount of Base Pay that may be deferred is $6,000 per calendar year. The maximum annual whole dollar amount of Base Pay that may be deferred each calendar year is equal to the amount that Base Pay exceeds the Base Pay Threshold.

3.1.2 2 The annual whole dollar amount of Base Pay will be divided equally into the number of pay periods falling within the calendar year to which the election pertains (the "Pay Period Deferral Amount").

3.1.2 3 The Pay Period Deferral Amount or parts thereof will be deferred to the extent that a Participant has cash compensation sufficient to cover the Pay Period Deferral Amount or parts thereof.

3 1.3 Suspension and Reinstatement of Deferral In situations where a Participant's participation in the plan is suspended as described in Section 3 4, all deferrals cease If the Participant is reinstated into the Plan during the same calendar year as the suspension, the per pay period Deferred Amount will be reinstated and deferred for the pay periods remaining in the calendar year.

3.2 Bonus Deferrals

3 2.1 Timing of Bonus Deferral Participants must make an election to defer a Bonus on or before December 15, or such earlier date established by the Committee, of the calendar year ending within the fiscal year to which the Bonus pertains, in accordance with any procedures established by the Committee Notwithstanding the foregoing, an election to defer a Bonus payable for a period

after the fiscal year begins may be amended or revoked at any time prior to the commencement of the period to which the Bonus relates, in accordance with any procedures established by the Committee Notwithstanding the foregoing, a newly hired Eligible Employee may make an initial bonus deferral election by the date the Committee specifies after the individual receives enrollment materials. Currently, the Committee has specified that for a newly hired Eligible Employee an initial deferral election must be made within 30 days of becoming an Eligible Employee

3 2 2 Amount of Bonus Deferral An Eligible Employee may defer any portion, up to 100%, of any Bonus to which he or she may become entitled, so long as the deferral amount is expressed in terms of a whole percentage point Once an election is made by an Eligible Employee to defer any portion or all of a Bonus, the appropriate dollar amount will be withheld from the Bonus when this amount would have otherwise been paid

3 3 Effect of Taxes on Maximum Deferrals. Notwithstanding any provision herein to the contrary, Agilent may withhold Taxes from any cash payment made under the Plan or Bonus

plan or arrangement, owing as a result of any deferral or payment hereunder, as Agilent deems appropriate in its sole discretion If, with respect to the pay period within which a deferral, payment or Bonus is made under the Plan or Bonus plan or arrangement, the Participant receives insufficient actual cash compensation to cover such Taxes, then Agilent may withhold any remaining Taxes owing from the Participant's subsequent cash compensation received, until such Tax obligation is satisfied, or otherwise make appropriate arrangements with the Participant for satisfaction of such obligation

3 4 Suspension A Participant's participation in the Plan shall be suspended for any period during which he or she

(i) Is on a formal leave of absence without pay authorized by Agilent,

(ii) Is on military leave, in accordance with Agilent's policy with respect to such leaves; or

(iii) Ceases to qualify as an Eligible Employee but remains an Employee. However, during any such suspension period, the Participant's Accounts shall continue to share in the Plan, and such Participant may continue to make investment directions pursuant to Section 5 hereof

3 5 End of Suspension When a Participant returns from a suspension period during a calendar year in which an election for that Participant exists, the Pay Period Deferral Amount for any remaining pay periods will be deferred Any amounts that would have been deferred during the suspension period if such suspension had not occurred will no longer be considered part of the election for Deferral Amounts

3 6 Committee Discretion. Notwithstanding anything in this Section 3 to the contrary, the Committee shall have the discretion to modify the availability and timing of a valid deferral election under this Section 3, in any manner it deems appropriate; provided, however, that any alteration with respect to a Covered Officer must be consistent with the requirements for deductibility of compensation under section 162(m) of the Code.

SECTION 4 DEFERRAL ACCOUNTS

4 1 Crediting in General Amounts deferred pursuant to Section 3 shall be credited to a Deferral Account in the name of the Participant Deferred Amounts arising from deferrals of Base Pay shall be credited to a Deferral

Account at least quarterly Deferrals resulting from amounts credited to a Participant's Deferral Account from the deferral of Bonuses shall be credited to a Deferral Account as soon as practicable after the amount of the Bonus that would otherwise have been paid The Participant's rights in the Deferral Account shall be no greater than the rights of any other unsecured general creditor of Agilent Deferred Amounts and Earnings thereon invested hereunder shall for all purposes be part of the general funds of Agilent Any payout to a Participant of amounts credited to a Participant's Deferral Account is not due, nor are such amounts ascertainable, until the Payout Commencement Date

4 2 Hewlett-Packard Company Officers Early Retirement Plan Deferrals A separate Deferral Account may be created or credited pursuant to the termination of the Hewlett-Packard

Company Officers Early Retirement (OER) Plan, as restated effective October 31, 1999 Except as otherwise provided in this Section 4.2, an OER Deferral shall be forfeited in full, if the Termination Date of a Rollover Participant for whom the OER Deferral was created or credited occurs prior to April 1, 2001 There will be no new deferrals into the OER Deferral Account Notwithstanding the foregoing, the OER Deferral of a Rollover Participant shall not be forfeited due to his or her Termination Date occurring prior to April 1, 2001, if the Rollover Participant has attained the age of 58 on or before March 31, 1999 This section is subject to the rules set forth in Section 6, Payout to the Participants, and Section 14, Amendment and Termination of the Plan

SECTION 5. EARNINGS ON THE DEFERRAL ACCOUNT.

5.1 Crediting in General Amounts in a Participant's Deferral Account will be credited at least quarterly with Earnings until such amounts are paid out to the Participant under this Plan as set forth in Section 6. All Earnings attributable to the Deferral Account shall be added to the liability of and retained therein by Agilent Any such addition to the liability shall be appropriately reflected on the books and records of Agilent and identified as an addition to the total sum owing the Participant The Deferral Account of a Rollover Participant shall be credited with Earnings at the same time and accounted for in the same manner as the Deferral Account of a Participant (regardless of the Rollover Participant's eligibility to participate in the Plan), pro-rated to reflect the date on which the deferral account from a Rollover Plan is transferred into the Plan

5.2 Hypothetical Investment Options. Except as otherwise provided in this Section 5 2, and subject to provisions of Section 4 1, the Committee may, in its discretion, offer Participants a choice among various Hypothetical Investment Options on which their Deferral Accounts may be credited. Such a choice is nominal in nature, and grants Participants no real or beneficial interest in any specific fund or property Provision of a choice among Hypothetical Investment Options grants the Participant no ability to affect the actual aggregate investments Agilent may or may not make to cover its obligations under the Plan. Any adjustments Agilent may make in its actual investments for the Plan may only be instigated by Agilent, and may or may not bear a resemblance to the Participants' hypothetical investment choices on an account-by-account basis. The timing, allowance and frequency of hypothetical investment choices, and a Participant's ability to change how his or her Deferral Account is credited, is within the sole discretion of the Committee

5 3 Investment Directions. A Participant may direct the deemed investment of the Participant's Deferred Amounts among the Hypothetical Investment Options, in the manner prescribed by Agilent at the time of enrollment or re-enrollment Investment elections shall be in such minimum percentage amounts with respect to each Fund as permitted by Agilent.

5.4 Reinvestment Directions On a daily basis, by instructing Agilent in the manner prescribed, a Participant may direct the reinvestment of the Participant's Deferral Accounts among the various Hypothetical Investment

Options. A Participant shall specify the reinvestment amounts of the Participant's Deferred Account to be invested in such Hypothetical

Investment Options Reinvestment directions shall be in such minimum dollar or percentage amounts as permitted by Agilent

5 5 No Investment Directions. In the event that the Participant fails to direct their investment, a Participant's Deferral Account shall be credited with the deemed return on investment in Vanguard Institutional Index 500 Fund Covered Officers may not direct the investment of their Bonus Deferral Account A Covered Officer's Bonus Deferral Account shall only be credited with the deemed return on investment in the Vanguard Institutional Index 500 Fund

5 6 OER Deferral Fund. The Hypothetical Investment Option, which the Committee in its sole discretion has delineated as the option with respect to which OER Deferrals are credited, is a frozen fund, currently the Vanguard Balanced Fund Participants will not have, among the Hypothetical Investment Options, the right to request that additional Deferral Account balances be credited in accordance with the deemed return on investment of the so delineated Hypothetical Investment Option described above

SECTION 6. PAYOUT TO THE PARTICIPANTS

6 1 Termination After Retirement Date If a Participant's Termination Date is on or after his or her Retirement Date and the Participant's Deferral Account balance is equal to or greater than $25,000 on the Retirement Date, the form and commencement of benefit may be made in accordance with the Participant's election and this Section 6 1 An election under this section is only valid if made before the date that is at least twelve (12) months prior to the Participant's Termination Date, and on or before the last day of the calendar year preceding the Termination Year

6 1 1 Form of Payout A Participant making a valid election under this Section 6 1 may elect to receive either (a) a single lump sum payout by January 15 of the year following the Termination Year, or (b) a payout in annual installments over a five (5) to fifteen (15) year period beginning on or before the January 15 following the Termination Year.

6 1.2 Commencement of Payout A Participant making a valid election under this Section 6.1 may elect to further defer the Payout Commencement Date, under either the single lump sum or the annual installment election addressed in Section 6.1.1, by an additional one (1), two (2) or three (3) years beginning after the January 15 following the Termination Year

6 1.3 Earnings on Deferral Accounts Whatever the form of payout under Section 6, and whatever the timing of the Payout Commencement Date, the Deferral Account of a Participant shall continue to be credited with Earnings until all amounts in such an account are paid out to the Participant.

6.2 Default Form and Commencement of Payout If a Participant's Termination Date is on or after his or her Retirement Date and a valid election under Section 6 1 is not made, and the Participant's Deferral Account, balance is equal to or greater than $25,000 on the Retirement Date, then the Participant shall receive his or her payout in annual installments over the fifteen

(15) year period beginning on or before January 15th following the Termination Year If, however, such Deferral Account balance is less than $25,000 on the Retirement Date, then the Participant shall receive a single lump sum payout on or before January 15th following the Retirement Date.

6 3 Death of Participant If a Participant dies and an election was made under Section 6 1, the Beneficiary will be paid according to the election even though the election was not made twelve (12) months or more prior to the Participant's death. If the Participant dies and no valid election was made, and the Participant's Deferral Account balance is equal to or greater than $25,000 on the date of death, then the Beneficiary will receive the payout in annual installments over the fifteen (15) year period beginning on or before January 15th in the calendar year following the year of the Participant's death If, however, such Deferral Account balance is less than $25,000 on the date of death, then the Beneficiary shall receive a single lump sum on or before January 15th of the year following the year of death

6 4 Termination Prior to Retirement Date If the Participant's Termination Date precedes his or her Retirement Date, then the Participant will receive a single lump sum payout as soon as practicable after the Termination Date in accordance with procedures established by the Committee

6.5 Committee Discretion Notwithstanding anything in this Section 6 to the contrary, the Committee shall have the discretion to modify the availability and timing of a valid election under Section 6 1, and the timing, form and amount (e g , payouts affected by a forfeiture under Section 4.2) of any payout, in any manner it deems appropriate; provided, however, that any alteration with respect to a Covered Officer must be consistent with the requirements for deductibility of compensation under section 162(m) of the Code

SECTION 7. HARDSHIP PROVISION.

7 1 Unforeseeable Emergencies. Neither the Participant nor his or her Beneficiary is eligible to withdraw amounts credited to a Deferral Account prior to the time specified in Section 6 However, such credited amounts may be subject to early withdrawal if an unforeseeable emergency occurs that is caused by an event beyond the Participant's or Beneficiary's control and would result in severe financial hardship to the individual if early withdrawal is not permitted A severe financial hardship exists only when all other reasonably available financial resources have been exhausted. The Committee shall have sole discretion to determine whether to approve any hardship withdrawal, which amount will be limited to the amount necessary to meet the emergency The Committee's decision is final and binding on all interested parties

7.2 Waiting Period. If the Committee approves a hardship withdrawal, the Participant (1) may not defer Base Pay, as specified in Section 3, for the remainder of the calendar year within which the withdrawal is received, and (2) may not defer Bonuses, as specified in Section 3, for the remainder of the calendar year in which the hardship withdrawal is received

SECTION 8 OTHER ACCESS TO DEFERRAL ACCOUNTS.

8.1 Unanticipated Needs Neither the Participant nor his or her Beneficiary is eligible to withdraw amounts credited to a Deferral Account prior to the time specified in Section 6. However, such credited amounts may be subject to early withdrawal if an unanticipated need for funds occurs, other than a need specified in Section 7, provided, however, that the Participant permanently forfeits at least ten percent (10%) of the amount to be withdrawn Additionally, unless otherwise determined by the Committee, withdrawals based on an unanticipated need for funds may be made no more than once each calendar year and the amount to be withdrawn must be equal to or greater than $25,000.

8 2 Waiting Period If the Participant withdraws amounts credited to a Deferral Account under this section, he or she (1) may not defer Base Pay, as specified in Section 3, for the remainder of the calendar year within which the withdrawal is received, and (2) may not defer Bonuses, as specified in Section 3, for the remainder of the calendar year in which the hardship withdrawal is received

SECTION 9. DESIGNATION OF BENEFICIARY

The Participant shall, in accordance with procedures established by the Committee, (1) designate a Beneficiary hereunder, and (2) shall have the right thereafter to change such designation Notwithstanding the foregoing, with respect to an employee who became a Plan Participant during the Transition Period, as described in Section 2 2, all existing beneficiary designations on file with the Agilent Plan shall be deemed and treated as designations under this Plan. In the case of a Participant's death, payment due under this Plan shall be made to the designated Beneficiary or, in the absence of such designation, by will or the laws of descent and distribution in the Participant's state of residence at the time of his or her death.

SECTION 10. CHANGE IN CONTROL.

10 1 Discretion to Accelerate. In the event of a proposed change in control of Agilent, as defined below, the Committee shall have complete authority and discretion, but no obligation, to accelerate payments of both terminated and active Participants

10.2 Proposed Change in Control A "proposed change in control" shall mean (1) a tender offer by any person or entity, other than Agilent or an Agilent subsidiary, to acquire securities representing 40 percent or more of the voting power of Agilent or (2) the submission to Agilent's shareholders for approval of a transaction involving the sale of all or substantially all of the assets of Agilent or a merger of Agilent with or into another corporation Notwithstanding the foregoing, neither the initial public offering of voting common stock in Agilent, nor the distribution by HP of shares of Agilent voting common stock in a transaction which qualifies under Section 355 of the Code, shall constitute a "proposed change in control" for purposes of this Section 10

10 3 Request for Negotiation. The Committee may also ask the Board of Directors to

negotiate, as part of any agreement involving the sale or merger of Agilent, or a sale of substantially all of Agilent's assets or a similar transaction, terms providing for protection of Participants and their interests in the Plan

SECTION 11 LIMITATION ON ASSIGNMENTS

Benefits under this Plan are not subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishments by creditors of the Participant or the Participant's Beneficiary and any attempt to do so shall be void

SECTION 12 ADMINISTRATION

12.1 Administration by Committee The Committee shall administer the Plan. No member of the Committee shall become a Participant of the Plan The Committee shall have the sole authority to interpret the Plan, to establish and revise rules and regulations relating to the Plan and to make any other determinations that it believes necessary or advisable for the administration of the Plan Decisions and determination by the Committee shall be final and binding upon all parties, including shareholders, Participants, Beneficiaries and other employees The Committee may delegate its administrative responsibilities, as it deems appropriate

12 2 Books and Records Books and records maintained for the purpose of the Plan shall be maintained by the officers and employees of Agilent at its expense and subject to supervision and control of the Committee.

SECTION 13 NO FUNDING OBLIGATION

Agilent is under no obligation to transfer amounts credited to the Participant's Deferral Account to any trust or escrow account, and Agilent is under no obligation to secure any amount credited to a Participant's Deferral Account by any specific assets of Agilent or any other asset in which Agilent has an interest This Plan shall not be construed to require Agilent to fund any of the benefits provided hereunder nor to establish a trust for such purpose Agilent may make such arrangements as it desires to provide for the payment of benefits, including, but not limited to, the establishment of a rabbi trust or such other equivalent arrangements as Agilent may decide No such arrangement shall cause the Plan to be a funded plan within the meaning of Title I of ERISA, nor shall any such arrangement change the nature of the obligation of Agilent nor the rights of the Participants under the Plan as provided in this document Neither the Participant nor his or her estate shall have any rights against Agilent with respect to any portion of the Deferral Account except as a general unsecured creditor No Participant has an interest in his or her Deferral Account until the Participant actually receives the deferred payment.

SECTION 14. AMENDMENT AND TERMINATION OF THE PLAN

Agilent, by action of the Committee, in its sole discretion may suspend or terminate the Plan or revise or amend it in any respect whatsoever, provided, however, that amounts already credited to Deferral Accounts will continue to be owed to the Participants or Beneficiaries and will continue to accrue Earnings and continue to be a liability of Agilent Any amendment or

termination of the Plan will not affect the entitlement of any Participant or the Beneficiary of a Participant who terminates employment before the amendment or termination All benefits to which any Participant or Beneficiary may be entitled shall be determined under the Plan as in effect at the time the Participant terminates employment and shall not be affected by any subsequent change in the provisions of the Plan; provided, however, that Agilent reserves the right to change the basis of return on investment of the Deferral Account with respect to any Participant or Beneficiary. Participants or Beneficiaries will be given notice prior to the discontinuance of the Plan or reduction of any benefits provided by the Plan

SECTION 15 TAX WITHHOLDING.

If Agilent concludes that Tax is owing with respect to any deferral of income or payment hereunder, Agilent shall withhold such amounts from any payments due the Participant, or otherwise make appropriate arrangements with the Participant or his or her Beneficiary for satisfaction of such obligation.

SECTION 16 CHOICE OF LAW

This Plan, and all rights under this Plan, shall be interpreted and construed in accordance with ERISA and, to the extent not preempted, the law of the State of Delaware, unless otherwise stated in the Plan.

SECTION 17 NOTICE

Any written notice to Agilent required by any of the provisions of this Plan shall be addressed to the chief personnel officer of Agilent or his or her delegate and shall become effective when it is received.

SECTION 18 NO EMPLOYMENT RIGHTS

Nothing in the Plan, nor any action of Agilent pursuant to the Plan, shall be deemed to give any person any right to remain in the employ of Agilent or affect the right of Agilent to terminate a person's employment at any time and for any reason.

SECTION 19. SEVERABILITY OF PROVISIONS

If any particular provision of this Plan is found to be invalid or unenforceable, such provision shall not affect any other provisions of the Plan, but the Plan shall be construed in all respects as if such invalid provision had been omitted

SECTION 20 ROLLOVERS FROM OTHER PLANS

20 1 Discretion to Accept The Committee shall have complete authority and discretion, but no obligation, to allow the Plan to create Deferral Accounts for Rollover Participants and credit such accounts with amounts to reflect the Rollover Participant's deferral account in a Rollover Plan The amounts credited to such Deferral Accounts are fully subject to the provisions of this Plan Reference in the Plan to such a crediting as a "rollover" or "transfer" of assets from a Rollover Plan is nominal in nature, and confers no additional rights upon a Rollover Participant other than those specifically set forth in the Plan

20 2 Status of Rollover Participants. A Rollover Participant and his or her Beneficiary are fully subject to the provisions of this Plan, except as otherwise expressly set forth herein A Rollover Participant who is not already a Participant in the Plan and is not otherwise eligible to participate in the Plan at the time of rollover, shall not be entitled to make any additional deferrals under the Plan unless and until he or she has becomes an Eligible Employee under the terms of the Plan

20 3 Payment to Rollover Participants. If at the time of rollover or transfer, payments from a Rollover Participant's account in a Rollover Plan have already commenced from a Rollover Plan, he or she shall continue to receive such payments in accordance with the form and timing of payment provisions of such plan. If a Rollover Participant is not yet eligible to receive payments from the Rollover Plan at the time of the rollover or transfer, he or she is bound by the payout provisions of this Plan

SECTION 21 CODE SECTION 162(m)

With respect to Covered Employees, this Plan is designed to satisfy the special requirements for performance-based compensation set forth in Section 162(m)(4)(C) of the Code, and the Plan shall be so construed Furthermore, if a provision of the Plan as it relates to a Covered Officer causes a deferral or payment to fail to satisfy these special requirements, the Plan shall be deemed amended to satisfy the requirements to the extent permitted by law and subject to Committee approval.

SECTION 22. DEFINITIONS.

22.1 Agilent means Agilent Technologies, Inc , a Delaware corporation, and any business entity within the Agilent consolidated group

22.2 Base Pay means the annual base salary rate of cash compensation for employees on the U S payroll of Agilent, excluding bonuses, incentive compensation, commissions, overtime pay, Bonuses, severance payments, shift differential, payments under the Agilent Technologies, Inc. Disability Plan or the HP Income Protection Plan, the Agilent or HP Supplemental Income Protection Plan, or any other additional compensation

22.3 Base Pay Threshold means the amount defined in Code Section 401(a)(17), as adjusted by the Secretary of the Treasury under Code Section 415(d), in effect on January 1st of the calendar year for which amounts are to be deferred.

22 4 Beneficiary means the person or persons designated by a Participant pursuant to Section 9, in accordance with and accepted by Agilent, to receive any amounts payable under the Plan in the event of the Participant's death

22 5 Bonus shall have the same meaning as set forth in the Agilent Technologies, Inc Performance-Based Compensation Plan for Covered Employees, as amended and restated effective November 1, 2001 and shall have the same meaning as "Variable Payment" and "Variable Pay"\as set forth in the Agilent Technologies, Inc Pay-For-Results Plan for Non-Covered Employees, effective November 1, 2001 (PFR Plan) or any other management bonus plan or arrangement that provides a bonus compensation opportunity to Eligible Employees as defined by the Committee from time to time. Bonus does not include any sales incentive compensation or commission

22 6 Code means the Internal Revenue Code of 1986, as amended from time to time

22.7 Committee means the Compensation Committee of the Board of Directors of Agilent or its delegate.

22 8 Covered Officer shall have the same meaning as "covered employee" does under Code section 162(m).

22.9 Deferral Account means the account balance of a Participant in the Plan created from Deferred Amounts or from a credit to a Participant's account from a Rollover Plan, and the Earnings thereon prior to a payout to the Participant

22 10 Deferred Amount means the amount the Participant elects to have deferred from Base Pay and/or a Bonus, pursuant to Section 3

22 11 Distribution Date has the same meaning as this same defined term in the Master Separation and Distribution Agreement between HP and Agilent, effective August 12, 1999.

22 12 Earnings means the deemed return on investment (or charge on investment loss) allocated to a Participant's Deferral Account, based on the return of the Hypothetical Investment Options

22 13 Eligible Employee means an employee on the U S payroll of Agilent who has a Base Pay rate at the time of election as specified in Section 3 equal to or in excess of the Base Pay Threshold

22 14 ERISA means the Employee Retirement Income Security Act of 1974, as amended from time to time.

22 15 Hypothetical Investment Options means those options listed in Appendix A of this Plan Said options are at the sole discretion of and subject to amendment or termination by the Committee

22 16 HP means Hewlett-Packard Company, a Delaware corporation

22 17 Participant means any individual who has a Deferral Account under the Plan or who is receiving or entitled to receive benefits under the Plan The term Participant also refers to a Rollover Participant, except where expressly provided otherwise.

22.18 Payout Commencement Date means the date on which the payout to a Participant of amounts credited to his or her Deferral Account first commences

22 19 Plan, unless preceded by (i) "HP", in which case the term refers to the Hewlett-Packard Company Deferred Compensation Plan, or (ii) "Rollover", in which case the terms refers to a Rollover Plan, means the Agilent Technologies, Inc Deferred Compensation Plan

22 20 Retirement Date means the date on which a Participant has met the

definition of Retirement, as defined in the Retirement Plan. For this purpose, the Committee may, in its discretion, permit the years of service of a Rollover Participant to include the years of service with the employer for which a Rollover Participant worked immediately preceding employment with Agilent

22 21 Retirement Plan means the Agilent Technologies, Inc. Retirement Plan as may be amended from time to time

22 22 Rollover Participant means an individual with a Deferral Account in the Plan transferred from a Rollover Plan in accordance with the provisions of Section 19. The term Rollover Participant may also refer to an individual who has previously been a Participant in the Plan, or an existing Participant at the time of transfer

22.23 Rollover Plan means-

22 23 1 The nonqualified deferred compensation plan of any other employing business entity within the HP consolidated group, until the Distribution Date, or

22 23.2 The Hewlett-Packard Company Officers Early Retirement Plan, to the extent a Deferral Account is created or added to for a Participant or Rollover Participant, due to the termination of this plan; or,

22 23 3 The nonqualified deferred compensation plan of a business entity acquired by Agilent through acquisition of a majority of the voting interest in, or substantially all of the assets of, such entity.

22 24 Tax or (Taxes) means any federal, state, local, or any other governmental income tax, employment tax, payroll tax, excise tax, or any other tax or assessment owing with respect to amounts deferred, any Earnings thereon, and any payments made to Participants or Beneficiaries
under the Plan

22 25 Termination Date means the date on which the Participant ceases to be an employee of Agilent

22 26 Termination Year means the calendar year within which a Participant's Termination Date falls.

22 27 Transition Period means the period commencing with the beginning of Agilent's Payroll Date (as defined in the Master Separation and Distribution Agreement between HP and Agilent, effective August 12, 1999), and ending on the Distribution Date (as defined in the Master Separation and Distribution Agreement between HP and Agilent, effective August 12, 1999)

SECTION 23 EXECUTION

IN WITNESS WHEREOF, Agilent has caused this Plan to be duly adopted by the undersigned this ___ day of _____ 2001, effective November 1, 2001

AGILENT TECHNOLOGIES, INC.

By:

D. Craig Nordlund,
Senior Vice President, General Counsel and Secretary
Agilent Technologies, Inc

APPENDIX A

Hypothetical Investment Options as of January 1, 2002

Vanguard Institutional Index 500 Fund
Vanguard Balanced Fund
Spartan U S Equity Index Fund
Fidelity Growth & Income Portfolio
Fidelity Intermediate Bond Fund
Fidelity Low-Priced Stock Fund
Spartan Extended Market Index Fund
Fidelity Contra Fund
Fidelity Magellan Fund
Institutional Money Market Fund
ICAP Equity Portfolio
Janus Aspen Series Worldwide Growth Portfolio
MAS Mid-Cap Growth Fund
PIMCO Total Return Fund
Harbor Capital Appreciation Fund
Domini Social Equity Fund
Templeton Foreign Fund

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SUBSIDIARIES OF AGILENT TECHNOLOGIES, INC

OCTOBER 2001

ORGANIZED

UNDER THE LAWS OF

U S SUBSIDIARIES OF AGILENT TECHNOLOGIES, INC.
Agilent Technologies World Trade, Inc.
Delaware
Agilent LED International
California
Agilent Real Estate, Inc.
Delaware
American Holographic Inc
Delaware
ATN Microwave, Inc
Massachusetts

J&W Holding Corporation
California
LA Facilities, LLC
Delaware
Microsensor Technology, Inc
California
Objective Systems Integrators, Inc
Delaware
Qos-Effective Systems Ltd
New Hampshire
Quasar Acquisition Corp
California
Redswitch, Inc
Delaware
Rockland Technologies, Inc.
Delaware
Safco Technologies, Inc
Illinois
Scope Communications, Inc
Delaware
Versatest, Inc
California
Telegra Corporation
California

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Objective Systems Integrators Services, Inc
Delaware

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LumiLeds Lighting US LLC
Delaware

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Brazil
SC3 Holding Aktiebolag
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Agilent Technologies (International) Private Limited
India

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Colombia
Agilent Tecnologias de Costa Rica S A
Costa Rica
Agilent Technologies Hong Kong Limited
Hong Kong
Agilent Technologies Sales (Malaysia) Sdn. Bhd
Malaysia
Agilent Technologies New Zealand Limited
New Zealand
Agilent Technologies Europe B V.
Netherlands
Agilent Technologies Polska Sp z o.o
Poland
Agilent Technologies Portugal, Unipessoal Limitada
Portugal
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Russia
Agilent Technologies Taiwan Ltd.
Taiwan
Agilent Technologies (Thailand) Limited
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Agilent Technologies Microwave Products (M) Sdn Bhd.
Malaysia
Agilent Technologies Mauritius Limited
Mauritius
Agilent Technologies Mexico, S de R.L. de C.V.
Mexico
Agilent Technologies International B V
Netherlands
Agilent Technologies Netherlands Investments B V
Netherlands
Agilent Technologies Philippines Corporation
Philippines
Agilent Technologies Singapore (Sales) Pte Ltd
Singapore
Agilent Technologies Singapore Vision Operation Pte Ltd
Singapore

Agilent Technologies Medical Products (Qingdao) Company Limited
China
Agilent Technologies S.ar.L
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Agilent Technologies Cervin S ar L
Switzerland
Agilent Technologies Leman S ar L
Switzerland

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Sirius Communications N V
Belgium

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Dynamic Digital Technology Private Limited
India

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Yokogawa Analytical Systems, Inc
Japan

Agilent Technologies Netherlands B.V.
Netherlands

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China
Agilent Technologies Software Company Limited
China
Agilent Technologies Shanghai Analytical Products Co , Ltd
China
Agilent Technologies Shanghai Company Limited
China

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Austria
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Switzerland
Agilent Technologies Finland Oy
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Agilent Technologies Holding Sweden AB
Sweden

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Agilent Technologies Sweden AB
Sweden

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Argentina

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Agilent Technologies Spain, S L
Spain

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Cayman Islands
Agilent Technologies (Malaysia) Sdn. Bhd
Malaysia

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Agilent Technologies Coordination Center S C./C.V
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Agilent Technologies Singapore Pte Ltd
Singapore

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Agilent Technologies Deutschland Holding GmbH
Germany

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Agilent Technologies Deutschland GmbH
Germany
Agilent Technologies Deutschland Alpha GmbH
Germany

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Agilent Technologies Deutschland GmbH & Co. Immobilien KG
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Agilent Technologies Sanigi B.V
Netherlands

NON-U S SUBSIDIARY OF AGILENT TECHNOLOGIES UK LIMITED
Agilent Finance Limited
England
BT&D Technologies Limited
England
Libra (Syscom) Limited
Scotland

NON-U.S SUBSIDIARY OF AGILENT TECHNOLOGIES NORWAY HOLDING AS
Agilent Technologies Norway AS
Norway

NON-U S. SUBSIDIARY OF AGILENT TECHNOLOGIES IRELAND LIMITED
MVT Ltd.
Ireland

U S. SUBSIDIARY OF MVT LTD
MVT, Inc.
Delaware

NON-U S SUBSIDIARY OF MVT LTD
MV Technology Limited
Ireland
MV Research Limited
Ireland
MVT (JPY) Limited
Japan
Grangecard
Ireland

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EXHIBIT 23.1

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EXHIBIT 23 1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No 333-64270) and the following Registration Statements on Form S-8 of Agilent Technologies, Inc of our report dated November 15, 2001, except for Note 19 which is as of November 27, 2001, relating to the consolidated financial statements, which appears in this Form 10-K

Registration Statement No. 333-91121

Registration Statement No. 333-35016

Registration Statement No 333-38080

Registration Statement No. 333-38194

Registration Statement No. 333-47024

/s/ PRICEWATERHOUSECOOPERS LLP
PricewaterhouseCoopers LLP

San Jose, California
January 22, 2002

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Ten Almaden Boulevard
Suite 1600
San Jose CA 95113
Telephone (408) 817 3700
Facsimile (408) 817 5050

Report of Independent Accountants
On Applying Agreed-Upon Procedures

January 22, 2002

To the Board of Directors of
Agilent Technologies, Inc.
and
the California Department of
Toxic Substances Control

We have performed the procedures enumerated below, which were agreed to by Agilent Technologies, Inc. and its subsidiaries (the "Company"), to certain disclosures included in the Alternative I schedule of the attached letter dated January 22, 2002 from the Company to the California Department of Toxic Substances Control solely to assist the Company in their evaluation of specified financial tests established to demonstrate financial assurance as specified in California Code of Regulations, Title 22, Division 4.5. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of Agilent Technologies, Inc. and the California Department of Toxic Substances Control. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

Item 2
We compared Item 2., total liabilities, of $2,327 million to the sum of Total current liabilities and Other liabilities disclosed in the Company's Consolidated Balance Sheet at October 31, 2001, which appears in the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended October 31, 2001 (the "Consolidated Financial Statements"), and found such amounts to be in agreement.

Item 3
We compared Item 3., tangible net worth, of $4,589 million to the difference between total tangible assets of $6,916 million (which is the difference between total assets of $7,986 million as disclosed in the Consolidated Balance Sheet and

PRICEWATERHOUSECOOPERS

the net book value of Goodwill and other intangible assets, net of $1,070 million as disclosed in the Consolidated Balance Sheet) and Item 2 ($2,327 million), and found such amounts to be in agreement.

Item 4
We compared Item 4., net worth, of $5,659 million to Total Stockholders' Equity disclosed in the Consolidated Balance Sheet and found such amounts to be in agreement.

Item 5
We compared Item 5., Current assets, of $4,799 million to the total current assets disclosed in the Consolidated Balance Sheet and found such amounts to be in agreement.

Item 6
We compared Item 6., Current liabilities, of $2,002 million to Total current liabilities disclosed in the Consolidated Balance Sheet and found such amounts to be in agreement.

Item 7
We compared Item 7., net working capital, of $2,797 million to the difference between Item 5 ($4,799 million) and Item 6 ($2,002 million) and found such amounts to be in agreement.

Item 8
We compared Item 8., the sum of net income plus depreciation, depletion and amortization, of $908 million to the sum of net earnings of $174 million as disclosed in the Consolidated Statement of Earnings and depreciation and amortization of $734 million as disclosed in the Consolidated Statement of Cash Flows included in the Consolidated Financial Statements and found such amounts to be in agreement.

Item 9
We compared Item 9., Total assets in the U.S., of $3,989 million to the total assets located in the U.S. as set forth in the Company's accounting records and found such amounts to be in agreement.

PRICEWATERHOUSECOOPERS

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Company and the California Department of Toxic Substances Control and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

PricewaterhouseCoopers LLP

Agilent Technologies Inc
5301 Stevens Creek Boulevard
Santa Clara California 95051

www agilent com

Agilent Technologies
Innovating the HP Way

January 17, 2001

Director
Department of Toxic Substances Control
Financial Responsibility Unit
P O. Box 806
Sacramento, California 95812-0806

I am the Chief Financial Officer of Agilent Technologies, Inc . 395 Page Mill Road, Palo Alto, CA 94306.

This letter is in support of this firm's use of the Financial Test to demonstrate financial assurance for closure and/or post-closure costs, as specified in California Code of Regulations (Cal Code of Regs.), Title 22, Division 4 5, Chapter 14 and 15, Article 8

1 This firm is the owner/operator of the following facilities/TTUs for which financial assurance for closure and/or post-closure costs is demonstrated through the Financial Test as specified in Sections 66264 143(f), 66264.145(f), 66265 143(e), and 66265 145(e) of Cal Code of Regs., Title 22, Division 4.5, of Chapters 14 and 15, Article 8 The current closure and/or post-closure cost estimates covered by the test are shown for each facility/TTU (See Exhibit I)

2. This firm guarantees through the corporate guarantee as specified in Sections 66264.143(f), 66264 145(f), 66265 143(e), and 66265 145(e) of Cal Code of Regs , Title 22, Division 4.5, of Chapters 14 and 15, Article 8, the closure and/or post-closure care of the following facilities/TTUs owned or operated by subsidiaries of this firm The current cost estimates for the closure and/or post-closure care so guaranteed are shown for each facility/TTU (None)

3. In states where the U.S Environmental Protection Agency is not administering the financial requirement of Subpart H, Title 40 CFR, Parts 264 and 265, this firm, as owner, operator or guarantor is demonstrating financial assurance for closure and/or post-closure care of the following facilities/TTUs through the use of a test equivalent or substantially equivalent to the financial test specified Section 66264 143(f), 66264 145(f), and 66265 143(e), and 66265.145(e) of Cal. Code of Regs , Title 22, Division 4 5, of Chapters 14 and 15, Article 8 The current closure and/or post-closure cost estimates covered by such a test are shown for each facility/TTU (See Exhibit I).

4 This firm is the owner or operator of the following facilities/TTUs for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to U.S. Environmental Protection Agency or a State through the financial test or any other financial assurance mechanism as specified in Cal Code of Regs , Title 22, Division 4 5, of Chapters 14 and 15, Article 8 or equivalent or substantially equivalent State mechanisms The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility/TTU (None).

5. This firm is the owner or operator of the following Underground Injection Control facilities for which financial assurance for plugging and abandonment is required under 40 CFR Part 144 The current closure cost estimates are shown for each facility (None)

This firm is required to file a Form 10-K with the Securities and Exchange Commission [SEC] for the latest fiscal year

The fiscal year of this firm ends on October 31. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended October 31, 2000

Jan 31 st. due

This firm is using Alternative I.

EXHIBIT I

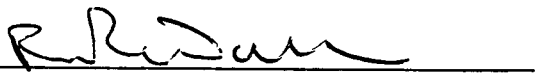
CLOSURE COST ESTIMATES FOR FIXED TREATMENT UNITS AS PER 22 CCR 67450.13

Site	EPA ID#	EPA Region	Closure Cost Est.	Post-Closure Cost Est.
Agilent Technologies, Inc. 39201 Cherry Street Newark, CA 94560	CAD 980895155	9	$66,000	N/A
Agilent Technologies, Inc. 3500 Deer Creek Road Palo Alto, CA 94304	CAR 000058560	9	$182,000	N/A
Agilent Technologies, Inc. 350 West Trimble Road San Jose, CA 95131	CAT 000611400	9	$56,940	N/A
Agilent Technologies, Inc. 3175 Bowers Ave. Santa Clara, CA 95054	CAR 000058552	9	$58,000	N/A
Agilent Technologies, Inc. 5301 Stevens Creek Blvd Santa Clara, CA 95051	CAR 000058545	9	$300,000	N/A
Agilent Technologies, Inc. 1400 Fountain Grove Pkwy Santa Rosa, CA 95401	CAR 000058537	9	$292,000	N/A

ALTERNATIVE 1
Fiscal Year 2000 (M=$Millions)

1.	Sum of current closure and post-closure cost estimates (Total of all cost estimates)		$ 954,940
*2	Total liabilities (if any potion of the closure or post-closure cost estimate is included in total liabilities, you may deduct the amount of that portion from this line and add that amount to lines 3 and 4)		$ 3,160 M
*3.	Tangible Net Worth		$ 4,708 M
*4.	Net Worth		$ 5,265 M
*5.	Current assets		$ 5,655 M
*6.	Current liabilities		$ 2,758 M
7	Net working capital (line 5 minus line 6)		$ 2,897 M
*8.	The sum of net income plus depreciation, depletion and amortization.		$ 1,252 M
*9.	Total assets in U S. (required only if less than 90 percent of assets are located in the U.S.)		$ 4,548 M
10	Is line 3 at least $10 million?	YES _X__	NO ____
11.	Is line 3 at least 6 times line 1?	YES _X__	NO ____
12	Is line 7 at least 6 times line 1?	YES _X__	NO ____
13.	Are at least 90 percent of assets located in the U.S.? If not, complete line 14	YES ____	NO _X_
14	Is line 9 at least 6 times line 1?	YES _X__	NO ____
15.	Is line 2 divided by line 4 less than 2.0?	YES _X__	NO ____
16	Is line 8 divided by 2 greater than 0.1?	YES _X__	NO ____
17	Is line 5 divided by line 6 greater than 1.5?	YES _X__	NO ____

I hereby certify that this letter is worded as specified by the Department of Toxic Substances Control and is being executed in accordance with the requirements of Cal. Code of Regs. Title 22, Division 4 5, of Chapter 14 and 15, Article 8.



Signature

Robert R. Walker
Typed or Printed Name

Executive Vice President & Chief Financial Officer
Title

17 Jan 2001
Date

DTSC 1159 (05/95)(Formerly DHS8105)

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Ten Almaden Boulevard
Suite 1600
San Jose CA 95113
Telephone (408) 817 3700
Facsimile (408) 817 5050

Report of Independent Accountants
On Applying Agreed-Upon Procedures

January 17, 2001

To the Board of Directors of
Agilent Technologies, Inc.
and
the California Department of
Toxic Substances Control

We have performed the procedures enumerated below, which were agreed to by Agilent Technologies, Inc. and its subsidiaries (the "Company"), to certain disclosures included in the Alternative I schedule of the attached letter dated January 17, 2001 from the Company to the California Department of Toxic Substances Control solely to assist the Company in their evaluation of specified financial tests established to demonstrate financial assurance as specified in California Code of Regulations, Title 22, Division 4.5. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of Agilent Technologies, Inc. and the California Department of Toxic Substances Control. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

Item 2
We compared Item 2., total liabilities, of $3,160 million to the sum of Total current liabilities and Other liabilities disclosed in the Company's Consolidated Balance Sheet at October 31, 2000, which appears in the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended October 31, 2000 (the "Consolidated Financial Statements"), and found such amounts to be in agreement.

Item 3
We compared Item 3., tangible net worth, of $4,708 million to the difference between total tangible assets of $7,868 million (which is the difference between total assets of $8,425 million as disclosed in the Consolidated Balance Sheet and

the net book value of Goodwill and other intangible assets, net of $557 million as disclosed in the Consolidated Balance Sheet) and Item 2 ($3,160 million), and found such amounts to be in agreement.

Item 4
We compared Item 4., net worth, of $5,265 million to Total Stockholders' Equity disclosed in the Consolidated Balance Sheet and found such amounts to be in agreement.

Item 5
We compared Item 5., Current assets, of $5,655 million to the total current assets disclosed in the Consolidated Balance Sheet and found such amounts to be in agreement.

Item 6
We compared Item 6., Current liabilities, of $2,758 million to Total current liabilities disclosed in the Consolidated Balance Sheet and found such amounts to be in agreement.

Item 7
We compared Item 7., net working capital, of $2,897 million to the difference between Item 5 ($5,655 million) and Item 6 ($2,758 million) and found such amounts to be in agreement.

Item 8
We compared Item 8., the sum of net income plus depreciation, depletion and amortization, of $1,252 million to the sum of net earnings of $757 million as disclosed in the Consolidated Statement of Earnings and depreciation and amortization of $495 million as disclosed in the Consolidated Statement of Cash Flows included in the Consolidated Financial Statements and found such amounts to be in agreement.

Item 9
We compared Item 9., Total assets in the U.S., of $4,548 million to the total assets located in the U.S. as set forth in the Company's accounting records and found such amounts to be in agreement.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly,

we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Company and the California Department of Toxic Substances Control and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

PricewaterhouseCoopers LLP

Agilent Technologies, Inc
3175 Bowers Avenue
Santa Clara, California 95054

Agilent Technologies
Innovating the HP Way

CERTIFIED MAIL ARTICLE # Z 331 641 383

January 10, 2001

JAN 16 10 21 AM '01
RECEIVED BY
ENVIRONMENTAL HEALTH
HMCD

Ms. Nicole Pullman
County of Santa Clara
Department of Environmental Health
Hazardous Materials Compliance Division
P.O. Box 28070
San Jose, CA 95159-8070

Subject: Agilent's Financial Assurance Submittal
Agilent Technologies, Inc.
350 West Trimble Road
San Jose, CA 95131
EPA ID# CAT 000 611 400

Dear Ms. Pullman;

Enclosed are the financial assurance information for the site located at 350 West Trimble Road in San Jose, California.

The enclosed information includes
1. CFO Letter and Financial Test (DTSC Form 1159)
2. Unidocs form UPCF hwf1232
3. A copy of the 1999 Annual Report
4. A copy of the 1999 SEC Form 10-K

Barry Simpson 435-4183
pager 699-5822

If you have any questions regarding this submittal, please call me at (408) 970-2105.
Newark 592-3222

Sincerely,

Reviewed By Nicole Pullman
Date 1/17/01

Mitch Cole
Environmental Specialist

Enclosure

Agilent Technologies Inc
5301 Stevens Creek Boulevard
Santa Clara California 95051

www.agilent.com

Agilent Technologies
Innovating the HP Way

December 21, 2000

Director
Department of Toxic Substances Control
Financial Responsibility Unit
P O Box 806
Sacramento, California 95812-0806

RE: AGILENT TECHNOLOGIES FINANCIAL ASSURANCE FOR CLOSURE AND/OR POST-CLOSURE COSTS INTERIM FILING

To Whom It May Concern.

Enclosed is an interim filing of the financial assurance documentation for Agilent Technologies closure and/or post-closure costs We are currently in the process of finalizing our financial information and are working with outside legal council to determine if Agilent will continue filing for Lumileds Lighting, U S., LLC We anticipate filing a revised/final version of this documentation in late January 2001 Please note, therefore, the following outstanding issues when reviewing the enclosed documentation·

1) Agilent is currently in the process of finalizing the company's financial information for the annual report. The data contained herein is preliminary data, therefore, has not yet been audited by an outside party. Agilent will submit final FY00 financial assurance documentation to DTSC after the annual report numbers have been audited and approved by a third party It is anticipated this process will be completed in mid to late January 2001

2) Please note that the "Tangible Net Worth" value on form DTSC 1159 was modified after the form was signed by Robert Walker, Agilent Technologies CFO The original number $4,698M has been increased to $4,708M (a $10M increase) to more accurately reflect current value

3) Since Agilent has included Lumileds Lighting, U S LLC (a company which Agilent owns a 50% interest in) in past filings, we are including Lumileds in the financial liability information below We are currently in the process, however, of reevaluating their inclusion in Agilent's submittal and may change this data in the revised/final submittal.

If you have any questions regarding this submittal, please do not hesitate to contact Alvaro Rego, Agilent Corporate EHS, at (408) 345-8086

Sincerely,

Gail Brownell
EHS Manager
Agilent Technologies

Cc. Chris Hernando, Agilent Technologies
Roxanne Rapson, Agilent Technologies

Agilent Technologies Inc
5301 Stevens Creek Boulevard
Santa Clara California 95051

www agilent com

Agilent Technologies
Innovating the HP Way

December 15, 2000

Director
Department of Toxic Substances Control
Financial Responsibility Unit
P O Box 806
Sacramento, California 95812-0806

I am the Chief Financial Officer of Agilent Technologies, Inc , 395 Page Mill Road, Palo Alto, CA 94306.

This letter is in support of this firm's use of the Financial Test to demonstrate financial assurance for closure and/or post-closure costs, as specified in California Code of Regulations (Cal. Code of Regs), Title 22, Division 4 5, Chapter 14 and 15, Article 8

1 This firm is the owner/operator of the following facilities/TTUs for which financial assurance for closure and/or post-closure costs is demonstrated through the Financial Test as specified in Sections 66264 143(f), 66264 145(f), 66265 143(e), and 66265 145(e) of Cal. Code of Regs., Title 22, Division 4 5, of Chapters 14 and 15, Article 8. The current closure and/or post-closure cost estimates covered by the test are shown for each facility/TTU: (See Exhibits Ia & Ib).

2 This firm guarantees through the corporate guarantee as specified in Sections 66264 143(f), 66264 145(f), 66265.143(e), and 66265 145(e) of Cal. Code of Regs , Title 22, Division 4 5, of Chapters 14 and 15, Article 8, the closure and/or post-closure care of the following facilities/TTUs owned or operated by subsidiaries of this firm. The current cost estimates for the closure and/or post-closure care so guaranteed are shown for each facility/TTU: (None)

3 In states where the U S Environmental Protection Agency is not administering the financial requirement of Subpart H, Title 40 CFR, Parts 264 and 265, this firm, as owner, operator or guarantor is demonstrating financial assurance for closure and/or post-closure care of the following facilities/TTUs through the use of a test equivalent or substantially equivalent to the financial test specified Section 66264 143(f), 66264 145(f), and 66265 143(e), and 66265 145(e) of Cal. Code of Regs., Title 22, Division 4 5, of Chapters 14 and 15, Article 8 The current closure and/or post-closure cost estimates covered by such a test are shown for each facility/TTU (See Exhibit Ia & Ib)

4 Agilent Technologies, Inc , the firm identified above, is the owner and operator of the facilities shown on Exhibit IA. Agilent Technologies, Inc., also is engaged in a substantial business relationship with LumiLeds Lighting U S , LLC, an operator of the facility listed Exhibit IB, namely Agilent Technologies, Inc owns a 50% interest in LumiLeds Lighting U S., LLC. Agilent Technologies, Inc , received value in consideration of this guarantee, namely $1 and other valuable consideration, including the ability to operate a wastewater treatment system essential to the day to day conduct of business operations that benefit both firms

5. This firm is the owner or operator of the following facilities/TTUs for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to U S Environmental Protection Agency or a State through the financial test or any other financial assurance mechanism as specified in Cal. Code of Regs , Title 22, Division 4 5, of Chapters 14 and 15, Article 8 or equivalent or substantially equivalent State mechanisms The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility/TTU. (None)

6. This firm is the owner or operator of the following Underground Injection Control facilities for which financial assurance for plugging and abandonment is required under 40 CFR Part 144. The current closure cost estimates are shown for each facility (None)

This firm is required to file a Form 10-K with the Securities and Exchange Commission [SEC] for the latest fiscal year.

The fiscal year of this firm ends on October 31 The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended October 31, 2000.

This firm is using Alternative I

EXHIBIT I

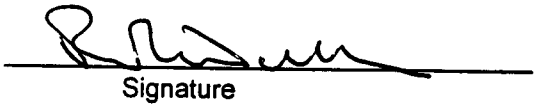
CLOSURE COST ESTIMATES FOR FIXED TREATMENT UNITS AS PER 22 CCR 67450.13

	Site	EPA ID#	EPA Region	Closure Cost Est.	Post-Closure Cost Est.
Ia:	**Agilent Technologies, Inc.** 39201 Cherry Street Newark, CA 94560	CAD 980895155	9	$66,000	N/A
	Agilent Technologies, Inc. 1601 California Avenue Palo Alto, CA 94304	CAD 076314640	9	$6,000	N/A
	Agilent Technologies, Inc. 3500 Deer Creek Road Palo Alto, CA 94304	CAR 000058560	9	$182,000	N/A
	Agilent Technologies, Inc. 350 West Trimble Road San Jose, CA 95131	CAT 000611400	9	$56,940	N/A
	Agilent Technologies, Inc. 3175 Bowers Ave Santa Clara, CA 95054	CAR 000058552	9	$58,000	N/A
	Agilent Technologies, Inc. 5301 Stevens Creek Blvd. Santa Clara, CA 95051	CAR 000058545	9	$300,000	N/A
	Agilent Technologies, Inc. 1400 Fountain Grove Pkwy Santa Rosa, CA 95401	CAR 000058537	9	$292,000	N/A
Ib:	**LumiLeds Lighting U.S., LLC** - a joint venture of **Agilent Technologies, Inc.** 370 West Trimble Road San Jose, CA 95131	CAR 000058081	9	$109,975	N/A

ALTERNATIVE 1
Fiscal Year 2000 (M=$Millions)

1	Sum of current closure and post-closure cost estimates (Total of all cost estimates)	$1,070,915
*2	Total liabilities (if any potion of the closure or post-closure cost estimate is included in total liabilities, you may deduct the amount of that portion from this line and add that amount to lines 3 and 4)	$ 3,160 M
*3	Tangible Net Worth	4,708M $ ~~4,698~~ M
*4	Net Worth	$ 5,265 M
*5	Current assets	$ 5,655 M
*6	Current liabilities	$2,758 M
7	Net working capital (line 5 minus line 6)	$ 2,897 M
*8	The sum of net income plus depreciation, depletion and amortization	$ 1,252 M
*9	Total assets in U S (required only if less than 90 percent of assets are located in the U S)	$4,150 M
10	Is line 3 at least $10 million?	YES _X__ NO ____
11	Is line 3 at least 6 times line 1?	YES _X__ NO ____
12	Is line 7 at least 6 times line 1?	YES _X__ NO ____
13	Are at least 90 percent of assets located in the U S ? If not, complete line 14.	YES ____ NO _X__
14	Is line 9 at least 6 times line 1?	YES _X__ NO ____
15	Is line 2 divided by line 4 less than 2 0?	YES _X__ NO ____
16	Is line 8 divided by 2 greater than 0 1?	YES _X__ NO ____
17	Is line 5 divided by line 6 greater than 1 5?	YES _X__ NO ____

I hereby certify that this letter is worded as specified by the Department of Toxic Substances Control and is being executed in accordance with the requirements of Cal Code of Regs Title 22, Division 4 5, of Chapter 14 and 15, Article 8.



Signature

Robert R Walker
Typed or Printed Name

Executive Vice President & Chief Financial Officer
Title

_____
Date

DTSC 1159 (05/95)(Formerly DHS8105)

AGILENT TECHNOLOGIES, ;.

Financial Responsibility for Closure:

The total cost estimate for completing closure is approximately $56,100 (1999 dollars). Attached is a copy of the recent financial test letter demonstrating financial responsibility for closure. The following table presents a breakdown of the closure costs by treatment unit.

FTU Closure Cost Estimation

PBR/CA Unit	NS-1
Removal, treatment, or disposal of waste	$100
Decontamination of equipment and structure	$3,000
Demolition and removal of containment system components	$35,000
Transportation and Disposal costs	$12,000
Sampling & Lab Analysis	$5,000
Certification of Decontamination	$1,000
Less Assets	N.A.
TOTAL COST	$56,100

Closure Cost Adjustment 3/2000:
Inflation factor = implicit price deflator 1999/implicit price deflator 1998 = 104.19/102.69 = 1.015
$56,100 x 1.015 = **$56,941.50**

Notification of Closure:

DTSC shall be notified of closure at least 15 days prior to completion of closure.

Certification of Closure:

A certification of closure shall be signed by Agilent Technologies, Inc., and by an independent, professional engineer registered in California that the closure has been completed in accordance with the closure plan and that the closure plan meets or exceeds the applicable requirements of title 22, California Code of Regulations, Division 4.5.

Agilent Technologies Inc
Semiconductor Products Group
350 West Trimble Road
San Jose, California 95131
www.agilent.com

RECEIVED BY
ENVIRONMENTAL HEALTH
HMCD

Agilent Technologies
Innovating the HP Way

MAY 33 9 26 AM '00

SENT VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

May 31, 2000

Ms. Nicole Pullman
County of Santa Clara
Department of Environmental Health
Hazardous Materials Compliance Division
P.O Box 28070
San Jose, CA 95159-8070

Subject: **Agilent's Initial Financial Assurance Submittal**
Agilent Technologies, Inc.
350 West Trimble Road, San Jose, CA
EPA ID# CAT 000 611 400

Agilent Technologies, Inc (Agilent) will be officially separated from Hewlett-Packard Company on June 2, 2000. The enclosed Financial Assurance information provides the necessary coverage for the Agilent site located at 350 West Trimble Road in San Jose, California.

The enclosed information includes:
1. CFO Letter & Financial Test (DSTC Form 1159)
2. A letter from PriceWaterhouseCoopers verifying the data used in the financial test
3. DTSC Form 1232
4. A copy of the 1999 Annual Report
5. A copy of the 1999 SEC Form 10-K

If you have any questions regarding this submittal, please call me at (408) 435-4151.

Sincerely,

Rebecca Bond

Rebecca Maddex Bond
Environmental Engineer

cc: Ms. Bonnie Griffith, Cal/EPA, Department of Toxic Substances Control

Agilent Technologie
Innovating the HP Way

Agilent Technolu_ inc
5301 Stevens Creek Boulevard
PO Box 58059
Santa Clara California 95052-8059

www agilent com

May 1. 2000

Director
Department of Toxic Substances Control
Financial Responsibility Unit
P.O Box 806
Sacramento, California 95812-0806

I am the Chief Financial Officer of Agilent Technologies, Inc., 395 Page Mill Road, Palo Alto, CA 94306.

This letter is in support of this firm's use of the Financial Test to demonstrate financial assurance for closure and/or post-closure costs, as specified in California Code of Regulations (Cal. Code of Regs.), Title 22. Division 4 5. Chapter 14 and 15, Article 8.

1. This firm is the owner/operator of the following facilities/TTUs for which financial assurance for closure and/or post-closure costs is demonstrated through the Financial Test as specified in Sections 66264.143(f), 66264.145(f), 66265.143(e), and 66265.145(e) of Cal. Code of Regs., Title 22, Division 4 5, of Chapters 14 and 15, Article 8. The current closure and/or post-closure cost estimates covered by the test are shown for each facility/TTU: (See Exhibits Ia & Ib).

2. This firm guarantees through the corporate guarantee as specified in Sections 66264.143(f), 66264 145(f), 66265.143(e), and 66265.145(e) of Cal. Code of Regs., Title 22, Division 4.5, of Chapters 14 and 15, Article 8, the closure and/or post-closure care of the following facilities/TTUs owned or operated by subsidiaries of this firm. The current cost estimates for the closure and/or post-closure care so guaranteed are shown for each facility/TTU: (None).

3. In states where the U.S. Environmental Protection Agency is not administering the financial requirement of Subpart H. Title 40 CFR, Parts 264 and 265, this firm, as owner, operator or guarantor is demonstrating financial assurance for closure and/or post-closure care of the following facilities/TTUs through the use of a test equivalent or substantially equivalent to the financial test specified Section 66264.143(f), 66264 145(f), and 66265.143(e), and 66265 145(e) of Cal. Code of Regs , Title 22, Division 4 5, of Chapters 14 and 15, Article 8. The current closure and/or post-closure cost estimates covered by such a test are shown for each facility/TTU: (See Exhibit Ia & Ib)

4. Agilent Technologies, Inc., the firm identified above, is the owner and operator of the facilities shown on Exhibit IA. Agilent Technologies, Inc., also is engaged in a substantial business relationship with LumiLeds Lighting U.S., LLC, an operator of the facility listed Exhibit IB, namely Agilent Technologies, Inc. owns a 50% interest in LumiLeds Lighting U S., LLC Agilent Technologies, Inc . received value in consideration of this guarantee, namely $1 and other valuable consideration, including the ability to operate a wastewater treatment system essential to the day to day conduct of business operations that benefit both firms

5. This firm is the owner or operator of the following facilities/TTUs for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to U.S. Environmental Protection Agency or a State through the financial test or any other financial assurance mechanism as specified in Cal. Code of Regs., Title 22, Division 4 5, of Chapters 14 and 15, Article 8 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility/TTU· (None).

6 This firm is the owner or operator of the following Underground Injection Control facilities for which financial assurance for plugging and abandonment is required under 40 CFR Part 144. The current closure cost estimates are shown for each facility (None)

This firm is required to file a Form 10-K with the Securities and Exchange Commission [SEC] for the latest fiscal year.

The fiscal year of this firm ends on October 31. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended October 31, 1999

This firm is using Alternative I.

EXHIBIT I

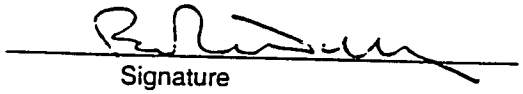
CLOSURE COST ESTIMATES FOR FIXED TREATMENT UNITS AS PER 22 CCR 67450.13

	Site	EPA ID#	EPA Region	Closure Cost Est.	Post-Closure Cost Est.
Ia:	**Agilent Technologies, Inc.** 39201 Cherry Street Newark, CA 94560	CAD 980985155	9	$66.000	N/A
	Agilent Technologies, Inc. 1601 California Avenue Palo Alto, CA 94304	CAD 076314640	9	$6.000	N/A
	Agilent Technologies, Inc. 3500 Deer Creek Road Palo Alto, CA 94304	CAR 000058560	9	$182.000	N/A
	Agilent Technologies, Inc. 350 West Trimble Road San Jose, CA 95131	CAT 000611400	9	$56.940	N/A
	Agilent Technologies, Inc. 3175 Bowers Ave Santa Clara, CA 95054	CAD 009442484	9	$58.000	N/A
	Agilent Technologies, Inc. 5301 Stevens Creek Blvd. Santa Clara, CA 95051	CAR 000058545	9	$300.000	N/A
	Agilent Technologies, Inc. 1400 Fountain Grove Pkwy Santa Rosa, CA 95401	CAR 000058537	9	$292.000	N/A
Ib:	**LumiLeds Lighting U.S., LLC** - a joint venture of **Agilent Technologies, Inc.** 370 West Trimble Road San Jose, CA 95131	CAR 000058081	9	$109 975	N/A

ALTERNATIVE 1
Fiscal Year 1999 (M=$Millions)

1	Sum of current closure and post-closure cost estimates (Total of all cost estimates)	$1,070,915
*2.	Total liabilities (if any potion of the closure or post-closure cost estimate is included in total liabilities, you may deduct the amount of that portion from this line and add that amount to lines 3 and 4)	$2,062M
*3.	Tangible Net Worth	$3,240M
*4	Net Worth	$3,382M
*5.	Current assets	$3,538M
*6.	Current liabilities	$1,681M
7.	Net working capital (line 5 minus line 6)	$1,857M
*8	The sum of net income plus depreciation, depletion and amortization.	$ 987M
*9.	Total assets in U.S. (required only if less than 90 percent of assets are located in the U.S.)	$2,802M
10.	Is line 3 at least $10 million?	YES _X__ NO ____
11	Is line 3 at least 6 times line 1?	YES _X__ NO ____
12.	Is line 7 at least 6 times line 1?	YES _X__ NO ____
13.	Are at least 90 percent of assets located in the U S.? If not, complete line 14.	If not, YES ____ NO _ X__
14	Is line 9 at least 6 times line 1?	YES _X__ NO ____
15.	Is line 2 divided by line 4 less than 2.0?	YES _X__ NO ____
16.	Is line 8 divided by 2 greater than 0.1?	YES _X__ NO ____
17.	Is line 5 divided by line 6 greater than 1.5?	YES _X__ NO ____

I hereby certify that this letter is worded as specified by the Department of Toxic Substances Control and is being executed in accordance with the requirements of Cal. Code of Regs. Title 22, Division 4 5, of Chapter 14 and 15, Article 8.



Signature

Robert R Walker
Typed or Printed Name

Senior Vice President & Chief Financial Officer
Title

1 June 00
Date

DTSC 1159 (05/95)(Formerly DHS8105)

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Ten Almaden Boulevard
Suite 1600
San Jose CA 95113
Telephone (408) 817 3700
Facsimile (408) 817 5050

Report of Independent Accountants
On Applying Agreed-Upon Procedures

May 23, 2000

To the Board of Directors of
Agilent Technologies, Inc.
and
the California Department of
Toxic Substances Control

We have performed the procedures enumerated below, which were agreed to by Agilent Technologies, Inc. and its subsidiaries (the "Company"), to certain disclosures included in the Alternative I schedule of the attached letter dated May 1, 2000 from the Company to the California Department of Toxic Substances Control solely to assist the Company in their evaluation of specified financial tests established to demonstrate financial assurance as specified in California Code of Regulations, Title 22, Division 4.5. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

Item 2
We compared Item 2., total liabilities, of $2,062 million to the sum of total current liabilities and other liabilities disclosed in the Company's consolidated balance sheet at October 31, 1999 (the "Balance Sheet"), which appears in the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended October 31, 1999 (the "Financial Statements"), and found such amounts to be in agreement.

Item 3
We compared Item 3., tangible net worth, of $3,240 million to the difference between total tangible assets of $5,302 million (which is the difference between total assets of $5,444 million as disclosed in the Balance Sheet and the net book value of goodwill of $142 million as disclosed in Note 3 of the Financial

Statements) and Item 2 ($2,062 million), and found such amounts to be in agreement.

Item 4
We compared Item 4., net worth, of $3,382 million to the total stockholder's equity disclosed in the Balance Sheet and found such amounts to be in agreement.

Item 5
We compared Item 5., current assets, of $3,538 million to the total current assets disclosed in the Balance Sheet and found such amounts to be in agreement.

Item 6
We compared Item 6., current liabilities, of $1,681 million to the total current liabilities disclosed in the Balance Sheet and found such amounts to be in agreement.

Item 7
We compared Item 7., net working capital, of $1,857 million to the difference between Item 5 ($3,538 million) and Item 6 ($1,681 million) and found such amounts to be in agreement.

Item 8
We compared Item 8., the sum of net income plus depreciation, depletion and amortization, of $987 million to the sum of net earnings of $512 million and depreciation and amortization of $475 million as disclosed in the consolidated statement of cash flows included in the Financial Statements and found such amounts to be in agreement.

Item 9
We compared Item 9., total assets in the U.S., of $2,802 million to the total assets located in the U.S. as set forth in the Company's accounting records and found such amounts to be in agreement.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Company and the California Department of Toxic Substances Control and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

PricewaterhouseCoopers LLP

Agilent Technologies, .
Semiconductor Products Group
350 West Trimble Road
San Jose, California 95131

www.agilent.com

RECEIVED

JAN 03 2000

Agilent Technologies
Innovating the HP Way

SENT VIA CERTIFIED MAIL

December 30, 1999

Ms. Stephanie Christenberry
County of Santa Clara
Department of Environmental Health
2220 Moorpark Avenue
Room 204, East Wing
San Jose, CA 95128

SUBJECT: Financial Assurance Coverage
Agilent Technologies, Inc.
350 West Trimble Road, San Jose
EPA ID# CAR 000 611 400

Dear Ms. Christenberry,

Please find enclosed the complete financial assurance information for the regulated Permit By Rule unit that operates at the Agilent Technologies facility at 350 West Trimble Road in San Jose, California. The purpose of this submittal is to meet the requirements for demonstrating financial assurance for closure of fixed treatment units which are authorized under Permit By Rule or Conditional Authorization listed under CCR Title 22, Division 4.5, Chapter 45, Section 67450 13. The enclosed information includes Agilent's completed Certification of Financial Assurance form, a copy of the closure cost estimate, Hewlett-Packard Company's CFO letter and financial test, a letter from Price Waterhouse verifying the data used in the financial test, and Hewlett-Packard's 1998 Annual Report.

If you have any comments or questions regarding these enclosures please contact me at (408) 435-4151, or Ms. Barrie Simpson at (408) 435-4183.

Sincerely,

Rebecca Bond

Rebecca M Bond, P.E.
Environmental Engineer

Enclosures

CC: Bonnie Griffith, Department of Toxic Substances Control

Hewlett-Packard Company
Environment, Health & Safety
3000 Hanover Street, Mail Stop 5UE
Palo Alto, California 94304

650-857-2710 (Fax 650-852-8691)

Mailing Address
PO Box 10301
Palo Alto, CA 94303-0890

October 1, 1998

Director
Department of Toxic Substances Control
Financial Responsibility Unit
P.O. Box 806
Sacramento, CA 95812-0806

I am the chief financial officer of Hewlett-Packard Company, 3000 Hanover Street, Palo Alto, CA, 94304, in support of this firm's use of the Financial Test to demonstrate financial assurance for closure and/or post-closure costs, as specified in California Code of Regulations (Cal. Code of Regs.), Title 22, Division 4.5, Chapter 14 and 15, Article 8.

1. This firm is the owner/operator of the following facilities/TTUs for which financial assurance for closure and/or post-closure is demonstrated through the Financial Test as specified in Sections 66264.143(f), 66264.145(f), 66265.143(e), and 66265.145(e) of Cal. Code of Regs., Title 22, Division 4.5, of Chapters 14 and 15, Article 8. The current closure and/or post-closure cost estimates covered by the test are shown for each facility/TTU: (See Exhibit I).

2. This firm guarantees through the guarantee as specified in Sections 66264.143(f), 66264.145(f), 66265.143(e), and 66265.145(e) of Cal. Code of Regs., Title 22, Division 4.5, of Chapters 14 and 15, Article 8, the closure and/or post-closure care of the following facilities/TTUs owned or operated by the guaranteed party. The current cost estimates for the closure and/or post-closure care so guaranteed are shown for each facility/TTU: (None).

3. The firm identified above is [insert one or more: [1] the direct or higher tier parent corporation of the owner of operator; [2] owned by the same parent corporation as the parent corporation as the parent corporation of the owner or operator, and receiving the following value in consideration of this guarantee [insert dollars]_____; or [3] engaged in the following substantial business relationship with the owner or operator [insert business relation], and receiving the following value in consideration of the guarantee [insert dollars]_____. [Attach a written description of the business relationship or a copy of the contract establishing such relationship to this letter.] (None).

4. In states where the U.S. Environmental Protection Agency is not administering the financial requirement of Subpart H, Title 40 CFR, Parts 264 and 265, this firm, as owner or operator or guarantor is demonstrating financial assurance for closure and/or post-closure care of the following facilities/TTUs through the use

of a test equivalent or substantially equivalent to the financial test specified Sections 66264.143(f), 66264.145(f), 66265.143(f), and 66265.145(f) of Cal. Code of Regs., Title 22, Division 4.5, of Chapters 14 and 15, Article 8. The current closure and/or post-closure cost estimates covered by such a test are shown for each facility/TTU: (See Exhibit I).

5. This firm is the owner or operator of the following facilities/TTUs for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to U.S. Environmental Protection Agency or a State through the financial test or any other financial assurance mechanism as specified in Cal. Code of Regs., Title 22, Division 4.5, of Chapters 14 and 15, Article 8 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility/TTU: (None).

6. This firm is the owner or operator of the following Underground Injection Control facilities for which financial assurance for plugging and abandonment is required under 40 CFR Part 144. The current closure cost estimates are shown for each facility. (None).

This firm is required to file a Form 10-K with the Securities and Exchange Commission [SEC] for the latest fiscal year.

The fiscal year of this firm ends on October 31. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended October 31, 1997.

This firm is using Alternative I.

1.	Sum of current closure and post-closure cost estimates (Total of all cost estimates)		$1,240,000
*2.	Total liabilities (if any portion of the closure or post-closure cost estimate is included in total liabilities, you may deduct the amount of that portion from this line and add that amount to lines 3 and 4)		$ 15,594M
*3.	Tangible net worth		$ 15,990M
*4.	Net worth		$ 16,155M
*5.	Current assets		$ 20,947M
*6.	Current liabilities		$ 11,219M
7.	Net working capital (line 5 minus line 6)		$ 9,728M
*8.	The sum of net income plus depreciation, depletion and amortization.		$ 4,675M
*9.	Total assets in U.S. (required only if less than 90 percent of assets are located in the U.S.)		$ 15,665M
10.	Is line 3 at least $10 million?	YES X	NO ___
11.	Is line 3 at least 6 times line 1?	YES X	NO ___
12.	Is line 7 at least 6 times line 1?	YES X	NO ___
*13.	Are at least 90 percent of assets located in the U.S.? If not, complete line 14.	YES ___	NO X
14.	Is line 9 at least 6 times line 1?	YES X	NO ___
15.	Is line 2 divided by line 4 less than 2.0?	YES X	NO ___
16.	Is line 8 divided by line 2 greater than 0.1?	YES X	NO ___
17.	Is line 5 divided by line 6 greater than 1.5?	YES X	NO ___

I hereby certify that this letter is worded as as specified by the Department of Toxic Substances Control and is being executed in accordance with the requirements of Cal. Code of Regs., Title 22, Division 4.5, of Chapters 14 and 15, Article 8.

Robert P Wayman
Signature

Robert P. Wayman
Typed or Printed Name

Executive Vice President &Chief Financial Officer
Title

October 1, 1998
Date

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Santa Clara

On November 20, 1998 (Date) before me, Nancy C. Born, Notary Public (Name and Title of Officer (e.g., "Jane Doe, Notary Public")),

personally appeared Robert P. Waymon (Name(s) of Signer(s)),

☒ personally known to me – **OR** – ☐ proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

NANCY C. BORN
Commission # 1156476
Notary Public - California
Santa Clara County
My Comm. Expires Oct 22, 2001

WITNESS my hand and official seal.

Nancy C. Born
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document

Description of Attached Document

Title or Type of Document: Letter, Dept of Toxic Substances Control

Document Date: 10-1-98 Number of Pages: 3

Signer(s) Other Than Named Above: none

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Individual
☒ Corporate Officer
Title(s): Exec. Vice President
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing:
Hewlett-Packard Co.

Signer's Name: _____

☐ Individual
☐ Corporate Officer
Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing:

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EXHIBIT I

CLOSURE COST ESTIMATES FOR FIXED TREATMENT UNITS AS PER 22 CCR 67450.13

Site	EPA ID#	EPA Region	Closure Cost Est.	Post-Closure Cost Est.
Hewlett-Packard Company 39201 Cherry Street Newark, CA 94560	CAD980985155	9	$63,000	N/A
Hewlett-Packard Company 1601 California Avenue Palo Alto, CA 94304	CAD 076314640	9	$5,500	N/A
Hewlett-Packard Company 3500 Deer Creek Road Palo Alto, CA 94304	CAT 000617266	9	$182,000	N/A
Hewlett-Packard Company 1501 Page Mill Road Palo Alto, CA 94304	CAD 009122532	9	$78,000	N/A
Hewlett-Packard Company 8020 Foothills Blvd. Roseville, CA 95678	CAT080014483	9	$11,500	N/A
Hewlett-Packard Company 350-370 West Trimble Road San Jose, CA 95131	CAT000611400	9	$346,500	N/A
Hewlett-Packard Company 3175 Bowers Ave. Santa Clara, CA 95054	CAD009442484	9	$55,000	N/A
Hewlett-Packard Company 5301 Stevens Creek Blvd. Santa Clara, CA 95052	CAD049231319	9	$220,500	N/A
Hewlett-Packard Company 1400 Fountain Grove Pkwy. Santa Rosa, CA 95401	CAD058412842	9	$278,000	N/A

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
SILICON VALLEY
150 Almaden Boulevard
San Jose CA 95113
Telephone (408) 537 1200
Facsimile (408) 537 1390

Report of Independent Accountants
On Applying Agreed-Upon Procedures

November 23, 1998

To the Board of Directors of
Hewlett-Packard Company
and
The Department of Toxic Substances Control

We have performed the procedures enumerated below, which were agreed to by Hewlett-Packard Company and its Subsidiaries (the Company), to certain disclosures included in the attached letter to the Department of Toxic Substances Control solely to assist the Company in their evaluation of specified financial tests established to demonstrate financial assurance as specified in California Code of Regulations. Title 22, Division 4.5. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings:

Item 2
We compared Item 2. Total liabilities of $15,594 million to the sum of total current liabilities, long-term debt and other liabilities disclosed in the Company's October 31, 1997 consolidated financial statements (the "Financial Statements") and found it to be in agreement.

Item 3
We compared Item 3. Tangible net worth of $15,990 million to the difference between total tangible assets of $31,584 (which is the difference between total assets of $31,749 million and the net book value of goodwill of $165 million disclosed in the Financial Statements) and Item 2 ($15,594 million) and found it to be in agreement.

Item 4
We compared Item 4. Net worth of $16,155 million to the total shareholders' equity disclosed in the Financial Statements and found it to be in agreement.

Item 5
We compared Item 5. Current assets of $20,947 million to the total current assets disclosed in the Financial Statements and found it to be in agreement.

Item 6
We compared Item 6. Current liabilities of $11,219 million to the total current liabilities disclosed in the Financial Statements and found it to be in agreement.

Item 7
We compared Item 7. Net working capital of $9,728 million to the difference between Item 5 ($20,947 million) and Item 6 ($11,219 million) and found it to be in agreement.

Item 8
We compared Item 8. The sum of net income plus depreciation, depletion and amortization of $4,675 million to the sum of net income of $3,119 million and depreciation, depletion and amortization of $1,556 million disclosed in the Financial Statements and found it to be in agreement.

Item 9
We compared Item 9. Total assets located in the U.S. of $15,665 million to the total assets located in the U.S. disclosed in the Financial Statements and found it to be in agreement.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Company and the Department of Toxic Substances Control and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

PricewaterhouseCoopers LLP

Financial Responsibility for Closure:

The total cost estimate for completing closure is approximately $56,100 (1999 dollars). Attached is a copy of the recent financial test letter demonstrating financial responsibility for closure. The following table presents a breakdown of the closure costs by treatment unit.

FTU Closure Cost Estimation

PBR/CA Unit	NS-1
Removal, treatment, or disposal of waste	$100
Decontamination of equipment and structure	$3,000
Demolition and removal of containment system components	$35,000
Transportation and Disposal costs	$12,000
Sampling & Lab Analysis	$5,000
Certification of Decontamination	$1,000
Less Assets	N.A.
TOTAL COST	$56,100

Notification of Closure:

DTSC shall be notified of closure at least 15 days prior to completion of closure.

Certification of Closure:

A certification of closure shall be signed by Agilent Technologies, Inc., and by an independent, professional engineer registered in California that the closure has been completed in accordance with the closure plan and that the closure plan meets or exceeds the applicable requirements of title 22, California Code of Regulations, Division 4.5.

HEWLETT® PACKARD

Hewlett-Packard Company
Environment, Health & Safety
3000 Hanover Street, Mail Stop 5UE
Palo Alto, California 94304

Mailing Address
PO Box 10301
Palo Alto, CA 94303-0890

650-857-2710 (Fax 650-852-8691)

November 8, 1999

Director
Department of Toxic Substances Control
Financial Responsibility Unit
P.O. Box 806
Sacramento, CA 95812-0806

I am the chief financial officer of Hewlett-Packard Company, 3000 Hanover Street, Palo Alto, CA, 94304, in support of this firm's use of the Financial Test to demonstrate financial assurance for closure and/or post-closure costs, as specified in California Code of Regulations (Cal. Code of Regs.), Title 22, Division 4.5, Chapter 14 and 15, Article 8.

1. This firm is the owner/operator of the following facilities/TTUs for which financial assurance for closure and/or post-closure is demonstrated through the Financial Test as specified in Sections 66264.143(f), 66264.145(f), 66265.143(e), and 66265.145(e) of Cal. Code of Regs., Title 22, Division 4.5, of Chapters 14 and 15, Article 8. The current closure and/or post-closure cost estimates covered by the test are shown for each facility/TTU: (See Exhibit Ia, Ib, & Ic).

2. This firm guarantees through the guarantee as specified in Sections 66264.143(f), 66264.145(f), 66265.143(e), and 66265.145(e) of Cal. Code of Regs., Title 22, Division 4.5, of Chapters 14 and 15, Article 8, the closure and/or post-closure care of the following facilities/TTUs owned or operated by the guaranteed party. The current cost estimates for the closure and/or post-closure care so guaranteed are shown for each facility/TTU: (None).

3. Hewlett-Packard Company, the firm identified above, is the direct parent corporation of Agilent Technologies, Inc., the owner and operator of the facilities shown on Exhibit IB. Agilent Technologies Inc., also is engaged in a substantial business relationship with LumiLeds Lighting U.S., LLC, an operator of the facility listed in Exhibit IC, namely Agilent Technologies, Inc. owns a 50% interest in LumiLeds Lighting U.S., LLC. Agilent Technologies Inc., received value in consideration of this guarantee, namely $1 and other valuable consideration, including the ability to operate a wastewater treatment system essential to the day to day conduct of business operations that benefit both firms.

4. In states where the U.S. Environmental Protection Agency is not administering the financial requirement of Subpart H, Title 40 CFR, Parts 264 and 265, this firm, as owner or operator or guarantor is demonstrating financial assurance for closure and/or post-closure care of the following facilities/TTUs through the use

of a test equivalent or substantially equivalent to the financial test specified Sections 66264.143(f), 66264.145(f), 66265.143(f), and 66265.145(f) of Cal. Code of Regs., Title 22, Division 4.5, of Chapters 14 and 15, Article 8. The current closure and/or post-closure cost estimates covered by such a test are shown for each facility/TTU: (See Exhibit Ia, Ib, & Ic).

5. This firm is the owner or operator of the following facilities/TTUs for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to U.S. Environmental Protection Agency or a State through the financial test or any other financial assurance mechanism as specified in Cal. Code of Regs., Title 22, Division 4.5, of Chapters 14 and 15, Article 8 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility/TTU: (None).

6. This firm is the owner or operator of the following Underground Injection Control facilities for which financial assurance for plugging and abandonment is required under 40 CFR Part 144. The current closure cost estimates are shown for each facility. (None).

This firm is required to file a Form 10-K with the Securities and Exchange Commission [SEC] for the latest fiscal year.

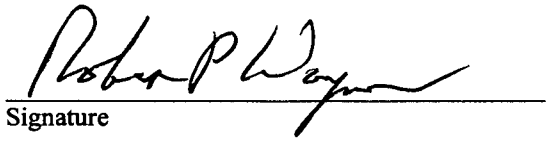
The fiscal year of this firm ends on October 31. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended October 31, 1998.

This firm is using Alternative I.

ALTERNATIVE I
Fiscal Year 1998 (M = Millions)

1.	Sum of current closure and post-closure cost estimates (Total of all cost estimates)		$1,162,450
*2.	Total liabilities (if any portion of the closure or post-closure cost estimate is included in total liabilities, you may deduct the amount of that portion from this line and add that amount to lines 3 and 4)		$ 14,789M
*3	Tangible net worth		$ 16,843M
*4.	Net worth		$ 16,919M
*5.	Current assets		$ 18507M
*6.	Current liabilities		$ 11,874M
7.	Net working capital (line 5 minus line 6)		$ 6,633M
*8.	The sum of net income plus depreciation, depletion and amortization.		$ 4,322M
*9.	Total assets in U.S. (required only if less than 90 percent of assets are located in the U.S.)		$ 11,102M
10.	Is line 3 at least $10 million?	YES X	NO ___
11.	Is line 3 at least 6 times line 1?	YES X	NO ___
12.	Is line 7 at least 6 times line 1?	YES X	NO ___
*13.	Are at least 90 percent of assets located in the U.S.? If not, complete line 14.	YES ___	NO X
14.	Is line 9 at least 6 times line 1?	YES X	NO ___
15.	Is line 2 divided by line 4 less than 2.0?	YES X	NO ___
16.	Is line 8 divided by line 2 greater than 0.1?	YES X	NO ___
17.	Is line 5 divided by line 6 greater than 1.5?	YES X	NO ___

I hereby certify that this letter is worded as as specified by the Department of Toxic Substances Control and is being executed in accordance with the requirements of Cal. Code of Regs., Title 22, Division 4.5, of Chapters 14 and 15, Article 8.



Signature

Robert P. Wayman
Typed or Printed Name

Executive Vice President &Chief Financial Officer
Title

November 8, 1999
Date

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Santa Clara } ss

On December 22, 1999 (Date), before me, Nancy C. Born Notary Public (Name and Title of Officer (e.g., "Jane Doe, Notary Public")),
personally appeared Robert P. Wayman (Name(s) of Signer(s)),

☒ personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument

WITNESS my hand and official seal

Nancy C. Born
Signature of Notary Public

NANCY C. BORN
Commission # 1156476
Notary Public - California
Santa Clara County
My Comm. Expires Oct 22, 2001

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document

Description of Attached Document
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Document Date Nov. 8, 1999 Number of Pages 4
Signer(s) Other Than Named Above _____

Capacity(ies) Claimed by Signer
Signer's Name _____
☐ Individual
☐ Corporate Officer — Title(s) _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other _____

Signer Is Representing _____

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EXHIBIT I

CLOSURE COST ESTIMATES FOR FIXED TREATMENT UNITS AS PER 22 CCR 67450.13

	Site	EPA ID#	EPA Region	Closure Cost Est.	Post-Closure Cost Est.
Ia:	**Hewlett-Packard Company** 1501 Page Mill Road Palo Alto, CA 94304	CAD 009122532	9	$82,000	N/A
	Hewlett-Packard Company 8020 Foothills Blvd. Roseville, CA 95678	CAT080014483	9	$12,000	N/A
Ib:	**Agilent Technologies, Inc.** - a subsidiary of Hewlett-Packard Company 39201 Cherry Street Newark, CA 94560	CAD980985155	9	$66,000	N/A
	Agilent Technologies, Inc. - a subsidiary of Hewlett-Packard Company 1601 California Avenue Palo Alto, CA 94304	CAD 076314640	9	$6,000	N/A
	Agilent Technologies, Inc. - a subsidiary of Hewlett-Packard Company 3500 Deer Creek Road Palo Alto, CA 94304	CAT 000617266	9	$182,000	N/A
	Agilent Technologies, Inc. - a subsidiary of Hewlett-Packard Company 350 West Trimble Road San Jose, CA 95131	CAT000611400	9	$56,100	N/A
	Agilent Technologies, Inc. - a subsidiary of Hewlett-Packard Company 3175 Bowers Ave. Santa Clara, CA 95054	CAD009442484	9	$58,000	N/A
	Agilent Technologies, Inc. - a subsidiary of Hewlett-Packard Company 5301 Stevens Creek Blvd. Santa Clara, CA 95052	CAD049231319	9	$300,000	N/A
	Agilent Technologies, Inc. - a subsidiary of Hewlett-Packard Company 1400 Fountain Grove Pkwy. Santa Rosa, CA 95401	CAD058412842	9	$292,000	N/A
Ic:	**LumiLeds Lighting U.S., LLC** - a joint venture of **Agilent Technologies, Inc.** 370 West Trimble Road San Jose, CA 95131	CAR000058081	9	$108,350	N/A

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Ten Almaden Boulevard
Suite 1600
San Jose CA 95113
Telephone (408) 295 1020
Facsimile (408) 292 1382

Report of Independent Accountants
On Applying Agreed-Upon Procedures

November 8, 1999

To the Board of Directors of
Hewlett-Packard Company
and
the California Department of Toxic Substances Control

We have performed the procedures enumerated below, which were agreed to by Hewlett-Packard Company and its Subsidiaries (the "Company"), to certain disclosures included in the attached letter to the California Department of Toxic Substances Control solely to assist the Company in their evaluation of specified financial tests established to demonstrate financial assurance as specified in California Code of Regulations, Title 22, Division 4.5. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings:

Item 2
We compared Item 2. Total liabilities of $14,789 million to the sum of total current liabilities, long-term debt and other liabilities disclosed in the Company's consolidated condensed balance sheet at October 31, 1998 included in the Company's Form 10-Q for the period ended July 31, 1999 (the "Financial Statements") and found it to be in agreement.

Item 3
We compared Item 3. Tangible net worth of $16,843 million to the difference between total tangible assets of $31,632 million (which is the difference between total assets of $31,708 million disclosed in the Financial Statements and the net book value of goodwill of $76 million included in the Company's accounting records) and Item 2 ($14,789 million) and found it to be in agreement.

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Item 4
We compared Item 4. Net worth of $16,919 million to the total shareholders' equity disclosed in the Financial Statements and found it to be in agreement.

Item 5
We compared Item 5. Current assets of $18,507 million to the total current assets disclosed in the Financial Statements and found it to be in agreement.

Item 6
We compared Item 6. Current liabilities of $11,874 million to the total current liabilities disclosed in the Financial Statements and found it to be in agreement.

Item 7
We compared Item 7. Net working capital of $6,633 million to the difference between Item 5 ($18,507 million) and Item 6 ($11,874 million) and found it to be in agreement.

Item 8
We compared Item 8. The sum of net income plus depreciation, depletion and amortization of $4,322 million to the sum of net income of $2,945 million and depreciation, depletion and amortization of $1,377 million included in the Company's records and found to be in agreement.

Item 9
We compared Item 9. Total assets located in the United States of $11,102 million to the total assets located in the United States included in the Company's accounting records and found it to be in agreement.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Company and the California Department of Toxic Substances Control and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

PricewaterhouseCoopers LLP

Agilent Technologies, Inc
395 Page Mill Road
PO Box 10395
Palo Alto, California 94303-0870

Agilent Technologies

January 29, 2004

Director
Department of Toxic Substances Control
Financial Responsibility Unit
P.O Box 806
Sacramento, California 95812-0806

I am the Chief Financial Officer of Agilent Technologies, Inc., 395 Page Mill Road, Palo Alto, CA 94306.

This letter is in support of this company's use of the Financial Test to demonstrate financial assurance for closure and/or post-closure costs, as specified in California Code of Regulations (Cal Code of Regs), Title 22, Division 4 5, Chapter 14 and 15, Article 8.

1 This company is the owner/operator of the following facilities/TTUs for which financial assurance for closure and/or post-closure costs is demonstrated through the Financial Test as specified in Sections 66264.143(f), 66264 145(f), 66265 143(e), and 66265 145(e) of Cal. Code of Regs , Title 22, Division 4 5, of Chapters 14 and 15, Article 8 The current closure and/or post-closure cost estimates covered by the test are shown for each facility/TTU (**See Exhibit I**)

2 This company guarantees through the corporate guarantee as specified in Sections 66264.143(f), 66264 145(f), 66265 143(e), and 66265.145(e) of Cal Code of Regs , Title 22, Division 4 5, of Chapters 14 and 15, Article 8, the closure and/or post-closure care of the following facilities/TTUs owned or operated by subsidiaries of this company The current cost estimates for the closure and/or post-closure cares so guaranteed are shown for each facility/TTU (None)

3 In states where the U S Environmental Protection Agency is not administering the financial requirement of Subpart H, Title 40 CFR, Parts 264 and 265, this company, as owner, operator or guarantor is demonstrating financial assurance for closure and/or post-closure care of the following facilities/TTUs through the use of a test equivalent or substantially equivalent to the financial test specified Section 66264 143(f), 66264 145(f), and 66265 143(e), and 66265 145(e) of Cal Code of Regs , Title 22, Division 4 5, of Chapters 14 and 15, Article 8. The current closure and/or post-closure cost estimates covered by such a test are shown for each facility/TTU (**See Exhibit I**).

4 This company is the owner or operator of the following facilities/TTUs for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to U.S. Environmental Protection Agency or a State through the financial test or any other financial assurance mechanism as specified in Cal. Code of Regs , Title 22, Division 4 5, of Chapters 14 and 15, Article 8 or equivalent or substantially equivalent State mechanisms The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility/TTU: (None)

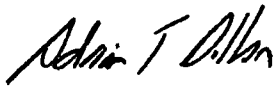
5. This company is the owner or operator of the following Underground Injection Control facilities for which financial assurance for plugging and abandonment is required under 40 CFR Part 144 The current closure cost estimates are shown for each facility (None)

This company is required to file a Form 10-K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this company ends on October 31. The figures for the following items marked with an asterisk are derived from this company's independently audited, year-end financial statements for the latest completed fiscal year, ended October 31, 2003.

This company is using Alternative I. Please see attached worksheet (DTSC 1159)

Sincerely,
Agilent Technologies, Inc.



Adrian T. Dillon
Executive Vice President and Chief Financial Officer

EXHIBIT I

CLOSURE COST ESTIMATES FOR FIXED TREATMENT UNITS PER 22 CCR 67450.13

Site Address	EPA ID#	EPA Region	Closure Cost Est.	Post-Closure Cost Est.
Agilent Technologies, Inc 3500 Deer Creek Road Palo, Alto, CA 94304	CAR 000058560	9	$193,201	N/A
Agilent Technologies, Inc 350 West Trimble Road San Jose, CA 95131	CAT 000611400	9	$145,656	N/A
Agilent Technologies, Inc 5301 Stevens Creek Blvd Santa Clara, CA 95051	CAR 000058545	9	$318,456	N/A
Agilent Technologies, Inc 1400 Fountaingrove Parkway Santa Rosa, CA 95403	CAR 000058537	9	$309,945	N/A

Agilent Technologies, Inc.

Alternative 1 for Fiscal Year 2003 (M=$Millions)

1	Sum of current closure and post-closure cost estimates (Total of all cost estimates)		$967,258
*2.	Total liabilities (if any potion of the closure or post-closure cost estimate is included in total liabilities, you may deduct the amount of that portion from this line and add that amount to lines 3 and 4)		$ 3,473M
*3.	Tangible Net Worth		$ 2,422M
*4	Net Worth		$ 2,824M
*5	Current assets		$ 3,889M
*6	Current liabilities		$ 1,906M
7	Net working capital (line 5 minus line 6)		$ 1,983M
*8	The sum of net income plus depreciation, depletion and amortization.		$ (1,696)M
*9	Total assets in U S (required only if less than 90 percent of assets are located in the U.S.)		$ 2,362M
10	Is line 3 at least $10 million?	YES X	NO ___
11	Is line 3 at least 6 times line 1?	YES X	NO ___
12	Is line 7 at least 6 times line 1?	YES X	NO ___
13	Are at least 90 percent of assets located in the U S ? If not, complete line 14.	YES ___	NO X
14	Is line 9 at least 6 times line 1?	YES X	NO ___
15.	Is line 2 divided by line 4 less than 2 0?	YES X	NO ___
16	Is line 8 divided by 2 greater than 0.1?	YES ___	NO X
17	Is line 5 divided by line 6 greater than 1.5?	YES X	NO ___

I hereby certify that this letter is worded as specified by the Department of Toxic Substances Control and is being executed in accordance with the requirements of Cal Code of Regs. Title 22, Division 4.5, of Chapter 14 and 15, Article 8.

Adrian T. Dillon
Signature

Adrian T. Dillon
Typed or Printed Name

Executive Vice President & Chief Financial Officer
Title

2/26/04
Date

DTSC 1159 (05/95)(Formerly DHS8105)

AGILENT TECHNOLOGIES, INC.

CONSOLIDATED BALANCE SHEET

	October 31,	
	2003	2002
	(in millions, except par value and share data)	
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,607	$ 1,844
Accounts receivable, net	1,086	1,118
Inventory	995	1,184
Current deferred tax assets	10	462
Other current assets	191	272
Total current assets	3,889	4,880
Property, plant and equipment, net	1,447	1,579
Goodwill and other intangible assets, net	402	685
Long-term deferred tax assets	27	635
Other assets	532	424
Total assets	$ 6,297	$ 8,203
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 441	$ 451
Employee compensation and benefits	566	558
Deferred revenue	262	244
Income and other taxes payable	326	325
Other accrued liabilities	311	403
Total current liabilities	1,906	1,981
Senior convertible debentures	1,150	1,150
Other liabilities	417	445
Total liabilities	3,473	3,576
Commitments and contingencies		
Stockholders' equity		
Preferred stock, $0 01 par value, 125 million shares authorized, none issued and outstanding	—	—
Common stock, $0 01 par value, 2 billion shares authorized,476 million shares at October 31, 2003 and467 million shares at October 31, 2002 issued and outstanding	5	5
Additional paid-in-capital	4,984	4,872
Accumulated deficit	(2,159)	(101)
Accumulated comprehensive loss	(6)	(149)
Total stockholders' equity	2,824	4,627

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Total liabilities and stockholders' equity	$ 6,297	$ 8,203

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

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PricewaterhouseCoopers LLP
Ten Almaden Boulevard
Suite 1600
San Jose CA 95113
Telephone (408) 817 3700
Facsimile (408) 817 5050

Report of Independent Accountants
On Applying Agreed-Upon Procedures

February 10, 2004

To the Board of Directors and Management of
Agilent Technologies, Inc. and the California
Department of Toxic Substances Control:

We have performed the procedures enumerated below, which were agreed to by Agilent Technologies, Inc. and its subsidiaries (the "Company") and the California Department of Toxic Substances Control, to certain disclosures included in the Alternative I schedule of the attached letter dated January 29, 2004, from the Company to the California Department of Toxic Substances Control solely to assist the Company in their evaluation of specified financial tests established to demonstrate financial assurance as specified in California Code of Regulations, Title 22, Division 4.5. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of Agilent Technologies, Inc. and the California Department of Toxic Substances Control. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

Item 2
We compared Item 2., total liabilities, of $3,473 million to the sum of Total current liabilities, Senior convertible debentures and Other liabilities disclosed in the Company's Consolidated Balance Sheet at October 31, 2003 (the "Consolidated Balance Sheet"), which appears in the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended October 31, 2003 (the "Consolidated Financial Statements"), and found such amounts to be in agreement.

Item 3
We compared Item 3., tangible net worth, of $2,422 million to the difference between total tangible assets of $5,895 million (which is the difference between total assets of $6,297 million as disclosed in the Consolidated Balance Sheet and

the net book value of Goodwill and other intangible assets, net of $402 million as disclosed in the Consolidated Balance Sheet) and Item 2 ($3,473 million) and found such amounts to be in agreement.

Item 4
We compared Item 4., net worth, of $2,824 million to Total Stockholders' Equity disclosed in the Consolidated Balance Sheet and found such amounts to be in agreement.

Item 5
We compared Item 5., Current assets, of $3,889 million to the Total current assets disclosed in the Consolidated Balance Sheet and found such amounts to be in agreement.

Item 6
We compared Item 6., Current liabilities, of $1,906 million to Total current liabilities disclosed in the Consolidated Balance Sheet and found such amounts to be in agreement.

Item 7
We compared Item 7., net working capital, of $1,983 million to the difference between Item 5 ($3,889 million) and Item 6 ($1,906 million) and found such amounts to be in agreement.

Item 8
We compared Item 8., the sum of net loss plus depreciation, depletion and amortization, of $(1,696) million to the sum of net loss of $(2,058) million as disclosed in the Consolidated Statement of Operations and depreciation and amortization of $362 million as disclosed in the Consolidated Statement of Cash Flows included in the Consolidated Financial Statements and found such amounts to be in agreement.

Item 9
We compared Item 9., Total assets in the U.S., of $2,362 million to the total assets located in the U.S. as set forth in the Company's accounting records and found such amounts to be in agreement.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Company and the California Department of Toxic Substances Control and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

PricewaterhouseCoopers LLP

Notice of 2004 Annual Meeting and Proxy Statement

2003 Annual Report to Stockholders

2003 Annual Report Consolidated Financial Statements

To Our Shareholders

Fiscal 2003 was a year of significant accomplishment for Agilent, as we continued to strike a balance between the need to return to profitability and our ongoing work to build the company for the long term. In the fourth quarter of 2003 we achieved revenue that exceeded our plans, helped by a modest recovery in some of our markets. By the fourth quarter we had also lowered our quarterly operating costs to $1 45 billion[1] – about $200 million[2] lower than a year ago As a result we were profitable in Q4, and our return to profitability is the start of Agilent's next phase, in which our near-term goals are to sustain profitability and to grow faster than the markets we are in.

During 2003 we also made substantial progress in creating an exciting future for Agilent. We continued our efforts to transform how the company operates in order to be faster and more efficient. We made appropriate investments in research and development (R&D) in order to maintain our market leadership and to bring compelling new products to market We refined our strategic focus and strengthened our leadership team As a result, we began 2004 a more competitive, financially stronger and more efficient company In this letter I will describe our key accomplishments and will discuss the outlook for 2004.

Making Agilent More Efficient and Competitive

Since 2000 we have been transforming nearly every aspect of how we do business with two key goals. to size Agilent appropriately and to make the company faster and more efficient. The severe downturn of the last two-and-a-half years left us no choice but to reduce our workforce to match the size of our business By the end of 2003 we had about 29,000 employees worldwide, lower by nearly 15,000 people than we had at our peak These workforce reductions, which we began in 2001 and which were essentially completed by the end of the year, have helped us remove nearly $2 billion[3] from our annual operating cost structure In addition, our selective outsourcing and investments to transform our information technology (IT), manufacturing, human resources (HR), facilities, procurement and finance operations were a key factor in reducing our costs and making Agilent more competitive.

When Agilent became an independent company in 1999, we began to tailor our IT systems and applications to our needs. In 2003 we largely completed our IT transformation with deployment of our enterprise resource planning (ERP) system across our semiconductor products business and much of our test and measurement business We implemented a new customer support system in early 2003, and we outsourced some IT functions to partners who can deliver these services cost-effectively. We made substantial reductions in the number of, and costs associated with, legacy applications and systems We expect to complete our IT transformation in mid-2004 and to see more benefits as we move through fiscal 2004

This year we also made excellent progress in transforming other functions In finance, we increased the number of people at our global hub in India, where we are doing an increasing proportion of our collections, accounts-receivable management and other general accounting functions In HR, we partnered with outside firms on many administrative tasks, such as payroll and benefits administration, in order to help Agilent managers focus on their people and on their business objectives In workplace services, we reduced the worldwide manufacturing and office space we occupied by approximately 2 2 million square feet compared with a year ago These and other operational transformations are crucial to Agilent's cost-effectiveness and to our ability to address customer needs

Investing for Growth

During 2003 Agilent invested just under $1 1 billion in R&D, or about $200 million less than our investment in 2002. We made very focused reductions in R&D during the year while preserving our core investments The result was another strong year for new products In our life sciences business, Agilent microarrays enabled researchers to measure differences in gene activity between normal cells and cancer cells Our Operations Support Systems (OSS) solutions helped telecom service providers manage their extremely complex networks, introduce new services and lower their costs.

Our camera modules were built into a growing number of cell phones, and other semiconductor components from Agilent are making a range of consumer electronics products more powerful, more versatile and smaller.

R&D investments are not our only strategy for driving growth. During 2003, through the Agilent Ventures unit, we continued to invest in early-stage companies that are developing innovative technologies in the markets we serve.

Our strong product offering and improved operations were key factors in the recognition we won this year from customers Celestica, Huawei, SBC and GlaxoSmithKline were among the companies who accorded Agilent significant recognition this year We were No. 33 on Fortune magazine's "100 Best Companies to Work For" list, and we won high ratings as an employer in China, Taiwan and Italy Despite the hardships our employees have endured, nearly 6,000 of them volunteered for community action programs during the year This and other contributions helped Agilent win the President's Community Volunteer Award in the United States I'm extremely proud of our employees' dedication to helping improve the communities where they live and work

A Sharper Strategic Focus

Since the middle of 2001 we have been working to ensure Agilent's viability and to restore the company to profitability In 2004 we are focusing on sustaining that profitability as well as on our strategy for achieving consistent, profitable growth The markets in which we compete – communications, electronics, life sciences and chemical analysis – are large and are undergoing fundamental change While these markets are likely to grow modestly in the aggregate, we are pursuing carefully selected opportunities within these markets where we believe we can achieve profitable growth that exceeds overall market growth

Our strategy for growth has the following elements.

- **Maintain or gain market share in core businesses:** We believe the markets we serve will grow 6-8 percent per year over the next three years We will focus on gaining market share and addressing opportunities in those markets where we have a strong position
- **Invest in several areas for near-term growth:** These areas include wireless and imaging components, solutions for telecom network management; gene expression and proteomics within the life sciences, and semiconductor test
- **Nurture "white space" opportunities:** These are the growth opportunities that don't fall within one of our current businesses Our deep technical expertise in Agilent Labs and our long-standing relationships with industry-leading customers are helping us identify and pursue a number of new business opportunities
- **Grow services and consumables:** We believe we can increase the percentage of our total revenue from services and consumables from the current 15 percent to more than 20 percent We will leverage our expertise and customer relationships to expand the ways in which we help customers achieve their goals
- **Capture opportunities in emerging markets:** We have a growing presence in China, other parts of Asia and eastern Europe, and we are working to strengthen our position in these promising markets

Agilent is fundamentally a diverse technology company with important synergies across our businesses. These synergies include our R&D capabilities and expertise in fundamental scientific and technology disciplines, our ability to share vital services such as IT, corporate governance and procurement; and our strong corporate culture that focuses on clear objectives, well-defined metrics and rewarding people for results. We expect each of our businesses to optimize these synergies to achieve growth and profits that are ahead of their competitors and that result in attractive return on invested capital.

Senior Management Changes

During 2003 we made several additions to our Board of Directors and the senior management team. Koh Boon Hwee and Robert Joss joined our Board. Boon Hwee is chairman of Singapore Airlines Ltd He brings a deep understanding of the Asian market and a superb track record in the telecom industry to Agilent Bob Joss is dean of the Graduate School of Business at Stanford University. He has spent much of his career in banking and finance and has extensive international and senior executive experience

This year we named Young K Sohn as senior vice president and general manager of our Semiconductor Products Group Young was most recently chairman and CEO of Oak Technology, a semiconductor company that provides digital media solutions for consumer electronics markets He is an energetic executive with extensive knowledge of the semiconductor industry. This year Darlene Solomon was named vice president and director of Agilent Laboratories Darlene's great track record as a technologist and business manager makes her a superb choice to lead our central research facility.

Business Outlook

We are encouraged by our return to profitability in the fourth quarter of 2003 and by our progress throughout the year in reducing our cost structure. We believe that demand in some of our markets began to strengthen at the end of fiscal 2003 and that our excellent fourth-quarter results reflected this improvement.

We are cautiously optimistic about the macroeconomic outlook for fiscal 2004 The strong surge in US Gross Domestic Product at the end of calendar 2003 is encouraging and suggests improved prospects for capital equipment purchases. The improvement in corporate profits in the United States is another positive indicator In addition, the prospects for growth in Asia remain very good

There are reasons for caution as well Overcapacity remains a substantial issue in the wireline telecommunications market We expect somewhat slower growth in Europe than in Asia and the United States The prolonged downturn in the high-tech sector may have the effect of slowing the general rate of technology adoption in some of our markets

In 2004 we are determined to build on the progress we have made in restoring Agilent to profitability and in building the company for the future. The difficulties of the last two-and-a-half years have tested our company in many ways, but they have not altered our fundamental strengths a rich and diverse technology portfolio, broad market leadership, and a culture that fosters innovation That innovation is made possible by the skills and energy of our people, who have done remarkable work under difficult circumstances In 2004 we will stay focused on the financial discipline, ongoing operational improvement and the customer relationships that are vital to keeping Agilent at the forefront of our industry

Ned Barnholt
Chairman, President and Chief Executive Officer

---

(1) Agilent's operating breakeven cost structure of $1 45 billion can be reconciled to GAAP breakeven cost structure as follows Total GAAP costs and expenses of $1 6 billion less restructuring of $ 06 billion, less cost of sales decrement of $ 08 billion (35% x $225 million), less IT projects of $ 02 billion

(2) This number can be calculated as follows Total GAAP costs and expenses for the fourth quarter of 2002 of $2 1 billion less $ 09 billion of goodwill and intangible amortization and $ 3 billion of restructuring, less total GAAP costs and expenses for the fourth quarter of 2003 of $1 6 billion less $ 06 billion of restructuring

(3) This number can be calculated as follows Total GAAP costs and expenses for the fourth quarter of 2001 of $2 3 billion less $ 1 billion of goodwill and intangible amortization and $ 2 billion of restructuring, less total GAAP costs and expenses for the fourth quarter of 2003 of $1 6 billion less $ 06 billion of restructuring annualized

Agilent at a Glance

Agilent delivers innovative technologies, solutions and services to a wide range of customers in communications, electronics, life sciences and chemical analysis The breadth and depth of our expertise enable us to offer solutions across our customers' research, development, manufacturing and operations value chain for creating new technologies, products and services With insight gained from this unique and comprehensive perspective, we are dedicated to helping our customers make real progress in achieving their business results.

More than half of Agilent's revenue is generated from outside of the United States With customers in more than 110 countries, our global presence offers a distinct competitive advantage Agilent's manufacturing, R&D, sales and support capabilities around the world give customers the flexibility they need in today's competitive environment

Business Group	2003 Net Revenue	Description
Test and Measurement	**$2.5** billion	Our test and measurement business provides standard and customized solutions that are used in the design, development, manufacture, installation, deployment and operation of electronic equipment and systems as well as communications networks and services. ***Markets:*** communications test and general purpose test ***Product areas:*** communications test products include testing solutions for fiber optics, transport networks, broadband and data networks, wireless communications, microwave networks and products, installation and maintenance solutions and operations support systems, including monitoring and network management systems, general purpose test products include general purpose instruments, modular instruments and test software, digital design products, and high-frequency electronic design tools
Automated Test	**$0.8** billion	Our automated test business provides test system solutions that are used in the manufacture of semiconductor devices and printed circuit assemblies. ***Markets:*** semiconductor manufacturing and electronic manufacturing ***Product areas:*** semiconductor test equipment and electronics manufacturing test equipment, including automated optical inspection, automated x-ray inspection, automated in-circuit testing and manufacturing test system software

Business Group	2003 Net Revenue	Description
Semiconductor Products	**$1.6** billion	Our semiconductor products business is a leading supplier of semiconductor components, modules and assemblies for high-performance electronics and communications systems ***Markets:*** networking and personal systems ***Product areas:*** networking products include fiber optics and high-speed digital integrated circuits; personal systems products (for use in mobile phones, printers, PC peripherals and consumer electronics) include radio frequency and microwave communications devices such as FBAR duplexers and E-pHEMT power amplifiers, infrared emitters, detectors and transceiver modules; printing application specific integrated circuits (ASICs); optical image sensors and processors, optical position sensors, light emitting diodes (LEDs) and optocouplers.
Life Sciences and Chemical Analysis	**$1.2** billion	Our life sciences and chemical analysis business provides application-focused solutions including instruments, software, consumables and services that enable customers to identify, quantify and analyze the physical and biological properties of substances and products ***Markets:*** gene expression, proteomics, pharmaceutical analysis, environmental, petrochemical, homeland security and forensics, and bioagriculture and food safety ***Product areas:*** microarrays, microfluidics; gas chromatography; liquid chromatography; mass spectrometry, software and informatics, and related consumables, reagents and services
Agilent Labs	Agilent Laboratories is our central research organization Agilent Labs engages in 1) applied research leading to technology that can be transferred to our existing businesses in communications, electronics, life sciences and chemical analysis, and 2) research that creates new businesses that are outside of our current markets but within our fields of interest Agilent Labs also provides technology integration across the company	
Agilent Sales and Support	Agilent sells and distributes products primarily through a direct sales force as well as through distributors, resellers, telesales and electronic commerce Our businesses provide a range of services and customer support, including systems integration, technical and product support, consulting and knowledge services.	

Officers

Edward W (Ned) Barnholt
Chairman of the Board of Directors, President and Chief Executive Officer

Adrian T Dillon
Executive Vice President and Chief Financial Officer

John R Eaton
Vice President, Finance and Corporate Development and Treasurer

William R Hahn
Senior Vice President, Corporate Relations

Jean M Halloran
Senior Vice President, Human Resources

Didier Hirsch
Vice President and Controller

Larry C Holmberg
Senior Vice President, Sales, Marketing and Customer Support

Marie Oh Huber
Vice President, Assistant General Counsel and Assistant Secretary

D Craig Nordlund
Senior Vice President, General Counsel and Secretary

Young K. Sohn
Senior Vice President and General Manager, Semiconductor Products Group

Darlene Solomon
Vice President and Director of Agilent Labs

William P Sullivan
Executive Vice President and Chief Operating Officer

Jack P Trautman
Senior Vice President and General Manager, Automated Test Group

Chris van Ingen
Senior Vice President and General Manager, Life Sciences and Chemical Analysis Group

Thomas E White
Senior Vice President and General Manager, Communications Solutions Group

Directors

Edward W. (Ned) Barnholt
Chairman of the Board of Directors, President and Chief Executive Officer

James G Cullen
Retired President and Chief Operating Officer of Bell Atlantic Corporation (now known as Verizon)

Robert J Herbold
Retired Executive Vice President of Microsoft Corporation

Koh Boon Hwee
Chairman of Singapore Airlines Ltd

Walter B Hewlett
Independent Researcher and Director, Center for Computer Assisted Research in the Humanities and Public Policy Institute of California

Robert L Joss
Dean of the Graduate School of Business of Stanford University

Heidi Kunz
Executive Vice President and Chief Financial Officer of Blue Shield of California

David M Lawrence, M D
Chairman Emeritus of Kaiser Foundation Health Plan, Inc and Kaiser Foundation Hospitals

A. Barry Rand
Chairman and Chief Executive Officer of Equitant

Board Committees

Audit & Finance Committee
Heidi Kunz, Chairperson
Robert J Herbold
Walter B Hewlett
Robert L Joss

Compensation Committee
James G Cullen, Chairperson
Koh Boon Hwee
David M Lawrence, M D
A Barry Rand

Nominating/Corporate Governance Committee
David M Lawrence, M D , Chairperson
James G Cullen
Robert J Herbold
Koh Boon Hwee
Walter B Hewlett
Robert L Joss
Heidi Kunz
A Barry Rand

Executive Committee
David M Lawrence, M D , Chairperson
Edward W (Ned) Barnholt

All listed officers, except John R Eaton, William R Hahn, Larry C Holmberg, Marie Oh Huber and Darlene Solomon, are executive officers of Agilent under Section 16 of the Securities Exchange Act of 1934

Agilent's annual meeting of shareholders will take place on Tuesday, March 2, 2004 at 10.00 a m at the South San Francisco Conference Center, 255 South Airport Boulevard, South San Francisco, California.

Investor Information

Please see the full and audited financial statements and footnotes contained in this booklet. To receive paper copies of the annual report, proxy statement, Form 10-K, earnings announcements and other financial information, people in the United States and Canada should call our toll-free number: (877) 942-4200. People calling from outside the United States and Canada should dial (402) 573-9919. You can also access financial information at Agilent's Investor Relations Web site The address is http //www investor agilent com.

Corporate Governance, Business Conduct and Ethics

Agilent's corporate governance guidelines, the charters of our Audit and Finance Committee, Compensation Committee and Nominating /Corporate Governance Committee as well as Agilent's Standards of Business Conduct are available on the Investor Relations Web site at http.//www.investor agilent.com You can also request a hard copy of any of this information by contacting (877) 942-4200 (in the United States or Canada) or (402) 573-9919 (outside the United States and Canada)

Transfer Agent and Registrar

Please contact our transfer agent, at the phone number or address listed below, with any questions about stock certificates, transfer of ownership or other matters pertaining to your stock account

Computershare Investor Services
P O Box A3504
Chicago, IL 60690-3504
United States

If calling from anywhere within the United States and Canada. (877) 309-9856

If calling from outside the United States: (312) 588-4672

The e-mail address for general shareholder inquiries for Computershare is
web queries@computershare com

Investor Contact

Agilent Technologies, Inc.
Investor Relations Department
395 Page Mill Road
Palo Alto, CA 94306

You can also contact the Investor Relations Department via e-mail at the Agilent Investor Relations Web site at http //www investor agilent com Click "Phone or Email" in the "Contact IR" box to send a message

Agilent Headquarters

Agilent Technologies, Inc.
395 Page Mill Road
Palo Alto, CA 94306
Phone (650) 752-5000

Common Stock

Agilent is listed on the New York Stock Exchange and our ticker symbol is "A." There were approximately 67,128 registered shareholders as of November 28, 2003. Since we plan to retain future earnings to maximize the growth and development of our company, we do not anticipate paying cash dividends in the foreseeable future. We do not currently offer direct purchase of Agilent shares from the company or a dividend re-investment plan (DRIP)

The following tables summarize the high and low stock prices by period for Agilent's common stock.

Fiscal 2002	**High**	**Low**
First Quarter (ended January 31, 2002)	$33 30	$22 06
Second Quarter (ended April 30, 2002)	$38 00	$24.83
Third Quarter (ended July 31, 2002)	$31 25	$16 00
Fourth Quarter (ended October 31, 2002)	$18 88	$10 50

Fiscal 2003	**High**	**Low**
First Quarter (ended January 31, 2003)	$20 30	$13 19
Second Quarter (ended April 30, 2003)	$16 82	$11 30
Third Quarter (ended July 31, 2003)	$22 64	$15.48
Fourth Quarter (ended October 31, 2003)	$26 48	$20 31

This Annual Report, including the letter titled "To Our Shareholders," contains forward-looking statements (including, without limitation, information regarding profitability, growth and the ability to grow profitably, completion and benefits of our operational transformations, strategic focus, revenue allocation, return on invested capital, Agilent's presence in regional markets, the outlook for the general economy in the U S and in other regions and for the markets that Agilent serves, prospects for capital equipment purchases and the rate of technology adoption) that involve risks and uncertainties that could cause results of Agilent to differ materially from management's current expectations These risks include the ability to execute successfully through business cycles while it continues to implement workforce and other cost reductions, the ability to meet and achieve the benefits of its cost reduction goals and otherwise successfully adapt its cost structures to continuing changes in business conditions, ongoing competitive, pricing and gross margin pressures; the risk that our cost-cutting initiatives will impair our ability to develop products and remain competitive and to operate effectively; the impact of geopolitical uncertainties on our markets and our ability to conduct business, the successful implementation of Agilent's ERP and other information systems and the ability to realize the benefits from these and other IT systems investments; the ability to improve asset performance to adapt to the current economic slowdown and other changes in demand; the ability to successfully introduce new products at the right time, price and mix and other risks detailed in Agilent's filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended Oct 31, 2003 as well as any subsequent filings

The materials contained in this annual report are as of January 14, 2004, unless otherwise noted The content of this annual report contains time-sensitive information that is accurate only as of this date If any portion of this annual report is redistributed at a later date, Agilent will not be reviewing or updating the material in this presentation

This Annual Report contains the full, audited financials and notes thereto contained in the following section of this booklet with the tab "Annual Report Financials". Within the Annual Report Financials, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risks, Uncertainties and Other Factors That May Affect Future Results" for more complete information on each of our businesses and Agilent as a whole.

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Ten Almaden Boulevard
Suite 1600
San Jose CA 95113
Telephone (408) 817 3700
Facsimile (408) 817 5050

Report of Independent Accountants
On Applying Agreed-Upon Procedures

January 24, 2003

To the Board of Directors and Management of
Agilent Technologies, Inc. and the California
Department of Toxic Substances Control:

We have performed the procedures enumerated below, which were agreed to by Agilent Technologies, Inc. and its subsidiaries (the "Company") and the California Department of Toxic Substances Control, to certain disclosures included in the Alternative I schedule of the attached letter dated January 24, 2003, from the Company to the California Department of Toxic Substances Control solely to assist the Company in their evaluation of specified financial tests established to demonstrate financial assurance as specified in California Code of Regulations, Title 22, Division 4.5. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of Agilent Technologies, Inc. and the California Department of Toxic Substances Control. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

Item 2
We compared Item 2., total liabilities, of $3,576 million to the sum of Total current liabilities, Senior convertible debentures and Other liabilities disclosed in the Company's Consolidated Balance Sheet at October 31, 2002, which appears in the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended October 31, 2002 (the "Consolidated Financial Statements"), and found such amounts to be in agreement.

Item 3
We compared Item 3., tangible net worth, of $3,942 million to the difference between total tangible assets of $7,518 million (which is the difference between total assets of $8,203 million as disclosed in the Consolidated Balance Sheet and the net book value of Goodwill and other intangible assets, net of $685 million as

disclosed in the Consolidated Balance Sheet) and Item 2 ($3,576 million) and found such amounts to be in agreement.

Item 4
We compared Item 4., net worth, of $4,627 million to Total Stockholders' Equity disclosed in the Consolidated Balance Sheet and found such amounts to be in agreement.

Item 5
We compared Item 5., Current assets, of $4,880 million to the Total current assets disclosed in the Consolidated Balance Sheet and found such amounts to be in agreement.

Item 6
We compared Item 6., Current liabilities, of $2,181 million to Total current liabilities disclosed in the Consolidated Balance Sheet and found such amounts to be in agreement.

Item 7
We compared Item 7., net working capital, of $2,699 million to the difference between Item 5 ($4,880 million) and Item 6 ($2,181 million) and found such amounts to be in agreement.

Item 8
We compared Item 8., the sum of net loss plus depreciation, depletion and amortization, of $(297) million to the sum of net loss of $(1,032) million as disclosed in the Consolidated Statement of Operations and depreciation and amortization of $735 million as disclosed in the Consolidated Statement of Cash Flows included in the Consolidated Financial Statements and found such amounts to be in agreement.

Item 9
We compared Item 9., Total assets in the U.S., of $3,432 million to the total assets located in the U.S as set forth in the Company's accounting records and found such amounts to be in agreement.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Company and the California Department of Toxic Substances Control and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

PricewaterhouseCoopers LLP

UNIFIED PROGRAM CONSOLIDATED FORM
FACILITY INFORMATION

BUSINESS OWNER/OPERATOR IDENTIFICATION

FILE

I. IDENTIFICATION

FACILITY ID # (Agency Use Only) 1	BEGINNING DATE 100	ENDING DATE 101
	1/1/2004	12/31/2005

BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As) 3	BUSINESS PHONE 102
Agilent Technologies, Inc	408-435-5959

BUSINESS SITE ADDRESS 103
350 West Trimble Road

CITY 104		ZIP CODE 105
San Jose	CA	95131

DUN & BRADSTREET 106	SIC CODE (4 digit #) 107
084963177	3674

COUNTY 108
Santa Clara

BUSINESS OPERATOR NAME 109	BUSINESS OPERATOR PHONE 110
Agilent Technologies, Inc	408-435-5959

II. BUSINESS OWNER

OWNER NAME 111	OWNER PHONE 112
Agilent Technologies, Inc	408-435-5959

OWNER MAILING ADDRESS 113
350 West Trimble Road

CITY 114	STATE 115	ZIP CODE 116
San Jose	CA	95131

III. ENVIRONMENTAL CONTACT

CONTACT NAME 117	CONTACT PHONE 118
Mitch Cole	408-435-4205

CONTACT MAILING ADDRESS 119
350 West Trimble Road

CITY 120	STATE 121	ZIP CODE 122
San Jose	CA	95131

IV. EMERGENCY CONTACTS

-PRIMARY-	-SECONDARY-
NAME 123	NAME 128
Rick Miller	Mitch Cole
TITLE 124	TITLE 129
EHS Manager	EHS Specialist
BUSINESS PHONE 125	BUSINESS PHONE 130
408-435-6686	408-435-4205
24-HOUR PHONE* 126	24-HOUR PHONE* 131
408-435-5959	408-435-5959
PAGER # 127	PAGER # 132
510-714-4229	408-592-3222

ADDITIONAL LOCALLY COLLECTED INFORMATION 133
Property Owner Agilent Technologies, Inc ___ Phone No · 408-435-5959
Billing Address 350 West Trimble Road, San Jose, CA 95131

Certification Based on my inquiry of those individuals responsible for obtaining the information, I certify under penalty of law that I have personally examined and am familiar with the information submitted and believe the information is true, accurate, and complete

SIGNATURE OF OWNER/OPERATOR OR DESIGNATED REPRESENTATIVE	DATE 134	NAME OF DOCUMENT PREPARER 135
	23 Jun 05	Mitch Cole
NAME OF SIGNER (print) 136	TITLE OF SIGNER	137
Steven Wolf	WPS San Jose Site Manager	

* See Instructions on next page

UNIFIED PROGRAM CONSOLIDATED FORM
FACILITY INFORMATION

BUSINESS ACTIVITIES

I. FACILITY IDENTIFICATION

FACILITY ID #	1	EPA ID # (Hazardous Waste Only)	2
		CAT 000 611 400	

BUSINESS NAME (Same as Facility Name or DBA - Doing Business As) 3

Agilent Technologies Inc

II. ACTIVITIES DECLARATION

NOTE: If you check YES to any part of this list, please submit the Business Owner/Operator Identification page (OES Form 2730).

Does your facility	If Yes, please complete these pages of the UPCF	
A HAZARDOUS MATERIALS		
Have on site (for any purpose) hazardous materials at or above 55 gallons for liquids, 500 pounds for solids, or 200 cubic feet for compressed gases (include liquids in ASTs and USTs), or the applicable Federal threshold quantity for an extremely hazardous substance specified in 40 CFR Part 355, Appendix A or B, or handle radiological materials in quantities for which an emergency plan is required pursuant to 10 CFR Parts 30, 40 or 70?	☒ YES ☐ NO 4	HAZARDOUS MATERIALS INVENTORY - CHEMICAL DESCRIPTION (OES 2731)
B UNDERGROUND STORAGE TANKS (USTs)		UST FACILITY (Formerly SWRCB Form A)
1 Own or operate underground storage tanks?	☒ YES ☐ NO 5	UST TANK (one page per tank) (Formerly Form B)
2 Intend to upgrade existing or install new USTs?	☐ YES ☒ NO 6	UST FACILITY UST TANK (one per tank) UST INSTALLATION - CERTIFICATE OF COMPLIANCE (one page per tank) (Formerly Form C)
3 Need to report closing a UST?	☐ YES ☒ NO 7	UST TANK (closure portion - one page per tank)
C ABOVE GROUND PETROLEUM STORAGE TANKS (ASTs) Own or operate ASTs above these thresholds ---any tank capacity is greater than 660 gallons, or ---the total capacity for the facility is greater than 1,320 gallons?	☐ YES ☒ NO 8	NO FORM REQUIRED TO CUPAs
D. HAZARDOUS WASTE		
1. Generate hazardous waste?	☒ YES ☐ NO 9	EPA ID NUMBER - provide at the top of this page
2 Recycle more than 100 kg/month of excluded or exempted recyclable materials (per H&SC §25143 2)?	☐ YES ☒ NO 10	RECYCLABLE MATERIALS REPORT (one per recycler)
3 Treat hazardous waste on site?	☒ YES ☐ NO 11	ONSITE HAZARDOUS WASTE TREATMENT - FACILITY (Formerly DTSC Forms 1772) ONSITE HAZARDOUS WASTE TREATMENT - UNIT (one page per unit) (Formerly DTSC Forms 1772 A,B,C,D and L)
4. Treatment subject to financial assurance requirements (for Permit by Rule and Conditional Authorization)?	☒ YES ☐ NO 12	CERTIFICATION OF FINANCIAL ASSURANCE (Formerly DTSC Form 1232)
5 Consolidate hazardous waste generated at a remote site?	☐ YES ☒ NO 13	REMOTE WASTE / CONSOLIDATION SITE ANNUAL NOTIFICATION (Formerly DTSC Form 1196)
6 Need to report the closure/removal of a tank that was classified as hazardous waste and cleaned onsite?	☐ YES ☒ NO 14	HAZARDOUS WASTE TANK CLOSURE CERTIFICATION (Formerly DTSC Form 1249)

E. LOCAL REQUIREMENTS (You may also be required to provide additional information by your CUPA or local agency) 15

UNIFIED PROGRAM CONSOLIDATED FORM
HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION - FACILITY PAGE

I. FACILITY IDENTIFICATION

BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As) 3	FACILITY ID# 1
Agilent Technologies	

II. STATUS

NOTIFICATION STATUS 600	PERMIT STATUS (Check all that apply) 601	
☐ a Amended	☐ a Facility Permit	☐ d Variance
☐ b. Initial	☐ b Interim Status	☐ e Consent Agreement
☒ c Renewal (PBR Only)	☐ c Standardized Permit	

III. NUMBER OF UNITS AT FACILITY

(Indicate the number of units you operate in each tier Attach one unit notification page for each unit except CE-CL)

602

A _____ Conditionally Exempt – Small Quantity Treatment (CESQT) (May not function under any other tier)

B _____ Conditionally Exempt Specified Wastestream (CESW)

C _____ Conditionally Authorized (CA)

D ___2___ Permit by Rule (PBR)

E. _____ Conditionally Exempt – Limited (CEL)

F. _____ Conditionally Exempt Commercial Laundry (CE-CL) (No unit page is required for laundries)

G ___2___ TOTAL UNITS (Must equal the number of unit notification pages attached plus the number of CE-CL units)

IV. CERTIFICATION AND SIGNATURE

Waste Minimization - I certify that I have a program in place to reduce the volume, quantity and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment

Tiered Permitting Certification - I certify that the unit or units described in these documents meet the eligibility and operating requirements of state statutes and regulations for the indicated permitting tier, including generator and secondary containment requirements I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate, and complete

I am aware that there are substantial penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations

SIGNATURE OF OWNER/OPERATOR	DATE 603
	23 Jan 05
NAME OF OWNER/OPERATOR 604	TITLE OF OWNER/OPERATOR 605
Steven Wolf	WPS San Jose Site Manager

REQUEST FOR SHORTENED REVIEW PERIOD (CE and CA only) ☐ Yes ☐ No

State Reason for Request

V. ATTACHMENTS (Check if attached)

ALL tiers except CE-CL (Laundries) must submit	PBR ONLY
☒ 1 One unit specific notification page and one treatment process page per unit	☒ 1 Tank and container certifications, if required
☒ 2. Plot Plan (or other grid/map)	☐ 2 Notification of local agency or agencies
	☐ 3 Notification of property owner, if different from business owner
PBR & CA ONLY:	
☒ 1. Closure Financial Assurance (formerly DTSC form 1232)	
☐ Self Certified (< $10,000) ☒ Other mechanism	
☐ 2. Prior Enforcement History, if applicable	

UNIFIED PROGRAM CONSOLIDATED FORM

HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION - UNIT PAGE

(one page and attachments per unit)

FACILITY ID#	1	BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As)	3
		Agilent Technologies	

I. TREATMENT UNIT

UNIT ID# 606	UNIT TYPE/TIER 607	NUMBER OF TANKS 608	NUMBER OF CONTAINERS/ TREATMENT AREAS 609
MPU-1	☐ a CESQT ☐ b CESW ☐ c CA ☒ d PBR ☐ e CEL	9	
UNIT NAME 610		**MONTHLY TREATMENT VOLUME 611**	**UNIT OF MEASURE 612**
Metals Precipitation Unit		**300,000 gallons/month (10,000 gallons/day)**	☐ a Pounds ☒ b Gallons

SPECIFIC WASTE TYPE TREATED (narrative) 613

Aqueous wastes with metals, specifically arsenic and fluoride salts

TREATMENT PROCESS DESCRIPTION (narrative) 614

Chemical precipitation in batch treatments using lime followed by addition of sodium bisulfite and polymer floculant Phase separation of precipitate and clear water by gravity settling and filration Sludge is collected from the filter press and disposed of offsite

(NOTE for each treatment unit, complete and attach the appropriate Waste And Treatment Process Combinations page)

II. BASIS FOR NOT NEEDING FEDERAL PERMIT (Check all that apply)

☐ a The treated waste is not a hazardous waste under federal law (California-only waste)

☒ b Treated in waste water treatment units (tanks) and discharged to a publicly owned treatment works (POTW)/ sewering agency or under an NPDES permit

☒ c Treatment in elementary neutralization units

☐ d Treatment in a totally enclosed treatment facility

☐ e Federal conditionally exempt small quantity generator (generated 100 kg, approximately 27 gallons, or less of hazardous waste in a calendar month)

☐ f Treatment in an accumulation tank or container within 90 days for over 1000 kg/month generators and 180 or 270 days for generators of 100 to 1000 kg/month 615

☐ g Recyclable materials are reclaimed to recover silver or other precious metals

☐ h Empty container rinsing and/or treatment

☐ i Other (specify below)

III. RESIDUALS MANAGEMENT DESCRIPTION (Check all that apply)

☒ a Discharge non-hazardous aqueous waste to POTW or sewer

☐ b Discharge non-hazardous aqueous waste under a NPDES permit

☐ c Dispose of non-hazardous solid waste residues at an offsite location

Residual hazardous waste hauled offsite by a registered hauler 616

☐ d Offsite recycling

☐ e Thermal treatment

☒ f Disposal to land

☐ g Further treatment

☐ h Other method of disposal (describe below)

SECONDARY CONTAINMENT INSTALLATION DATE (If required) 617

UNIFIED PROGRAM CONSOLIDATED FORM
ONSITE TIERED PERMITTING
PERMIT BY RULE (PBR) PAGE
WASTE AND TREATMENT PROCESS COMBINATIONS

(One page per treatment unit Check all that apply)

606 | 1

UNIT ID# MPU-1 | Facility ID# CAT 000 611 400 | Page ___ of ___

1. Aqueous wastes containing hexavalent chromium may be treated by the following process 630

Reduction of hexavalent chromium to trivalent chromium with sodium bisulfite, sodium metabisulfite, sodium thiosulfate, ferrous sulfate, ferrous sulfide or sulfur dioxide

☐ a provided both pH and addition of the reducing agent are automatically controlled

2 Aqueous wastes containing metals listed in Title 22, CCR, Section 66261 24 (a)(2) and/or fluoride salts may be treated by the following technologies

☒ a pH adjustment or neutralization
☒ b Precipitation or crystallization
☒ c Phase separation by filtration, centrifugation or gravity settling
☐ d Ion exchange
☐ e Reverse osmosis
☐ f Metallic replacement
☐ g Plating the metal onto an electrode
☐ h Electrodialysis
☐ i Electrowinning or electrolytic recovery
☐ j Chemical stabilization using silicates and/or cementitious types of reactions
☐ k Evaporation
☐ l Adsorption

3 Aqueous wastes with total organic carbon less than 10% as measured by EPA Method 9060 and less than 1% total volatile organic compounds as measured by EPA Method 8240 may be treated by the following technologies

☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
☐ b Adsorption
☐ c Distillation
☐ d Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms
☐ e Photodegradation using ultraviolet light, with or without the addition of hydrogen peroxide or ozone, provided the treatment is conducted in an enclosed system
☐ f Air stripping or steam stripping

4 Sludges, dusts, solid metal objects and metal workings which contain or are contaminated with metals listed in Title 22, CCR, Section 66261 24 (a)(2) and/or fluoride salts may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Physical processes which change only the physical properties of the waste such as grinding, shredding, crushing or compacting
☐ c Drying to remove water
☐ d Separation based on differences in physical properties such as size, magnetism or density

5. Alum, gypsum, lime, sulfur or phosphate sludges may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling

6 Wastes identified in Title 22, CCR, Section 66261.120, that meet the criteria and requirements for special waste classification in Section 66261 122 may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d Screening to separate components based on size
☐ e Separation based on differences in physical properties such as size, magnetism or density

7 Wastes, except asbestos, which have been classified by the Department as special wastes pursuant to Title 22, CCR, Section 66261.124, may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d Magnetic separation

8 Inorganic acid or alkaline wastes may be treated by the following technology

☐ a pH adjustment or neutralization

9 Soils contaminated with metals listed in Title 22, CCR, Section 66261 24(a)(2), (Persistent and Bioaccumulative Toxic Substances) may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Screening to separate components based on size
☐ c Magnetic separation

10 Used oil, unrefined oil waste, mixed oil, oil mixed with water and oil/water separation sludges may be treated by the following technologies

☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
☐ b Distillation
☐ c Neutralization
☐ d Separation based on differences in physical properties such as size, magnetism or density
☐ e Reverse osmosis
☐ f Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms

11 Containers of 110 gallons or less capacity which are not constructed of wood, paper, cardboard, fabric, or any other similar absorptive material, which have been emptied as specified in Title 40 of the Code of Federal Regulations, section 261 7 or inner liners removed from empty containers that once held hazardous waste or hazardous material and which are not excluded from regulation may be treated by the following technologies provided the treated containers and rinseate are managed in compliance with applicable requirements.

☐ a Rinsing with a suitable liquid capable of dissolving or removing the hazardous constituents which the container held
☐ b Physical processes such as crushing, shredding, grinding or puncturing, that change only the physical properties of the container or inner liner, provided the container or inner liner is first rinsed and the rinseate is removed from the container or inner liner

12. Multi-component resins may be treated by the following process·

☐ a Mixing the resin components in accordance with the manufacturer's instructions

13. A waste stream technology combination certified by the Department pursuant to Section 25200 1 5 of the Health and Safety Code as appropriate for authorization under Permit by Rule.

☐ Certified Technology Number _____

UNIFIED PROGRAM CONSOLIDATED FORM

HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION - UNIT PAGE

(one page and attachments per unit)

Page __ of __

FACILITY ID#		BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As)	
	1	Agilent Technologies, Inc	3

I. TREATMENT UNIT

UNIT ID# 606	UNIT TYPE/TIER 607	NUMBER OF TANKS 608	NUMBER OF CONTAINERS/ TREATMENT AREAS 609
NS-1	☐ a CESQT ☐ b CESW ☐ c CA ☒ d PBR ☐ e CEL	5	
UNIT NAME 610		**MONTHLY TREATMENT VOLUME 611**	**UNIT OF MEASURE 612**
Neutralization System 1		**4,500,000 gallons/month (150,000 gallons/day)**	☐ a Pounds ☒ b Gallons

SPECIFIC WASTE TYPE TREATED (narrative) 613

Inorganic acid or alkaline wastewaters, including hydrofluoric acid

TREATMENT PROCESS DESCRIPTION (narrative) 614

Automatic elementary neutralization using sodium hydroxide and sulfuric acid in a two stage continuous flow treatment system, additional tanks are for wastewater transfer to treatment system

(NOTE for each treatment unit, complete and attach the appropriate Waste And Treatment Process Combinations page)

II. BASIS FOR NOT NEEDING FEDERAL PERMIT (Check all that apply)

☒ a The treated waste is not a hazardous waste under federal law (California-only waste)

☒ b Treated in waste water treatment units (tanks) and discharged to a publicly owned treatment works (POTW)/ sewering agency or under an NPDES permit

☒ c Treatment in elementary neutralization units

☐ d Treatment in a totally enclosed treatment facility

☐ e Federal conditionally exempt small quantity generator (generated 100 kg, approximately 27 gallons, or less of hazardous waste in a calendar month)

☐ f Treatment in an accumulation tank or container within 90 days for over 1000 kg/month generators and 180 or 270 days for generators of 100 to 1000 kg/month 615

☐ g Recyclable materials are reclaimed to recover silver or other precious metals

☐ h Empty container rinsing and/or treatment

☐ i Other (specify below)

III. RESIDUALS MANAGEMENT DESCRIPTION (Check all that apply)

☒ a Discharge non-hazardous aqueous waste to POTW or sewer

☐ b Discharge non-hazardous aqueous waste under a NPDES permit

☐ c Dispose of non-hazardous solid waste residues at an offsite location

Residual hazardous waste hauled offsite by a registered hauler 616

☐ d Offsite recycling

☐ e Thermal treatment

☐ f Disposal to land

☐ g Further treatment

☐ h Other method of disposal (describe below)

SECONDARY CONTAINMENT INSTALLATION DATE (If required) 617

UNIFIED PROGRAM CONSOLIDATED FORM
ONSITE TIERED PERMITTING
PERMIT BY RULE (PBR) PAGE
WASTE AND TREATMENT PROCESS COMBINATIONS

(One page per treatment unit Check all that apply)

606 | 1

UNIT ID# NS-1 | Facility ID# CAT 000 611 400 | Page ___ of ___

1 Aqueous wastes containing hexavalent chromium may be treated by the following process 630

Reduction of hexavalent chromium to trivalent chromium with sodium bisulfite, sodium metabisulfite, sodium thiosulfate, ferrous sulfate, ferrous sulfide or sulfur dioxide

- ☐ a provided both pH and addition of the reducing agent are automatically controlled

2 Aqueous wastes containing metals listed in Title 22, CCR, Section 66261 24 (a)(2) and/or fluoride salts may be treated by the following technologies

- ☒ a pH adjustment or neutralization
- ☐ b Precipitation or crystallization
- ☐ c Phase separation by filtration, centrifugation or gravity settling
- ☐ d Ion exchange
- ☐ e Reverse osmosis
- ☐ f Metallic replacement
- ☐ g Plating the metal onto an electrode
- ☐ h Electrodialysis
- ☐ i Electrowinning or electrolytic recovery
- ☐ j Chemical stabilization using silicates and/or cementitious types of reactions
- ☐ k Evaporation
- ☐ l Adsorption

3 Aqueous wastes with total organic carbon less than 10% as measured by EPA Method 9060 and less than 1% total volatile organic compounds as measured by EPA Method 8240 may be treated by the following technologies .

- ☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
- ☐ b Adsorption
- ☐ c Distillation
- ☐ d Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms
- ☐ e Photodegradation using ultraviolet light, with or without the addition of hydrogen peroxide or ozone, provided the treatment is conducted in an enclosed system
- ☐ f Air stripping or steam stripping

4 Sludges, dusts, solid metal objects and metal workings which contain or are contaminated with metals listed in Title 22, CCR, Section 66261 24 (a)(2) and/or fluoride salts may be treated by the following technologies

- ☐ a Chemical stabilization using silicates and/or cementitious types of reactions
- ☐ b Physical processes which change only the physical properties of the waste such as grinding, shredding, crushing or compacting
- ☐ c Drying to remove water
- ☐ d Separation based on differences in physical properties such as size, magnetism or density

5 Alum, gypsum, lime, sulfur or phosphate sludges may be treated by the following technologies

- ☐ a Chemical stabilization using silicates and/or cementitious types of reactions
- ☐ b Drying to remove water
- ☐ c Phase separation by filtration, centrifugation or gravity settling

6 Wastes identified in Title 22, CCR, Section 66261 120, that meet the criteria and requirements for special waste classification in Section 66261 122 may be treated by the following technologies.

- ☐ a Chemical stabilization using silicates and/or cementitious types of reactions
- ☐ b Drying to remove water
- ☐ c Phase separation by filtration, centrifugation or gravity settling
- ☐ d Screening to separate components based on size
- ☐ e Separation based on differences in physical properties such as size, magnetism or density

7 Wastes, except asbestos, which have been classified by the Department as special wastes pursuant to Title 22, CCR, Section 66261 124, may he treated by the following technologies

- ☐ a Chemical stabilization using silicates and/or cementitious types of reactions
- ☐ b Drying to remove water
- ☐ c Phase separation by filtration, centrifugation or gravity settling
- ☐ d Magnetic separation

8. Inorganic acid or alkaline wastes may be treated by the following technology

- ☒ a pH adjustment or neutralization

9 Soils contaminated with metals listed in Title 22, CCR, Section 66261.24(a)(2), (Persistent and Bioaccumulative Toxic Substances) may be treated by the following technologies

- ☐ a Chemical stabilization using silicates and/or cementitious types of reactions
- ☐ b Screening to separate components based on size
- ☐ c Magnetic separation

10. Used oil, unrefined oil waste, mixed oil, oil mixed with water and oil/water separation sludges may be treated by the following technologies

- ☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
- ☐ b Distillation
- ☐ c Neutralization
- ☐ d Separation based on differences in physical properties such as size, magnetism or density
- ☐ e Reverse osmosis
- ☐ f Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms

11. Containers of 110 gallons or less capacity which are not constructed of wood, paper, cardboard, fabric, or any other similar absorptive material, which have been emptied as specified in Title 40 of the Code of Federal Regulations, section 261 7 or inner liners removed from empty containers that once held hazardous waste or hazardous material and which are not excluded from regulation may be treated by the following technologies provided the treated containers and rinseate are managed in compliance with applicable requirements.

- ☐ a Rinsing with a suitable liquid capable of dissolving or removing the hazardous constituents which the container held
- ☐ b Physical processes such as crushing, shredding, grinding or puncturing, that change only the physical properties of the container or inner liner, provided the container or inner liner is first rinsed and the rinseate is removed from the container or inner liner

12 Multi-component resins may be treated by the following process

- ☐ a Mixing the resin components in accordance with the manufacturer's instructions

13. A waste stream technology combination certified by the Department pursuant to Section 25200.1.5 of the Health and Safety Code as appropriate for authorization under Permit by Rule.

☐ Certified Technology Number. _____

UNIFIED PROGRAM CONSOLIDATED FORM
FACILITY INFORMATION

BUSINESS OWNER/OPERATOR IDENTIFICATION

FILE

I. IDENTIFICATION

FACILITY ID # *(Agency Use Only)* 1		BEGINNING DATE 100: 1/1/2004	ENDING DATE 101: 12/31/2005
BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As) 3: Agilent Technologies, Inc		BUSINESS PHONE 102: 408-435-5959	
BUSINESS SITE ADDRESS 103: 350 West Trimble Road			
CITY 104: San Jose	CA	ZIP CODE 105: 95131	
DUN & BRADSTREET 106: 084963177		SIC CODE (4 digit #) 107: 3674	
COUNTY 108: Santa Clara			
BUSINESS OPERATOR NAME 109: Agilent Technologies, Inc		BUSINESS OPERATOR PHONE 110: 408-435-5959	

II. BUSINESS OWNER

OWNER NAME 111: Agilent Technologies, Inc		OWNER PHONE 112: 408-435-5959	
OWNER MAILING ADDRESS 113: 350 West Trimble Road			
CITY 114: San Jose	STATE 115: CA	ZIP CODE 116: 95131	

III. ENVIRONMENTAL CONTACT

CONTACT NAME 117: Mitch Cole		CONTACT PHONE 118: 408-435-4205	
CONTACT MAILING ADDRESS 119: 350 West Trimble Road			
CITY 120: San Jose	STATE 121: CA	ZIP CODE 122: 95131	

IV. EMERGENCY CONTACTS

-PRIMARY-	-SECONDARY-
NAME 123: Rick Miller	NAME 128: Mitch Cole
TITLE 124: EHS Manager	TITLE 129: EHS Specialist
BUSINESS PHONE 125: 408-435-6686	BUSINESS PHONE 130: 408-435-4205
24-HOUR PHONE* 126: 408-435-5959	24-HOUR PHONE* 131: 408-435-5959
PAGER # 127: 510-714-4229	PAGER # 132: 408-592-3222

ADDITIONAL LOCALLY COLLECTED INFORMATION 133

Property Owner Agilent Technologies, Inc ___ Phone No 408-435-5959

Billing Address 350 West Trimble Road, San Jose, CA 95131

Certification Based on my inquiry of those individuals responsible for obtaining the information, I certify under penalty of law that I have personally examined and am familiar with the information submitted and believe the information is true, accurate, and complete

SIGNATURE OF OWNER/OPERATOR OR DESIGNATED REPRESENTATIVE	DATE 134: 23 Jun 05	NAME OF DOCUMENT PREPARER 135: Mitch Cole
NAME OF SIGNER (print) 136: Steven Wolf	TITLE OF SIGNER 137: WPS San Jose Site Manager	

* See Instructions on next page

UNIFIED PROGRAM CONSOLIDATED FORM
FACILITY INFORMATION

BUSINESS ACTIVITIES

I. FACILITY IDENTIFICATION

FACILITY ID #	1	EPA ID # (Hazardous Waste Only)	2
		CAT 000 611 400	

BUSINESS NAME (Same as Facility Name or DBA - Doing Business As) 3

Agilent Technologies Inc

II. ACTIVITIES DECLARATION

NOTE: If you check YES to any part of this list, please submit the Business Owner/Operator Identification page (OES Form 2730).

Does your facility .		If Yes, please complete these pages of the UPCF
A HAZARDOUS MATERIALS		
Have on site (for any purpose) hazardous materials at or above 55 gallons for liquids, 500 pounds for solids, or 200 cubic feet for compressed gases (include liquids in ASTs and USTs), or the applicable Federal threshold quantity for an extremely hazardous substance specified in 40 CFR Part 355, Appendix A or B, or handle radiological materials in quantities for which an emergency plan is required pursuant to 10 CFR Parts 30, 40 or 70?	☒ YES ☐ NO 4	HAZARDOUS MATERIALS INVENTORY - CHEMICAL DESCRIPTION (OES 2731)
B UNDERGROUND STORAGE TANKS (USTs)		
1 Own or operate underground storage tanks?	☒ YES ☐ NO 5	UST FACILITY (Formerly SWRCB Form A) UST TANK (one page per tank) (Formerly Form B)
2 Intend to upgrade existing or install new USTs?	☐ YES ☒ NO 6	UST FACILITY UST TANK (one per tank) UST INSTALLATION - CERTIFICATE OF COMPLIANCE (one page per tank) (Formerly Form C)
3 Need to report closing a UST?	☐ YES ☒ NO 7	UST TANK (closure portion - one page per tank)
C ABOVE GROUND PETROLEUM STORAGE TANKS (ASTs)		
Own or operate ASTs above these thresholds ---any tank capacity is greater than 660 gallons, or ---the total capacity for the facility is greater than 1,320 gallons?	☐ YES ☒ NO 8	NO FORM REQUIRED TO CUPAs
D HAZARDOUS WASTE		
1 Generate hazardous waste?	☒ YES ☐ NO 9	EPA ID NUMBER - provide at the top of this page
2 Recycle more than 100 kg/month of excluded or exempted recyclable materials (per H&SC §25143 2)?	☐ YES ☒ NO 10	RECYCLABLE MATERIALS REPORT (one per recycler)
3 Treat hazardous waste on site?	☒ YES ☐ NO 11	ONSITE HAZARDOUS WASTE TREATMENT - FACILITY (Formerly DTSC Forms 1772) ONSITE HAZARDOUS WASTE TREATMENT - UNIT (one page per unit) (Formerly DTSC Forms 1772 A,B,C,D and L)
4. Treatment subject to financial assurance requirements (for Permit by Rule and Conditional Authorization)?	☒ YES ☐ NO 12	CERTIFICATION OF FINANCIAL ASSURANCE (Formerly DTSC Form 1232)
5. Consolidate hazardous waste generated at a remote site?	☐ YES ☒ NO 13	REMOTE WASTE / CONSOLIDATION SITE ANNUAL NOTIFICATION (Formerly DTSC Form 1196)
6 Need to report the closure/removal of a tank that was classified as hazardous waste and cleaned onsite?	☐ YES ☒ NO 14	HAZARDOUS WASTE TANK CLOSURE CERTIFICATION (Formerly DTSC Form 1249)

E LOCAL REQUIREMENTS (You may also be required to provide additional information by your CUPA or local agency) 15

UNIFIED PROGRAM CONSOLIDATED FORM
HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION - FACILITY PAGE

I. FACILITY IDENTIFICATION

BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As) 3
Agilent Technologies

FACILITY ID# 1

II. STATUS

NOTIFICATION STATUS 600
- ☐ a Amended
- ☐ b Initial
- ☒ c Renewal (PBR Only)

PERMIT STATUS (Check all that apply) 601
- ☐ a Facility Permit
- ☐ b Interim Status
- ☐ c Standardized Permit
- ☐ d Variance
- ☐ e Consent Agreement

III. NUMBER OF UNITS AT FACILITY

(Indicate the number of units you operate in each tier Attach one unit notification page for each unit except CE-CL)

602

A _____ Conditionally Exempt – Small Quantity Treatment (CESQT) (May not function under any other tier)

B _____ Conditionally Exempt Specified Wastestream (CESW)

C _____ Conditionally Authorized (CA)

D ___2___ Permit by Rule (PBR)

E _____ Conditionally Exempt – Limited (CEL)

F _____ Conditionally Exempt Commercial Laundry (CE-CL) (No unit page is required for laundries.)

G ___2___ TOTAL UNITS (Must equal the number of unit notification pages attached plus the number of CE-CL units)

IV. CERTIFICATION AND SIGNATURE

Waste Minimization - I certify that I have a program in place to reduce the volume, quantity and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment

Tiered Permitting Certification - I certify that the unit or units described in these documents meet the eligibility and operating requirements of state statutes and regulations for the indicated permitting tier, including generator and secondary containment requirements I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate, and complete

I am aware that there are substantial penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations

SIGNATURE OF OWNER/OPERATOR

DATE 603
23 Jan 05

NAME OF OWNER/OPERATOR 604
Steven Wolf

TITLE OF OWNER/OPERATOR 605
WPS San Jose Site Manager

REQUEST FOR SHORTENED REVIEW PERIOD (CE and CA only) ☐ Yes ☐ No

State Reason for Request

V. ATTACHMENTS (Check if attached)

ALL tiers except CE-CL (Laundries) must submit
- ☒ 1 One unit specific notification page and one treatment process page per unit
- ☒ 2 Plot Plan (or other grid/map)

PBR & CA ONLY
- ☒ 1 Closure Financial Assurance (formerly DTSC form 1232)
  - ☐ Self Certified (< $10,000) ☒ Other mechanism
- ☐ 2 Prior Enforcement History, if applicable

PBR ONLY
- ☒ 1 Tank and container certifications, if required
- ☐ 2 Notification of local agency or agencies
- ☐ 3 Notification of property owner, if different from business owner

UNIFIED PROGRAM CONSOLIDATED FORM

HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION – UNIT PAGE

(one page and attachments per unit)

Page __ of __

FACILITY ID#	1	BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As)	3
		Agilent Technologies	

I. TREATMENT UNIT

UNIT ID# 606	UNIT TYPE/TIER 607	NUMBER OF TANKS 608	NUMBER OF CONTAINERS/ TREATMENT AREAS 609
MPU-1	☐ a CESQT ☐ b CESW ☐ c CA ☒ d PBR ☐ e CEL	9	
UNIT NAME 610		**MONTHLY TREATMENT VOLUME 611**	**UNIT OF MEASURE 612**
Metals Precipitation Unit		**300,000 gallons/month (10,000 gallons/day)**	☐ a Pounds ☒ b Gallons

SPECIFIC WASTE TYPE TREATED (narrative) 613

Aqueous wastes with metals, specifically arsenic and fluoride salts

TREATMENT PROCESS DESCRIPTION (narrative) 614

Chemical precipitation in batch treatments using lime followed by addition of sodium bisulfite and polymer floculant Phase separation of precipitate and clear water by gravity settling and filration Sludge is collected from the filter press and disposed of offsite.

(NOTE for each treatment unit, complete and attach the appropriate Waste And Treatment Process Combinations page)

II. BASIS FOR NOT NEEDING FEDERAL PERMIT (Check all that apply)

☐ a The treated waste is not a hazardous waste under federal law (California-only waste)

☒ b Treated in waste water treatment units (tanks) and discharged to a publicly owned treatment works (POTW)/ sewering agency or under an NPDES permit

☒ c Treatment in elementary neutralization units

☐ d Treatment in a totally enclosed treatment facility

☐ e Federal conditionally exempt small quantity generator (generated 100 kg, approximately 27 gallons, or less of hazardous waste in a calendar month)

☐ f Treatment in an accumulation tank or container within 90 days for over 1000 kg/month generators and 180 or 270 days for generators of 100 to 1000 kg/month 615

☐ g Recyclable materials are reclaimed to recover silver or other precious metals

☐ h Empty container rinsing and/or treatment

☐ i Other (specify below)

III. RESIDUALS MANAGEMENT DESCRIPTION (Check all that apply)

☒ a Discharge non-hazardous aqueous waste to POTW or sewer

☐ b Discharge non-hazardous aqueous waste under a NPDES permit

☐ c Dispose of non-hazardous solid waste residues at an offsite location

Residual hazardous waste hauled offsite by a registered hauler 616

☐ d Offsite recycling

☐ e Thermal treatment

☒ f Disposal to land

☐ g Further treatment

☐ h Other method of disposal (describe below)

SECONDARY CONTAINMENT INSTALLATION DATE (If required) 617

UNIFIED PROGRAM CONSOLIDATED FORM
ONSITE TIERED PERMITTING
PERMIT BY RULE (PBR) PAGE
WASTE AND TREATMENT PROCESS COMBINATIONS

(One page per treatment unit Check all that apply)

606 | 1

UNIT ID# MPU-1 | Facility ID# CAT 000 611 400 | Page ___ of ___

1. Aqueous wastes containing hexavalent chromium may be treated by the following process 630

Reduction of hexavalent chromium to trivalent chromium with sodium bisulfite, sodium metabisulfite, sodium thiosulfate, ferrous sulfate, ferrous sulfide or sulfur dioxide

☐ a provided both pH and addition of the reducing agent are automatically controlled

2 Aqueous wastes containing metals listed in Title 22, CCR, Section 66261 24 (a)(2) and/or fluoride salts may be treated by the following technologies

☒ a pH adjustment or neutralization
☒ b Precipitation or crystallization
☒ c Phase separation by filtration, centrifugation or gravity settling
☐ d Ion exchange
☐ e Reverse osmosis
☐ f Metallic replacement
☐ g Plating the metal onto an electrode
☐ h Electrodialysis
☐ i Electrowinning or electrolytic recovery
☐ j Chemical stabilization using silicates and/or cementitious types of reactions
☐ k Evaporation
☐ l Adsorption

3 Aqueous wastes with total organic carbon less than 10% as measured by EPA Method 9060 and less than 1% total volatile organic compounds as measured by EPA Method 8240 may be treated by the following technologies

☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
☐ b Adsorption
☐ c Distillation
☐ d Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms
☐ e Photodegradation using ultraviolet light, with or without the addition of hydrogen peroxide or ozone, provided the treatment is conducted in an enclosed system
☐ f Air stripping or steam stripping

4 Sludges, dusts, solid metal objects and metal workings which contain or are contaminated with metals listed in Title 22, CCR, Section 66261 24 (a)(2) and/or fluoride salts may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Physical processes which change only the physical properties of the waste such as grinding, shredding, crushing or compacting
☐ c Drying to remove water
☐ d Separation based on differences in physical properties such as size, magnetism or density

5 Alum, gypsum, lime, sulfur or phosphate sludges may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling

6 Wastes identified in Title 22, CCR, Section 66261 120, that meet the criteria and requirements for special waste classification in Section 66261 122 may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d Screening to separate components based on size
☐ e Separation based on differences in physical properties such as size, magnetism or density

7 Wastes, except asbestos, which have been classified by the Department as special wastes pursuant to Title 22, CCR, Section 66261 124, may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d Magnetic separation

8. Inorganic acid or alkaline wastes may be treated by the following technology

☐ a pH adjustment or neutralization

9 Soils contaminated with metals listed in Title 22, CCR, Section 66261 24(a)(2), (Persistent and Bioaccumulative Toxic Substances) may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Screening to separate components based on size
☐ c Magnetic separation

10. Used oil, unrefined oil waste, mixed oil, oil mixed with water and oil/water separation sludges may be treated by the following technologies·

☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
☐ b Distillation
☐ c Neutralization
☐ d Separation based on differences in physical properties such as size, magnetism or density
☐ e Reverse osmosis
☐ f Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms

11 Containers of 110 gallons or less capacity which are not constructed of wood, paper, cardboard, fabric, or any other similar absorptive material, which have been emptied as specified in Title 40 of the Code of Federal Regulations, section 261 7 or inner liners removed from empty containers that once held hazardous waste or hazardous material and which are not excluded from regulation may be treated by the following technologies provided the treated containers and rinseate are managed in compliance with applicable requirements

☐ a Rinsing with a suitable liquid capable of dissolving or removing the hazardous constituents which the container held
☐ b Physical processes such as crushing, shredding, grinding or puncturing, that change only the physical properties of the container or inner liner, provided the container or inner liner is first rinsed and the rinseate is removed from the container or inner liner

12 Multi-component resins may be treated by the following process

☐ a Mixing the resin components in accordance with the manufacturer's instructions

13 A waste stream technology combination certified by the Department pursuant to Section 25200.1 5 of the Health and Safety Code as appropriate for authorization under Permit by Rule

☐ Certified Technology Number. _____

UNIFIED PROGRAM CONSOLIDATED FORM

HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION – UNIT PAGE

(one page and attachments per unit)

Page __ of __

FACILITY ID#	1	BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As)	3
		Agilent Technologies, Inc	

I. TREATMENT UNIT

UNIT ID# 606	UNIT TYPE/TIER 607	NUMBER OF TANKS 608	NUMBER OF CONTAINERS/ TREATMENT AREAS 609
NS-1	☐ a CESQT ☐ b CESW ☐ c CA ☒ d PBR ☐ e CEL	5	
UNIT NAME 610		**MONTHLY TREATMENT VOLUME 611**	**UNIT OF MEASURE 612**
Neutralization System 1		**4,500,000 gallons/month (150,000 gallons/day)**	☐ a Pounds ☒ b Gallons

SPECIFIC WASTE TYPE TREATED (narrative) 613

Inorganic acid or alkaline wastewaters, including hydrofluoric acid

TREATMENT PROCESS DESCRIPTION (narrative) 614

Automatic elementary neutralization using sodium hydroxide and sulfuric acid in a two stage continuous flow treatment system, additional tanks are for wastewater transfer to treatment system

(NOTE for each treatment unit, complete and attach the appropriate Waste And Treatment Process Combinations page)

II. BASIS FOR NOT NEEDING FEDERAL PERMIT (Check all that apply)

☒ a The treated waste is not a hazardous waste under federal law (California-only waste)

☒ b Treated in waste water treatment units (tanks) and discharged to a publicly owned treatment works (POTW)/ sewering agency or under an NPDES permit

☒ c Treatment in elementary neutralization units

☐ d Treatment in a totally enclosed treatment facility

☐ e Federal conditionally exempt small quantity generator (generated 100 kg, approximately 27 gallons, or less of hazardous waste in a calendar month)

☐ f Treatment in an accumulation tank or container within 90 days for over 1000 kg/month generators and 180 or 270 days for generators of 100 to 1000 kg/month 615

☐ g Recyclable materials are reclaimed to recover silver or other precious metals

☐ h Empty container rinsing and/or treatment

☐ i Other (specify below)

III. RESIDUALS MANAGEMENT DESCRIPTION (Check all that apply)

☒ a Discharge non-hazardous aqueous waste to POTW or sewer

☐ b Discharge non-hazardous aqueous waste under a NPDES permit

☐ c Dispose of non-hazardous solid waste residues at an offsite location

Residual hazardous waste hauled offsite by a registered hauler 616

☐ d Offsite recycling

☐ e Thermal treatment

☐ f Disposal to land

☐ g Further treatment

☐ h Other method of disposal (describe below)

SECONDARY CONTAINMENT INSTALLATION DATE (If required) 617

UNIFIED PROGRAM CONSOLIDATED FORM
ONSITE TIERED PERMITTING
PERMIT BY RULE (PBR) PAGE
WASTE AND TREATMENT PROCESS COMBINATIONS

(One page per treatment unit Check all that apply)

606	1	
UNIT ID# NS-1	Facility ID# CAT 000 611 400	Page ___ of ___

1 Aqueous wastes containing hexavalent chromium may be treated by the following process 630

Reduction of hexavalent chromium to trivalent chromium with sodium bisulfite, sodium metabisulfite, sodium thiosulfate, ferrous sulfate, ferrous sulfide or sulfur dioxide

☐ a provided both pH and addition of the reducing agent are automatically controlled

2 Aqueous wastes containing metals listed in Title 22, CCR, Section 66261 24 (a)(2) and/or fluoride salts may be treated by the following technologies

☒ a pH adjustment or neutralization
☐ b Precipitation or crystallization
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d Ion exchange
☐ e Reverse osmosis
☐ f Metallic replacement
☐ g Plating the metal onto an electrode
☐ h Electrodialysis
☐ i Electrowinning or electrolytic recovery
☐ j Chemical stabilization using silicates and/or cementitious types of reactions
☐ k Evaporation
☐ l Adsorption

3 Aqueous wastes with total organic carbon less than 10% as measured by EPA Method 9060 and less than 1% total volatile organic compounds as measured by EPA Method 8240 may be treated by the following technologies .

☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
☐ b Adsorption
☐ c Distillation
☐ d Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms
☐ e Photodegradation using ultraviolet light, with or without the addition of hydrogen peroxide or ozone, provided the treatment is conducted in an enclosed system
☐ f Air stripping or steam stripping

4 Sludges, dusts, solid metal objects and metal workings which contain or are contaminated with metals listed in Title 22, CCR, Section 66261 24 (a)(2) and/or fluoride salts may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Physical processes which change only the physical properties of the waste such as grinding, shredding, crushing or compacting
☐ c Drying to remove water
☐ d Separation based on differences in physical properties such as size, magnetism or density

5 Alum, gypsum, lime, sulfur or phosphate sludges may be treated by the following technologies:

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling

6 Wastes identified in Title 22, CCR, Section 66261 120, that meet the criteria and requirements for special waste classification in Section 66261 122 may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d Screening to separate components based on size
☐ e Separation based on differences in physical properties such as size, magnetism or density

7 Wastes, except asbestos, which have been classified by the Department as special wastes pursuant to Title 22, CCR, Section 66261 124, may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d Magnetic separation

8 Inorganic acid or alkaline wastes may be treated by the following technology

☒ a pH adjustment or neutralization

9 Soils contaminated with metals listed in Title 22, CCR, Section 66261 24(a)(2), (Persistent and Bioaccumulative Toxic Substances) may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Screening to separate components based on size
☐ c Magnetic separation

10 Used oil, unrefined oil waste, mixed oil, oil mixed with water and oil/water separation sludges may be treated by the following technologies

☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
☐ b Distillation
☐ c Neutralization
☐ d Separation based on differences in physical properties such as size, magnetism or density
☐ e Reverse osmosis
☐ f Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms

11 Containers of 110 gallons or less capacity which are not constructed of wood, paper, cardboard, fabric, or any other similar absorptive material, which have been emptied as specified in Title 40 of the Code of Federal Regulations, section 261 7 or inner liners removed from empty containers that once held hazardous waste or hazardous material and which are not excluded from regulation may be treated by the following technologies provided the treated containers and rinseate are managed in compliance with applicable requirements

☐ a Rinsing with a suitable liquid capable of dissolving or removing the hazardous constituents which the container held
☐ b Physical processes such as crushing, shredding, grinding or puncturing, that change only the physical properties of the container or inner liner, provided the container or inner liner is first rinsed and the rinseate is removed from the container or inner liner

12 Multi-component resins may be treated by the following process

☐ a Mixing the resin components in accordance with the manufacturer's instructions

13. A waste stream technology combination certified by the Department pursuant to Section 25200 1 5 of the Health and Safety Code as appropriate for authorization under Permit by Rule

☐ Certified Technology Number _____

RECEIVED
SANTA CLARA COUNTY
DEPT. OF ENV. HEALTH

2005 MAR 25 PM 2:42

Agilent Technologies

March 23, 2005

Ms. Nicole Pullman
County of Santa Clara
Hazardous Materials Compliance Division
1555 Berger Drive, Suite 300
San Jose, CA 95112-2716

Subject: 2005 PBR Annual Renewal
EPA ID# CAT 000 611 400

Dear Ms. Pullman:

The attached forms have been completed to comply with the 2005 annual notification and financial assurance requirements established by CCR Title 22, Section 67450.3 (c) for the Agilent Technologies site located at 350/370 West Trimble Road in San Jose, California.

If you have any questions regarding this submittal, please call me at (408) 435-4205.

Sincerely,

Mitch Cole
Environmental Specialist

Enclosure:

- UPCF Business Activities
- UPCF 2730 Business Owner/Operator Identification
- UPCF 1772f Onsite Hazardous Waste Treatment Notification - Facility Page
- UPCF 1772u Onsite Hazardous Waste Treatment Notification - Unit Page (MPU-1)
- UPCF Permit By Rule Page (MPU-1)
- UPCF 1772u Onsite Hazardous Waste Treatment Notification - Unit Page (NS-1)
- UPCF Permit By Rule Page (NS-1)
- UPCF hwfl1232 Certification of Financial Assurance
- CFO Letter and Financial Test (DTSC Form 1159)
- A copy of the 2004 SEC Form 10-K
- A copy of the PriceWaterHouse Coopers Independent Review

cc: Mr. Jan Radimsky
Attn: Tiered Permitting Notification for Variance
California Department of Toxic Substances Control
Permit Streamlining Branch
PO Box 806
Sacramento, CA 95812

Agilent Technologies

Mitch Cole
Environmental Specialist

Agilent Technologies Inc
350 West Trimble Road
San Jose, California 95131 1008

408 435 4205 telephone
408 592 3222 mobile
408 435 4155 facsimile
mitchell_cole@agilent com

UNIFIED PROGRAM CONSOLIDATED FORM
FACILITY INFORMATION

BUSINESS OWNER/OPERATOR IDENTIFICATION

I. IDENTIFICATION

FACILITY ID # (Agency Use Only) 1	BEGINNING DATE 100: 1/1/2004	ENDING DATE 101: 12/31/2004	
BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As) 3: Agilent Technologies, Inc		BUSINESS PHONE 102: 408-435-5959	
BUSINESS SITE ADDRESS 103: 350 West Trimble Road			
CITY 104: San Jose	Reviewed By _____	CA	ZIP CODE 105: 95131
DUN & BRADSTREET 106: 084963177	Date 5/24/04		SIC CODE (4 digit #) 107: 3674
COUNTY 108: Santa Clara			
BUSINESS OPERATOR NAME 109: Agilent Technologies, Inc			BUSINESS OPERATOR PHONE 110: 408-435-5959

II. BUSINESS OWNER

OWNER NAME 111: Agilent Technologies, Inc.		OWNER PHONE 112: 408-435-5959
OWNER MAILING ADDRESS 113: 350 West Trimble Road		
CITY 114: San Jose	STATE 115: CA	ZIP CODE 116: 95131

III. ENVIRONMENTAL CONTACT

CONTACT NAME 117: Mitch Cole		CONTACT PHONE 118: 408-435-4205
CONTACT MAILING ADDRESS 119: 350 West Trimble Road		
CITY 120: San Jose	STATE 121: CA	ZIP CODE 122: 95131

IV. EMERGENCY CONTACTS

-PRIMARY-	-SECONDARY-
NAME 123: Rick Miller	NAME 128: Mitch Cole
TITLE 124: EHS Manager	TITLE 129: EHS Specialist
BUSINESS PHONE 125: 408-435-6686	BUSINESS PHONE 130: 408-435-4205
24-HOUR PHONE* 126: 408-435-5959	24-HOUR PHONE* 131: 408-435-5959
PAGER # 127: 510-714-4229	PAGER # 132: 408-592-3222

ADDITIONAL LOCALLY COLLECTED INFORMATION 133

Property Owner. Agilent Technologies, Inc ___ Phone No.. 408-435-5959

Billing Address. 350 West Trimble Road, San Jose, CA 95131

Certification Based on my inquiry of those individuals responsible for obtaining the information, I certify under penalty of law that I have personally examined and am familiar with the information submitted and believe the information is true, accurate, and complete.

SIGNATURE OF OWNER/OPERATOR OR DESIGNATED REPRESENTATIVE	DATE 134: 1/7/04	NAME OF DOCUMENT PREPARER 135: Mitch Cole
NAME OF SIGNER (print) 136: Steven Wolf	TITLE OF SIGNER 137: WPS San Jose Site Manager	

* See Instructions on next page

UNIFIED PROGRAM CONSOLIDATED FORM
FACILITY INFORMATION
BUSINESS ACTIVITIES

I. FACILITY IDENTIFICATION

FACILITY ID #	1	EPA ID # (Hazardous Waste Only)	2
		CAT 000 611 400	

BUSINESS NAME (Same as Facility Name or DBA - Doing Business As) 3

Agilent Technologies Inc

II. ACTIVITIES DECLARATION

NOTE: If you check YES to any part of this list, please submit the Business Owner/Operator Identification page (OES Form 2730).

Does your facility...	If Yes, please complete these pages of the UPCF..	
A. HAZARDOUS MATERIALS		
Have on site (for any purpose) hazardous materials at or above 55 gallons for liquids, 500 pounds for solids, or 200 cubic feet for compressed gases (include liquids in ASTs and USTs); or the applicable Federal threshold quantity for an extremely hazardous substance specified in 40 CFR Part 355, Appendix A or B, or handle radiological materials in quantities for which an emergency plan is required pursuant to 10 CFR Parts 30, 40 or 70?	☒ YES ☐ NO 4	HAZARDOUS MATERIALS INVENTORY - CHEMICAL DESCRIPTION (OES 2731)
B. UNDERGROUND STORAGE TANKS (USTs)		
1 Own or operate underground storage tanks?	☒ YES ☐ NO 5	UST FACILITY (Formerly SWRCB Form A) UST TANK (one page per tank) (Formerly Form B)
2. Intend to upgrade existing or install new USTs?	☐ YES ☒ NO 6	UST FACILITY UST TANK (one per tank) UST INSTALLATION - CERTIFICATE OF COMPLIANCE (one page per tank) (Formerly Form C)
3 Need to report closing a UST?	☐ YES ☒ NO 7	UST TANK (closure portion - one page per tank)
C. ABOVE GROUND PETROLEUM STORAGE TANKS (ASTs)		
Own or operate ASTs above these thresholds: ---any tank capacity is greater than 660 gallons, or ---the total capacity for the facility is greater than 1,320 gallons?	☐ YES ☒ NO 8	NO FORM REQUIRED TO CUPAs
D. HAZARDOUS WASTE		
1. Generate hazardous waste?	☒ YES ☐ NO 9	EPA ID NUMBER - provide at the top of this page
2. Recycle more than 100 kg/month of excluded or exempted recyclable materials (per H&SC §25143.2)?	☐ YES ☒ NO 10	RECYCLABLE MATERIALS REPORT (one per recycler)
3. Treat hazardous waste on site?	☒ YES ☐ NO 11	ONSITE HAZARDOUS WASTE TREATMENT - FACILITY (Formerly DTSC Forms 1772) ONSITE HAZARDOUS WASTE TREATMENT - UNIT (one page per unit) (Formerly DTSC Forms 1772 A,B,C,D and L)
4. Treatment subject to financial assurance requirements (for Permit by Rule and Conditional Authorization)?	☒ YES ☐ NO 12	CERTIFICATION OF FINANCIAL ASSURANCE (Formerly DTSC Form 1232)
5. Consolidate hazardous waste generated at a remote site?	☐ YES ☒ NO 13	REMOTE WASTE / CONSOLIDATION SITE ANNUAL NOTIFICATION (Formerly DTSC Form 1196)
6. Need to report the closure/removal of a tank that was classified as hazardous waste and cleaned onsite?	☐ YES ☒ NO 14	HAZARDOUS WASTE TANK CLOSURE CERTIFICATION (Formerly DTSC Form 1249)

E LOCAL REQUIREMENTS (You may also be required to provide additional information by your CUPA or local agency) 15

Agilent Technologies

February 6, 2004

FEB 9 | 27 PM '04

Ms. Nicole Pullman
County of Santa Clara
Hazardous Materials Compliance Division
1555 Berger Drive, Suite 300
San Jose, CA 95112-2716

Subject: 2004 PBR Annual Renewal
EPA ID# CAT 000 611 400

Dear Ms. Pullman:

The attached forms have been completed to comply with the 2004 annual notification requirement established by CCR Title 22, Section 67450.3 (c) for the Agilent Technologies site located at 350/370 West Trimble Road in San Jose, California. The financial assurance information will be submitted by February 29, 2004, once the annual report has been published.

If you have any questions regarding this submittal, please call me at (408) 435-4205.

Sincerely,

Mitch Cole
Environmental Specialist

Enclosure:

- UPCF Business Activities
- UPCF 2730 Business Owner/Operator Identification
- UPCF 1772f Onsite Hazardous Waste Treatment Notification - Facility Page
- UPCF 1772u Onsite Hazardous Waste Treatment Notification - Unit Page (MPU-1)
- UPCF Permit By Rule Page (MPU-1)
- UPCF 1772u Onsite Hazardous Waste Treatment Notification - Unit Page (NS-1)
- UPCF Permit By Rule Page (NS-1)
- Flow Diagram (MPU-1)
- Flow Diagram (NS-1)
- Tank and Containment Integrity Certification (MPU-1)
- Tank and Containment Integrity Certification (NS-1)
- Plot Plan of Treatment Unit Locations

cc: Mr. Jan Radimsky
Attn: Tiered Permitting Notification for Variance
California Department of Toxic Substances Control
Permit Streamlining Branch
PO Box 806
Sacramento, CA 95812

UNIFIED PROGRAM CONSOLIDATED FORM
HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION – FACILITY PAGE

I. FACILITY IDENTIFICATION

BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As) 3	FACILITY ID# 1
Agilent Technologies	

II. STATUS

NOTIFICATION STATUS 600	PERMIT STATUS (Check all that apply) 601	
☐ a Amended	☐ a Facility Permit	☐ d Variance
☐ b Initial	☐ b Interim Status	☐ e Consent Agreement
☒ c Renewal (PBR Only)	☐ c Standardized Permit	

III. NUMBER OF UNITS AT FACILITY

(Indicate the number of units you operate in each tier Attach one unit notification page for each unit except CE-CL)

602

A _____ Conditionally Exempt – Small Quantity Treatment (CESQT) (May not function under any other tier)

B _____ Conditionally Exempt Specified Wastestream (CESW)

C _____ Conditionally Authorized (CA)

D ___2___ Permit by Rule (PBR)

E _____ Conditionally Exempt – Limited (CEL)

F _____ Conditionally Exempt Commercial Laundry (CE-CL) (No unit page is required for laundries)

G ___2___ TOTAL UNITS (Must equal the number of unit notification pages attached plus the number of CE-CL units)

IV. CERTIFICATION AND SIGNATURE

Waste Minimization - I certify that I have a program in place to reduce the volume, quantity and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment

Tiered Permitting Certification - I certify that the unit or units described in these documents meet the eligibility and operating requirements of state statutes and regulations for the indicated permitting tier, including generator and secondary containment requirements I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate, and complete

I am aware that there are substantial penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations

SIGNATURE OF OWNER/OPERATOR	DATE 603
	1/17/04
NAME OF OWNER/OPERATOR 604	TITLE OF OWNER/OPERATOR 605
Steven Wolf	WPS San Jose Site Manager

REQUEST FOR SHORTENED REVIEW PERIOD (CE and CA only) ☐ Yes ☐ No

State Reason for Request

V. ATTACHMENTS (Check if attached)

ALL tiers except CE-CL (Laundries) must submit	PBR ONLY
☒ 1 One unit specific notification page and one treatment process page per unit	☒ 1 Tank and container certifications, if required
☒ 2 Plot Plan (or other grid/map)	☐ 2 Notification of local agency or agencies
	☐ 3 Notification of property owner, if different from business owner
PBR & CA ONLY	
☒ 1 Closure Financial Assurance (formerly DTSC form 1232)	
☐ Self Certified (< $10,000) ☒ Other mechanism	
☐ 2 Prior Enforcement History, if applicable	

UNIFIED PROGRAM CONSOLIDATED FORM

HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION - UNIT PAGE

(one page and attachments per unit)

FACILITY ID#		BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As)	
	1	Agilent Technologies	3

I. TREATMENT UNIT

UNIT ID# 606	UNIT TYPE/TIER 607	NUMBER OF TANKS 608	NUMBER OF CONTAINERS/ TREATMENT AREAS 609
MPU-1	☐ a CESQT ☐ b CESW ☐ c CA ☒ d PBR ☐ e CEL	9	
UNIT NAME 610	**MONTHLY TREATMENT VOLUME** 611	**UNIT OF MEASURE** 612	
Metals Precipitation Unit	**300,000 gallons/month (10,000 gallons/day)**	☐ a Pounds ☒ b Gallons	

SPECIFIC WASTE TYPE TREATED (narrative) 613

Aqueous wastes with metals, specifically arsenic and fluoride salts

TREATMENT PROCESS DESCRIPTION (narrative) 614

Chemical precipitation in batch treatments using lime followed by addition of sodium bisulfite and polymer floculant. Phase separation of precipitate and clear water by gravity settling and filration Sludge is collected from the filter press and disposed of offsite.

(NOTE for each treatment unit, complete and attach the appropriate Waste And Treatment Process Combinations page)

II. BASIS FOR NOT NEEDING FEDERAL PERMIT (Check all that apply)

☐ a The treated waste is not a hazardous waste under federal law (California-only waste)

☒ b Treated in waste water treatment units (tanks) and discharged to a publicly owned treatment works (POTW)/ sewering agency or under an NPDES permit

☒ c Treatment in elementary neutralization units

☐ d Treatment in a totally enclosed treatment facility

☐ e Federal conditionally exempt small quantity generator (generated 100 kg, approximately 27 gallons, or less of hazardous waste in a calendar month)

☐ f Treatment in an accumulation tank or container within 90 days for over 1000 kg/month generators and 180 or 270 days for generators of 100 to 1000 kg/month 615

☐ g Recyclable materials are reclaimed to recover silver or other precious metals

☐ h Empty container rinsing and/or treatment

☐ i Other (specify below)

III. RESIDUALS MANAGEMENT DESCRIPTION (Check all that apply)

☒ a Discharge non-hazardous aqueous waste to POTW or sewer

☐ b Discharge non-hazardous aqueous waste under a NPDES permit

☐ c Dispose of non-hazardous solid waste residues at an offsite location

Residual hazardous waste hauled offsite by a registered hauler 616

☐ d Offsite recycling

☐ e Thermal treatment

☒ f Disposal to land

☐ g Further treatment

☐ h Other method of disposal (describe below)

SECONDARY CONTAINMENT INSTALLATION DATE (If required) 617

UNIFIED PROGRAM CONSOLIDATED FORM
ONSITE TIERED PERMITTING
PERMIT BY RULE (PBR) PAGE
WASTE AND TREATMENT PROCESS COMBINATIONS

(One page per treatment unit Check all that apply)

606	1	
UNIT ID# MPU-1	Facility ID# CAT 000 611 400	Page ___ of ___

1. Aqueous wastes containing hexavalent chromium may be treated by the following process· 630

Reduction of hexavalent chromium to trivalent chromium with sodium bisulfite, sodium metabisulfite, sodium thiosulfate, ferrous sulfate, ferrous sulfide or sulfur dioxide

- ☐ a provided both pH and addition of the reducing agent are automatically controlled

2. Aqueous wastes containing metals listed in Title 22, CCR, Section 66261.24 (a)(2) and/or fluoride salts may be treated by the following technologies:

- ☒ a pH adjustment or neutralization
- ☒ b Precipitation or crystallization
- ☒ c Phase separation by filtration, centrifugation or gravity settling
- ☐ d Ion exchange
- ☐ e Reverse osmosis
- ☐ f Metallic replacement
- ☐ g Plating the metal onto an electrode
- ☐ h Electrodialysis
- ☐ i Electrowinning or electrolytic recovery
- ☐ j Chemical stabilization using silicates and/or cementitious types of reactions
- ☐ k Evaporation
- ☐ l Adsorption

3. Aqueous wastes with total organic carbon less than 10% as measured by EPA Method 9060 and less than 1% total volatile organic compounds as measured by EPA Method 8240 may be treated by the following technologies::

- ☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
- ☐ b Adsorption
- ☐ c Distillation
- ☐ d Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms
- ☐ e Photodegradation using ultraviolet light, with or without the addition of hydrogen peroxide or ozone, provided the treatment is conducted in an enclosed system
- ☐ f Air stripping or steam stripping

4 Sludges, dusts, solid metal objects and metal workings which contain or are contaminated with metals listed in Title 22, CCR, Section 66261.24 (a)(2) and/or fluoride salts may be treated by the following technologies:

- ☐ a Chemical stabilization using silicates and/or cementitious types of reactions
- ☐ b Physical processes which change only the physical properties of the waste such as grinding, shredding, crushing or compacting
- ☐ c Drying to remove water
- ☐ d Separation based on differences in physical properties such as size, magnetism or density

5. Alum, gypsum, lime, sulfur or phosphate sludges may be treated by the following technologies:

- ☐ a Chemical stabilization using silicates and/or cementitious types of reactions
- ☐ b Drying to remove water
- ☐ c Phase separation by filtration, centrifugation or gravity settling

6. Wastes identified in Title 22, CCR, Section 66261.120, that meet the criteria and requirements for special waste classification in Section 66261.122 may be treated by the following technologies:

- ☐ a Chemical stabilization using silicates and/or cementitious types of reactions
- ☐ b Drying to remove water
- ☐ c Phase separation by filtration, centrifugation or gravity settling
- ☐ d Screening to separate components based on size
- ☐ e Separation based on differences in physical properties such as size, magnetism or density

7. Wastes, except asbestos, which have been classified by the Department as special wastes pursuant to Title 22, CCR, Section 66261.124, may be treated by the following technologies:

- ☐ a Chemical stabilization using silicates and/or cementitious types of reactions
- ☐ b Drying to remove water
- ☐ c Phase separation by filtration, centrifugation or gravity settling
- ☐ d Magnetic separation

8. Inorganic acid or alkaline wastes may be treated by the following technology:

- ☐ a pH adjustment or neutralization

9. Soils contaminated with metals listed in Title 22, CCR, Section 66261.24(a)(2), (Persistent and Bioaccumulative Toxic Substances) may be treated by the following technologies:

- ☐ a Chemical stabilization using silicates and/or cementitious types of reactions
- ☐ b. Screening to separate components based on size
- ☐ c Magnetic separation

10. Used oil, unrefined oil waste, mixed oil, oil mixed with water and oil/water separation sludges may be treated by the following technologies:

- ☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
- ☐ b. Distillation
- ☐ c. Neutralization
- ☐ d Separation based on differences in physical properties such as size, magnetism or density
- ☐ e Reverse osmosis
- ☐ f Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms

11. Containers of 110 gallons or less capacity which are not constructed of wood, paper, cardboard, fabric, or any other similar absorptive material, which have been emptied as specified in Title 40 of the Code of Federal Regulations, section 261.7 or inner liners removed from empty containers that once held hazardous waste or hazardous material and which are not excluded from regulation may be treated by the following technologies provided the treated containers and rinseate are managed in compliance with applicable requirements.

- ☐ a Rinsing with a suitable liquid capable of dissolving or removing the hazardous constituents which the container held
- ☐ b Physical processes such as crushing, shredding, grinding or puncturing, that change only the physical properties of the container or inner liner, provided the container or inner liner is first rinsed and the rinseate is removed from the container or inner liner

12. Multi-component resins may be treated by the following process:

- ☐ a Mixing the resin components in accordance with the manufacturer's instructions

13 A waste stream technology combination certified by the Department pursuant to Section 25200.1.5 of the Health and Safety Code as appropriate for authorization under Permit by Rule.

☐ Certified Technology Number: _____

UNIFIED PROGRAM CONSOLIDATED FORM

HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION - UNIT PAGE

(one page and attachments per unit)

Page __ of __

FACILITY ID#		BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As)	
	1	Agilent Technologies, Inc.	3

I. TREATMENT UNIT

UNIT ID# 606	UNIT TYPE/TIER 607	NUMBER OF TANKS 608	NUMBER OF CONTAINERS/ TREATMENT AREAS 609
NS-1	☐ a CESQT ☐ b CESW ☐ c CA ☒ d PBR ☐ e CEL	4	
UNIT NAME 610	**MONTHLY TREATMENT VOLUME** 611	**UNIT OF MEASURE** 612	
Neutralization System 1	**4,500,000 gallons/month (150,000 gallons/day)**	☐ a Pounds ☒ b Gallons	

SPECIFIC WASTE TYPE TREATED (narrative) 613

Inorganic acid or alkaline wastewaters, including hydrofluoric acid

TREATMENT PROCESS DESCRIPTION (narrative) 614

Automatic elementary neutralization using sodium hydroxide and sulfuric acid in a two stage continuous flow treatment system, additional tanks are for wastewater transfer to treatment system

(NOTE for each treatment unit, complete and attach the appropriate Waste And Treatment Process Combinations page)

II. BASIS FOR NOT NEEDING FEDERAL PERMIT (Check all that apply)

☒ a The treated waste is not a hazardous waste under federal law (California-only waste)

☒ b Treated in waste water treatment units (tanks) and discharged to a publicly owned treatment works (POTW)/ sewering agency or under an NPDES permit

☒ c Treatment in elementary neutralization units

☐ d Treatment in a totally enclosed treatment facility

☐ e Federal conditionally exempt small quantity generator (generated 100 kg, approximately 27 gallons, or less of hazardous waste in a calendar month)

☐ f Treatment in an accumulation tank or container within 90 days for over 1000 kg/month generators and 180 or 270 days for generators of 100 to 1000 kg/month 615

☐ g Recyclable materials are reclaimed to recover silver or other precious metals

☐ h Empty container rinsing and/or treatment

☐ i Other (specify below)

III. RESIDUALS MANAGEMENT DESCRIPTION (Check all that apply)

☒ a Discharge non-hazardous aqueous waste to POTW or sewer

☐ b Discharge non-hazardous aqueous waste under a NPDES permit

☐ c Dispose of non-hazardous solid waste residues at an offsite location

Residual hazardous waste hauled offsite by a registered hauler 616

☐ d Offsite recycling

☐ e Thermal treatment

☐ f Disposal to land

☐ g Further treatment

☐ h Other method of disposal (describe below)

SECONDARY CONTAINMENT INSTALLATION DATE (If required) 617

UNIFIED PROGRAM CONSOLIDATED FORM
ONSITE TIERED PERMITTING
PERMIT BY RULE (PBR) PAGE
WASTE AND TREATMENT PROCESS COMBINATIONS

(One page per treatment unit Check all that apply)

606	1	
UNIT ID# NS-1	Facility ID# CAT 000 611 400	Page ___ of ___

1. Aqueous wastes containing hexavalent chromium may be treated by the following process. 630

Reduction of hexavalent chromium to trivalent chromium with sodium bisulfite, sodium metabisulfite, sodium thiosulfate, ferrous sulfate, ferrous sulfide or sulfur dioxide

☐ a provided both pH and addition of the reducing agent are automatically controlled

2 Aqueous wastes containing metals listed in Title 22, CCR, Section 66261 24 (a)(2) and/or fluoride salts may be treated by the following technologies:

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☐ e Reverse osmosis
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☐ l Adsorption

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☐ b Physical processes which change only the physical properties of the waste such as grinding, shredding, crushing or compacting
☐ c Drying to remove water
☐ d Separation based on differences in physical properties such as size, magnetism or density

5. Alum, gypsum, lime, sulfur or phosphate sludges may be treated by the following technologies:

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling

6. Wastes identified in Title 22, CCR, Section 66261.120, that meet the criteria and requirements for special waste classification in Section 66261.122 may be treated by the following technologies:

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d Screening to separate components based on size
☐ e Separation based on differences in physical properties such as size, magnetism or density

7. Wastes, except asbestos, which have been classified by the Department as special wastes pursuant to Title 22, CCR, Section 66261.124, may be treated by the following technologies:

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d Magnetic separation

8. Inorganic acid or alkaline wastes may be treated by the following technology:

☒ a pH adjustment or neutralization

9. Soils contaminated with metals listed in Title 22, CCR, Section 66261.24(a)(2), (Persistent and Bioaccumulative Toxic Substances) may be treated by the following technologies:

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Screening to separate components based on size
☐ c Magnetic separation

10. Used oil, unrefined oil waste, mixed oil, oil mixed with water and oil/water separation sludges may be treated by the following technologies:

☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
☐ b Distillation
☐ c Neutralization
☐ d Separation based on differences in physical properties such as size, magnetism or density
☐ e Reverse osmosis
☐ f Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms

11. Containers of 110 gallons or less capacity which are not constructed of wood, paper, cardboard, fabric, or any other similar absorptive material, which have been emptied as specified in Title 40 of the Code of Federal Regulations, section 261.7 or inner liners removed from empty containers that once held hazardous waste or hazardous material and which are not excluded from regulation may be treated by the following technologies provided the treated containers and rinseate are managed in compliance with applicable requirements.

☐ a Rinsing with a suitable liquid capable of dissolving or removing the hazardous constituents which the container held
☐ b Physical processes such as crushing, shredding, grinding or puncturing, that change only the physical properties of the container or inner liner, provided the container or inner liner is first rinsed and the rinseate is removed from the container or inner liner

12 Multi-component resins may be treated by the following process:

☐ a Mixing the resin components in accordance with the manufacturer's instructions

13. A waste stream technology combination certified by the Department pursuant to Section 25200 1 5 of the Health and Safety Code as appropriate for authorization under Permit by Rule.

☐ Certified Technology Number: _____

HMCD Data Input Document and Adjustment Form

Effective Date: _____

RECEIVED BY ENVIRONMENTAL HEALTH HMCD
APR 7 4 34 AM '04

Current Information:

Owner ID: _____ Facility ID: 208988

Program/Tank ID(s): 312781, 367957, 371042

Facility Name. Agilent Technologies

Site Address: 350 W. Trimble Rd, S. J.

Modify Information:

Owner: _____ Phone: _____

Facility: _____

☐ Mailing / ☐ Billing Address: _____

Invoice "Care of" Contact Name: _____ Change Designated Employee (Inspector) ID to: _____

Set A/R Mailing Code: ☐ A – Account Mailing Address ☐ F – Facility Mailing Address; ☐ O – Owner Mailing Address

Set Program "Mail to" Code to: ☐ F – Facility Mailing Address; ☐ O – Owner Mailing Address

☐ Change PE to: _____ ☐ Rebill Now ☐ Do Not Rebill

Set Current Status: ☐ 01 – Active, billable; ☐ 02 – Inactive ☒ 04 – Active, exempt from billing

Set Discount Code: ☐ 8880 – One Month Discount; ☐ 8881 – Two Month Discount; ☐ 8882 – Three Month Discount;
☐ 8883 – Four Month Discount; ☐ 8884 – Five Month Discount, ☐ 8885 – Six Month Discount;
☐ 8886 – Seven Month Discount; ☐ 8887 – Eight Month Discount; ☐ 8888 – Nine Month Discount;
☐ 8889 – Ten Month Discount; ☐ 8890 – Eleven Month Discount

Set "Date of Last Billing" as: _____ effective _____ ☒ 18 – Billed by San Jose

Set "Permit is Valid from" Date as: _____ Set "Permit is Valid to" Date as: _____ PE – Permanent Exempt

☐ Other (describe): _____

Fiscal Adjustment Information:

Account ID: 1258525 Invoice ID: 831486 Adjusted Amount: $ 1,082.00

Reason(s) for Adjustment: *(Check all that apply)* TR: TR 4/7/04

☐ Close Account; ☐ Delete Charge; ☐ Ownership Change; ☐ Refer to DOR; ☒ Refund; ☐ Waive Delinquency;

☐ Transfer Payment FROM Invoice ID _____ TO Invoice ID _____

☐ Other (describe): _____

Comments:

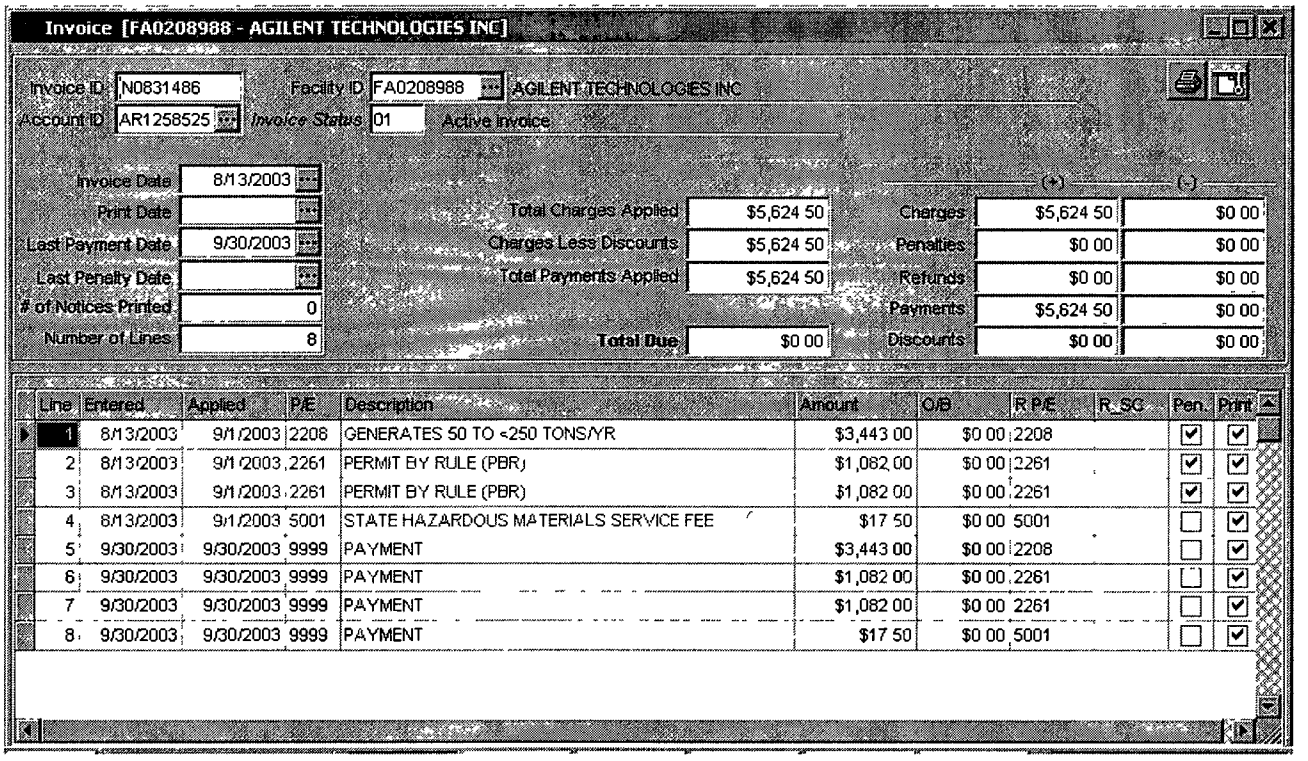
duplicate charge 9/1/03 + paid 9/30/03
Sent to S.F Fire for billing June '04

Prepared by: Nicole Pullman **Date:** 4/5/04

Lead/Manager Initials: [illegible] **Date:** 4-7-04 **Input by:** ICN **Date:** 4/8/04

HMCD-107 - 1/1

Rev. 07/01/02



Invoice [FA0208988 - AGILENT TECHNOLOGIES INC]

Invoice ID: N0831486 Facility ID: FA0208988 AGILENT TECHNOLOGIES INC
Account ID: AR1258525 Invoice Status: 01 Active Invoice

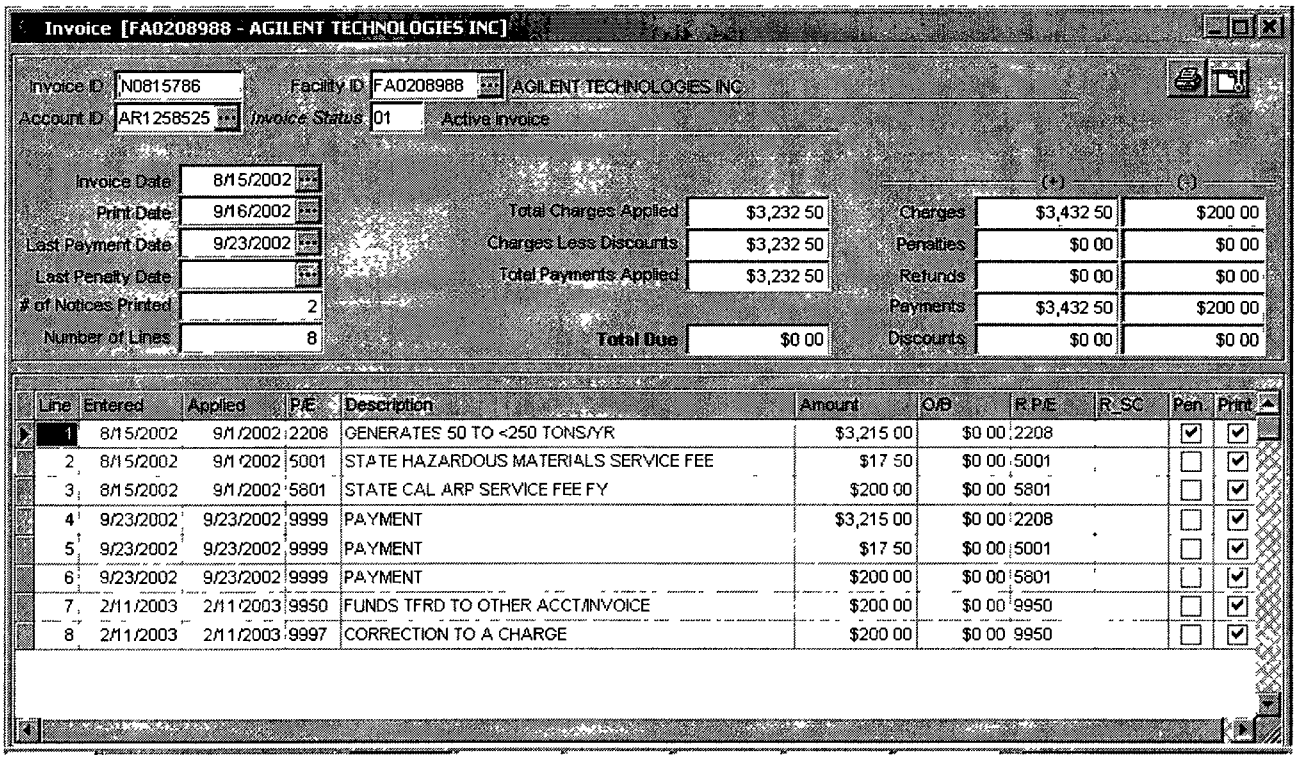
			(+)	(-)
Invoice Date:	8/13/2003	Total Charges Applied:	$5,624 50	Charges:	$5,624 50	$0 00
Print Date:		Charges Less Discounts:	$5,624 50	Penalties:	$0 00	$0 00
Last Payment Date:	9/30/2003	Total Payments Applied:	$5,624 50	Refunds:	$0 00	$0 00
Last Penalty Date:				Payments:	$5,624 50	$0 00
# of Notices Printed:	0	Total Due:	$0 00	Discounts:	$0 00	$0 00
Number of Lines:	8					

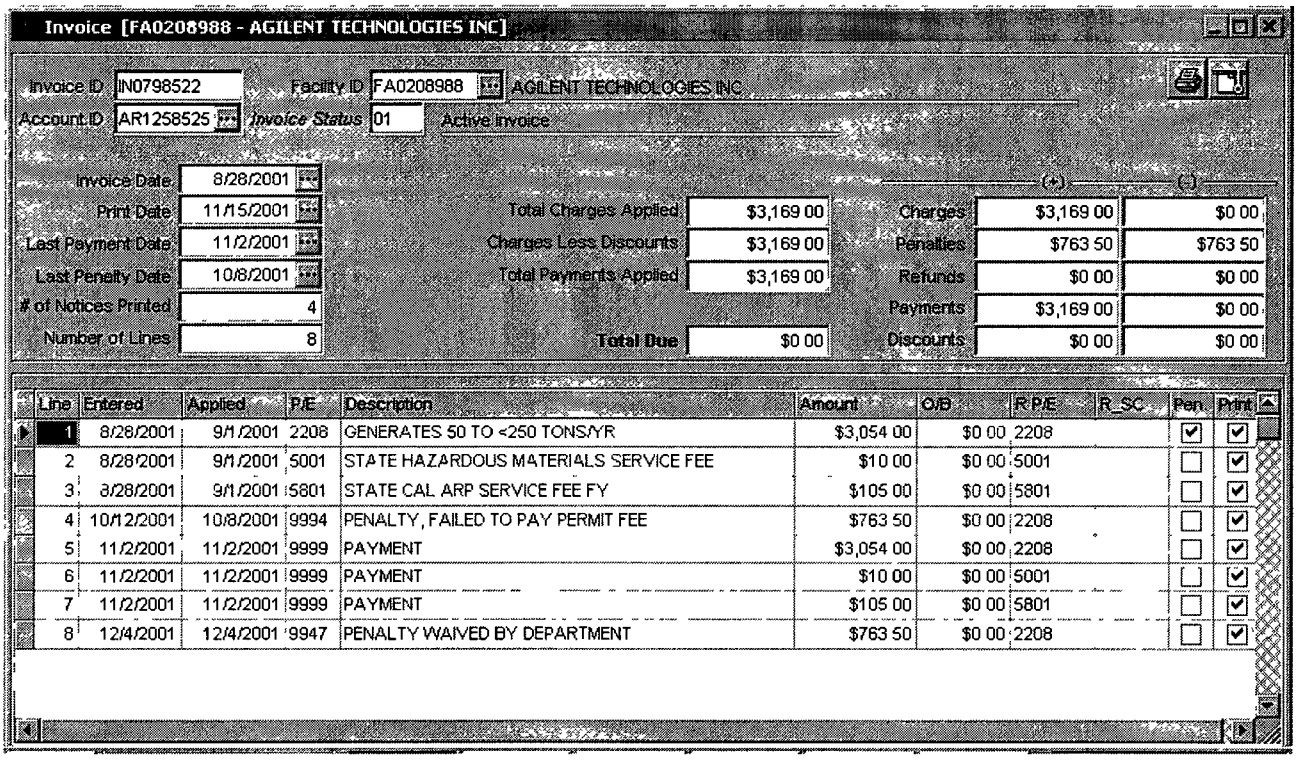
Line	Entered	Applied	P/E	Description	Amount	O/B	R P/E	R_SC	Pen	Print
1	8/13/2003	9/1/2003	2208	GENERATES 50 TO <250 TONS/YR	$3,443 00	$0 00	2208		☑	☑
2	8/13/2003	9/1/2003	2261	PERMIT BY RULE (PBR)	$1,082 00	$0 00	2261		☑	☑
3	8/13/2003	9/1/2003	2261	PERMIT BY RULE (PBR)	$1,082 00	$0 00	2261		☑	☑
4	8/13/2003	9/1/2003	5001	STATE HAZARDOUS MATERIALS SERVICE FEE	$17 50	$0 00	5001		☐	☑
5	9/30/2003	9/30/2003	9999	PAYMENT	$3,443 00	$0 00	2208		☐	☑
6	9/30/2003	9/30/2003	9999	PAYMENT	$1,082 00	$0 00	2261		☐	☑
7	9/30/2003	9/30/2003	9999	PAYMENT	$1,082 00	$0 00	2261		☐	☑
8	9/30/2003	9/30/2003	9999	PAYMENT	$17 50	$0 00	5001		☐	☑

file # 402739 6/04

10/1/04 to 6/30/05

3 + 6


Invoice [FA0208988 - AGILENT TECHNOLOGIES INC]
Invoice ID N0815786
Facility ID FA0208988
AGILENT TECHNOLOGIES INC
Account ID AR1258525
Invoice Status 01
Active Invoice
Invoice Date 8/15/2002
Print Date 9/16/2002
Last Payment Date 9/23/2002
Last Penalty Date
# of Notices Printed 2
Number of Lines 8
Total Charges Applied $3,232 50
Charges Less Discounts $3,232 50
Total Payments Applied $3,232 50
Total Due $0 00
(+)
(-)
Charges $3,432 50 $200 00
Penalties $0 00 $0 00
Refunds $0 00 $0 00
Payments $3,432 50 $200 00
Discounts $0 00 $0 00
Line Entered Applied P/E Description Amount O/B R P/E R_SC Pen Print
1 8/15/2002 9/1/2002 2208 GENERATES 50 TO <250 TONS/YR $3,215 00 $0 00 2208
2 8/15/2002 9/1/2002 5001 STATE HAZARDOUS MATERIALS SERVICE FEE $17 50 $0 00 5001
3 8/15/2002 9/1/2002 5801 STATE CAL ARP SERVICE FEE FY $200 00 $0 00 5801
4 9/23/2002 9/23/2002 9999 PAYMENT $3,215 00 $0 00 2208
5 9/23/2002 9/23/2002 9999 PAYMENT $17 50 $0 00 5001
6 9/23/2002 9/23/2002 9999 PAYMENT $200 00 $0 00 5801
7 2/11/2003 2/11/2003 9950 FUNDS TFRD TO OTHER ACCT/INVOICE $200 00 $0 00 9950
8 2/11/2003 2/11/2003 9997 CORRECTION TO A CHARGE $200 00 $0 00 9950

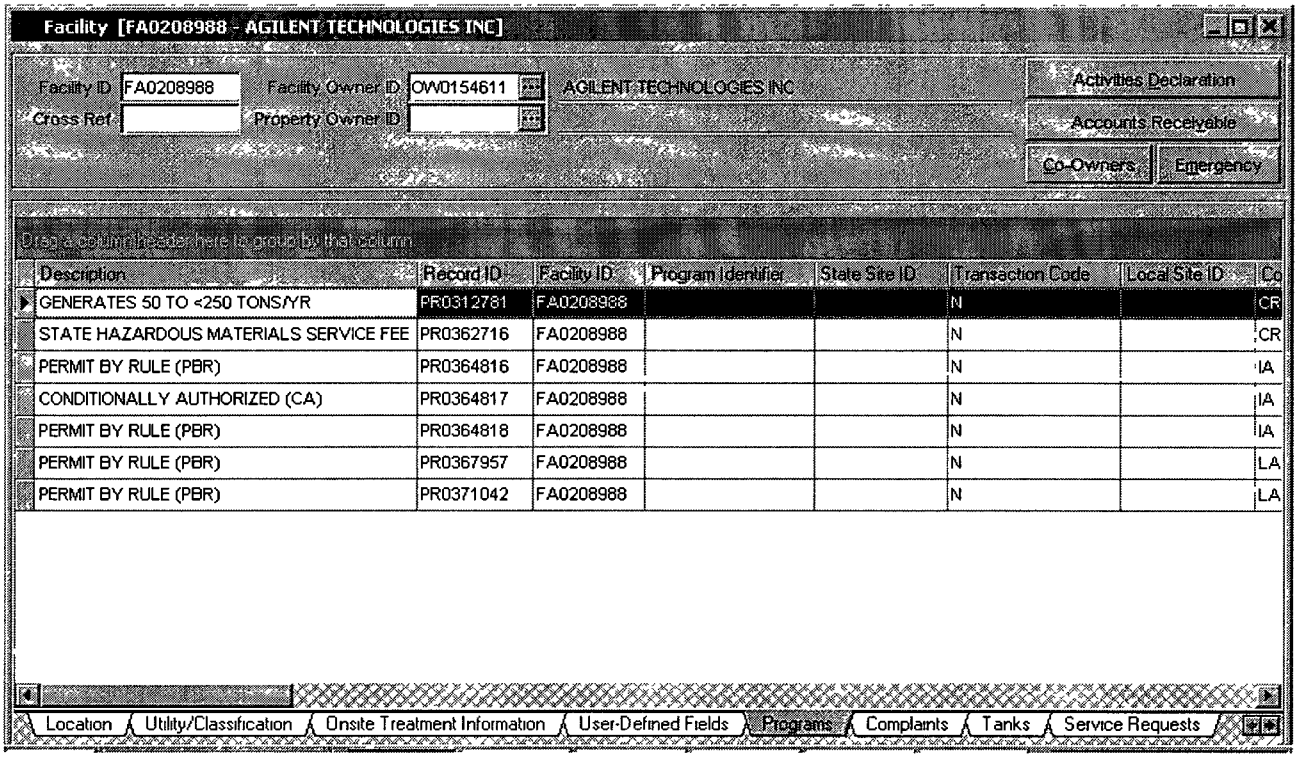


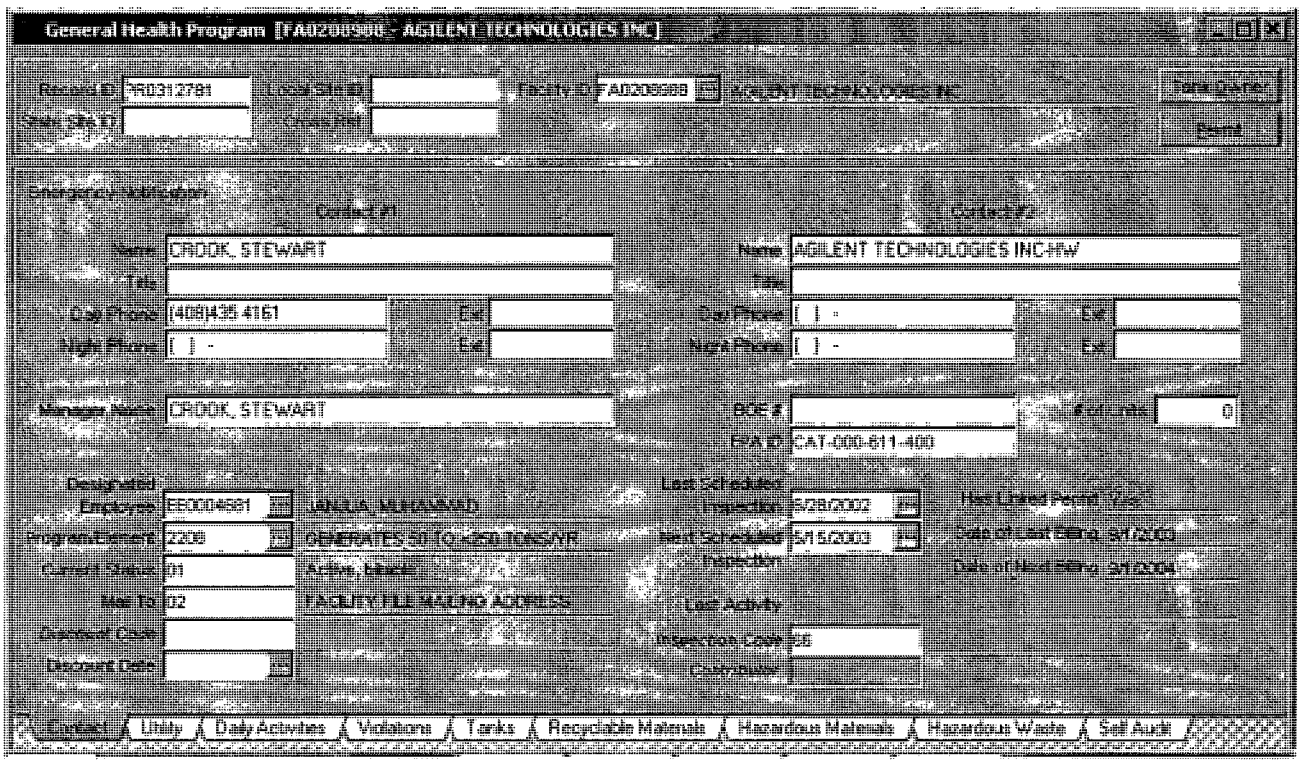
Invoice [FA0208988 - AGILENT TECHNOLOGIES INC]

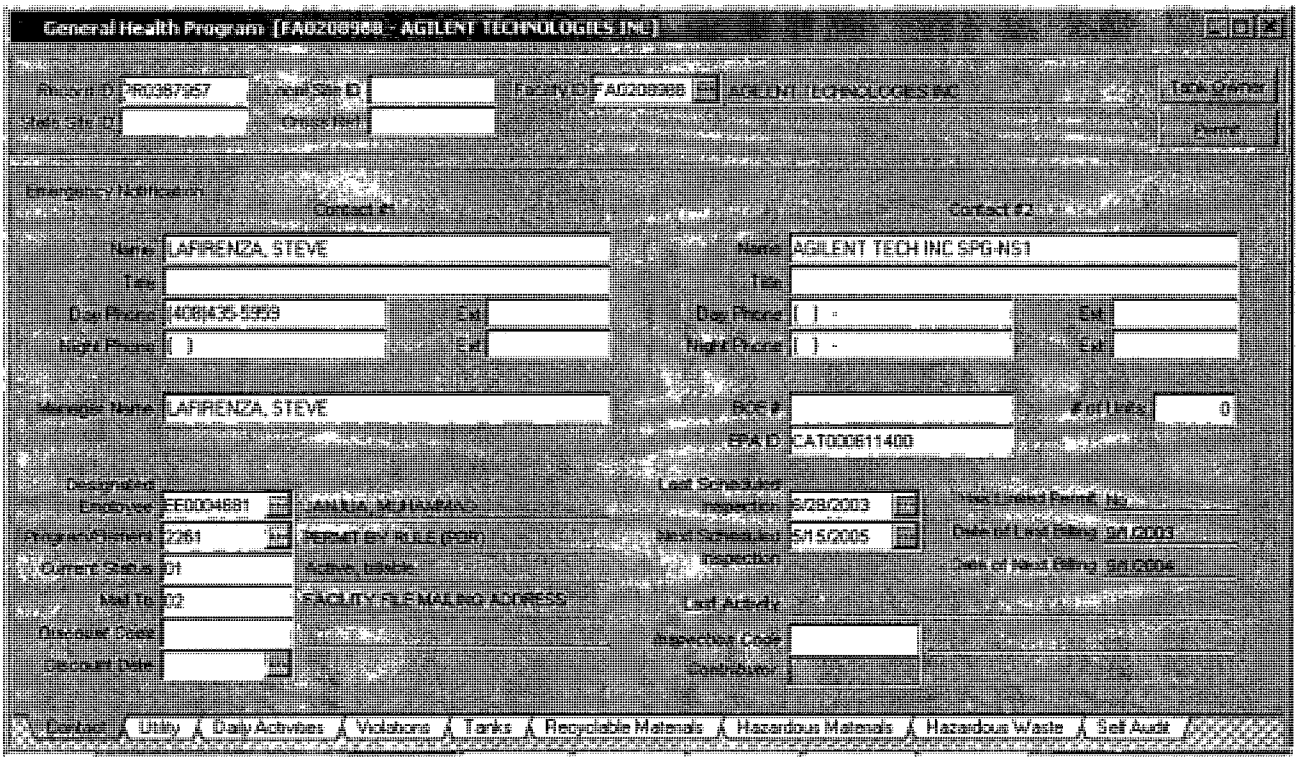
Invoice ID: IN0798522 Facility ID: FA0208988 AGILENT TECHNOLOGIES INC
Account ID: AR1258525 *Invoice Status*: 01 Active invoice

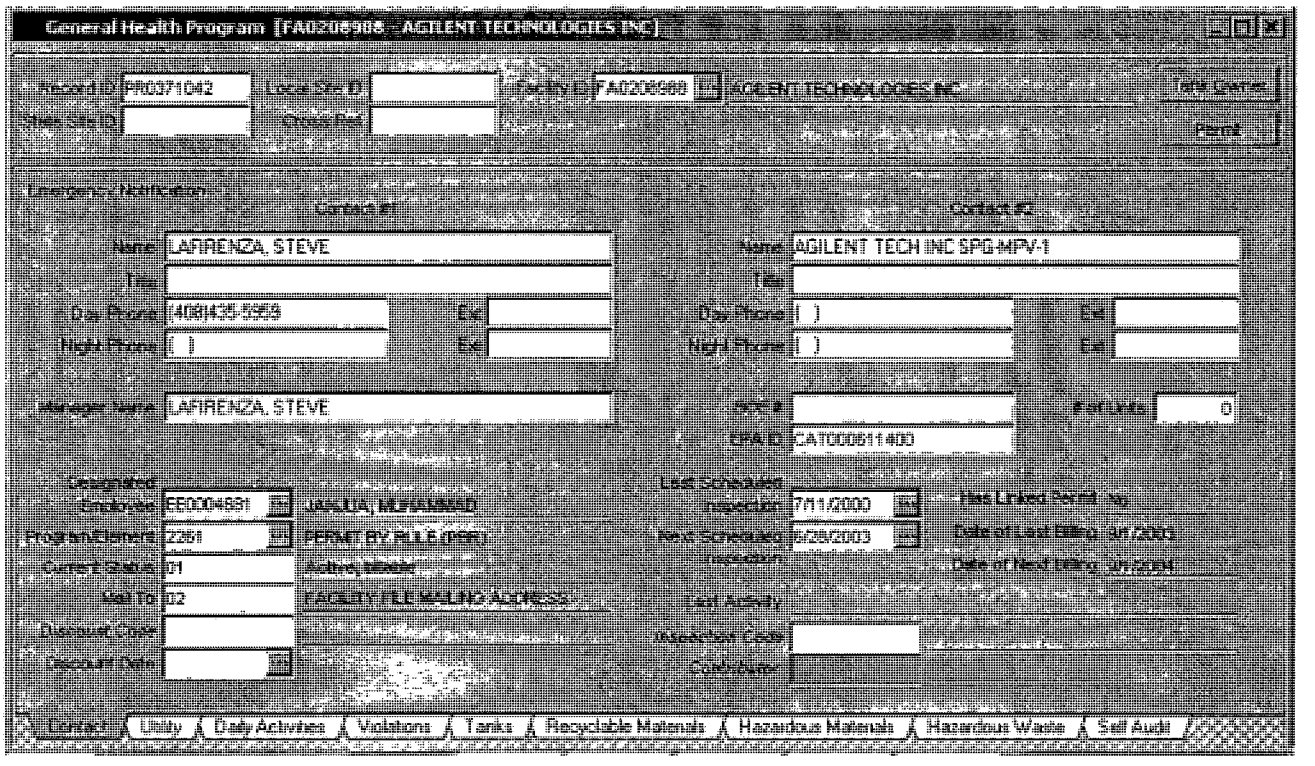
					(+)	(-)
Invoice Date:	8/28/2001	Total Charges Applied:	$3,169 00	Charges:	$3,169 00	$0 00
Print Date:	11/15/2001	Charges Less Discounts:	$3,169 00	Penalties:	$763 50	$763 50
Last Payment Date:	11/2/2001	Total Payments Applied:	$3,169 00	Refunds:	$0 00	$0 00
Last Penalty Date:	10/8/2001			Payments:	$3,169 00	$0 00
# of Notices Printed:	4			Discounts:	$0 00	$0 00
Number of Lines:	8	**Total Due**	$0 00			

Line	Entered	Applied	P/E	Description	Amount	O/B	R P/E	R_SC	Pen	Print
1	8/28/2001	9/1/2001	2208	GENERATES 50 TO <250 TONS/YR	$3,054 00	$0 00	2208		☑	☑
2	8/28/2001	9/1/2001	5001	STATE HAZARDOUS MATERIALS SERVICE FEE	$10 00	$0 00	5001		☐	☑
3	8/28/2001	9/1/2001	5801	STATE CAL ARP SERVICE FEE FY	$105 00	$0 00	5801		☐	☑
4	10/12/2001	10/8/2001	9994	PENALTY, FAILED TO PAY PERMIT FEE	$763 50	$0 00	2208		☐	☑
5	11/2/2001	11/2/2001	9999	PAYMENT	$3,054 00	$0 00	2208		☐	☑
6	11/2/2001	11/2/2001	9999	PAYMENT	$10 00	$0 00	5001		☐	☑
7	11/2/2001	11/2/2001	9999	PAYMENT	$105 00	$0 00	5801		☐	☑
8	12/4/2001	12/4/2001	9947	PENALTY WAIVED BY DEPARTMENT	$763 50	$0 00	2208		☐	☑


Facility [FA0208988 - AGILENT TECHNOLOGIES INC]
Facility ID FA0208988
Facility Owner ID OW0154611
AGILENT TECHNOLOGIES INC
Cross Ref
Property Owner ID
Activities Declaration
Accounts Receivable
Co-Owners
Emergency
Drag a column header here to group by that column
Description
Record ID
Facility ID
Program Identifier
State Site ID
Transaction Code
Local Site ID
GENERATES 50 TO <250 TONS/YR PR0312781 FA0208988 N CR
STATE HAZARDOUS MATERIALS SERVICE FEE PR0362716 FA0208988 N CR
PERMIT BY RULE (PBR) PR0364816 FA0208988 N IA
CONDITIONALLY AUTHORIZED (CA) PR0364817 FA0208988 N IA
PERMIT BY RULE (PBR) PR0364818 FA0208988 N IA
PERMIT BY RULE (PBR) PR0367957 FA0208988 N LA
PERMIT BY RULE (PBR) PR0371042 FA0208988 N LA
Location
Utility/Classification
Onsite Treatment Information
User-Defined Fields
Programs
Complaints
Tanks
Service Requests


General Health Programs [FA0208988 - AGILENT TECHNOLOGIES INC]
Record ID: HR0312781
Local Site ID:
Facility ID: FA0208988
AGILENT TECHNOLOGIES INC
State Site ID:
Cross Ref:
Save Data
Exit
Emergency Notification
Contact #1
Contact #2
Name: CROOK, STEWART
Title:
Day Phone: (408)435-4161
Ext:
Night Phone: ( ) -
Name: AGILENT TECHNOLOGIES INC-HW
Day Phone: ( ) -
Night Phone: ( ) -
Manager Name: CROOK, STEWART
BOE #:
# of Units: 0
EPA ID: CAT-000-611-400
Designated Employee: EE0004981
JANJUA, MUHAMMAD
Program Element: 2209
GENERATES 50 TO <250 TONS/YR
Current Status: 01
Active, Inspect
Mail To: 02
FACILITY FILE MAILING ADDRESS
Closeout Date:
Discount Date:
Last Scheduled Inspection: 5/28/2002
Next Scheduled Inspection: 5/15/2003
Last Activity
Inspection Code: 05
Comments:
Has Unified Permit: Yes
Date of Last Billing: 9/1/2000
Date of Next Billing: 9/1/2004
Contact
Utility
Daily Activities
Violations
Tanks
Recyclable Materials
Hazardous Materials
Hazardous Waste
Self Audit


General Health Program [FA0208988 - AGILENT TECHNOLOGIES INC]
Facility ID FA0208988
AGILENT TECHNOLOGIES INC
Tank Owner
Permit
Emergency Notification
Contact #1
Name LAFIRENZA, STEVE
Title
Day Phone (408)435-5959
Ext
Night Phone ( )
Ext
Manager Name LAFIRENZA, STEVE
Designated Employee FE0004881
JANUSZ, MURAWSKI
Program Numbers 2261
PERMIT BY RULE (PBR)
Current Status 01
Active, Billed
Mail To 02
FACILITY FILE MAILING ADDRESS
Discount Code
Discount Date
Contact #2
Name AGILENT TECH INC SPG-NS1
Title
Day Phone ( ) -
Ext
Night Phone ( ) -
Ext
BOE #
# of Lifts 0
EPA ID CAT000611400
Last Scheduled Inspection 5/28/2003
Next Scheduled Inspection 5/15/2005
Last Activity
Inspection Code
Date Last Billed
Contact
Utility
Daily Activities
Violations
Tanks
Recyclable Materials
Hazardous Materials
Hazardous Waste
Self Audit


General Health Program [FA0208988 - AGILENT TECHNOLOGIES INC]
Record ID: PR0371042
Local Site ID:
Facility ID: FA0208988
AGILENT TECHNOLOGIES INC
Web Site ID:
Cross Ref:
Info Center
Permit
Emergency Notification
Contact #1
Name: LAFIRENZA, STEVE
Title:
Day Phone: (408)435-8959
Ext:
Night Phone: ( )
Ext:
Manager Name: LAFIRENZA, STEVE
Contact #2
Name: AGILENT TECH INC SPG-MPV-1
Title:
Day Phone: ( )
Ext:
Night Phone: ( )
Ext:
SIC #:
# of Units: 0
CPA ID: CAT000811400
Designated Employee: EE0004881 JAVEJUA, MUHAMMAD
Program/Element: 2361 PERMIT BY RULE (PBR)
Current Status: 01 Active, billable
Mail To: 02 FACILITY FILE MAILING ADDRESS
Discount Code:
Discount Date:
Last Scheduled Inspection: 7/11/2000
Next Scheduled Inspection: 6/28/2003
Has Linked Permit: No
Date of Last Billing: 0/ /2003
Date of Next Billing: 0/ /2004
Last Activity:
Inspection Code:
Comments:
Contact
Utility
Daily Activities
Violations
Tanks
Recyclable Materials
Hazardous Materials
Hazardous Waste
Self Audit

Reviewed By NL

Date 5/5/03

UNIFIED PROGRAM CONSOLIDATED FORM
FACILITY INFORMATION

BUSINESS OWNER/OPERATOR IDENTIFICATION

Page of

I. IDENTIFICATION

FACILITY ID # (Agency Use Only)	1	BEGINNING DATE	100	ENDING DATE	101
		1/1/2003		12/31/2003	

BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As)	3	BUSINESS PHONE	102
Agilent Technologies, Inc.		408-435-5959	

BUSINESS SITE ADDRESS	103
350 West Trimble Road	

CITY	104		ZIP CODE	105
San Jose		CA	95131	

DUN & BRADSTREET	106	SIC CODE (4 digit #)	107
084963177		3674	

COUNTY	108
Santa Clara	

BUSINESS OPERATOR NAME	109	BUSINESS OPERATOR PHONE	110
Agilent Technologies, Inc.		408-435-5959	

II. BUSINESS OWNER

OWNER NAME	111	OWNER PHONE	112
Agilent Technologies, Inc.		408-435-5959	

OWNER MAILING ADDRESS	113
350 West Trimble Road	

CITY	114	STATE	115	ZIP CODE	116
San Jose		CA		95131	

III. ENVIRONMENTAL CONTACT

CONTACT NAME	117	CONTACT PHONE	118
Steve LaFirenza		408-435-4344	

CONTACT MAILING ADDRESS	119
350 West Trimble Road	

CITY	120	STATE	121	ZIP CODE	122
San Jose		CA		95131	

IV. EMERGENCY CONTACTS

-PRIMARY-		-SECONDARY-	
NAME	123	NAME	128
Julie Newman		Phil Lopez	
TITLE	124	TITLE	129
Environmental Manager		Safety Manager	
BUSINESS PHONE	125	BUSINESS PHONE	130
408-435-6216		408-435-4036	
24-HOUR PHONE*	126	24-HOUR PHONE*	131
408-435-5959		408-435-5959	
PAGER #	127	PAGER #	132
877-522-6512		877-502-5128	

ADDITIONAL LOCALLY COLLECTED INFORMATION 133

Property Owner: Agilent Technologies, Inc.___ Phone No.: 408-435-5959

Billing Address: 350 West Trimble Road, San Jose, CA 95131

Certification Based on my inquiry of those individuals responsible for obtaining the information, I certify under penalty of law that I have personally examined and am familiar with the information submitted and believe the information is true, accurate, and complete

SIGNATURE OF OWNER/OPERATOR OR DESIGNATED REPRESENTATIVE	DATE 134	NAME OF DOCUMENT PREPARER 135
12/19/02	12/19/02	Mitch Cole
NAME OF SIGNER (print) 136	TITLE OF SIGNER 137	
Julie Newman	Environmental Manager	

* See Instructions on next page

UNIFIED PROGRAM CONSOLIDATED FORM
HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION – FACILITY PAGE

I. FACILITY IDENTIFICATION

BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As) 3
Agilent Technologies

FACILITY ID# 1

II. STATUS

NOTIFICATION STATUS 600

- ☐ a Amended
- ☐ b Initial
- ☒ c Renewal (PBR Only)

PERMIT STATUS (Check all that apply) 601

- ☐ a Facility Permit
- ☐ b Interim Status
- ☐ c Standardized Permit
- ☐ d. Variance
- ☐ e Consent Agreement

III. NUMBER OF UNITS AT FACILITY

(Indicate the number of units you operate in each tier Attach one unit notification page for each unit except CE-CL)

602

A _____ Conditionally Exempt – Small Quantity Treatment (CESQT) (May not function under any other tier)

B _____ Conditionally Exempt Specified Wastestream (CESW)

C _____ Conditionally Authorized (CA)

D ___2___ Permit by Rule (PBR)

E _____ Conditionally Exempt – Limited (CEL)

F _____ Conditionally Exempt Commercial Laundry (CE-CL) (No unit page is required for laundries.)

G ___2___ TOTAL UNITS (Must equal the number of unit notification pages attached plus the number of CE-CL units)

IV. CERTIFICATION AND SIGNATURE

Waste Minimization - I certify that I have a program in place to reduce the volume, quantity and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment

Tiered Permitting Certification - I certify that the unit or units described in these documents meet the eligibility and operating requirements of state statutes and regulations for the indicated permitting tier, including generator and secondary containment requirements I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate, and complete

I am aware that there are substantial penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations

SIGNATURE OF OWNER/OPERATOR 12/19/02

DATE 603
12/19/02

NAME OF OWNER/OPERATOR 604
Julie Newman

TITLE OF OWNER/OPERATOR 605
Environmental Manager

REQUEST FOR SHORTENED REVIEW PERIOD (CE and CA only) ☐ Yes ☐ No

State Reason for Request

V. ATTACHMENTS (Check if attached)

ALL tiers except CE-CL (Laundries) must submit

- ☒ 1 One unit specific notification page and one treatment process page per unit
- ☒ 2 Plot Plan (or other grid/map)

PBR & CA ONLY

- ☒ 1 Closure Financial Assurance (formerly DTSC form 1232)
  - ☐ Self Certified (< $10,000) ☒ Other mechanism
- ☐ 2. Prior Enforcement History, if applicable

PBR ONLY

- ☒ 1 Tank and container certifications, if required
- ☐ 2 Notification of local agency or agencies
- ☐ 3 Notification of property owner, if different from business owner

UNIFIED PROGRAM CONSOLIDATED FORM

HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION – UNIT PAGE

(one page and attachments per unit)

Page __ of __

FACILITY ID#	1	BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As)	3
		Agilent Technologies	

I. TREATMENT UNIT

UNIT ID# 606	UNIT TYPE/TIER 607	NUMBER OF TANKS 608	NUMBER OF CONTAINERS/ TREATMENT AREAS 609
MPU-1	☐ a CESQT ☐ b CESW ☐ c CA ☒ d PBR ☐ e CEL	9	
UNIT NAME 610		**MONTHLY TREATMENT VOLUME 611**	**UNIT OF MEASURE 612**
Metals Precipitation Unit		**150,000 gallons/month (5,000 gallons/day)**	☐ a Pounds ☒ b Gallons

SPECIFIC WASTE TYPE TREATED (narrative) 613

Aqueous wastes with metals, specifically arsenic and fluoride salts

TREATMENT PROCESS DESCRIPTION (narrative) 614

Chemical precipitation in batch treatments using lime followed by addition of sodium bisulfite and polymer floculant. Phase separation of precipitate and clear water by gravity settling and filration. Sludge is collected from the filter press and disposed of offsite.

(NOTE for each treatment unit, complete and attach the appropriate Waste And Treatment Process Combinations page)

II. BASIS FOR NOT NEEDING FEDERAL PERMIT (Check all that apply)

☐ a The treated waste is not a hazardous waste under federal law (California-only waste)

☒ b Treated in waste water treatment units (tanks) and discharged to a publicly owned treatment works (POTW)/ sewering agency or under an NPDES permit

☒ c Treatment in elementary neutralization units

☐ d Treatment in a totally enclosed treatment facility

☐ e Federal conditionally exempt small quantity generator (generated 100 kg, approximately 27 gallons, or less of hazardous waste in a calendar month)

☐ f Treatment in an accumulation tank or container within 90 days for over 1000 kg/month generators and 180 or 270 days for generators of 100 to 1000 kg/month 615

☐ g Recyclable materials are reclaimed to recover silver or other precious metals

☐ h Empty container rinsing and/or treatment

☐ i Other (specify below)

III. RESIDUALS MANAGEMENT DESCRIPTION (Check all that apply)

☒ a Discharge non-hazardous aqueous waste to POTW or sewer

☐ b Discharge non-hazardous aqueous waste under a NPDES permit.

☐ c Dispose of non-hazardous solid waste residues at an offsite location

Residual hazardous waste hauled offsite by a registered hauler 616

☐ d Offsite recycling

☐ e Thermal treatment

☒ f Disposal to land

☐ g Further treatment

☐ h Other method of disposal (describe below)

SECONDARY CONTAINMENT INSTALLATION DATE (If required) 617

UNIFIED PROGRAM CONSOLIDATED FORM
ONSITE TIERED PERMITTING
PERMIT BY RULE (PBR) PAGE
WASTE AND TREATMENT PROCESS COMBINATIONS

(One page per treatment unit Check all that apply)

606 | 1

UNIT ID# MPU-1 | Facility ID# CAT 000 611 400 | Page ___ of ___

630

1. **Aqueous wastes containing hexavalent chromium may be treated by the following process:**
   Reduction of hexavalent chromium to trivalent chromium with sodium bisulfite, sodium metabisulfite, sodium thiosulfate, ferrous sulfate, ferrous sulfide or sulfur dioxide provided
   - ☐ a both pH and addition of the reducing agent are automatically controlled

2. **Aqueous wastes containing metals listed in Title 22, CCR, Section 66261.24 (a)(2) and/or fluoride salts may be treated by the following technologies:**
   - ☒ a pH adjustment or neutralization
   - ☒ b Precipitation or crystallization
   - ☒ c Phase separation by filtration, centrifugation or gravity settling
   - ☐ d Ion exchange
   - ☐ e Reverse osmosis
   - ☐ f Metallic replacement
   - ☐ g Plating the metal onto an electrode
   - ☐ h Electrodialysis
   - ☐ i Electrowinning or electrolytic recovery
   - ☐ j Chemical stabilization using silicates and/or cementitious types of reactions
   - ☐ k Evaporation
   - ☐ l Adsorption

3. **Aqueous wastes with total organic carbon less than 10% as measured by EPA Method 9060 and less than 1% total volatile organic compounds as measured by EPA Method 8240 may be treated by the following technologies::**
   - ☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
   - ☐ b Adsorption.
   - ☐ c Distillation.
   - ☐ d Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms
   - ☐ e Photodegradation using ultraviolet light, with or without the addition of hydrogen peroxide or ozone, provided the treatment is conducted in an enclosed system.
   - ☐ f Air stripping or steam stripping

4. **Sludges, dusts, solid metal objects and metal workings which contain or are contaminated with metals listed in Title 22, CCR, Section 66261.24 (a)(2) and/or fluoride salts may be treated by the following technologies:**
   - ☐ a Chemical stabilization using silicates and/or cementitious types of reactions
   - ☐ b Physical processes which change only the physical properties of the waste such as grinding, shredding, crushing or compacting
   - ☐ c Drying to remove water
   - ☐ d Separation based on differences in physical properties such as size, magnetism or density

5. **Alum, gypsum, lime, sulfur or phosphate sludges may be treated by the following technologies:**
   - ☐ a Chemical stabilization using silicates and/or cementitious types of reactions
   - ☐ b Drying to remove water
   - ☐ c Phase separation by filtration, centrifugation or gravity settling

6. **Wastes identified in Title 22, CCR, Section 66261.120, that meet the criteria and requirements for special waste classification in Section 66261.122 may be treated by the following technologies:**
   - ☐ a Chemical stabilization using silicates and/or cementitious types of reactions
   - ☐ b Drying to remove water
   - ☐ c Phase separation by filtration, centrifugation or gravity settling
   - ☐ d. Screening to separate components based on size
   - ☐ e Separation based on differences in physical properties such as size, magnetism or density

7. **Wastes, except asbestos, which have been classified by the Department as special wastes pursuant to Title 22, CCR, Section 66261.124, may be treated by the following technologies:**
   - ☐ a Chemical stabilization using silicates and/or cementitious types of reactions
   - ☐ b Drying to remove water
   - ☐ c Phase separation by filtration, centrifugation or gravity settling.
   - ☐ d Magnetic separation.

8. **Inorganic acid or alkaline wastes may be treated by the following technology:**
   - ☐ a pH adjustment or neutralization

9. **Soils contaminated with metals listed in Title 22, CCR, Section 66261.24(a)(2), (Persistent and Bioaccumulative Toxic Substances) may be treated by the following technologies:**
   - ☐ a Chemical stabilization using silicates and/or cementitious types of reactions
   - ☐ b Screening to separate components based on size
   - ☐ c Magnetic separation.

10. **Used oil, unrefined oil waste, mixed oil, oil mixed with water and oil/water separation sludges may be treated by the following technologies:**
    - ☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction.
    - ☐ b Distillation.
    - ☐ c Neutralization
    - ☐ d Separation based on differences in physical properties such as size, magnetism or density
    - ☐ e Reverse osmosis
    - ☐ f Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms

11. **Containers of 110 gallons or less capacity which are not constructed of wood, paper, cardboard, fabric, or any other similar absorptive material, which have been emptied as specified in Title 40 of the Code of Federal Regulations, section 261.7 or inner liners removed from empty containers that once held hazardous waste or hazardous material and which are not excluded from regulation may be treated by the following technologies provided the treated containers and rinseate are managed in compliance with applicable requirements.**
    - ☐ a Rinsing with a suitable liquid capable of dissolving or removing the hazardous constituents which the container held
    - ☐ b Physical processes such as crushing, shredding, grinding or puncturing, that change only the physical properties of the container or inner liner, provided the container or inner liner is first rinsed and the rinseate is removed from the container or inner liner

12. **Multi-component resins may be treated by the following process:**
    - ☐ a Mixing the resin components in accordance with the manufacturer's instructions

13. **A waste stream technology combination certified by the Department pursuant to Section 25200.1.5 of the Health and Safety Code as appropriate for authorization under Permit by Rule.**
    - ☐ Certified Technology Number: _____

UNIFIED PROGRAM CONSOLIDATED FORM

HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION – UNIT PAGE

(one page and attachments per unit)

FACILITY ID#		BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As)	
	1	Agilent Technologies, Inc.	3

I. TREATMENT UNIT

UNIT ID# 606	UNIT TYPE/TIER 607	NUMBER OF TANKS 608	NUMBER OF CONTAINERS/ TREATMENT AREAS 609
NS-1	☐ a CESQT ☐ b CESW ☐ c CA ☒ d PBR ☐ e CEL	4	
UNIT NAME 610		**MONTHLY TREATMENT VOLUME 611**	**UNIT OF MEASURE 612**
Neutralization System 1		**4,500,000 gallons/month (150,000 gallons/day)**	☐ a Pounds ☒ b Gallons

SPECIFIC WASTE TYPE TREATED (narrative) 613

Inorganic acid or alkaline wastewaters, including hydrofluoric acid

TREATMENT PROCESS DESCRIPTION (narrative) 614

Automatic elementary neutralization using sodium hydroxide and sulfuric acid in a two stage continuous flow treatment system, additional tanks are for wastewater transfer to treatment system

(NOTE for each treatment unit, complete and attach the appropriate Waste And Treatment Process Combinations page)

II. BASIS FOR NOT NEEDING FEDERAL PERMIT (Check all that apply)

☒ a The treated waste is not a hazardous waste under federal law (California-only waste)

☒ b Treated in waste water treatment units (tanks) and discharged to a publicly owned treatment works (POTW)/ sewering agency or under an NPDES permit

☒ c Treatment in elementary neutralization units

☐ d Treatment in a totally enclosed treatment facility

☐ e Federal conditionally exempt small quantity generator (generated 100 kg, approximately 27 gallons, or less of hazardous waste in a calendar month)

☐ f Treatment in an accumulation tank or container within 90 days for over 1000 kg/month generators and 180 or 270 days for generators of 100 to 1000 kg/month 615

☐ g Recyclable materials are reclaimed to recover silver or other precious metals

☐ h Empty container rinsing and/or treatment

☐ i Other (specify below)

III. RESIDUALS MANAGEMENT DESCRIPTION (Check all that apply)

☒ a Discharge non-hazardous aqueous waste to POTW or sewer

☐ b Discharge non-hazardous aqueous waste under a NPDES permit

☐ c Dispose of non-hazardous solid waste residues at an offsite location

Residual hazardous waste hauled offsite by a registered hauler 616

☐ d Offsite recycling

☐ e Thermal treatment

☐ f Disposal to land

☐ g Further treatment

☐ h Other method of disposal (describe below)

SECONDARY CONTAINMENT INSTALLATION DATE (If required) 617

UNIFIED PROGRAM CONSOLIDATED FORM
ONSITE TIERED PERMITTING
PERMIT BY RULE (PBR) PAGE
WASTE AND TREATMENT PROCESS COMBINATIONS

(One page per treatment unit Check all that apply)

606 | 1

UNIT ID# NS-1 | Facility ID# CAT 000 611 400 | Page ___ of ___

1. Aqueous wastes containing hexavalent chromium may be treated by the following process: 630

Reduction of hexavalent chromium to trivalent chromium with sodium bisulfite, sodium metabisulfite, sodium thiosulfate, ferrous sulfate, ferrous sulfide or sulfur dioxide provided

☐ a both pH and addition of the reducing agent are automatically controlled

2. Aqueous wastes containing metals listed in Title 22, CCR, Section 66261.24 (a)(2) and/or fluoride salts may be treated by the following technologies:

☒ a pH adjustment or neutralization.
☐ b Precipitation or crystallization
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d Ion exchange
☐ e Reverse osmosis
☐ f Metallic replacement.
☐ g Plating the metal onto an electrode
☐ h Electrodialysis
☐ i Electrowinning or electrolytic recovery
☐ j Chemical stabilization using silicates and/or cementitious types of reactions
☐ k Evaporation
☐ l Adsorption

3. Aqueous wastes with total organic carbon less than 10% as measured by EPA Method 9060 and less than 1% total volatile organic compounds as measured by EPA Method 8240 may be treated by the following technologies::

☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
☐ b Adsorption
☐ c Distillation
☐ d Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms
☐ e Photodegradation using ultraviolet light, with or without the addition of hydrogen peroxide or ozone, provided the treatment is conducted in an enclosed system.
☐ f Air stripping or steam stripping

4. Sludges, dusts, solid metal objects and metal workings which contain or are contaminated with metals listed in Title 22, CCR, Section 66261.24 (a)(2) and/or fluoride salts may be treated by the following technologies:

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Physical processes which change only the physical properties of the waste such as grinding, shredding, crushing or compacting
☐ c Drying to remove water
☐ d Separation based on differences in physical properties such as size, magnetism or density

5. Alum, gypsum, lime, sulfur or phosphate sludges may be treated by the following technologies:

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling

6. Wastes identified in Title 22, CCR, Section 66261.120, that meet the criteria and requirements for special waste classification in Section 66261.122 may be treated by the following technologies:

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d. Screening to separate components based on size
☐ e Separation based on differences in physical properties such as size, magnetism or density

7. Wastes, except asbestos, which have been classified by the Department as special wastes pursuant to Title 22, CCR, Section 66261.124, may be treated by the following technologies:

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d Magnetic separation.

8. Inorganic acid or alkaline wastes may be treated by the following technology:

☒ a pH adjustment or neutralization

9. Soils contaminated with metals listed in Title 22, CCR, Section 66261.24(a)(2), (Persistent and Bioaccumulative Toxic Substances) may be treated by the following technologies:

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b. Screening to separate components based on size
☐ c Magnetic separation

10. Used oil, unrefined oil waste, mixed oil, oil mixed with water and oil/water separation sludges may be treated by the following technologies:

☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
☐ b Distillation
☐ c Neutralization
☐ d Separation based on differences in physical properties such as size, magnetism or density
☐ e Reverse osmosis
☐ f Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms

11. Containers of 110 gallons or less capacity which are not constructed of wood, paper, cardboard, fabric, or any other similar absorptive material, which have been emptied as specified in Title 40 of the Code of Federal Regulations, section 261.7 or inner liners removed from empty containers that once held hazardous waste or hazardous material and which are not excluded from regulation may be treated by the following technologies provided the treated containers and rinseate are managed in compliance with applicable requirements.

☐ a Rinsing with a suitable liquid capable of dissolving or removing the hazardous constituents which the container held
☐ b Physical processes such as crushing, shredding, grinding or puncturing, that change only the physical properties of the container or inner liner, provided the container or inner liner is first rinsed and the rinseate is removed from the container or inner liner

12. Multi-component resins may be treated by the following process:

☐ a Mixing the resin components in accordance with the manufacturer's instructions

13. A waste stream technology combination certified by the Department pursuant to Section 25200.1.5 of the Health and Safety Code as appropriate for authorization under Permit by Rule.

☐ Certified Technology Number: _____

UNIFIED PROGRAM CONSOLIDATED FORM
FACILITY INFORMATION
BUSINESS ACTIVITIES

I. FACILITY IDENTIFICATION

FACILITY ID #	1	EPA ID # (Hazardous Waste Only)	2
		CAT 000 611 400	

BUSINESS NAME (Same as Facility Name or DBA - Doing Business As) 3

Agilent Technologies Inc

II. ACTIVITIES DECLARATION

NOTE: If you check YES to any part of this list, please submit the Business Owner/Operator Identification page (OES Form 2730).

Does your facility..	If Yes, please complete these pages of the UPCF...	
A HAZARDOUS MATERIALS		
Have on site (for any purpose) hazardous materials at or above 55 gallons for liquids, 500 pounds for solids, or 200 cubic feet for compressed gases (include liquids in ASTs and USTs); or the applicable Federal threshold quantity for an extremely hazardous substance specified in 40 CFR Part 355, Appendix A or B; or handle radiological materials in quantities for which an emergency plan is required pursuant to 10 CFR Parts 30, 40 or 70?	☒ YES ☐ NO 4	HAZARDOUS MATERIALS INVENTORY – CHEMICAL DESCRIPTION (OES 2731)
B. UNDERGROUND STORAGE TANKS (USTs)		
1. Own or operate underground storage tanks?	☒ YES ☐ NO 5	UST FACILITY (Formerly SWRCB Form A) UST TANK (one page per tank) (Formerly Form B)
2. Intend to upgrade existing or install new USTs?	☐ YES ☒ NO 6	UST FACILITY UST TANK (one per tank) UST INSTALLATION - CERTIFICATE OF COMPLIANCE (one page per tank) (Formerly Form C)
3. Need to report closing a UST?	☐ YES ☒ NO 7	UST TANK (closure portion – one page per tank)
C. ABOVE GROUND PETROLEUM STORAGE TANKS (ASTs)		
Own or operate ASTs above these thresholds ---any tank capacity is greater than 660 gallons, or ---the total capacity for the facility is greater than 1,320 gallons?	☐ YES ☒ NO 8	NO FORM REQUIRED TO CUPAs
D. HAZARDOUS WASTE		
1. Generate hazardous waste?	☒ YES ☐ NO 9	EPA ID NUMBER – provide at the top of this page
2. Recycle more than 100 kg/month of excluded or exempted recyclable materials (per H&SC §25143.2)?	☐ YES ☒ NO 10	RECYCLABLE MATERIALS REPORT (one per recycler)
3 Treat hazardous waste on site?	☒ YES ☐ NO 11	ONSITE HAZARDOUS WASTE TREATMENT – FACILITY (Formerly DTSC Forms 1772) ONSITE HAZARDOUS WASTE TREATMENT – UNIT (one page per unit) (Formerly DTSC Forms 1772 A,B,C,D and L)
4. Treatment subject to financial assurance requirements (for Permit by Rule and Conditional Authorization)?	☒ YES ☐ NO 12	CERTIFICATION OF FINANCIAL ASSURANCE (Formerly DTSC Form 1232)
5. Consolidate hazardous waste generated at a remote site?	☐ YES ☒ NO 13	REMOTE WASTE / CONSOLIDATION SITE ANNUAL NOTIFICATION (Formerly DTSC Form 1196)
6. Need to report the closure/removal of a tank that was classified as hazardous waste and cleaned onsite?	☐ YES ☒ NO 14	HAZARDOUS WASTE TANK CLOSURE CERTIFICATION (Formerly DTSC Form 1249)

E. LOCAL REQUIREMENTS (You may also be required to provide additional information by your CUPA or local agency.) 15

RECEIVED BY
ENVIRONMENTAL HEALTH
HMCD

JAN 2 2 45 PM '03

Agilent Technologies

December 19, 2002

Mr. Michael Balliet
Hazardous Materials Specialist
County of Santa Clara
Department of Environmental Health
Hazardous Materials Compliance Division
P.O. Box 28070
San Jose, CA 95159-8070

Subject: 2002 PBR Annual Renewal
EPA ID# CAT 000 611 400

Dear Mr. Balliet:

The attached forms have been completed to comply with the 2003 annual notification requirement established by CCR Title 22, Section 67450.3 (c) for the Agilent Technologies site located at 350/370 West Trimble Road in San Jose, California. The financial assurance information will be submitted in February 2003 once the annual report has been published.

If you have any questions regarding this submittal, please call me at (408) 435-4344.

Sincerely,

Mitch Cole
Environmental Specialist

Enclosure:

- UPCF Business Activities
- UPCF 2730 Business Owner/Operator Identification
- UPCF 1772f Onsite Hazardous Waste Treatment Notification - Facility Page
- UPCF 1772u Onsite Hazardous Waste Treatment Notification - Unit Page (MPU-1)
- UPCF Permit By Rule Page (MPU-1)
- UPCF 1772u Onsite Hazardous Waste Treatment Notification - Unit Page (NS-1)
- UPCF Permit By Rule Page (NS-1)
- Flow Diagram (MPU-1)
- Flow Diagram (NS-1)
- Tank and Containment Integrity Certification (MPU-1)
- Tank and Containment Integrity Certification (NS-1)
- Plot Plan of Treatment Unit Locations

UNIFIED PROGRAM CONSOLIDATED FORM
FACILITY INFORMATION

BUSINESS OWNER/OPERATOR IDENTIFICATION

I. IDENTIFICATION

FACILITY ID # (Agency Use Only)	1	BEGINNING DATE 100	ENDING DATE 101

BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As) 3	BUSINESS PHONE 102
Agilent Technologies, Inc	408-435-5959

BUSINESS SITE ADDRESS 103		
350 West Trimble Road		
CITY 104		ZIP CODE 105
San Jose	CA	95131
DUN & BRADSTREET 106		SIC CODE (4 digit #) 107
084963177		3674
COUNTY 108		
Santa Clara		
BUSINESS OPERATOR NAME 109		BUSINESS OPERATOR PHONE 110
Agilent Technologies, Inc.		408-435-5959

II. BUSINESS OWNER

OWNER NAME 111	OWNER PHONE 112
Agilent Technologies, Inc.	408-435-5959
OWNER MAILING ADDRESS 113	
350 West Trimble Road	

CITY 114	STATE 115	ZIP CODE 116
San Jose	CA	95131

III. ENVIRONMENTAL CONTACT

CONTACT NAME 117	CONTACT PHONE 118
Steve LaFirenza	408-435-4344
CONTACT MAILING ADDRESS 119	
350 West Trimble Road	

CITY 120	STATE 121	ZIP CODE 122
San Jose	CA	95131

IV. EMERGENCY CONTACTS

-PRIMARY-	-SECONDARY-
NAME 123	NAME 128
Julie Newman	Phil Lopez
TITLE 124	TITLE 129
Environmental Manager	Safety Manager
BUSINESS PHONE 125	BUSINESS PHONE 130
408-435-6216	408-435-4036
24-HOUR PHONE* 126	24-HOUR PHONE* 131
408-435-5959	408-435-5959
PAGER # 127	PAGER # 132
877-522-6512	877-502-5128

ADDITIONAL LOCALLY COLLECTED INFORMATION 133

Property Owner. Agilent Technologies, Inc.___ Phone No · 408-435-5959

Billing Address: 350 West Trimble Road, San Jose, CA 95131

Certification Based on my inquiry of those individuals responsible for obtaining the information, I certify under penalty of law that I have personally examined and am familiar with the information submitted and believe the information is true, accurate, and complete

SIGNATURE OF OWNER/OPERATOR OR DESIGNATED REPRESENTATIVE	DATE 134	NAME OF DOCUMENT PREPARER 135
Robert J Method	2/21/02	Steve LaFirenza
NAME OF SIGNER (print) 136	TITLE OF SIGNER	137
Bob Method	Facilities Manager, San Jose Site	

* See Instructions on next page

UNIFIED PROGRAM CONSOLIDATED FORM
HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION – FACILITY PAGE

Page ___ of ___

I. FACILITY IDENTIFICATION

BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As) 3
Agilent Technologies

FACILITY ID# [redacted] 1

II. STATUS

NOTIFICATION STATUS 600
- ☐ a Amended
- ☐ b Initial
- ☒ c Renewal (PBR Only)

PERMIT STATUS (Check all that apply) 601
- ☐ a Facility Permit
- ☐ b Interim Status
- ☐ c Standardized Permit
- ☐ d Variance
- ☐ e Consent Agreement

III. NUMBER OF UNITS AT FACILITY

(Indicate the number of units you operate in each tier Attach one unit notification page for each unit except CE-CL)

602

A _____ Conditionally Exempt – Small Quantity Treatment (CESQT) (May not function under any other tier)

B _____ Conditionally Exempt Specified Wastestream (CESW)

C _____ Conditionally Authorized (CA)

D ___2___ Permit by Rule (PBR)

E _____ Conditionally Exempt – Limited (CEL)

F _____ Conditionally Exempt Commercial Laundry (CE-CL) (No unit page is required for laundries)

G ___2___ TOTAL UNITS (Must equal the number of unit notification pages attached plus the number of CE-CL units)

IV. CERTIFICATION AND SIGNATURE

Waste Minimization - I certify that I have a program in place to reduce the volume, quantity and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment

Tiered Permitting Certification - I certify that the unit or units described in these documents meet the eligibility and operating requirements of state statutes and regulations for the indicated permitting tier, including generator and secondary containment requirements I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate, and complete

I am aware that there are substantial penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations

SIGNATURE OF OWNER/OPERATOR
Robert J. Method

DATE 603
02/21/02

NAME OF OWNER/OPERATOR 604
Bob Method

TITLE OF OWNER/OPERATOR 605
Facilities Manager, San Jose Site

REQUEST FOR SHORTENED REVIEW PERIOD (CE and CA only) ☐ Yes ☐ No

State Reason for Request

V. ATTACHMENTS (Check if attached)

ALL tiers except CE-CL (Laundries) must submit
- ☐ 1 One unit specific notification page and one treatment process page per unit
- ☐ 2 Plot Plan (or other grid/map)

PBR & CA ONLY
- ☐ 1 Closure Financial Assurance (formerly DTSC form 1232)
  - ☐ Self Certified (< $10,000) ☒ Other mechanism
- ☐ 2 Prior Enforcement History, if applicable

PBR ONLY
- ☐ 1 Tank and container certifications, if required
- ☐ 2 Notification of local agency or agencies
- ☐ 3 Notification of property owner, if different from business owner

CERTIFIED MAIL ARTICLE NUMBER: 7099 3400 0016 2568 0219

February 28, 2002

RECEIVED BY
ENVIRONMENTAL HEALTH
HMCD
MAR 4 9 21 AM '02

Ms. Nicole Pullman
County of Santa Clara
Department of Environmental Health
Hazardous Materials Compliance Division
P.O. Box 28070
San Jose, CA 95159-8070

Subject: 2002 PBR Annual Renewal
Agilent Technologies
350/370 West Trimble Road, San Jose, CA
EPA ID# CAT 000 611 400

Dear Ms. Pullman:

The attached forms have been completed to comply with the 2002 annual notification requirement established by CCR Title 22, Section 67450.3 (c) for the Agilent Technologies and Lumileds Lighting site located at 350/370 West Trimble Road in San Jose, California.

If you have any questions regarding this submittal, please call me at (408) 435-4344.

Sincerely,

Steve LaFirenza
Environmental Specialist

Reviewed By _____
Date 6/12/02

Enclosure

UNIFIED PROGRAM CONSOLIDATED FORM
FACILITY INFORMATION
BUSINESS OWNER/OPERATOR IDENTIFICATION

RECEIVED
ENVIRONMENTAL HEALTH
HMCD
NOV 20 11 35 AM '01

I. IDENTIFICATION

FACILITY ID # (Agency Use Only)	1	BEGINNING DATE	100	ENDING DATE	101
[redacted]					

BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As)	3	BUSINESS PHONE	102
Agilent Technologies, Inc.		408-435-5959	

BUSINESS SITE ADDRESS	103
350 West Trimble Road	

CITY	104		ZIP CODE	105
San Jose		CA	95131	

DUN & BRADSTREET	106	SIC CODE (4 digit #)	107
084963177		3674	

COUNTY	108
Santa Clara	

BUSINESS OPERATOR NAME	109	BUSINESS OPERATOR PHONE	110
Agilent Technologies, Inc.		408-435-5959	

II. BUSINESS OWNER

OWNER NAME	111	OWNER PHONE	112
Agilent Technologies, Inc.		408-435-5959	

OWNER MAILING ADDRESS	113
350 West Trimble Road	

CITY	114	STATE	115	ZIP CODE	116
San Jose		CA		95131	

III. ENVIRONMENTAL CONTACT

CONTACT NAME	117	CONTACT PHONE	118
Steve LaFirenza		408-435-4344	

CONTACT MAILING ADDRESS	119
350 West Trimble Road	

CITY	120	STATE	121	ZIP CODE	122
San Jose		CA		95131	

IV. EMERGENCY CONTACTS

-PRIMARY-		-SECONDARY-	
NAME	123	NAME	128
Julie Newman		Phil Lopez	
TITLE	124	TITLE	129
Environmental Manager		Safety Manager	
BUSINESS PHONE	125	BUSINESS PHONE	130
408-435-6216		408-435-4036	
24-HOUR PHONE*	126	24-HOUR PHONE*	131
408-435-5959		408-435-5959	
PAGER #	127	PAGER #	132
510-442-7400		408-989-9904	

ADDITIONAL LOCALLY COLLECTED INFORMATION 133

Property Owner: Agilent Technologies, Inc.___ Phone No.: 408-435-5959

Billing Address: 350 West Trimble Road, San Jose, CA 95131

Certification Based on my inquiry of those individuals responsible for obtaining the information, I certify under penalty of law that I have personally examined and am familiar with the information submitted and believe the information is true, accurate, and complete

SIGNATURE OF OWNER/OPERATOR OR DESIGNATED REPRESENTATIVE	DATE 134	NAME OF DOCUMENT PREPARER 135
[signature]	11/16/01	Mitch Cole
NAME OF SIGNER (print) 136	TITLE OF SIGNER 137	
Bob Method	Facilities Manager, San Jose Site	

* See Instructions on next page

UNIFIED PROGRAM CONSOLIDATED FORM
FACILITY INFORMATION
BUSINESS ACTIVITIES

I. FACILITY IDENTIFICATION

FACILITY ID #	1	EPA ID # (Hazardous Waste Only)	2
		CAT 000 611 400	

BUSINESS NAME (Same as Facility Name or DBA - Doing Business As) 3

Agilent Technologies Inc

II. ACTIVITIES DECLARATION

NOTE: If you check YES to any part of this list, please submit the Business Owner/Operator Identification page (OES Form 2730).

Does your facility...		If Yes, please complete these pages of the UPCF...
A HAZARDOUS MATERIALS Have on site (for any purpose) hazardous materials at or above 55 gallons for liquids, 500 pounds for solids, or 200 cubic feet for compressed gases (include liquids in ASTs and USTs); or the applicable Federal threshold quantity for an extremely hazardous substance specified in 40 CFR Part 355, Appendix A or B, or handle radiological materials in quantities for which an emergency plan is required pursuant to 10 CFR Parts 30, 40 or 70?	☒ YES ☐ NO 4	HAZARDOUS MATERIALS INVENTORY – CHEMICAL DESCRIPTION (OES 2731)
B. UNDERGROUND STORAGE TANKS (USTs) 1 Own or operate underground storage tanks?	☒ YES ☐ NO 5	UST FACILITY (Formerly SWRCB Form A) UST TANK (one page per tank) (Formerly Form B)
2. Intend to upgrade existing or install new USTs?	☐ YES ☒ NO 6	UST FACILITY UST TANK (one per tank) UST INSTALLATION - CERTIFICATE OF COMPLIANCE (one page per tank) (Formerly Form C)
3 Need to report closing a UST?	☐ YES ☒ NO 7	UST TANK (closure portion – one page per tank)
C ABOVE GROUND PETROLEUM STORAGE TANKS (ASTs) Own or operate ASTs above these thresholds: ---any tank capacity is greater than 660 gallons, or ---the total capacity for the facility is greater than 1,320 gallons?	☐ YES ☒ NO 8	NO FORM REQUIRED TO CUPAs
D. HAZARDOUS WASTE 1. Generate hazardous waste?	☒ YES ☐ NO 9	EPA ID NUMBER – provide at the top of this page
2. Recycle more than 100 kg/month of excluded or exempted recyclable materials (per H&SC §25143.2)?	☐ YES ☒ NO 10	RECYCLABLE MATERIALS REPORT (one per recycler)
3. Treat hazardous waste on site?	☒ YES ☐ NO 11	ONSITE HAZARDOUS WASTE TREATMENT – FACILITY (Formerly DTSC Forms 1772) ONSITE HAZARDOUS WASTE TREATMENT – UNIT (one page per unit) (Formerly DTSC Forms 1772 A,B,C,D and L)
4. Treatment subject to financial assurance requirements (for Permit by Rule and Conditional Authorization)?	☒ YES ☐ NO 12	CERTIFICATION OF FINANCIAL ASSURANCE (Formerly DTSC Form 1232)
5 Consolidate hazardous waste generated at a remote site?	☐ YES ☒ NO 13	REMOTE WASTE / CONSOLIDATION SITE ANNUAL NOTIFICATION (Formerly DTSC Form 1196)
6. Need to report the closure/removal of a tank that was classified as hazardous waste and cleaned onsite?	☐ YES ☒ NO 14	HAZARDOUS WASTE TANK CLOSURE CERTIFICATION (Formerly DTSC Form 1249)

E LOCAL REQUIREMENTS (You may also be required to provide additional information by your CUPA or local agency.) 15

UNIFIED PROGRAM CONSOLIDATED FORM
HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION – FACILITY PAGE

I. FACILITY IDENTIFICATION

BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As) 3
Agilent Technologies

FACILITY ID# 1

II. STATUS

NOTIFICATION STATUS 600
- ☒ a Amended
- ☐ b Initial
- ☐ c Renewal (PBR Only)

PERMIT STATUS (Check all that apply) 601
- ☐ a Facility Permit
- ☐ b Interim Status
- ☐ c Standardized Permit
- ☐ d Variance
- ☐ e Consent Agreement

III. NUMBER OF UNITS AT FACILITY

(Indicate the number of units you operate in each tier Attach one unit notification page for each unit except CE-CL)

602

A _____ Conditionally Exempt – Small Quantity Treatment (CESQT) (May not function under any other tier)

B _____ Conditionally Exempt Specified Wastestream (CESW)

C _____ Conditionally Authorized (CA)

D ___2___ Permit by Rule (PBR)

E _____ Conditionally Exempt – Limited (CEL)

F _____ Conditionally Exempt Commercial Laundry (CE-CL) (No unit page is required for laundries)

G ___2___ TOTAL UNITS (Must equal the number of unit notification pages attached plus the number of CE-CL units)

IV. CERTIFICATION AND SIGNATURE

Waste Minimization - I certify that I have a program in place to reduce the volume, quantity and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment

Tiered Permitting Certification - I certify that the unit or units described in these documents meet the eligibility and operating requirements of state statutes and regulations for the indicated permitting tier, including generator and secondary containment requirements I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate, and complete

I am aware that there are substantial penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations

SIGNATURE OF OWNER/OPERATOR	DATE 603
Robert Method	11/16/01
NAME OF OWNER/OPERATOR 604	TITLE OF OWNER/OPERATOR 605
Bob Method	Facilities Manager, San Jose Site

REQUEST FOR SHORTENED REVIEW PERIOD (CE and CA only) ☐ Yes ☐ No

State Reason for Request

V. ATTACHMENTS (Check if attached)

ALL tiers except CE-CL (Laundries) must submit
- ☒ 1 One unit specific notification page and one treatment process page per unit
- ☒ 2 Plot Plan (or other grid/map)

PBR & CA ONLY
- ☒ 1 Closure Financial Assurance (formerly DTSC form 1232)
  - ☐ Self Certified (< $10,000) ☒ Other mechanism
- ☐ 2 Prior Enforcement History, if applicable

PBR ONLY
- ☒ 1 Tank and container certifications, if required
- ☒ 2 Notification of local agency or agencies
- ☐ 3 Notification of property owner, if different from business owner

UNIFIED PROGRAM CONSOLIDATED FORM
HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION – UNIT PAGE

(One page and attachments per unit)

Page ___ of ___

FACILITY ID# 1	BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As) 3
	Agilent Technologies, Inc

I. TREATMENT UNIT

UNIT ID# 606	UNIT TYPE/TIER 607	NUMBER OF TANKS 608	NUMBER OF CONTAINERS/ TREATMENT AREAS 609
MPU-1	☐ a CESQT ☐ b CESW ☐ c CA ☒ d PBR ☐ e CEL	8	
UNIT NAME 610		**MONTHLY TREATMENT VOLUME 611**	**UNIT OF MEASURE 612**
Metals Precipitation Unit		180,000	☐ a. Pounds ☒ b Gallons

SPECIFIC WASTE TYPE TREATED (narrative) 613

Aqueous wastes with metals, specifically arsenic and fluoride salts.

TREATMENT PROCESS DESCRIPTION (narrative) 614

Chemical precipitation in batch treatments using lime followed by addition of sodium bisulfite and polymer floculant. Phase separation of precipitate and clear water by gravity settling and filtration. Sludge is collected from the filter press and disposed of offsite.

(NOTE For each treatment unit, complete and attach the appropriate Waste and Treatment Process Combinations page)

II. BASIS FOR NOT NEEDING FEDERAL PERMIT (Check all that apply)

☐ a The treated waste is not a hazardous waste under federal law (California-only waste)

☒ b Treated in waste water treatment units (tanks) and discharged to a publicly owned treatment works (POTW)/sewering agency or under an NPDES permit

☒ c Treatment in elementary neutralization units

☐ d Treatment in a totally enclosed treatment facility

☐ e Federal conditionally exempt small quantity generator (generated 100 kg , approximately 27 gallons, or less of hazardous waste in a calendar month)

☐ f Treatment in an accumulation tank or container within 90 days for over 1,000 kg /month generators and 180 or 270 days for generators of 100 to 1,000 kg /month 615

☐ g Recyclable materials are reclaimed to recover silver or other precious metals

☐ h Empty container rinsing and/or treatment

☐ i Other (specify below)

III. RESIDUALS MANAGEMENT DESCRIPTION (Check all that apply)

☒ a Discharge non-hazardous aqueous waste to POTW or sewer

☐ b Discharge non-hazardous aqueous waste under a NPDES permit

☐ c Dispose of non-hazardous solid waste residues at an offsite location

Residual hazardous waste hauled offsite by a registered hauler 616

☐ d Offsite recycling

☐ e Thermal treatment

☒ f Disposal to land

☐ g Further treatment

☐ h Other method of disposal (describe below)

SECONDARY CONTAINMENT INSTALLATION DATE (If required) 1978 617

UNIFIED PROGRAM CONSOLIDATED FORM
ONSITE TIERED PERMITTING
PERMIT BY RULE (PBR) PAGE
WASTE AND TREATMENT PROCESS COMBINATIONS

(One page per treatment unit Check all that apply)

606 | 1

UNIT ID# MPU-1 | Facility ID# CAT 000 611 400 | Page ___ of ___

630

1. **Aqueous wastes containing hexavalent chromium may be treated by the following process:**
   Reduction of hexavalent chromium to trivalent chromium with sodium bisulfite, sodium metabisulfite, sodium thiosulfate, ferrous sulfate, ferrous sulfide or sulfur dioxide provided
   - ☐ a both pH and addition of the reducing agent are automatically controlled

2. **Aqueous wastes containing metals listed in Title 22, CCR, Section 66261.24 (a)(2) and/or fluoride salts may be treated by the following technologies:**
   - ☒ a pH adjustment or neutralization
   - ☒ b Precipitation or crystallization
   - ☒ c Phase separation by filtration, centrifugation or gravity settling
   - ☐ d Ion exchange
   - ☐ e Reverse osmosis
   - ☐ f Metallic replacement
   - ☐ g Plating the metal onto an electrode
   - ☐ h Electrodialysis
   - ☐ i Electrowinning or electrolytic recovery
   - ☐ j Chemical stabilization using silicates and/or cementitious types of reactions
   - ☐ k Evaporation
   - ☐ l Adsorption

3. **Aqueous wastes with total organic carbon less than 10% as measured by EPA Method 9060 and less than 1% total volatile organic compounds as measured by EPA Method 8240 may be treated by the following technologies::**
   - ☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
   - ☐ b Adsorption
   - ☐ c Distillation
   - ☐ d Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms
   - ☐ e Photodegradation using ultraviolet light, with or without the addition of hydrogen peroxide or ozone, provided the treatment is conducted in an enclosed system
   - ☐ f Air stripping or steam stripping

4. **Sludges, dusts, solid metal objects and metal workings which contain or are contaminated with metals listed in Title 22, CCR, Section 66261.24 (a)(2) and/or fluoride salts may be treated by the following technologies:**
   - ☐ a Chemical stabilization using silicates and/or cementitious types of reactions
   - ☐ b Physical processes which change only the physical properties of the waste such as grinding, shredding, crushing or compacting
   - ☐ c Drying to remove water
   - ☐ d Separation based on differences in physical properties such as size, magnetism or density

5. **Alum, gypsum, lime, sulfur or phosphate sludges may be treated by the following technologies:**
   - ☐ a Chemical stabilization using silicates and/or cementitious types of reactions
   - ☐ b Drying to remove water
   - ☐ c Phase separation by filtration, centrifugation or gravity settling

6. **Wastes identified in Title 22, CCR, Section 66261.120, that meet the criteria and requirements for special waste classification in Section 66261.122 may be treated by the following technologies:**
   - ☐ a Chemical stabilization using silicates and/or cementitious types of reactions
   - ☐ b Drying to remove water
   - ☐ c Phase separation by filtration, centrifugation or gravity settling
   - ☐ d Screening to separate components based on size
   - ☐ e Separation based on differences in physical properties such as size, magnetism or density

7. **Wastes, except asbestos, which have been classified by the Department as special wastes pursuant to Title 22, CCR, Section 66261.124, may be treated by the following technologies:**
   - ☐ a Chemical stabilization using silicates and/or cementitious types of reactions
   - ☐ b Drying to remove water
   - ☐ c Phase separation by filtration, centrifugation or gravity settling
   - ☐ d Magnetic separation

8. **Inorganic acid or alkaline wastes may be treated by the following technology:**
   - ☐ a pH adjustment or neutralization

9. **Soils contaminated with metals listed in Title 22, CCR, Section 66261.24(a)(2), (Persistent and Bioaccumulative Toxic Substances) may be treated by the following technologies:**
   - ☐ a Chemical stabilization using silicates and/or cementitious types of reactions
   - ☐ b Screening to separate components based on size
   - ☐ c Magnetic separation

10. **Used oil, unrefined oil waste, mixed oil, oil mixed with water and oil/water separation sludges may be treated by the following technologies:**
    - ☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
    - ☐ b Distillation
    - ☐ c Neutralization
    - ☐ d Separation based on differences in physical properties such as size, magnetism or density
    - ☐ e Reverse osmosis
    - ☐ f Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms

11. **Containers of 110 gallons or less capacity which are not constructed of wood, paper, cardboard, fabric, or any other similar absorptive material, which have been emptied as specified in Title 40 of the Code of Federal Regulations, section 261.7 or inner liners removed from empty containers that once held hazardous waste or hazardous material and which are not excluded from regulation may be treated by the following technologies provided the treated containers and rinseate are managed in compliance with applicable requirements.**
    - ☐ a Rinsing with a suitable liquid capable of dissolving or removing the hazardous constituents which the container held
    - ☐ b Physical processes such as crushing, shredding, grinding or puncturing, that change only the physical properties of the container or inner liner, provided the container or inner liner is first rinsed and the rinseate is removed from the container or inner liner

12 **Multi-component resins may be treated by the following process:**
   - ☐ a Mixing the resin components in accordance with the manufacturer's instructions

13. **A waste stream technology combination certified by the Department pursuant to Section 25200.1.5 of the Health and Safety Code as appropriate for authorization under Permit by Rule.**
    ☐ Certified Technology Number: _____

UNIFIED PROGRAM CONSOLIDATED FORM
FACILITY INFORMATION
BUSINESS ACTIVITIES

I. FACILITY IDENTIFICATION

FACILITY ID # *(Agency Use Only)*	1	EPA ID # (Hazardous Waste Only)	2
		CAT000611400	

BUSINESS NAME (Same as Facility Name or DBA - Doing Business As) 3

Agilent Technologies, Inc

II. ACTIVITIES DECLARATION

NOTE: If you check YES to any part of this list, please submit the Business Owner/Operator Identification page (OES Form 2730).

Does your facility	If Yes, please complete these pages of the UPCF	
A HAZARDOUS MATERIALS		
Have on site (for any purpose) hazardous materials at or above 55 gallons for liquids, 500 pounds for solids, or 200 cubic feet for compressed gases (include liquids in ASTs and USTs), or the applicable Federal threshold quantity for an extremely hazardous substance specified in 40 CFR Part 355, Appendix A or B, or handle radiological materials in quantities for which an emergency plan is required pursuant to 10 CFR Parts 30, 40 or 70?	☒ YES ☐ NO 4	HAZARDOUS MATERIALS INVENTORY - CHEMICAL DESCRIPTION (OES 2731)
B UNDERGROUND STORAGE TANKS (USTs)		
1 Own or operate underground storage tanks?	☒ YES ☐ NO 5	UST FACILITY (Formerly SWRCB Form A) UST TANK (one page per tank) (Formerly Form B)
2 Intend to upgrade existing or install new USTs?	☐ YES ☒ NO 6	UST FACILITY UST TANK (one per tank) UST INSTALLATION - CERTIFICATE OF COMPLIANCE (one page per tank) (Formerly Form C)
3 Need to report closing a UST?	☐ YES ☒ NO 7	UST TANK (closure portion - one page per tank)
C ABOVE GROUND PETROLEUM STORAGE TANKS (ASTs)		
Own or operate ASTs above these thresholds ---any tank capacity is greater than 660 gallons, or ---the total capacity for the facility is greater than 1,320 gallons?	☒ YES ☐ NO 8	NO FORM REQUIRED TO CUPAs
D HAZARDOUS WASTE		
1 Generate hazardous waste?	☒ YES ☐ NO 9	EPA ID NUMBER - provide at the top of this page
2 Recycle more than 100 kg/month of excluded or exempted recyclable materials (per H&SC §25143 2)?	☐ YES ☒ NO 10	RECYCLABLE MATERIALS REPORT (one per recycler)
3 Treat hazardous waste on site?	☒ YES ☐ NO 11	ONSITE HAZARDOUS WASTE TREATMENT - FACILITY (Formerly DTSC Forms 1772) ONSITE HAZARDOUS WASTE TREATMENT - UNIT (one page per unit) (Formerly DTSC Forms 1772 A,B,C,D and L)
4 Treatment subject to financial assurance requirements (for Permit by Rule and Conditional Authorization)?	☒ YES ☐ NO 12	CERTIFICATION OF FINANCIAL ASSURANCE (Formerly DTSC Form 1232)
5 Consolidate hazardous waste generated at a remote site?	☐ YES ☒ NO 13	REMOTE WASTE / CONSOLIDATION SITE ANNUAL NOTIFICATION (Formerly DTSC Form 1196)
6 Need to report the closure/removal of a tank that was classified as hazardous waste and cleaned onsite?	☐ YES ☒ NO 14	HAZARDOUS WASTE TANK CLOSURE CERTIFICATION (Formerly DTSC Form 1249)

E LOCAL REQUIREMENTS 15

(You may also be required to provide additional information by your CUPA or local agency)

UNIFIED PROGRAM CONSOLIDATED FORM

FACILITY INFORMATION

BUSINESS OWNER/OPERATOR IDENTIFICATION

I. IDENTIFICATION

FACILITY ID # *(Agency Use Only)* 1		BEGINNING DATE 100: October, 2000	ENDING DATE 101: October, 2001
BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As) 3: Agilent Technologies, Inc			BUSINESS PHONE 102: 408-435-7400
BUSINESS SITE ADDRESS 103: 350 West Trimble Road			
CITY 104: San Jose	CA		ZIP CODE 105: 95131
DUN & BRADSTREET 106: 009122532			SIC CODE (4 digit #) 107: 3674
COUNTY 108: Santa Clara			
BUSINESS OPERATOR NAME 109: Agilent Technologies, Inc			BUSINESS OPERATOR PHONE 110: 408-435-7400

II. BUSINESS OWNER

OWNER NAME 111: Agilent Technologies, Inc			OWNER PHONE 112: 650-752-5000
OWNER MAILING ADDRESS 113: 395 Page Mill Road			
CITY 114: Palo Alto	STATE 115: CA		ZIP CODE 116: 94306

III. ENVIRONMENTAL CONTACT

CONTACT NAME 117: Stewart Crook			CONTACT PHONE 118: 408-435-4161
CONTACT MAILING ADDRESS 119: 350West Trimble Road			
CITY 120: San Jose	STATE 121: CA		ZIP CODE 122: 95131

IV. EMERGENCY CONTACTS

-PRIMARY-	-SECONDARY-
NAME 123: Phil Lopez	NAME 128: Shig Oshimo
TITLE 124: Health and Safety Specialist	TITLE 129: Health and Safety Consultant
BUSINESS PHONE 125: 408-435-4036	BUSINESS PHONE 130: 408-435-4182
24-HOUR PHONE* 126: 408-435-7400	24-HOUR PHONE* 131: 408-435-7400
PAGER # 127: 408-989-9904	PAGER # 132: 408-989-6659

ADDITIONAL LOCALLY COLLECTED INFORMATION 133

Property Owner: Agilent Technologies, Inc Phone No. 408-435-4711

Billing Address: 350West Trimble Road
San Jose, CA 95131

Certification Based on my inquiry of those individuals responsible for obtaining the information, I certify under penalty of law that I have personally examined and am familiar with the information submitted and believe the information is true, accurate, and complete

SIGNATURE OF OWNER/OPERATOR OR DESIGNATED REPRESENTATIVE	DATE 134	NAME OF DOCUMENT PREPARER 135
	October 1, 2000	William Callahan
NAME OF SIGNER (print) 136: Stewart Crook	TITLE OF SIGNER 137: Environmental Specialist	

* See Instructions on next page

HMIS
BUILDING 91
WASTE

LOCATION	HAZ CLASS	UN/ NA#	COMMON / TRADE NAME	CHEMICAL NAME COMPON-ENTS AND CONCEN-TRATION	CHEMICAL ABSTRACT SERVICE #	% Wt	EHS Y=yes N=no	HAZ MATERIAL TYPE	PHYSICAL STATE	QUANTITY ON HAND			UNITS	DAYS ON SITE	STORAGE CODES			SARA CLASS
Building 91 Inside	Waste Tanks											MAX	AVG	LGEST CONT			TYPE	PRES
91 Inside Basement Waste Storage Tank W25 Loc #5	CM A7	UN 1790	Hydroflouric Acid Waste Holding	Hydroflouric Acid Waste water 0-500 Gallium Arsenide	7664-39-3 7732-18-5			M	L	250	125	250	GL	365	A	1	4	N,I,D
91 Inside Basement Waste Storage Tank W24 Loc #5	CM A7	UN 1790	Hydroflouric Acid Waste Holding	Hydroflouric Acid Waste water 0-500 Gallium Arsenide	7664-39-3 7732-18-5			M	L	250	125	250	GL	365	A	1	4	N,I,D

Abovegr[redacted]d Separation, Containment, an[redacted]Monitoring Plan

(Appendix to Hazardous Materials Business Plan and Registration Form)

Complete one column for each aboveground storage area shown on the Hazardous Materials Business Plan Storage Map(s) Write the appropriate location code in the box provided at the top of each column, then moving down the column, check all boxes which apply to that location Make additional copies of this page if needed

Location	Building 91 Upper	Building 91 Lower Pass Throughs	Building 91 Lower Waste	Building 91 Lower EPI Area	Building 91 Lower Wafer Fab
Storage Type	☒ Inside building ☐ Outside storage shed ☐ Outdoors	☒ Inside building ☐ Outside storage shed ☐ Outdoors	☒ Inside building ☐ Outside storage shed ☐ Outdoors	☒ Inside building ☐ Outside storage shed ☐ Outdoors	☒ Inside building ☐ Outside storage shed ☐ Outdoors
Primary Containment	☒ Original containers ☐ Safety cans ☐ Inside machinery ☐ Drums/barrels ☒ Pressure vessels ☐ Bulk tanks ☐ Aboveground piping ☐ Other	☒ Original containers ☐ Safety cans ☐ Inside machinery ☐ Drums/barrels ☐ Pressure vessels ☐ Bulk tanks ☐ Aboveground piping ☐ Other	☐ Original containers ☐ Safety cans ☐ Inside machinery ☒ Drums/barrels ☐ Pressure vessels ☐ Bulk tanks ☐ Aboveground piping ☐ Other	☒ Original containers ☐ Safety cans ☒ Inside machinery ☐ Drums/barrels ☐ Pressure vessels ☐ Bulk tanks ☐ Aboveground piping ☐ Other	☒ Original containers ☐ Safety cans ☐ Inside machinery ☐ Drums/barrels ☐ Pressure vessels ☐ Bulk tanks ☐ Aboveground piping ☐ Other
Secondary Containment	☒ Approved cabinets ☐ Secondary drum ☐ Tray ☐ Bermed & coated floor ☐ Tank vault ☐ Secondary piping or piping trench ☐ Other	☒ Approved cabinets ☐ Secondary drum ☐ Tray ☐ Bermed & coated floor ☐ Tank vault ☐ Secondary piping or piping trench ☐ Other	☒ Approved cabinets ☒ Secondary drum ☐ Tray ☐ Bermed & coated floor ☐ Tank vault ☐ Secondary piping or piping trench ☐ Other	☐ Approved cabinets ☐ Secondary drum ☐ Tray ☐ Bermed & coated floor ☐ Tank vault ☐ Secondary piping or piping trench ☐ Other	☒ Approved cabinets ☐ Secondary drum ☐ Tray ☐ Bermed & coated floor ☐ Tank vault ☐ Secondary piping or piping trench ☐ Other
Separation	☒ All materials compatible ☐ One-hour separation wall/partition ☐ Separation by at least 20 feet ☐ Approved cabinets ☐ Other	☒ All materials compatible ☐ One-hour separation wall/partition ☐ Separation by at least 20 feet ☐ Approved cabinets ☐ Other	☒ All materials compatible ☐ One-hour separation wall/partition ☐ Separation by at least 20 feet ☐ Approved cabinets ☐ Other	☒ All materials compatible ☐ One-hour separation wall/partition ☐ Separation by at least 20 feet ☐ Approved cabinets ☐ Other	☒ All materials compatible ☐ One-hour separation wall/partition ☐ Separation by at least 20 feet ☐ Approved cabinets ☐ Other
Monitoring Type	☒ Visual ☐ Automatic sensors ☐ Other	☒ Visual ☐ Automatic sensors ☐ Other	☒ Visual ☐ Automatic sensors ☐ Other	☒ Visual ☒ Automatic sensors ☐ Other	☒ Visual ☐ Automatic sensors ☐ Other
Monitoring Frequency	☒ Daily ☐ Weekly ☐ Monthly ☐ Continuous ☐ Other	☒ Daily ☐ Weekly ☐ Monthly ☐ Continuous ☐ Other	☒ Daily ☐ Weekly ☐ Monthly ☐ Continuous ☐ Other	☒ Daily ☐ Weekly ☐ Monthly ☐ Continuous ☐ Other	☒ Daily ☐ Weekly ☐ Monthly ☐ Continuous ☐ Other

In the space provided below, describe the location, type, manufacturer's specifications (if applicable) and suitability of any monitoring methods used other than visual monitoring Attach additional pages if needed

HMBP
BUILDING 91
BASEMENT
REVISED JULY, 2000

HMIS
BUILIDNG 91
BASEMENT
WASTE

LOCATION	HAZ CLASS	UN/ NA#	COMMON / TRADE NAME	CHEMICAL NAME	CAS #	% Wt	EHS Y=yes N=no	HAZ MATER-IAL TYPE	PHYSI-CAL STATE	QUANTITY ON HAND			UNITS	DAYS ON SITE	STORAGE CODE			SARA CLASS
Building 91 Basement Waste										MAX	AVG	LGEST CONT			TYPE	PRES	TEMP	
91BB(2 5)4 Tank 18A	A7	UN 1830	Sulphuric Acid Waste	Sulphuric Acid Water	7664-93-9	1%-5 % 95 %-99%	N N	L	M	508	250	508	GL	365	A	1	4	N, I, D
91BB(2 5)4 Tank 18A	A7	UN 1830	Sulphuric Acid Waste	Sulphuric Acid Water	7664-93-9	1%-5 % 95 %-99%	N N	L	M	2159	1075	2159	GL	365	A	1	4	N, I, D
91BB(2 5)4 Tank W-31	A7	UN 3264	Acid Waste	Sulphuric Acid Water	7664-93-9	1%-5 % 95 %-99%	N N	L	M	470	235	470	GL	365	A	1	4	N, I, D
91BG5 Tank W-24	A7	UN 1790	Hydroflouric Acid Waste Holding	Hydroflouric Acid	7664-39-3	1%-5 %	Y	L	M	250	125	250	GL	365	A	1	4	N, I, D
				Waste Water	7732-18-5	95 %-99%	N											
				0-500 Gallium Arsenide	1303-00-0	1%-5%	N											
91BG5 Laper drain	A7	NA 3082	Slurry Waste Holding	Aluminum Trioxide	1344-28-1	1%-5 %	N	L	M	220	55	55	GL	365	E	1	4	N, I, D
				Waste Water	7732-18-5	95 %-99%	N											
				0-500 Gallium Arsenide	1303-00-0	1%-5%	N											
91BG5 Acid Waste	A7	UN 3264	Acid Waste Holding	Potassium Dichromate	7778-50-9	1%-5 %	N	L	M	55	55	55	GL	365	E	1	4	N, I, D
				Acetic acid	64-19-7	1%-5 %	N											
				Hydrogen Peroxide	7722-84-1	1%-5 % 1%-5 %	Y											
				Waste Water	7732-18-5	90 %-95%	N											
91BP8 Tank W 6	A7	UN 2922	Stripper	1,2,4 Trichlorobenzene	12002-48-1	0%-15 %	N	L	P	10	9	1	GL	365	N	1	4	F, I, D
				Phenol	5239-14-6	0%-15 %	N											
				Dodecylbenzene	74873	0%-15 %	N											
				Sulfonic Acid	108907	0%-15 %	N											
				Methylene Chloride	95501	0%-15 %	N											
				Chlorobenzene	108-90-7	0%-15 %	N											
				Perchloroethylene		0%-15 %	N											
				o-Dichlorobenzene		0%-15 %	N											

HMIS
BUILDING 91
WASTE

LOCATION	HAZ CLASS	UN/ NA#	COMMON / TRADE NAME	CHEMICAL NAME COMPON-ENTS AND CONCEN-TRATION	CHEMICAL ABSTRACT SERVICE #	% Wt	EHS Y=yes N=no	HAZ MATERIAL TYPE	PHYSICAL STATE	QUANTITY ON HAND			UNITS	DAYS ON SITE	STORAGE CODES			SARA CLASS
Building 91 Inside	Waste Tanks											MAX	AVG	LGEST CONT			TYPE	PRES
91 Inside Basement Waste Storage Tank W6 Loc #9	CM A7	UN 2922	Stripper	1,2,4-Trichlorobenzene Phenol Dodecylbenzene Sulfonic Acid Methylene Chloride Chlorobenzene Perchloroethylene o-Dichlorobenzene	12002-48-1 5239-14-6 74873 108907 95501			M	L	150	75	150	GL	365	A	1	4	N,I,D
91 Inside Basement Waste Storage Tank W18 A Loc #3	CM A7	UN 1830	Sulphuric Acid Waste	Sulphuric Acid Waste	7664-93-9			M	L	508	250	508	GL	365	A	1	4	N,I,D
91 Inside Basement Waste Storage Tank W18 B Loc #3	CM A7	UN 1830	Sulphuric Acid Waste	Sulphuric Acid Waste	7664-93-9			M	L	2159	1075	2159	GL	365	A	1	4	N,I,D
Waste Basement Storage Tank W20 Loc #5	CM A7	UN 1790	Hydroflouric Acid Waste Holding	Hydroflouric Acid Waste water 0-500 Gallium Arsenide	7664-39-3 7732-18-5			M	L	550	275	550	GL	365	A	1	4	N I,D
91 Inside Basement Waste Storage Tank W21 Loc #5	CM A7	UN 1790	Hydroflouric Acid Waste Holding	STW	7664-39-3 7732-18-5			M	L	250	125	250	GL	365	A	1	4	N,I,D

HMIS
BUILDING 91
WASTE

LOCATION	HAZ CLASS	UN/ NA#	COMMON / TRADE NAME	CHEMICAL NAME COMPON-ENTS AND CONCEN-TRATION	CHEMICAL ABSTRACT SERVICE #	% Wt	EHS Y=yes N=no	HAZ MATERIAL TYPE	PHYSICAL STATE	QUANTITY ON HAND			UNITS	DAYS ON SITE	STORAGE CODES			SARA CLASS
												MAX	AVG	LGEST CONT			TYPE	PRES
Building 91 Outside	Waste Tanks																	
91 Outside Waste Storage Tank W2	FL A4	UN 1993	"RQ" Waste Flammable Liquid N O S B91 Solvents	Isopropanol, Xylenes, Acetone, Methanol, Butyl Acetate	67-63-0 1330-20-7 67-64-1 67-56-1 123-86-4			M	L	1200	600	1200	GL	365	B	1	4	F,I,D
91 Outside Waste Storage Tank W3	FL A4	UN 1993	"RQ" Waste Flammable Liquids N O S B91 Solvents	Isopropanol, Xylenes, Acetone Methanol, Butyl Acetate	67-63-0 1330-20-7 67-64-1 67-56-1 123-86-4			M	L	1200	600	1200	GL	365	B	1	4	F,I,D
91 Outside Waste Storage Tank W8	CM A7	UN 1790	Hydorfluoric Acid Waste Holding Tank	Hydrofluoric Acid Water 0-500 ppm Gallium	7664-39-3 7440-55-3			M	L	6000	3000	6000	GL	365	B	1	4	N,I
91 Outside Waste Storage Tank W16	CM A7	UN 2922	Stripper	1,2,3-Trichlorobenzene Phenol Dodecylbenzene Sulfonic Acid Methylene Chloride Chlorobenzenes Perchloroethylene O-	12002-48-1 5239-14-6 74873 108907 95501	W		M	L	718	359	718	GL	365	B	1	4	N,I,D

HMIS
OUTSIDE TANKS
NON WASTE

LOCATION	HAZ CLASS	UN/ NA#	COMMON / TRADE NAME	CHEMICAL NAME COMPON- ENTS AND CONCEN- TRATION	CHEMICAL ABSTRACT SERVICE #	% Wt	EHS Y=yes N=no	HAZ MATERIAL TYPE	PHYSICAL STATE	QUANTITY ON HAND			UNITS	DAYS ON SITE	STORAGE CODES			SARA CLASS
										MAX	AVG	LGEST CONT			TYPE	PRES	TEMP	
Building 91 Outside	Storage Tanks																	
Tank Storage T9	NFG A3	UN 1977	Nitrogen	Nitrogen (Cryogenic Liquid)	7727-37-9	100%	N	L	P	500	250	500 GL	GL	365	A	2	6	P,I
Tank Storage T11	NFG A3	UN 1951	Argon	Argon (Cryogenic Liquid)	7440-37-1	100%	N	L	P	500	250	500 GL	GL	365	A	2	6	P,I
Tank Storage T12	FG A2	NA 1923	Fuel Oil	Fuel Oil #2	N/A	100%	N	L	P	200	100	200 GL	GL	365	B	1	4	F

HMBP
BUILDING 91
LOWER
Revised July, 2000

HMIS
BUILDING 91
LOWER
WASTE

LOCATION	HAZ CLASS	UN/ NA#	COMMON / TRADE NAME	CHEMICAL NAME COMPONENTS AND CONCENTRATION	CHEMICAL ABSTRACT SERVICE #	% Wt	EHS Y=yes N=no	HAZ MATERIAL TYPE	PHYSICAL STATE	QUANTITY ON HAND			UNITS	DAYS ON SITE	STORAGE CODES			SARA CLASS	DISP CODE
Building 91 Lower	Hallway Pass Throughs	WASTE								MAX	AVG	LGEST CONT			TYPE	PRES	TEMP		
1LR6	Haz Waste, solid Class # 9	NA 3077	Waste	Aluminum Oxide	1327-53-3	99%	N	L	M	30	15	1	GL	365	D	1	4	R, I, D	SPE
				Gallium Arsenide	8028-73-7%	1%	Y												
ILE6	Haz Waste solid Class # 9	NA 3077	Hazardous Waste Process #2	Arsenic	7440-38-2	40%	N	S	M	55	40	55	GL	365	D	1	1	N, I	SPE
				Phosphorous	7723-14-0	5%-15%	Y												
				Chlorides		5%-15%	N												
				Nitrates		5%-15%	N												
				Ethylene glycol	107-21-1	15%	N												
				Water	7732-18-5	5%-30%	N												
ILE6	4 2	UN 3200	Gallium arsenide graphite	graphite		98%	N	S	M	35	20	35	GL	365	D	1	4	R, I, D	SPE
				trace arsenic	7440-38-2	1%	Y												
				trace phosphorous	7723-14-0	1%	Y												
ILE6	4 2	UN 3200	Pyrophoric waste	debris, wipes and gloves	N/A	99%	N	S	M	35	20	35	GL	365	D	1	4	R, I, D	SPE
				trace arsenic	7440-38-2	1%	Y												
				trace phosphorous	7723-14-0	1%	Y												

HMMP
BUILDING 91
BASEMENT GAS VAULT
REVISED July 1999

HMIS
BUILDING 91
R D GAS VAULTS
NON WASTE

LOCA- TION	HAZ CLASS	UN/ NA#	COMMON / TRADE NAME	CHEMICAL NAME COMPONENTS AND CONCENTRA-TION	CHEMICAL ABSTRACT SERVICE #	% Wt	EHS Y=yes N=no	HAZ MATERIAL TYPE	PHYSI-CAL STATE	QUANTITY ON HAND			UNITS	DAYS ON SITE	STORAGE CODE			SARA CLASS
										MAX	AVG	LGEST CONT			TYPE	PRES	TEMP	
1BM3 R & D Gas Vault																		
1BM3 R & D Gas Vault Cabinet 1	NFG	UN 1066	Nitrogen	100 % Nitrogen	7727-37-9	100%	N	G	P	244	244	244	CF	365	L	2	4	P,I
1BM3 R & D Gas Vault Cabinet 2	Poison A	UN 2188	Arsine	10% Arsine	7784-42-1	10%	Y	G	M	244	244	244	CF	365	L	2	4	F,P,I,D
				Hydrogen	1333-74-0	90%	N											
1BM3 R & D Gas Vault Cabinet 3	Poison A	UN 2188	Arsine	10% Arsine	7784-42-1	10%	Y	G	M	244	244	244	CF	365	L	2	4	F,P,I,D
				Hydrogen	1333-74-0	90%	N											
1BM3 R & D Gas Vault Cabinet 4	Poison A	UN 2199	Phosphine	10% Phosphine	7784-42-1	10%	Y	G	M	244	244	244	CF	365	L	2	4	F,P,I,D
				Hydrogen	1333-74-0	90%	N											
1BM3 R & D Gas Vault Cabinet 5	Poison A	UN 2199	Phosphine	10% Phosphine	7784-42-1	10%	Y	G	M	244	244	244	CF	365	L	2	4	F,P,I,D
				Hydrogen	1333-74-0	90%	N											
1BM3 R & D Gas Vault Cabinet 6	NFG	UN 1066	Nitrogen	100 % Nitrogen	7727-37-3	100%	N	G	P	244	244	244	CF	365	L	2	4	P,I
1BM3 R & D Gas Vault Cabinet 7	NFG	UN 1050	Hydrogen Chloride	10% Hydrogen Chloride	7647-01-0	10%	Y	G	M	244	244	244	CF	365	L	2	4	F,P,I
				Hydrogen	1333-74-0	90%	N											
1BM3 R & D Gas Vault Cabinet 8	Poison A	UN 2188	Arsine	7% Arsine	7784-42-1	7%	Y	G	M	244	244	244	CF	365	L	2	4	F,P,I,D
				Hydrogen	1333-74-0	93%	N											
1BM3 R & D Gas Vault Cabinet 9	Poison A	UN 1053	Hydrogen Sulfide 500 ppm Hydgrogen	05 % Hydrogen Sulfide	7783-06-4	0 050%	N	G	M	244	244	244	CF	365	L	2	4	F,P,I,D
				Hydrogen	1333-74-0	99 900%	N											
1BM3 R & D Gas Vault Cabinet 10			out of service															
1BM3 R & D Gas Vault Cabinet 11			out of service															
1BM3 R & D Gas Vault Cabinet 12			out of service															

HMBP
PRODUCTION GAS VAULT
OUTSIDE STORAGE BAYS
Revised July, 2000

HMIS
PRODUCTION GAS VAULT
OUTSIDE STORAGE BAYS
WASTE

LOCATION	HAZ CLASS	UN/ NA#	COMMON / TRADE NAME	CHEMICAL NAME COMPONENTS AND CONCENTRATION	CHEMICAL ABSTRACT SERVICE #	% Wt	EHS Y=yes N=no	HAZ MATERIAL TYPE	PHYSICAL STATE	QUANTITY ON HAND			UNITS	DAYS ON SITE	STORAGE CODES			SARA CLASS
Production Gas Vault	Empty Cylinder Storage									MAX	AVG	LARGEST CONT			TYPE	PRES	TEMP	
PGV Cylinder Storage Bay C	Poison A	UN 1953	Phosphine	100% Phosphine	7803-51-2	100%	Y	G	P	18	2	1	cyl	365	L	2	4	F, P, I, D
PGV Cylinder	FG	UN 1954	Silane 50 ppm	Silane	7803-62-5	0 0050%	N	G	M	18	2	1	cyl	365	L	2	4	F,P
				Hydrogen	1333-74-0	99 995%	N											
PGV Cylinder	FG	UN 1954	Silane 100 ppm	Silane	7803-62-5	0 01%	N	G	M	18	2	1	cyl	365	L	2	4	F,P
				Hydrogen	1333-74-0	99 990%	N											

Abovegr ıd Separation, Containment, an Monitoring Plan

(Appendix to Hazardous Materials Business Plan and Registration Form)

Complete one column for each aboveground storage area shown on the Hazardous Materials Business Plan Storage Map(s) Write the appropriate location code in the box provided at the top of each column, then moving down the column, check all boxes which apply to that location Make additional copies of this page if needed

Location	Production Gas Vault (inside)	Production Gas Vault (outside)	Production Gas Vault (Waste)		
Storage Type	☒ Inside building ☐ Outside storage shed ☐ Outdoors	☐ Inside building ☒ Outside storage shed ☐ Outdoors	☐ Inside building ☒ Outside storage shed ☐ Outdoors	☐ Inside building ☐ Outside storage shed ☐ Outdoors	☐ Inside building ☐ Outside storage shed ☐ Outdoors
Primary Containment	☒ Original containers ☐ Safety cans ☐ Inside machinery ☐ Drums/barrels ☒ Pressure vessels ☐ Bulk tanks ☐ Aboveground piping ☐ Other	☒ Original containers ☐ Safety cans ☐ Inside machinery ☐ Drums/barrels ☒ Pressure vessels ☒ Bulk tanks ☐ Aboveground piping ☐ Other	☒ Original containers ☐ Safety cans ☐ Inside machinery ☐ Drums/barrels ☒ Pressure vessels ☐ Bulk tanks ☐ Aboveground piping ☐ Other	☐ Original containers ☐ Safety cans ☐ Inside machinery ☐ Drums/barrels ☐ Pressure vessels ☐ Bulk tanks ☐ Aboveground piping ☐ Other	☐ Original containers ☐ Safety cans ☐ Inside machinery ☐ Drums/barrels ☐ Pressure vessels ☐ Bulk tanks ☐ Aboveground piping ☐ Other
Secondary Containment	☒ Approved cabinets ☐ Secondary drum ☐ Tray ☐ Bermed & coated floor ☐ Tank vault ☐ Secondary piping or piping trench ☐ Other	☐ Approved cabinets ☐ Secondary drum ☐ Tray ☐ Bermed & coated floor ☐ Tank vault ☐ Secondary piping or piping trench ☐ Other	☐ Approved cabinets ☐ Secondary drum ☐ Tray ☐ Bermed & coated floor ☐ Tank vault ☐ Secondary piping or piping trench ☐ Other	☐ Approved cabinets ☐ Secondary drum ☐ Tray ☐ Bermed & coated floor ☐ Tank vault ☐ Secondary piping or piping trench ☐ Other	☐ Approved cabinets ☐ Secondary drum ☐ Tray ☐ Bermed & coated floor ☐ Tank vault ☐ Secondary piping or piping trench ☐ Other
Separation	☒ All materials compatible ☒ One-hour separation wall/partition ☐ Separation by at least 20 feet ☒ Approved cabinets ☐ Other	☐ All materials compatible ☒ One-hour separation wall/partition ☐ Separation by at least 20 feet ☐ Approved cabinets ☐ Other	☐ All materials compatible ☒ One-hour separation wall/partition ☐ Separation by at least 20 feet ☐ Approved cabinets ☐ Other	☐ All materials compatible ☐ One-hour separation wall/partition ☐ Separation by at least 20 feet ☐ Approved cabinets ☐ Other	☐ All materials compatible ☐ One-hour separation wall/partition ☐ Separation by at least 20 feet ☐ Approved cabinets ☐ Other
Monitoring Type	☐ Visual ☒ Automatic sensors ☐ Other	☒ Visual ☐ Automatic sensors ☐ Other	☒ Visual ☐ Automatic sensors ☐ Other	☐ Visual ☐ Automatic sensors ☐ Other	☐ Visual ☐ Automatic sensors ☐ Other
Monitoring Frequency	☒ Daily ☐ Weekly ☐ Monthly ☐ Continuous ☐ Other	☒ Daily ☐ Weekly ☐ Monthly ☐ Continuous ☐ Other	☒ Daily ☐ Weekly ☐ Monthly ☐ Continuous ☐ Other	☐ Daily ☐ Weekly ☐ Monthly ☐ Continuous ☐ Other	☐ Daily ☐ Weekly ☐ Monthly ☐ Continuous ☐ Other

In the space provided below, describe the location, type, manufacturer's specifications (if applicable) and suitability of any monitoring methods used other than visual monitoring Attach additional pages if needed

HMIS
BUILDING 91
WASTE

LOCATION	HAZ CLASS	UN/ NA#	COMMON / TRADE NAME	CHEMICAL NAME COMPON-ENTS AND CONCEN-TRATION	CHEMICAL ABSTRACT SERVICE #	% Wt	EHS Y=yes N=no	HAZ MATERIAL TYPE	PHYSICAL STATE	QUANTITY ON HAND			UNITS	DAYS ON SITE	STORAGE CODES			SARA CLASS
Building 91 Outside	Waste Tanks											MAX	AVG	LGEST CONT			TYPE	PRES
91 Outside Waste Storage Tank W2	FL A4	UN 1993	"RQ" Waste Flammable Liquid, N O S B91 Solvents	Isopropanol, Xylenes, Acetone Methanol, Butyl Acetate	67-63-0 1330-20-7 67-64-1 67-56-1 123-86-4			M	L	1200	600	1200	GL	365	B	1	4	F,I,D
91 Outside Waste Storage Tank W3	FL A4	UN 1993	"RQ" Waste Flammable Liquids N O S B91 Solvents	Isopropanol, Xylenes, Acetone Methanol, Butyl Acetate	67-63-0 1330-20-7 67-64-1 67-56-1 123-86-4			M	L	1200	600	1200	GL	365	B	1	4	F,I,D
91 Outside Waste Storage Tank W8	CM A7	UN 1790	Hydorfluoric Acid Waste Holding Tank	Hydrofluoric Acid Water 0-500 ppm Gallium	7664-39-3 7440-55-3			M	L	6000	3000	6000	GL	365	B	1	4	N,I
91 Outside Waste Storage Tank W16	CM A7	UN 2922	Stripper	1 2 3-Trichlorobenzene Phenol Dodecylbenzene Sulfonic Acid Methylene Chloride Chlorobenzenes Perchloroethylene O-	12002-48-1 5239-14-6 74873 108907 95501	W		M	L	718	359	718	GL	365	B	1	4	N,I,D

HMIS
OUTSIDE TANKS
NON WASTE

LOCATION	HAZ CLASS	UN/ NA#	COMMON / TRADE NAME	CHEMICAL NAME COMPON- ENTS AND CONCEN- TRATION	CHEMICAL ABSTRACT SERVICE #	% Wt	EHS Y=yes N=no	HAZ MATERIAL TYPE	PHYSICAL STATE	QUANTITY ON HAND			UNITS	DAYS ON SITE	STORAGE CODES			SARA CLASS
										MAX	AVG	LGEST CONT			TYPE	PRES	TEMP	
Building 91 Outside	Storage Tanks																	
Tank Storage T9	NFG A3	UN 1977	Nitrogen	Nitrogen (Cryogenic Liquid)	7727-37-9	100%	N	L	P	500	250	500 GL	GL	365	A	2	6	P,I
Tank Storage T11	NFG A3	UN 1951	Argon	Argon (Cryogenic Liquid)	7440-37-1	100%	N	L	P	500	250	500 GL	GL	365	A	2	6	P,I
Tank Storage T12	FG A2	NA 1923	Fuel Oil	Fuel Oil #2	N/A	100%	N	L	P	200	100	200 GL	GL	365	B	1	4	F

HMBP
PRODUCTION GAS VAULT
OUTSIDE STORAGE BAYS
Revised July 2000

HMIS
PRODUCTION GAS VAULT
OUTSIDE STORAGE BAYS
WASTE

LOCATION	HAZ CLASS	UN/ NA#	COMMON / TRADE NAME	CHEMICAL NAME COMPONENTS AND CONCENTRATION	CHEMICAL ABSTRACT SERVICE #	% Wt	EHS Y=yes N=no	HAZ MATERIAL TYPE	PHYSICAL STATE	QUANTITY ON HAND			UNITS	DAYS ON SITE	STORAGE CODES			SARA CLASS
Production Gas Vault	Empty Cylinder Storage									MAX	AVG	LARGEST CONT			TYPE	PRES	TEMP	
PGV Cylinder Storage Bay A	NFG	UN 1005	Ammonia, Anhydrous (100 %)	Ammonia, Anhydrous	7664-41-7	100%	Y	G	P	30	17	1 cyl	cyl	365	L	2	4	P,I
PGV Cylinder Storage Bay A	NFG	UN 1050	Hydrogen Chloride	Hydrogen Chloride	7647-01-0	100%	Y	G	P	18	2	1 cyl	cyl	365	L	2	4	P,I
PGV Cylinder Storage Bay B	Poison A	UN 2188	Arsine	Arsine	7784-42-1	100%	Y	G	P	18	2	1 cyl	cyl	365	L	2	4	F,P,I,D
PGV Cylinder Storage	Poison A	NA 1953	Diethyl-telluride (200ppm)	Diethyl-telluride	627-54-3	0 02%	N	G	M	18	2	1 cyl	cyl	365	L	2	4	F,P,I,D
				Hydrogen	1333-74-0	99 98%	N											
PGV Cylinder	Poison A	UN 1953	Arsine	7% Arsine	7784-42-1	7%	Y	G	M	18	2	1 cyl	cyl	365	L	2	4	F,P,I,D
				Hydrogen	1333-74-0	93%	N											
PGV Cylinder Storage Bay B	NFG	UN 1066	Nitrogen (100 %)	Nitrogen 100 %	7727-37-9	100%	N	G	P	6	2	1 cyl	cyl	365	L	2	4	P,I
PGV Cylinder	NFG	UN 1002	Breathing air	Nitrogen	7727-37-9	78%	N	G	M	6	2	1	cyl	365	L	2	4	F,P,I,
				Oxygen	7782-44-7	22%	N											
PGV Cylinder Storage	Poison A	UN 2202	Hydrogen Selenide 50 ppm	Hydrogen Selenide	2148909	0 01%	N	G	M	18	2	1	cyl	365	L	2	4	F,P,I,D
				Hydrogen	7727-37-8	100 00%	N											
PGV Cylinder Storage	Poison A	UN 2202	Hydrogen Selenide 50 ppm	Hydrogen Selenide	7/5/83	0 01%	N	G	M	18	2	1	cyl	365	L	2	4	F,P,I,D
				Nitrogen	7727-37-9	100 00%	N											
PGV Cylinder Storage	Poison A	UN 2202	Hydrogen Selenide 50 ppm Argon	Hydrogen Selenide	7/5/83	0 01%	N	G	M	18	2	1	cyl	365	L	2	4	F,P,I,D
				Argon	7440-37-1	100 00%	N											
PGV Cylinder	Poison A	UN 2199	10% Phosphine	Phosphine	7784-42-1	10%	Y	G	M	18	2	1	cyl	365	L	2	4	F,P,I,D
				Hydrogen	1333-74-0	90%	N											
PGV Cylinder Storage	NFG	UN 1956	Dimethyl-zinc in argon	Dimethylzinc	544-97-8	0 00%	N	G	M	18	2	1	cyl	365	L	2	4	F,P
				Argon	7440-37-1	100 00%	N											

HMMP
PRODUCTION GAS VAULT
Outside Storage Bays
Revised July, 2000

HMIS
Production Gas Vault
Non Waste

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
1	LOCATION	HAZ CLASS	UN/ NA#	COMMON / TRADE NAME	CHEMICAL NAME COMPONENTS AND CONCENTRATION	CHEMICAL ABSTRACT SERVICE #	% Wt	EHS Y = yes N = no	HAZ MATERIAL TYPE	PHYSICAL STATE	QUANTITY ON HAND			UNITS	DAYS ON SITE	STORAGE CODES			SARA CLASS
2	Production Gas Vault Outside	Full Cylinder Storage									MAX	AVG	LGEST CONT			TYPE	PRES	TEMP	
3	PGV Cylinder Storage Bay A	NFG	UN 1005	Ammonia, Anhydrous (100 %)	Ammonia, Anhydrous	7664 41 7	100%	Y	G	P	27	19	1 cyl	cyl	365	L	2	4	P,I
4	PGV Cylinder Storage Bay A	NFG	UN 1050	Hydrogen Chloride	Hydrogen Chloride	7647 01 0	100%	Y	G	P	27	13	1 cyl	cyl	365	L	2	4	P,I
5	PGV Cylinder Storage Bay B	Poson A	UN 2188	Arsine	Arsine	7784 42 1	100%	Y	G	P	32	11	1 cyl	cyl	365	L	2	4	F,P,I,D
6	PGV Cylinder Storage Bay B	Poson A	NA 1953	Diethyl telluride (200ppm)	Diethyl telluride	627 54 3	0 02%	N	G	M	44	3	1 cyl	cyl	365	L	2	4	F,P,I,D
7					Hydrogen	1333 74-0	99 98%	N											
8	PGV Cylinder Storage Bay B	Poson A	UN 1953	Arsine	7% Arsine	7784 42 1	7%	Y	G	M	21	12	1 cyl	cyl	365	L	2	4	F,P,I,D
9					Hydrogen	1333 74-0	93%	N											
10	PGV Cylinder Storage Bay B	NFG	UN 1066	Nitrogen (100 %)	Nitrogen 100 %	7727 37 9	100%	N	G	P	18	3	1 cyl	cyl	365	L	2	4	P,I
11	PGV Cylinder Storage Bay B	NFG	UN 1002	Breathing air	Nitrogen	7727 37 9	78%	N	G	M	15	12	1	cyl	365	L	2	4	F,P,I,
12					Oxygen	7782 44 7	22%	N											
13	PGV Cylinder Storage Bay B	Poson A	UN 2202	Hydrogen Selenide 50 ppm Hydrogen	Hydrogen Selenide	7783 07 5	0 01%	N	G	M	16	3	1	cyl	365	L	2	4	F,P,I,D
14					Hydrogen	7727 37 8	100 00%	N											
15	PGV Cylinder Storage Bay B	Poson A	UN 2202	Hydrogen Selenide 50 ppm Nitrogen	Hydrogen Selenide	7783 07 5	0 01%	N	G	M	16	1	1	cyl	365	L	2	4	F,P,I,D
16					Nitrogen	7727 37-9	100 00%	N											
17	PGV Cylinder Storage Bay B	Poson A	UN 2202	Hydrogen Selenide 50 ppm Argon	Hydrogen Selenide	7783 07-5	0 01%	N	G	M	16	1	1	cyl	365	L	2	4	F,P,I,D
18					Argon	7440-37-1	100 00%	N											
19	PGV Cylinder Storage Bay B	Poson A	UN 2199	10% Phosphine	Phosphine	7784-42-1	10%	Y	G	M	21	15	1	cyl	365	L	2	4	F,P,I,D
20					Hydrogen	1333-74-0	90%	N											
21	PGV Cylinder Storage Bay B	NFG	UN 1956	Dimethyl-zinc in argon	Dimethylzinc	544 97 8	0 00%	N	G	M	27	7	1	cyl	365	L	2	4	F,P
22					Argon	7440-37-1	100 00%	N											
23	PGV Cylinder Storage Bay C	Poson A	UN 1953	Phosphine	100% Phosphine	7803 51 2	100%	Y	G	P	24	22	1	cyl	365	L	2	4	F, P, I, D
24	PGV Cylinder Storage Bay C	FG	UN 1954	Silane 50 ppm	Silane	7803 62 5	0 0050%	N	G	M	10	2	1	cyl	365	L	2	4	F,P
25					Hydrogen	1333 74 0	99 995%	N											
26	PGV Cylinder Storage Bay C	FG	UN 1954	Silane 100 ppm	Silane	7803 62 5	0 01%	N	G	M	15	5	1	cyl	365	L	2	4	F,P
27					Hydrogen	1333 74 0	99 990%	N											

FILE
Production Gas Vault
Outside Chemical Storage
Revised July, 2000

Agilent Technologies, Inc
39201 Cherry Street
Newark, California 94560

www agilent com

Agilent Technologies
Innovating the HP Way

CERTIFIED MAIL ARTICLE NUMBER: Z 331 641 423

April 20, 2001

APR 23 10 03 AM '01
RECEIVED BY
ENVIRONMENTAL HEALTH
HMCD

Ms. Nicole Pullman
County of Santa Clara
Department of Environmental Health
Hazardous Materials Compliance Division
P.O. Box 28070
San Jose, CA 95159-8070

Subject: 2001 PBR Annual Renewal
Agilent Technologies
350 West Trimble Road, San Jose, CA
EPA ID# CAT 000 611 400

Dear Ms. Pullman

The attached forms have been completed to comply with the 2001 annual notification requirement established by CCR Title 22, Section 67450.3 (c) for the Agilent Technologies site located at 350 West Trimble Road in San Jose, California.

If you have any questions regarding this submittal, please call me at (408) 970-2105.

Sincerely,

Mitch Cole
Environmental Specialist

Reviewed By Nicole Pullman
Date 4/24/01

enclosure

UNIFIED PROGRAM CONSOLIDATED FORM

RECEIVED BY ENVIRONMENTAL HEALTH HMCD
APR 23 10 03 AM '01

FACILITY INFORMATION

BUSINESS ACTIVITIES

I. FACILITY IDENTIFICATION

FACILITY ID # 1	EPA ID # (Hazardous Waste Only)
	CAT 000 611 400

BUSINESS NAME (Same as Facility Name of DBA-Doing Business As) 3

Agilent Technologies, Inc.

II. ACTIVITIES DECLARATION

NOTE: If you check YES to any part of this list, please submit the Business Owner/Operator Identification page (OES Form 2730).

Does your facility	If Yes, please complete these pages of the UPCF....	
A HAZARDOUS MATERIALS Have on site (for any purpose) hazardous materials at or above 55 gallons for liquids, 500 pounds for solids, or 200 cubic feet for compressed gases (include liquids in ASTs and USTs), or the applicable Federal threshold quantity for an extremely hazardous substance specified in 40 CFR Part 355, Appendix A or B, or handle radiological materials in quantities for which an emergency plan is required pursuant to 10 CFR Parts 30, 40 or 70?	☒ YES ☐ NO 4	HAZARDOUS MATERIALS INVENTORY – CHEMICAL DESCRIPTION (OES 2731)
B. UNDERGROUND STORAGE TANKS (USTs) 1. Own or operate underground storage tanks?	☒ YES ☐ NO 5	UST FACILITY (Formerly SWRCB Form A) UST TANK (one page per tank) (Formerly Form B)
2 Intend to upgrade existing or install new USTs?	☐ YES ☒ NO 6	UST FACILITY UST TANK (one per tank) UST INSTALLATION - CERTIFICATE OF COMPLIANCE (one page per tank) (Formerly Form C)
3 Need to report closing a UST?	☐ YES ☒ NO 7	UST TANK (closure portion –one page per tank)
C ABOVE GROUND PETROLEUM STORAGE TANKS (ASTs) Own or operate ASTs above these thresholds ---any tank capacity is greater than 660 gallons, or ---the total capacity for the facility is greater than 1,320 gallons?	☐ YES ☒ NO 8	NO FORM REQUIRED TO CUPAs
D HAZARDOUS WASTE 1 Generate hazardous waste?	☒ YES ☐ NO 9	EPA ID NUMBER – provide at the top of this page
2. Recycle more than 100 kg/month of excluded or exempted recyclable materials (per HSC 25143 2)?	☐ YES ☒ NO 10	RECYCLABLE MATERIALS REPORT (one per recycler)
3 Treat hazardous waste on site?	☒ YES ☐ NO 11	ONSITE HAZARDOUS WASTE TREATMENT – FACILITY (Formerly DTSC Forms 1772) ONSITE HAZARDOUS WASTE TREATMENT – UNIT (one page per unit) (Formerly DTSC Forms 1772 A,B,C,D and L)
4 Treatment subject to financial assurance requirements (for Permit by Rule and Conditional Authorization)?	☒ YES ☐ NO 12	CERTIFICATION OF FINANCIAL ASSURANCE (Formerly DTSC Form 1232)
5. Consolidate hazardous waste generated at a remote site?	☐ YES ☒ NO 13	REMOTE WASTE / CONSOLIDATION SITE ANNUAL NOTIFICATION (Formerly DTSC Form 1196)
6 Need to report the closure/removal of a tank that was classified as hazardous waste and cleaned onsite?	☐ YES ☒ NO 14	HAZARDOUS WASTE TANK CLOSURE CERTIFICATION (Formerly DTSC Form 1249)

E LOCAL REQUIREMENTS 15

(You may also be required to provide additional information by your CUPA or local agency)

Business Activities

Please submit the Business Activities page, the Business Owner/Operator Identification page (OES Form 2730), and Hazardous Materials Inventory - Chemical Description pages (OES Form 2731) for all submissions (Note the numbering of the instructions follows the data element numbers that are on the UPCF pages These data element numbers are used for electronic submission and are the same as the numbering used in 27 CCR, Appendix C, the Business Section of the Unified Program Data Dictionary) Please number all pages of your submittal This helps your CUPA or AA identify whether the submittal is complete and if any pages are separated

1 FACILITY ID NUMBER - Leave this blank This number is assigned by the Certified Unified Program Agency (CUPA) or Administering Agency (AA) This is the unique number which identifies your facility

2 EPA ID NUMBER - If you generate, recycle, or treat hazardous waste, enter your facility's 12-character U S Environmental Protection Agency (U S EPA) or California Identification number For facilities in California, the number usually starts with the letters ACA≅ If you do not have a number, contact the Department of Toxic Substances Control (DTSC) Telephone Information Center at (916) 324-1781, (800) - 61-TOXIC or (800) 61-86942, to obtain one

3 BUSINESS NAME - Enter the full legal name of the business This is the same as the terms AFacility Name≅ or ADBA - Doing Business As≅ that might have been used in the past

4 HAZARDOUS MATERIALS ONSITE - Check the box to indicate whether you have a hazardous material onsite You have a hazardous material onsite if
- It is handled in quantities equal to or greater than 500 pounds, 55 gallons, or 200 cubic feet of gas (calculated at standard temperature and pressure),
- It is handled in quantities equal to or greater than the applicable federal threshold planning quantity for an extremely hazardous substance listed in 40 CFR Part 355, Appendix A,
- Radioactive materials are handled in quantities for which an emergency plan is required to be adopted pursuant to Part 30, Part 40, or Part 70 of Chapter 10 of 10 CFR, or pursuant to any regulations adopted by the state in accordance with these regulations

If you have a hazardous material onsite, then you must complete the Business Owner/Operator Identification page (OES Form 2730) and the Hazardous Materials Inventory - Chemical Description page (OES Form 2731), as well as an Emergency Response Plan and Training Plan
Do not answer AYES≅ to this question if you exceed only a local threshold, but do not exceed the state threshold

5 OWN OR OPERATE UNDERGROUND STORAGE TANK (UST) - Check the appropriate box to indicate whether you own or operate USTs containing hazardous substances as defined in Health and Safety Code (HSC) ∋25316 If AYES≅, then you must complete one UST Facility page and UST Tank pages for each tank. You must also submit a plot plan and a monitoring program plan

6 UPGRADE/INSTALL UST - Check the appropriate box to indicate whether you intend to install or upgrade USTs containing hazardous substances as defined in HSC ∋25316 If AYES≅, then you must complete the UST Installation - Certificate of Compliance page in addition to UST Facility and Tank pages, plot plan and monitoring program plan

7 UST CLOSURE - Check the appropriate box if you are closing an UST and complete the closure portion of the UST Tank pages for each tank (CUPAs may require additional information)

8 OWN OR OPERATE ABOVEGROUND PETROLEUM STORAGE TANK (AST) - Check the appropriate box to indicate whether there are ASTs onsite which exceed the regulatory thresholds (There is no UPCF page for ASTs) This program applies to all facilities storing petroleum in aboveground tanks Petroleum means crude oil, or any fraction thereof, which is liquid at 60 degrees Fahrenheit temperature and 14 7 pounds per square inch absolute pressure (HSC ∋25270 2 (g)) The facility must have a single tank greater than 660 gallons, or cumulative storage capacity greater than 1,320 gallons for all ASTs NOT Subject to the Act (exemptions)
An aboveground petroleum storage tank (AST) facility with one or more of the following (see HSC ∋25270 2 (k)) is not subject to this act and is exempt
- A pressure vessel or boiler which is subject to Division 5 of the Labor Code,
- A storage tank containing hazardous waste if a hazardous waste facility permit has been issued for the storage tank by DTSC,
- An aboveground oil production tank which is regulated by the Division of Oil and Gas,
- Certain oil-filled electrical equipment including but not limited to transformers, circuit breakers, or capacitors

9 HAZARDOUS WASTE GENERATOR - Check the appropriate box to indicate whether your facility generates hazardous waste A generator is the person or business whose acts or processes produce a hazardous waste or who causes a hazardous substance or waste to become subject to State hazardous waste law If your facility generates hazardous waste, you must obtain and use an EPA Identification number (ID) in order to properly transport and dispose of it Report your EPA ID number in #2 Hazardous waste means a waste that meets any of the criteria for the identification of a hazardous waste adopted by DTSC pursuant to HSC ∋25141 "Hazardous waste" includes, but is not limited to, federally regulated hazardous waste Federal hazardous waste law is known as the Resource Conservation and Recovery Act (RCRA) Unless explicitly stated otherwise, the term "hazardous waste" also includes extremely hazardous waste and acutely hazardous waste

10 RECYCLE - Check the appropriate box to indicate whether your facility recycles more than 100 kilograms per month of recyclable material under a claim that the material is excluded or exempt per HSC ∋25143 2 Check AYES≅ and complete the Recyclable Materials Report pages, if you either recycled onsite or recycled excluded recyclable materials which were generated offsite Check ANO≅ if you only send recyclable materials to an offsite recycler You do not need to report

11 ONSITE HAZARDOUS WASTE TREATMENT - Check the appropriate box to indicate whether your facility engages in onsite treatment of hazardous waste "Treatment" means any method, technique, or process which is designed to change the physical, chemical, or biological character or composition of any hazardous waste or any material contained therein, or removes or reduces its harmful properties or characteristics for any purpose "Treatment" does not include the removal of residues from manufacturing process equipment for the purposes of cleaning that equipment Amendments (effective 1/1/99) add exemptions from the definition of Atreatment≅ for certain processes under specific, limited conditions Refer to HSC ∋25123 5 (b) for these specific exemptions Treatment of certain laboratory hazardous wastes do not require authorization Refer to HSC ∋25200 3 1 for specific information Please contact your CUPA to determine if any exemptions apply to your facility If your facility engages in onsite treatment of hazardous waste then complete the Onsite Hazardous Waste Treatment Notification - Facility page and one set of Onsite Hazardous Waste Treatment Notification - Unit pages with waste and treatment process information for each unit

12 FINANCIAL ASSURANCE - Check the appropriate box to indicate whether your facility is subject to financial assurance requirements for closure of an onsite treatment unit Unless they are exempt, Permit by Rule (PBR) and Conditionally Authorized (CA) operations are required to provide financial assurance for closure costs (per 22 CCR ∋67450 13 (b) and HSC ∋25245 4) If your facility is subject to financial assurance requirements or claiming an exemption, then complete the Certification of Financial Assurance page

13 REMOTE WASTE CONSOLIDATION SITE - Check the appropriate box to indicate whether your facility consolidates hazardous waste generated at a remote site Answer AYES≅ if you are a hazardous waste generator that collects hazardous waste initially at remote sites and subsequently transports the hazardous waste to a consolidation site you also operate You must be eligible pursuant to the conditions in HSC ∋25110 10 If your facility consolidates hazardous waste generated at a remote site, then complete the Remote Waste Consolidation Site Annual Notification page

14 HAZARDOUS WASTE TANK CLOSURE - Check the appropriate box to indicate whether the tank being closed would be classified as hazardous waste after its contents are removed Classification could be based on
- Your knowledge of the tank and its contents
- Testing of the tank
- Inability to remove hazardous materials stored in the tank
- The mixture rule
- The listed wastes in 40 CFR 261 31 or 40 CFR 261 32

If the tank being closed would be classified as hazardous waste after its contents are removed, then you must complete the Hazardous Waste Tank Closure Certification page

15 LOCAL REQUIREMENTS - Some CUPAs or AAs may require additional information Check with your CUPA before submitting the UPCF to determine if any supplemental information is required

U. ED PROGRAM CONSOLIDATED FORI

FACILITY INFORMATION

BUSINESS OWNER/OPERATOR IDENTIFICATION

I. IDENTIFICATION

FACILITY ID#	1	BEGINNING DATE 100	ENDING DATE 101

BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As) 3	BUSINESS PHONE 102
Agilent Technologies, Inc.	408-435-7400

BUSINESS SITE ADDRESS 103		
350 West Trimble Road		
CITY 104		ZIP CODE 105
San Jose	CA	95131-1008
DUN & BRADSTREET 106		SIC CODE (4 digit #) 107
084963177		3674
COUNTY 108		
Santa Clara		
BUSINESS OPERATOR NAME 109		BUSINESS OPERATOR PHONE 110
Agilent Technologies, Inc.		408-435-7400

II. BUSINESS OWNER

OWNER NAME 111		OWNER PHONE 112
Agilent Technologies, Inc.		408-435-7400
OWNER MAILING ADDRESS 113		
3000 Hanover Street		
CITY 114	STATE 115	ZIP CODE 116
Palo Alto	CA	94304

III. ENVIRONMENTAL CONTACT

CONTACT NAME 117		CONTACT PHONE 118
Seve LaFirenza		(408) 435-4344
CONTACT MAILING ADDRESS 119		
350 West Trimble Road, mailstop 91 BJ		
CITY 120	STATE 121	ZIP CODE 122
San Jose	CA	95131-1008

IV. EMERGENCY CONTACTS

-PRIMARY-	-SECONDARY-
NAME 123	NAME 128
Sharon Bottome	Phil Lopez
TITLE 124	TITLE 129
Workplace Services Environmental Health and Safety Manager	Safety Specialist/ERT Coordinator
BUSINESS PHONE 125	BUSINESS PHONE 130
408-435-4156	408-435-4036
24-HOUR PHONE 126	24-HOUR PHONE 131
408-435-7400	408-435-7400
PAGER # 127	PAGER # 132
408-989-6664	408-989-9904

ADDITIONAL LOCALLY COLLECTED INFORMATION

Certification Based on my inquiry of those individuals responsible for obtaining the information, I certify under penalty of law that I have personally examined and am familiar with the information submitted and believe the information is true, accurate, and complete

SIGNATURE OF OWNER/OPERATOR OR DESIGNATED REPRESENTATIVE	DATE 134	NAME OF DOCUMENT PREPARER 135
Barrie C. Simpson	April 20, 2001	Mitch Cole
NAME OF SIGNER (print) 136	TITLE OF SIGNER	137
Barrie Simpson	Workplace Services Environmental Manager	

Business Owner/Operator Identifica

Please submit the Business Activities page, the Business Owner/Operator Identification page (OES Form 2730), and Hazardous Materials - Chemical Description pages (OES Form 2731) for all hazardous materials inventory submissions For the inventory to be considered complete this page must be signed by the appropriate individual

(Note the numbering of the instructions follows the data element numbers that are on the UPCF pages These data element numbers are used for electronic submission and are the same as the numbering used in 27 CCR, Appendix C, the Business Section of the Unified Program Data Dictionary)

Please number all pages of your submittal This helps your CUPA or AA identify whether the submittal is complete and if any pages are separated

1 FACILITY ID NUMBER - This number is assigned by the CUPA or AA This is the unique number which identifies your facility

3 BUSINESS NAME - Enter the full legal name of the business

100 BEGINNING DATE - Enter the beginning year and date of the report (YYYYMMDD)

101 ENDING DATE - Enter the ending year and date of the report (YYYYMMDD)

102 BUSINESS PHONE - Enter the phone number, area code first, and any extension

103 BUSINESS SITE ADDRESS - Enter the street address where the facility is located No post office box numbers are allowed This information must provide a means to geographically locate the facility

104 CITY - Enter the city or unincorporated area in which business site is located

105 ZIP CODE - Enter the zip code of business site The extra 4 digit zip may also be added

106 DUN & BRADSTREET - Enter the Dun & Bradstreet number for the facility The Dun & Bradstreet number may be obtained by calling (610) 882-7748 or by Internet

107 SIC CODE - Enter the primary Standard Industrial Classification Code number for primary business activity NOTE If code is more than 4 digits, report only the first four

108 COUNTY - Enter the county in which the business site is located

109 BUSINESS OPERATOR NAME - Enter the name of the business operator

110 BUSINESS OPERATOR PHONE - Enter business operator phone number, if different from business phone, area code first, and any extension

111 OWNER NAME - Enter name of business owner, if different from business operator

112 OWNER PHONE - Enter the business owner's phone number if different from business phone, area code first, and any extension

113 OWNER MAILING ADDRESS - Enter the owner's mailing address if different from business site address

114 OWNER CITY - Enter the name of the city for the owner's mailing address

115 OWNER STATE - Enter the 2 character state abbreviation for the owner's mailing address

116 OWNER ZIP CODE - Enter the zip code for the owner=s address The extra 4 digit zip may also be added

117 ENVIRONMENTAL CONTACT NAME - Enter the name of the person, if different from the Business Owner or Operator, who receives all environmental correspondence and will respond to enforcement activity

118 CONTACT PHONE - Enter the phone number, if different from Owner or Operator, at which the environmental contact can be contacted, area code first, and any extension

119 CONTACT MAILING ADDRESS - Enter the mailing address where all environmental contact correspondence should be sent, if different from the site address

120 CITY - Enter the name of the city for the environmental contact=s mailing address

121 STATE - Enter the 2 character state abbreviation for the environmental contact=s mailing address

122 ZIP CODE - Enter the zip code for the environmental contact=s mailing address The extra 4 digit zip may also be added

123 PRIMARY EMERGENCY CONTACT NAME - Enter the name of a representative that can be contacted in case of an emergency involving hazardous materials at the business site The contact shall have FULL facility access, site familiarity, and authority to make decisions for the business regarding incident mitigation

124 TITLE - Enter the title of the primary emergency contact

125 BUSINESS PHONE - Enter the business number for the primary emergency contact, area code first, and any extensions

126 24-HOUR PHONE - Enter a 24-hour phone number for the primary emergency contact The 24-hour phone number must be one which is answered 24 hours a day If it is not the contact's home phone number, then the service answering the phone must be able to immediately contact the individual stated above

127 PAGER NUMBER - Enter the pager number for the primary emergency contact, if available

128 SECONDARY EMERGENCY CONTACT NAME - Enter the name of a secondary representative that can be contacted in the event that the primary emergency contact is not available The contact shall have FULL facility access, site familiarity, and authority to make decisions for the business regarding incident mitigation

129 TITLE - Enter the title of the secondary emergency contact

130 BUSINESS PHONE - Enter the business telephone number for the secondary emergency contact, area code first, and any extension

131 24-HOUR PHONE - Enter a 24-hour phone number for the secondary emergency contact The 24 hour phone number must be one which is answered 24 hours a day If it is not the contact's home phone number, then the service answering the phone must be able to immediately contact the individual stated above

132 PAGER NUMBER - Enter the pager number for the secondary emergency contact, if available

133 ADDITIONAL LOCALLY COLLECTED INFORMATION - This space may be used for CUPAs or AAs to collect any additional information necessary to meet the requirements of their individual programs Contact your local agency for guidance

134 DATE - Enter the date that the document was signed (YYYYMMDD)

135 NAME OF DOCUMENT PREPARER - Enter the full name of the person who prepared the inventory submittal information

136 NAME OF SIGNER - Enter the full printed name of the person signing the page The signer certifies to a familiarity with the information submitted and that based on the signer=s inquiry of those individuals responsible for obtaining the information, all the information submitted is true, accurate and complete

SIGNATURE OF OWNER/ OPERATOR OR DESIGNATED REPRESENTATIVE - The Business Owner/Operator, or officially designated representative of the Owner/Operator, shall sign in the space provided This signature certifies that the signer is familiar with the information submitted and that based on the signer=s inquiry of those individuals responsible for obtaining the information it is the signer=s belief that the submitted information is true, accurate and complete

137. TITLE OF SIGNER - Enter the title of the person signing the page.

UNIFIED PROGRAM CONSOLIDATED FORM

HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION – FACILITY PAGE

BUSINESS NAME (Same as FACILITY NAME or DBA Doing Business As) 3	FACILITY ID# 1
Agilent Technologies, Inc.	

II. STATUS

NOTIFICATION STATUS 600	PERMIT STATUS (Check all that apply) 601	
☐ a Amended	☐ a Facility Permit	☐ d Variance
☐ b Initial	☐ b Interim Status	☐ e Consent Agreement
☒ c Renewal (PBR Only)	☐ c Standardized Permit	

III. NUMBER OF UNITS AT FACILITY

(Indicate the number of units you operate in each tier, attach one unit notification page for each unit except CE-CL)

A	Conditionally Exempt – Small Quantity Treatment (CESQT) (May not function under any other tier)	602
B	Conditionally Exempt Specified Wastestream (CESW)	
C	Conditionally Authorized (CA)	
D 1	Permit by Rule (PBR)	
E	Conditionally Exempt – Limited (CEL)	
F	Conditionally Exempt Commercial Laundry (CE-CL) (No unit page is required for laundries)	
G 1	TOTAL UNITS (Must equal the number of unit notification pages attached plus the number of CE-CL units)	

IV. CERTIFICATION AND SIGNATURE

Waste Minimization I certify that I have a program in place to reduce the volume, quantity and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment

Tiered Permitting Certification I certify that the unit or units described in these documents meet the eligibility and operating requirements of state statutes and regulations for the indicated permitting tier, including generator and secondary containment requirements I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate, and complete

I am aware that there are substantial penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations

SIGNATURE OF OWNER/OPERATOR	DATE 603
Barrie G Simpson	April 20, 2001
NAME OF OWNER/OPERATOR	TITLE OF OWNER/OPERATOR 605
Barrie Simpson	Workplace Services Environmental Manager

REQUEST FOR SHORTENED REVIEW PERIOD (CE and CA only) ☐ Yes ☐ No

State Reason for Request

V. ATTACHMENTS (Check if attached)

ALL tiers except CE-CL (Laundries) must submit	PBR ONLY
☒ 1 One unit specific notification page and one treatment process page per unit	☐ 1 Tank and container certifications, if required
☒ 2 Plot Plan (or other grid/map)	☐ 2 Notification of local agency or agencies
	☐ 3 Notification of property owner, if different from business owner
PBR & CA ONLY	
☐ 1 Closure Financial Assurance (formerly DTSC form 1232)	
☐ Self Certified (< $10,000) ☒ Other mechanism	
☐ 2 Prior Enforcement History, if applicable	

Onsite Hazardous Waste Treatment Notification – Facility

Complete this page if your facility is a hazardous waste generator performing treatment of hazardous wastes at the site where the waste is generated, and the facility is eligible under the Conditional Exemption (CE), or Conditional Authorization (CA)tiers, or operates a Fixed Treatment Unit (FTU) under the Permit by Rule (PBR) tier To determine which tier or tiers apply to your operations, refer to the DTSC Onsite Tiered Permitting Flow Chart, which graphically displays the eligible waste streams and treatment processes by tier

There are several treatment activities which, although they would be otherwise regulated, are exempt under the law provided certain conditions are met No notification is required for these activities Exempt treatment activities are described in Appendix A of these instructions

Submit one facility page (Onsite Hazardous Waste Treatment Notification - Facility) per facility, regardless of the number of treatment units located at the site Attach a unit specific page (Onsite Hazardous Waste Treatment Notification - Unit) and a Waste and Treatment Process Combinations page for each treatment unit at this location

For notification requirements for PBR FTUs refer to 22 CCR ∋67450 2, for CA refer to HSC ∋25200 3(e) and (k), and for CE refer to HSC ∋25201 5(d) and (i)

(Note the numbering of the instructions follows the data element numbers that are on the UPCF pages These data element numbers are used for electronic submission and are the same as the numbering used in 27 CCR, Appendix C, the Business Section of the Unified Program Data Dictionary) Please number all pages of your submittal This helps your CUPA or local agency identify whether the submittal is complete and if any pages are separated

1 FACILITY ID NUMBER - Leave this blank This number is assigned by the CUPA This is the unique number which identifies your facility
3 BUSINESS NAME - Enter the full legal name of the business
600 NOTIFICATION STATUS - Check whether this notification is your initial notification under the Tiered Permitting system, an amended notification, or a renewal (for PBR only)
601 PERMIT STATUS - Check the status of the permit for State issued hazardous waste permits or grants of authorization
602 NUMBER OF UNITS - For each of the permitting tiers or categories listed, enter the number of units you operate at this facility location **Complete a unit specific notification page and a waste and treatment process page** for each unit you list here, except for CE-CL units Verify that the total number of units (item 602g) is equal to the number of unit specific notification and waste and treatment process pages included in the submittal plus the number of CE-CL units (item 602f)
SIGNATURE OF OWNER/OPERATOR - The business owner or officer of the company who is authorized to make decisions for the facility and who has operational control, shall sign in the space provided In most companies, this is not the environmental compliance or technical staff The title should indicate that an appropriately authorized person is signing for the company Original signatures are required
You are signing the certifications and attesting to their accuracy under penalty of law for submitting false information The certifications cover waste minimization, the eligibility of the unit(s) for the indicated tier, the fact that the unit meets all of the operating requirements for that tier, and that the information is accurate These operating requirements are set forth in the statutes and regulations
603 DATE CERTIFIED - Enter the date that the page was signed
604 OWNER/ OPERATOR NAME - Enter the full printed name of the person signing the page
605 OWNER/ OPERATOR TITLE - Enter the title of the person signing the page

REQUESTING A SHORTENED REVIEW PERIOD - Generators operating under CA and CE are legally authorized 60 days after submitting a complete notification The time period between notification and authorization may be shortened when the owner or operator shows a good cause Check whether or not you are requesting to be authorized sooner than the standard 60-day period, and state the reason for the request The authorization will be automatically effective on the date the completed notification page is received by the CUPA (If necessary, use additional sheets to explain your reasons) Generators operating under the PBR tier are not authorized until they are notified by the CUPA

ATTACHMENTS *NOTE Commercial Laundries are <u>not</u> required to provide attachments*

ALL FACILITIES-
1 Complete a unit notification and a waste and treatment process page for EACH unit covered by this notification
2 Provide a plot plan or map detailing the location or locations of the unit or units at this facility This document is for use by the inspector Clearly indicate the facility boundaries and major features The extent or detail of the plot plan will vary depending on the size of the facility, the extent of the industrial operations, and the number of treatment units A diagram prepared for the hazardous materials business plan (required by Title 19 CCR) may be used, as long as the unit numbers for the units covered by this notification are indicated

PBR & CA ONLY
1 Complete the Certification of Financial Assurance for Closure and attach here (formerly DTSC Form 1232) Check whether you have Self-Certified (because your closure costs are less than $10,000) or if you are submitting a financial mechanism
2 Prior Enforcement History information is required **ONLY** if this facility was the subject of any convictions, judgments, settlements or final orders resulting from an action by any local, state, or federal environmental, hazardous waste, or public health enforcement agency If applicable, attach a statement or summary that lists the cases for the last three years and provide a copy of the cover sheet from each document (conviction, settlement, etc) The summary should include case and docket number, name and address of the agency, date, brief explanation, type of case (criminal, civil, administrative) and final resolution (including fines and penalties)

ADDITIONAL SUBMISSION TO DTSC:

A PHASE I ENVIRONMENTAL ASSESSMENT IS REQUIRED FROM ALL PBR AND CA FACILITIES AND MUST BE SUBMITTED TO DTSC, NOT TO YOUR CUPA This assessment was due on January 1, 1997 or within one year from initial notification for newer facilities Revisions are required if new releases are discovered
The assessment checklist and instructions are available from DTSC Call (916) 324-2423 or write to DTSC-Unified Program Section, 400 P Street, 4th Floor, P O Box 806, Sacramento, CA 95182-0806 Completed Phase I Assessments should be submitted to the same address

PBR ONLY
1 Tankand/or containment system certifications are required to be submitted for only PBR units by 22 CCR ∋ 67450 2(b)(3)(G), when applicable The specific standards are in 22 CCR ∋66264 175(c) for containers and 22 CCR ∋66265 191(a) and 66265 192(a) for tanks
2 Notification of local agencies Attach documentation of the other local agencies notified of your operation, i e sewer agency
3 Notification of property owner If the property owner is different than the operator, provide documentation that the facility operator has notified the property owner of the operation of this hazardous waste treatment unit under PBR

UNIFIED PROGRAM CONSOLIDATED FORM

HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION – UNIT PAGE

(one page and attachments per unit)

FACILITY ID#	BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As)
	Agilent Technologies, Inc.

I. TREATMENT UNIT

UNIT ID# 606	UNIT TYPE/TIER 607	NUMBER OF TANKS 608	NUMBER OF CONTAINERS/ TREATMENT AREAS 609
NS-1	☐ a CESQT ☐ b CESW ☐ c CA ☒ d PBR ☐ e CEL	4	
UNIT NAME 610		**MONTHLY TREATMENT VOLUME 611**	**UNIT OF MEASURE 612**
Neutralization System 1		**9,000,000 gallons/month (300,000 gallons/day)**	☐ a Pounds ☒ b Gallons

SPECIFIC WASTE TYPE TREATED (narrative) 613

Inorganic acid or alkaline wastewaters, including hydrofluoric acid

TREATMENT PROCESS DESCRIPTION (narrative) 614

Automatic elementary neutralization using sodium hydroxide and sulfuric acid in a two stage continuous flow treatment system, additional tanks are for wastewater transfer to treatment system

(NOTE for each treatment unit, complete and attach the appropriate Waste And Treatment Process Combinations page)

II. BASIS FOR NOT NEEDING FEDERAL PERMIT (Check all that apply)

☒ a The treated waste is not a hazardous waste under federal law (California-only waste)

☒ b Treated in waste water treatment units (tanks) and discharged to a publicly owned treatment works (POTW)/ sewering agency or under an NPDES permit

☒ c Treatment in elementary neutralization units

☐ d Treatment in a totally enclosed treatment facility

☐ e Federal conditionally exempt small quantity generator (generated 100 kg, approximately 27 gallons, or less of hazardous waste in a calendar month)

☐ f Treatment in an accumulation tank or container within 90 days for over 1000 kg/month generators and 180 or 270 days for generators of 100 to 1000 kg/month 615

☐ g Recyclable materials are reclaimed to recover silver or other precious metals

☐ h Empty container rinsing and/or treatment

☐ i Other (specify below)

III. RESIDUALS MANAGEMENT DESCRIPTION (Check all that apply)

☒ a. Discharge non-hazardous aqueous waste to POTW or sewer

☐ b Discharge non-hazardous aqueous waste under a NPDES permit

☐ c Dispose of non-hazardous solid waste residues at an offsite location

Residual hazardous waste hauled offsite by a registered hauler 616

☐ d Offsite recycling

☐ e Thermal treatment

☐ f Disposal to land

☐ g Further treatment

☐ h Other method of disposal (describe below)

SECONDARY CONTAINMENT INSTALLATION DATE (If required) 617

Onsite Hazardous Waste Treatment Notification – Unit

Complete a unit specific page (Onsite Hazardous Waste Treatment Notification - Unit) and a Waste and Treatment Process Combinations page for each treatment unit operating at this facility Commercial Laundries are *not* required to complete unit specific pages, provided that laundering is the only hazardous waste treatment activity conducted by the facility
(Note the numbering of the instructions follows the data element numbers that are on the UPCF pages These data element numbers are used for electronic submission and are the same as the numbering used in 27 CCR, Appendix C,
the Business Section of the Unified Program Data Dictionary)
Please number all pages of your submittal This helps your CUPA or local agency identify whether the submittal is complete and if any pages are separated

1 FACILITY ID NUMBER - Leave this blank This number is assigned by the CUPA This is the unique number which identifies your facility
3 BUSINESS NAME - Enter the full legal name of the business
602 UNIT ID NUMBER - Enter a unique number for each unit The units can be numbered sequentially, or by any other system as long as the numbers are not repeated or duplicated All unit numbers must be clearly labeled on the plot plan/map
603 UNIT TYPE / TIER - Check the unit type under the Tiered Permitting program
604 NUMBER OF TANKS - Enter the number of tanks used in the unit Tank means a stationary device, designed to contain an accumulation of hazardous waste, which is constructed primarily of non-earthen materials (e g , wood, concrete, steel, plastic) which provide structural support (22 CCR §66260 10)
605 NUMBER OF CONTAINERS/ TREATMENT AREAS - Enter the number of containers/ container treatment used in the unit Container means any device that is open or closed, and portable in which a material can be stored, handled, treated, transported, recycled, or disposed of (22 CCR §66260 10) Container treatment area is the location set aside and used to treat containers
606 UNIT NAME - Enter the name of the treatment unit A treatment unit is defined as a tank, a container, or a combination of tanks or tank systems and/or containers located together that are used in sequence to treat or accumulate one or more compatible hazardous waste streams The devices are either plumbed together or otherwise linked so as to form one system
607 MONTHLY TREATMENT VOLUME - Enter the estimated monthly total volume of hazardous waste treated in each unit If the volume fluctuates significantly by month, enter the maximum or highest volume treated in any month
608 UNIT OF MEASURE - Check whether the treatment volume unit of measure is pounds or gallons
609 SPECIFIC WASTE TYPE TREATED - Describe the specific waste type(s) treated For example, if waste qualifies as an aqueous waste with metal or organics, indicate the specific metals or organics
610 TREATMENT PROCESS DESCRIPTION - Describe the treatment process(es) used Indicate if the activities are seasonal or periodic
611 BASIS FOR NOT NEEDING FEDERAL PERMIT - Check the reason(s) that best describe why your onsite treatment unit does not need a federal hazardous waste permit You must indicate at least one reason to prove your eligibility for the onsite treatment tiers If you are unsure how these exemptions apply to your operation, contact your CUPA, the DTSC Regional Office closest to you, the U S EPA's Region IX RCRA Information Line at (415) 744-2074, or the U S EPA RCRA Hotline at (800) 424-9346 The eight most common reasons for not needing a federal permit are listed on the page There is also a space to specify another reason and a citation The following terms used on the page are defined in 40 CFR 260 10
< wastewater treatment unit means a device which (1) is part of a wastewater treatment facility regulated under section 402 or 307(b) of the Clean Water Act, and (2) receives and treats or stores an influent wastewater that is
a hazardous waste or that generates and accumulates a wastewater treatment sludge that is a hazardous waste or that treats or stores a wastewater treatment sludge which is a hazardous waste, and (3) meets the definition of tank or tank system
< elementary neutralization unit means a device which (1) is used for neutralizing wastes that are hazardous only because they exhibit the corrosivity characteristic or they are listed only for this reason, and (2) meets the definition of tank, tank system, container, transport vehicle, or vessel
< totally enclosed treatment facility means a facility for the treatment of hazardous waste which is directly connected to an industrial production process and which is constructed and operated in a manner which prevents the release of any hazardous waste or any constituent thereof into the environment during treatment
< NPDES permit A permit issued by a regional water board allowing discharge of waste to the environment under the National Pollutant Discharge Elimination System (NPDES)

612 RESIDUALS MANAGEMENT DESCRIPTION - Check the management of residuals If appropriate, describe Another method of handling the residuals
613 SECONDARY CONTAINMENT INSTALLATION DATE - Enter the date the secondary containment was installed
614 TREATMENT PROCESS DESCRIPTION - Describe the treatment process(es) used Indicate if the activities are seasonal or periodic
615 BASIS FOR NOT NEEDING FEDERAL PERMIT - Check the reason(s) that best describe why your onsite treatment unit does not need a federal hazardous waste permit You must indicate at least one reason to prove your eligibility for the onsite treatment tiers If you are unsure how these exemptions apply to your operation, contact your CUPA, the DTSC Regional Office closest to you, the U S EPA's Region IX RCRA Information Line at (415) 744-2074, or the U S EPA RCRA Hotline at (800) 424-9346 The eight most common reasons for not needing a federal permit are listed on the page There is also a space to specify another reason and a citation The following terms used on the page are defined in 40 CFR 260 10
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a hazardous waste or that generates and accumulates a wastewater treatment sludge that is a hazardous waste or that treats or stores a wastewater treatment sludge which is a hazardous waste, and (3) meets the definition of tank or tank system
< elementary neutralization unit means a device which (1) is used for neutralizing wastes that are hazardous only because they exhibit the corrosivity characteristic or they are listed only for this reason, and (2) meets the definition of tank, tank system, container, transport vehicle, or vessel
< totally enclosed treatment facility means a facility for the treatment of hazardous waste which is directly connected to an industrial production process and which is constructed and operated in a manner which prevents the release of any hazardous waste or any constituent thereof into the environment during treatment
< NPDES permit A permit issued by a regional water board allowing discharge of waste to the environment under the National Pollutant Discharge Elimination System (NPDES)

616 RESIDUALS MANAGEMENT DESCRIPTION - Check the management of residuals If appropriate, describe Another method of handling the residuals
617 SECONDARY CONTAINMENT INSTALLATION DATE - Enter the date the secondary containment was installed

UNIFIED PROGRAM CONSOLIDATED FORM

ONSITE TIERED PERMITTING

PERMIT BY RULE PAGE

WASTE AND TREATMENT PROCESS COMBINATIONS

(one page per treatment unit -- check all that apply))

Unit ID# NS-1 606 Facility ID# 1 Page 6 of 7 630

1. Aqueous waste containing hexavalent chromium may be treated by the following process:

☐ a Reduction of hexavalent chromium to trivalent chromium with sodium bisulfite, sodium metabisulfite, sodium thiosulfate, ferrous sulfate, ferrous sulfide or sulfur dioxide provided both pH and addition of the reducing agent are automatically controlled

2. Aqueous wastes containing metals listed in Title 22, CCR, Section 66261.24 (a)(2) and/or fluoride salts may be treated by the following technologies:

☒ a pH adjustment or neutralization
☐ b Precipitation or crystallization
☐ c Phase separation by filtration, centrifugation, or gravity settling
☐ d Ion exchange
☐ e Reverse osmosis
☐ f Metallic replacement
☐ g Plating the metal onto an electrode
☐ h Electrodialysis
☐ i Electrowinning or electrolytic recovery
☐ j Chemical stabilization using silicates and/or cementitious types of reactions
☐ k Evaporation
☐ l Adsorption

3. Aqueous wastes with total organic carbon less than 10% as measured by EPA Method 9060 and less than 1% total volatile organic compounds as measured by EPA Method 8240 may be treated by the following technologies:

☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
☐ b Adsorption
☐ c Distillation
☐ d Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms
☐ e Photodegradation using ultraviolet light, with or without the addition of hydrogen peroxide or ozone, provided the treatment is conducted in an enclosed system
☐ f Air stripping or steam stripping

4. Sludges, dusts, solid metal objects and metal workings which contain or are contaminated with metals listed in Title 22, CCR, Section 66261.24(a)(2) and/or fluoride salts may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Physical processes which change only the physical properties of the waste such as grinding, shredding, crushing, or compacting
☐ c Drying to remove water
☐ d Separation based on differences in physical properties such as size, magnetism or density

5. Alum, gypsum, lime, sulfur or phosphate sludges may be treated by the following technologies:

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling

6. Wastes identified in Title 22, CCR, Section 66261.120, that meet the criteria and requirements for special waste classification in Section 66261.122 may be treated by the following technologies:

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d Screening to separate components based on size
☐ e Separation based on differences in physical properties such as size, magnetism or density

7. Wastes, except asbestos, which have been classified by the Department as special wastes pursuant to Title 22, CCR, Section 66261.124, may be treated by the following technologies:

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d Magnetic separation

8. Inorganic acid or alkaline wastes may be treated by the following technology:

☒ a pH adjustment or neutralization

9. Soils contaminated with metals listed in Title 22, CCR, Section 66261.24(a)(2), (Persistent and Bioaccumulative Toxic Substances) may be treated by the following technologies:

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Screening to separate components based on size
☐ c Magnetic separation

10. Used oil, unrefined oil waste, mixed oil, oil mixed with water and oil/water separation sludges may be treated by the following technologies:

☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
☐ b Distillation
☐ c Neutralization
☐ d Separation based on differences in physical properties such as size, magnetism or density
☐ e Reverse osmosis
☐ f Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms

11. Containers of 110 gallons or less capacity which are not constructed of wood, paper, cardboard, fabric or any other similar absorptive material, which have been emptied as specified in Title 40 of the Code of Federal Regulations, Section 261 7 or inner liners removed from empty containers that once held hazardous waste or hazardous material and which are not excluded from regulation may be treated by the following technologies provided the treated containers and rinseate are managed in compliance with applicable requirements.

☐ a Rinsing with a suitable liquid capable of dissolving or removing the hazardous constituents which the container held
☐ b Physical processes such as crushing, shredding, grinding or puncturing, that change only the physical properties of the container or inner liner, provided the container or inner liner is first rinsed and the rinseate is removed from the container or inner liner

12. Multi-component resins may be treated by the following process.

☐ a Mixing the resin components in accordance with the manufacturer's instructions

13 A waste stream technology combination certified by the Department pursuant to Section 25200.1.5 of the Health and Safety Code as appropriate for authorization under Permit by Rule.

_____ Certified Technology Number

Waste and Treatment Process Combinations

The Waste and Treatment Process Combinations pages list those waste and treatment combinations certified by DTSC pursuant to HSC §25200 1 5 for authorization under CE, CA, and PBR tiers Each page is specific to a tier, with each tier specific page listing the wastes and treatment processes eligible under that tier Note that some of the categories have volume or concentration restrictions that must be met in order to qualify for that tier Additionally, some of the wastes refer to 22 CCR and others to the Health and Safety Code

Complete one Waste and Treatment Process Combinations page for each unit, except CE-CL units

(Note the numbering of the instructions follows the data element numbers that are on the UPCF pages These data element numbers are used for electronic submission and are the same as the numbering used in 27 CCR, Appendix C, the Business Section of the Unified Program Data Dictionary)

Please number all pages of your submittal This helps your CUPA or local agency identify whether the submittal is complete and if any pages are separated

606 UNIT ID NUMBER - Enter the unit ID number (same as item 606 from the Onsite Hazardous Waste Treatment Notification - Unit page)

1 FACILITY ID NUMBER - Leave this blank This number is assigned by the CUPA This is the unique number which identifies your facility

627 WASTE AND TREATMENT PROCESS COMBINATIONS - CESQT
628 WASTE AND TREATMENT PROCESS COMBINATIONS - CESW
629 WASTE AND TREATMENT PROCESS COMBINATIONS - CA
630 WASTE AND TREATMENT PROCESS COMBINATIONS - PBR
631 WASTE AND TREATMENT PROCESS COMBINATIONS - CEL

Use the correct page for the unit Check the waste and treatment process(es) that pertain to the unit If the process is a technology certified by DTSC, please enter the Certified Technology Number (Cert #) Certified technologies appropriate for authorization, and the eligible tiers, are listed below

Note that reactive and extremely hazardous wastes are not allowed to be treated under any of the onsite treatment tiers, except for certain wastes under Conditionally Exempt - Specified Wastestreams

CERTIFIED TECHNOLOGIES

DTSC is authorized to certify hazardous waste technologies Appropriate certified technologies may be eligible for CE, CA or PBR onsite treatment tiers As of April 1, 1999, there is one certified technology for these tiers The certification is for aldehyde treatment processes and is eligible for the CESW tier The approved technology is

Neutralex	SCIGEN
Cert # 97-01-0024	333 East Gardena Blvd Gardena, CA 90248
Effective Date	June 29, 1997 (expires June 29, 2000)
Description	Batch treatment for 10 percent Formalin generated by medical, educational, and laboratory facilities Chemically treats in a provided 8 liter vessel After testing, allows for disposal to sanitary sewer
Tier	Authorized for the CESW tier

A copy of published Certification Statements and additional updates may be obtained by contacting DTSC at (916) 322-3670 or from the Cal/EPA on-line Bulletin Board via modem at (916) 322-5041

[redacted]IFIED PROGRAM CONSOLIDATED FO[redacted]

HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION – FACILITY PAGE

BUSINESS NAME (Same as FACILITY NAME or DBA Doing Business As) 3	FACILITY ID# 1
Agilent Technologies, Inc	

II. STATUS

NOTIFICATION STATUS 600	PERMIT STATUS (Check all that apply) 601	
☐ a Amended	☒ a Facility Permit	☐ d Variance
☐ b Initial	☐ b Interim Status	☐ e Consent Agreement
☒ c Renewal (PBR Only)	☐ c Standardized Permit	

III. NUMBER OF UNITS AT FACILITY

(Indicate the number of units you operate in each tier, attach one unit notification page for each unit except CE-CL)

602

A Conditionally Exempt – Small Quantity Treatment (CESQT) (May not function under any other tier)

B Conditionally Exempt Specified Wastestream (CESW)

C Conditionally Authorized (CA)

D 1 Permit by Rule (PBR)

E Conditionally Exempt – Limited (CEL)

F Conditionally Exempt Commercial Laundry (CE-CL) (No unit page is required for laundries)

G 1 TOTAL UNITS (Must equal the number of unit notification pages attached plus the number of CE-CL units)

IV. CERTIFICATION AND SIGNATURE

Waste Minimization I certify that I have a program in place to reduce the volume, quantity and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment

Tiered Permitting Certification I certify that the unit or units described in these documents meet the eligibility and operating requirements of state statutes and regulations for the indicated permitting tier, including generator and secondary containment requirements I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is to the best of my knowledge and belief, true, accurate, and complete

I am aware that there are substantial penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations

SIGNATURE OF OWNER/OPERATOR	DATE 603
	03/09/00
NAME OF OWNER/OPERATOR	TITLE OF OWNER/OPERATOR 605
Jerry Thorne	Semiconductor Products Group Operations Manager

REQUEST FOR SHORTENED REVIEW PERIOD (CE and CA only) ☐ Yes ☐ No

State Reason for Request

V. ATTACHMENTS (Check if attached)

ALL tiers except CE-CL (Laundries) must submit

☒ 1 One unit specific notification page and one treatment process page per unit

☒ 2 Plot Plan (or other grid/map)

PBR & CA ONLY

☒ 1 Closure Financial Assurance (formerly DTSC form 1232)

☐ Self Certified (< $10,000) ☒ Other mechanism

☐ 2 Prior Enforcement History, if applicable

PBR ONLY

☐ 1 Tank and container certifications, if required

☐ 2 Notification of local agency or agencies

☐ 3 Notification of property owner, if different from business owner

BUSINESS OWNER/OPERATOR IDENTIFICATION

I. IDENTIFICATION

FACILITY ID#	1	BEGINNING DATE 100	ENDING DATE 101

BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As) 3	BUSINESS PHONE 102
Agilent Technologies, Inc	408-435-7400

BUSINESS SITE ADDRESS 103
350 West Trimble Road

CITY 104		ZIP CODE 105
San Jose	CA	95131-1008

DUN & BRADSTREET 106	SIC CODE (4 digit #) 107
084963177	3674

COUNTY 108
Santa Clara

BUSINESS OPERATOR NAME 109	BUSINESS OPERATOR PHONE 110
Agilent Technologies, Inc	408-435-7400

II. BUSINESS OWNER

OWNER NAME 111	OWNER PHONE 112
Agilent Technologies, Inc.	408-435-7400

OWNER MAILING ADDRESS 113
3000 Hanover Street

CITY 114	STATE 115	ZIP CODE 116
Palo Alto	CA	94304

III. ENVIRONMENTAL CONTACT

CONTACT NAME 117	CONTACT PHONE 118
Rebecca M Bond	408-435-4151

CONTACT MAILING ADDRESS 119
350 West Trimble Road, mailstop 91 BJ

CITY 120	STATE 121	ZIP CODE 122
San Jose	CA	95131-1008

IV. EMERGENCY CONTACTS

-PRIMARY-	-SECONDARY-
NAME 123	NAME 128
Sharon Bottome	Phil Lopez
TITLE 124	TITLE 129
Safety Manager	Safety Specialist/ERT Coordinator
BUSINESS PHONE 125	BUSINESS PHONE 130
408-435-4156	408-435-4036
24-HOUR PHONE 126	24-HOUR PHONE 131
408-435-7400	408-435-7400
PAGER # 127	PAGER # 132
408-989-6664	408-989-9904

ADDITIONAL LOCALLY COLLECTED INFORMATION

Certification: Based on my inquiry of those individuals responsible for obtaining the information, I certify under penalty of law that I have personally examined and am familiar with the information submitted and believe the information is true, accurate, and complete

SIGNATURE OF OWNER/OPERATOR OR DESIGNATED REPRESENTATIVE	DATE 134	NAME OF DOCUMENT PREPARER 135
[signature]	03/05/00	Rebecca M Bond
NAME OF SIGNER (print) 136	TITLE OF SIGNER 137	
Jerry Thorne	Semiconductor Products Group Operations Manager	

UNIFIED PROGRAM CONSOLIDATED FORM

FACILITY INFORMATION

BUSINESS ACTIVITIES

I. FACILITY IDENTIFICATION

FACILITY ID #	1	EPA ID # (Hazardous Waste Only)
		CAT 000 611 400

BUSINESS NAME (Same as Facility Name of DBA-Doing Business As) 3

Agilent Technologies, Inc.

II. ACTIVITIES DECLARATION

NOTE: If you check YES to any part of this list, please submit the Business Owner/Operator Identification page (OES Form 2730).

Does your facility	If Yes, please complete these pages of the UPCF	
A HAZARDOUS MATERIALS		
Have on site (for any purpose) hazardous materials at or above 55 gallons for liquids, 500 pounds for solids, or 200 cubic feet for compressed gases (include liquids in ASTs and USTs), or the applicable Federal threshold quantity for an extremely hazardous substance specified in 40 CFR Part 355, Appendix A or B, or handle radiological materials in quantities for which an emergency plan is required pursuant to 10 CFR Parts 30, 40 or 70?	☒ YES ☐ NO 4	HAZARDOUS MATERIALS INVENTORY - CHEMICAL DESCRIPTION (OES 2731)
B UNDERGROUND STORAGE TANKS (USTs)		
1 Own or operate underground storage tanks?	☒ YES ☐ NO 5	UST FACILITY (Formerly SWRCB Form A) UST TANK (one page per tank) (Formerly Form B)
2 Intend to upgrade existing or install new USTs?	☐ YES ☒ NO 6	UST FACILITY UST TANK (one per tank) UST INSTALLATION - CERTIFICATE OF COMPLIANCE (one page per tank) (Formerly Form C)
3 Need to report closing a UST?	☐ YES ☒ NO 7	UST TANK (closure portion –one page per tank)
C ABOVE GROUND PETROLEUM STORAGE TANKS (ASTs)		
Own or operate ASTs above these thresholds ---any tank capacity is greater than 660 gallons, or ---the total capacity for the facility is greater than 1,320 gallons?	☐ YES ☒ NO 8	NO FORM REQUIRED TO CUPAs
D HAZARDOUS WASTE		
1 Generate hazardous waste?	☒ YES ☐ NO 9	EPA ID NUMBER - provide at the top of this page
2 Recycle more than 100 kg/month of excluded or exempted recyclable materials (per HSC 25143 2)?	☐ YES ☒ NO 10	RECYCLABLE MATERIALS REPORT (one per recycler)
3 Treat hazardous waste on site?	☒ YES ☐ NO 11	ONSITE HAZARDOUS WASTE TREATMENT - FACILITY (Formerly DTSC Forms 1772) ONSITE HAZARDOUS WASTE TREATMENT - UNIT (one page per unit) (Formerly DTSC Forms 1772 A B,C D and L)
4 Treatment subject to financial assurance requirements (for Permit by Rule and Conditional Authorization)?	☒ YES ☐ NO 12	CERTIFICATION OF FINANCIAL ASSURANCE (Formerly DTSC Form 1232)
5 Consolidate hazardous waste generated at a remote site?	☐ YES ☒ NO 13	REMOTE WASTE / CONSOLIDATION SITE ANNUAL NOTIFICATION (Formerly DTSC Form 1196)
6 Need to report the closure/removal of a tank that was classified as hazardous waste and cleaned onsite?	☐ YES ☒ NO 14	HAZARDOUS WASTE TANK CLOSURE CERTIFICATION (Formerly DTSC Form 1249)
E LOCAL REQUIREMENTS 15		
(You may also be required to provide additional information by your CUPA or local agency)		

UNIFIED PROGRAM CONSOLIDATED FORM

HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION – FACILITY PAGE

BUSINESS NAME (Same as FACILITY NAME or DBA Doing Business As) 3	FACILITY ID# 1
Agilent Laboratories	

II. STATUS

NOTIFICATION STATUS 600	PERMIT STATUS (Check all that apply) 601	
☐ a Amended	☒ a Facility Permit	☐ d Variance
☒ b Initial	☐ b Interim Status	☐ e Consent Agreement
☐ c Renewal (PBR Only)	☐ c Standardized Permit	

III. NUMBER OF UNITS AT FACILITY

(Indicate the number of units you operate in each tier, attach one unit notification page for each unit except CE-CL)

602

A Conditionally Exempt – Small Quantity Treatment (CESQT) (May not function under any other tier)

B Conditionally Exempt Specified Wastestream (CESW)

C Conditionally Authorized (CA)

D 2 Permit by Rule (PBR)

E Conditionally Exempt – Limited (CEL)

F Conditionally Exempt Commercial Laundry (CE-CL) (No unit page is required for laundries)

G 2 TOTAL UNITS (Must equal the number of unit notification pages attached plus the number of CE-CL units)

IV. CERTIFICATION AND SIGNATURE

Waste Minimization I certify that I have a program in place to reduce the volume, quantity and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment

Tiered Permitting Certification I certify that the unit or units described in these documents meet the eligibility and operating requirements of state statutes and regulations for the indicated permitting tier, including generator and secondary containment requirements I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate, and complete

I am aware that there are substantial penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations

SIGNATURE OF OWNER/OPERATOR	DATE 603
NAME OF OWNER/OPERATOR	TITLE OF OWNER/OPERATOR 605
H Edward Karrer	Director Agilent Labs

REQUEST FOR SHORTENED REVIEW PERIOD (CE and CA only) ☐ Yes ☐ No

State Reason for Request

V. ATTACHMENTS (Check if attached)

ALL tiers except CE-CL (Laundries) must submit

☐ 1 One unit specific notification page and one treatment process page per unit

☐ 2 Plot Plan (or other grid/map)

PBR & CA ONLY

☐ 1 Closure Financial Assurance (formerly DTSC form 1232)

☐ Self Certified (< $10,000) ☐ Other mechanism

☐ 2 Prior Enforcement History, if applicable

PBR ONLY

☐ 1 Tank and container certifications, if required

☐ 2 Notification of local agency or agencies

☐ 3 Notification of property owner, if different from business owner

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION – UNIT PAGE

(one page and attachments per unit)

FACILITY ID# | BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As): Agilent Technologies, Inc

I. TREATMENT UNIT

UNIT ID# 606	UNIT TYPE/TIER 607	NUMBER OF TANKS 608	NUMBER OF CONTAINERS/ TREATMENT AREAS 609
NS-1	☐ a CESQT ☐ b CESW ☐ c CA ☒ d PBR ☐ e CEL	4	
UNIT NAME 610		**MONTHLY TREATMENT VOLUME 611**	**UNIT OF MEASURE 612**
Neutralization System 1		**9,000,000 gallons/month (300,000 gallons/day)**	☐ a Pounds ☒ b Gallons

SPECIFIC WASTE TYPE TREATED (narrative) 613

Inorganic acid or alkaline wastewaters, including hydrofluoric acid

TREATMENT PROCESS DESCRIPTION (narrative) 614

Automatic elementary neutralization using sodium hydroxide and sulfuric acid in a two stage continuous flow treatment system, additional tanks are for wastewater transfer to treatment system

(NOTE for each treatment unit, complete and attach the appropriate Waste And Treatment Process Combinations page)

II. BASIS FOR NOT NEEDING FEDERAL PERMIT (Check all that apply)

☒ a The treated waste is not a hazardous waste under federal law (California-only waste)

☒ b Treated in waste water treatment units (tanks) and discharged to a publicly owned treatment works (POTW)/ sewering agency or under an NPDES permit

☒ c Treatment in elementary neutralization units

☐ d Treatment in a totally enclosed treatment facility

☐ e Federal conditionally exempt small quantity generator (generated 100 kg, approximately 27 gallons, or less of hazardous waste in a calendar month)

☐ f Treatment in an accumulation tank or container within 90 days for over 1000 kg/month generators and 180 or 270 days for generators of 100 to 1000 kg/month 615

☐ g Recyclable materials are reclaimed to recover silver or other precious metals

☐ h Empty container rinsing and/or treatment

☐ i Other (specify below)

III. RESIDUALS MANAGEMENT DESCRIPTION (Check all that apply)

☒ a Discharge non-hazardous aqueous waste to POTW or sewer

☐ b Discharge non-hazardous aqueous waste under a NPDES permit

☐ c Dispose of non-hazardous solid waste residues at an offsite location

Residual hazardous waste hauled offsite by a registered hauler 616

☐ d Offsite recycling
☐ e Thermal treatment
☐ f Disposal to land
☐ g Further treatment
☐ h Other method of disposal (describe below)

SECONDARY CONTAINMENT INSTALLATION DATE (If required) 617

1978

UNIFIED PROGRAM CONSOLIDATED FORM

ONSITE TIERED PERMITTING

PERMIT BY RULE PAGE

WASTE AND TREATMENT PROCESS COMBINATIONS

(one page per treatment unit – check all that apply))

Unit ID# NS-1 606 Facility ID# 1

630

1 Aqueous waste containing hexavalent chromium may be treated by the following process

☐ a Reduction of hexavalent chromium to trivalent chromium with sodium bisulfite, sodium metabisulfite, sodium thiosulfate, ferrous sulfate, ferrous sulfide or sulfur dioxide provided both pH and addition of the reducing agent are automatically controlled

2. Aqueous wastes containing metals listed in Title 22, CCR, Section 66261 24 (a)(2) and/or fluoride salts may be treated by the following technologies:

☒ a pH adjustment or neutralization
☐ b Precipitation or crystallization
☐ c Phase separation by filtration, centrifugation, or gravity settling
☐ d Ion exchange
☐ e Reverse osmosis
☐ f Metallic replacement
☐ g Plating the metal onto an electrode
☐ h Electrodialysis
☐ i Electrowinning or electrolytic recovery
☐ j Chemical stabilization using silicates and/or cementitious types of reactions
☐ k Evaporation
☐ l Adsorption

3. Aqueous wastes with total organic carbon less than 10% as measured by EPA Method 9060 and less than 1% total volatile organic compounds as measured by EPA Method 8240 may be treated by the following technologies·

☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
☐ b Adsorption
☐ c Distillation
☐ d Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms
☐ e Photodegradation using ultraviolet light, with or without the addition of hydrogen peroxide or ozone, provided the treatment is conducted in an enclosed system
☐ f Air stripping or steam stripping

4 Sludges, dusts, solid metal objects and metal workings which contain or are contaminated with metals listed in Title 22, CCR, Section 66261 24(a)(2) and/or fluoride salts may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Physical processes which change only the physical properties of the waste such as grinding, shredding, crushing, or compacting
☐ c Drying to remove water
☐ d Separation based on differences in physical properties such as size, magnetism or density

5 Alum, gypsum, lime, sulfur or phosphate sludges may be treated by the following technologies:

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling

6 Wastes identified in Title 22, CCR, Section 66261 120, that meet the criteria and requirements for special waste classification in Section 66261.122 may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d Screening to separate components based on size
☐ e Separation based on differences in physical properties such as size, magnetism or density

7 Wastes, except asbestos, which have been classified by the Department as special wastes pursuant to Title 22, CCR, Section 66261.124, may be treated by the following technologies.

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d Magnetic separation

8 Inorganic acid or alkaline wastes may be treated by the following technology

☒ a pH adjustment or neutralization

9 Soils contaminated with metals listed in Title 22, CCR, Section 66261 24(a)(2), (Persistent and Bioaccumulative Toxic Substances) may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Screening to separate components based on size
☐ c Magnetic separation

10. Used oil, unrefined oil waste, mixed oil, oil mixed with water and oil/water separation sludges may be treated by the following technologies:

☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
☐ b Distillation
☐ c Neutralization
☐ d Separation based on differences in physical properties such as size, magnetism or density
☐ e Reverse osmosis
☐ f Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms

11. Containers of 110 gallons or less capacity which are not constructed of wood, paper, cardboard, fabric or any other similar absorptive material, which have been emptied as specified in Title 40 of the Code of Federal Regulations, Section 261 7 or inner liners removed from empty containers that once held hazardous waste or hazardous material and which are not excluded from regulation may be treated by the following technologies provided the treated containers and rinseate are managed in compliance with applicable requirements

☐ a Rinsing with a suitable liquid capable of dissolving or removing the hazardous constituents which the container held
☐ b Physical processes such as crushing, shredding, grinding or puncturing, that change only the physical properties of the container or inner liner, provided the container or inner liner is first rinsed and the rinseate is removed from the container or inner liner

12. Multi-component resins may be treated by the following process

☐ a Mixing the resin components in accordance with the manufacturer's instructions

13. A waste stream technology combination certified by the Department pursuant to Section 25200 1 5 of the Health and Safety Code as appropriate for authorization under Permit by Rule

_____ Certified Technology Number

40 CFR 262.34 Accumulation time.

(a) Except as provided in paragraphs (d), (e), and (f) of this section, a generator may accumulate hazardous waste on-site for 90 days or less without a permit or without having interim status, provided that:

(1) The waste is placed.

(i) In containers and the generator complies with the applicable requirements of subparts I, AA, BB, and CC of 40 CFR part 265; and/or

(ii) In tanks and the generator complies with the applicable requirements of subparts J, AA, BB, and CC of 40 CFR part 265 except §§265.197(c) and 265.200; and/or

(iii) On drip pads and the generator complies with subpart W of 40 CFR part 265 and maintains the following records at the facility:

(A) A description of procedures that will be followed to ensure that all wastes are removed from the drip pad and associated collection system at least once every 90 days; and

(B) Documentation of each waste removal, including the quantity of waste removed from the drip pad and the sump or collection system and the date and time of removal; and/or

(iv) The waste is placed in containment buildings and the generator complies with subpart DD of 40 CFR part 265, has placed its professional engineer certification that the building complies with the design standards specified in 40 CFR 265.1101 in the facility's operating record no later than 60 days after the date of initial operation of the unit. After February 18, 1993, PE certification will be required prior to operation of the unit. The owner or operator shall maintain the following records at the facility:

(A) A written description of procedures to ensure that each waste volume remains in the unit for no more than 90 days, a written description of the waste generation and management practices for the facility showing that they are consistent with respecting the 90 day limit, and documentation that the procedures are complied with; or

(B) Documentation that the unit is emptied at least once every 90 days.

In addition, such a generator is exempt from all requirements in subparts G and H of 40 CFR part 265, except for §§265.111 and 265.114.

(2) The date upon which each period of accumulation begins is clearly marked and visible for inspection on each container;

(3) While being accumulated on-site, each container and tank is labeled or marked clearly with the words, "Hazardous Waste"; and

(4) The generator complies with the requirements for owners or operators in Subparts C and D in 40 CFR part 265, with §265.16, and with 40 CFR 268.7(a)(5).

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Agilent Technologies,
Semiconductor Products Group
350 West Trimble Road
San Jose, California 95131

www agilent com

Agilent Technologies
Innovating the HP Way

SENT VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

March 22, 2000

Ms. Nicole Pullman
County of Santa Clara
Department of Environmental Health
Hazardous Materials Compliance Division
P.O. Box 28070
San Jose, CA 95159-8070

Subject: **2000 PBR Annual Renewal**
Agilent Technologies, Inc.
350 West Trimble Road, San Jose, CA
EPA ID# CAT 000 611 400

The attached forms have been completed to comply with the 2000 annual notification requirement established by CCR, Title 22, Section 67450.3 (c) for the Agilent Technologies site located at 350 West Trimble Road in San Jose, California.

If you have any questions regarding this submittal, please call me at (408) 435-4151.

Sincerely,

Rebecca Bond

Rebecca Maddex Bond
Environmental Engineer

cc: Ms. Bonnie Griffith, Cal/EPA, Department of Toxic Substances Control

RECEIVED BY
ENVIRONMENTAL HEALTH
HMCD
MAR 23 10 11 AM '00

BUSINESS OWNER/OPERATOR IDENTIFICATION

I. IDENTIFICATION

FACILITY ID#	1	BEGINNING DATE 100	ENDING DATE 101

BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As) 3	BUSINESS PHONE 102
Agilent Technologies, Inc.	408-435-7400

BUSINESS SITE ADDRESS 103		
350 West Trimble Road		
CITY 104		ZIP CODE 105
San Jose	CA	95131-1008
DUN & BRADSTREET 106		SIC CODE (4 digit #) 107
084963177		3674
COUNTY 108		
Santa Clara		
BUSINESS OPERATOR NAME 109		BUSINESS OPERATOR PHONE 110
Agilent Technologies, Inc.		408-435-7400

II. BUSINESS OWNER

OWNER NAME 111	OWNER PHONE 112
Agilent Technologies, Inc.	408-435-7400

OWNER MAILING ADDRESS 113		
3000 Hanover Street		
CITY 114	STATE 115	ZIP CODE 116
Palo Alto	CA	94304

III. ENVIRONMENTAL CONTACT

CONTACT NAME 117	CONTACT PHONE 118
Rebecca M. Bond	408-435-4151

CONTACT MAILING ADDRESS 119		
350 West Trimble Road, mailstop 91 BJ		
CITY 120	STATE 121	ZIP CODE 122
San Jose	CA	95131-1008

IV. EMERGENCY CONTACTS

-PRIMARY-	-SECONDARY-
NAME 123	NAME 128
Sharon Bottome	Phil Lopez
TITLE 124	TITLE 129
Safety Manager	Safety Specialist/ERT Coordinator
BUSINESS PHONE 125	BUSINESS PHONE 130
408-435-4156	408-435-4036
24-HOUR PHONE 126	24-HOUR PHONE 131
408-435-7400	408-435-7400
PAGER # 127	PAGER # 132
408-989-6664	408-989-9904

ADDITIONAL LOCALLY COLLECTED INFORMATION

Certification: Based on my inquiry of those individuals responsible for obtaining the information, I certify under penalty of law that I have personally examined and am familiar with the information submitted and believe the information is true, accurate, and complete

SIGNATURE OF OWNER/OPERATOR OR DESIGNATED REPRESENTATIVE	DATE 134	NAME OF DOCUMENT PREPARER 135
	03/05/02	Rebecca M Bond
NAME OF SIGNER (print) 136	TITLE OF SIGNER 137	
Jerry Thorne	Semiconductor Products Group Operations Manager	

UNIFIED PROGRAM CONSOLIDATED FORM

FACILITY INFORMATION

BUSINESS ACTIVITIES

I. FACILITY IDENTIFICATION

FACILITY ID #	1	EPA ID # (Hazardous Waste Only)
		CAT 000 611 400

BUSINESS NAME (Same as Facility Name of DBA-Doing Business As) 3

Agilent Technologies, Inc

II. ACTIVITIES DECLARATION

NOTE: If you check YES to any part of this list, please submit the Business Owner/Operator Identification page (OES Form 2730).

Does your facility	If Yes, please complete these pages of the UPCF .	
A HAZARDOUS MATERIALS Have on site (for any purpose) hazardous materials at or above 55 gallons for liquids, 500 pounds for solids, or 200 cubic feet for compressed gases (include liquids in ASTs and USTs), or the applicable Federal threshold quantity for an extremely hazardous substance specified in 40 CFR Part 355, Appendix A or B, or handle radiological materials in quantities for which an emergency plan is required pursuant to 10 CFR Parts 30, 40 or 70?	☒ YES ☐ NO 4	HAZARDOUS MATERIALS INVENTORY - CHEMICAL DESCRIPTION (OES 2731)
B UNDERGROUND STORAGE TANKS (USTs)		UST FACILITY (Formerly SWRCB Form A)
1. Own or operate underground storage tanks?	☒ YES ☐ NO 5	UST TANK (one page per tank) (Formerly Form B)
2 Intend to upgrade existing or install new USTs?	☐ YES ☒ NO 6	UST FACILITY UST TANK (one per tank) UST INSTALLATION - CERTIFICATE OF COMPLIANCE (one page per tank) (Formerly Form C)
3 Need to report closing a UST?	☐ YES ☒ NO 7	UST TANK (closure portion –one page per tank)
C ABOVE GROUND PETROLEUM STORAGE TANKS (ASTs) Own or operate ASTs above these thresholds ---any tank capacity is greater than 660 gallons, or ---the total capacity for the facility is greater than 1,320 gallons?	☐ YES ☒ NO 8	NO FORM REQUIRED TO CUPAs
D HAZARDOUS WASTE		
1. Generate hazardous waste?	☒ YES ☐ NO 9	EPA ID NUMBER - provide at the top of this page
2. Recycle more than 100 kg/month of excluded or exempted recyclable materials (per HSC 25143 2)?	☐ YES ☒ NO 10	RECYCLABLE MATERIALS REPORT (one per recycler)
3. Treat hazardous waste on site?	☒ YES ☐ NO 11	ONSITE HAZARDOUS WASTE TREATMENT - FACILITY (Formerly DTSC Forms 1772) ONSITE HAZARDOUS WASTE TREATMENT - UNIT (one page per unit) (Formerly DTSC Forms 1772 A,B,C,D and L)
4 Treatment subject to financial assurance requirements (for Permit by Rule and Conditional Authorization)?	☒ YES ☐ NO 12	CERTIFICATION OF FINANCIAL ASSURANCE (Formerly DTSC Form 1232)
5 Consolidate hazardous waste generated at a remote site?	☐ YES ☒ NO 13	REMOTE WASTE / CONSOLIDATION SITE ANNUAL NOTIFICATION (Formerly DTSC Form 1196)
6 Need to report the closure/removal of a tank that was classified as hazardous waste and cleaned onsite?	☐ YES ☒ NO 14	HAZARDOUS WASTE TANK CLOSURE CERTIFICATION (Formerly DTSC Form 1249)

E LOCAL REQUIREMENTS 15

(You may also be required to provide additional information by your CUPA or local agency) .

BUSINESS OWNER/OPERATOR IDENTIFICATION

I. IDENTIFICATION

FACILITY ID#	BEGINNING DATE 100	ENDING DATE 101
1		

BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As) 3	BUSINESS PHONE 102
Agilent Technologies, Inc.	408-435-7400

BUSINESS SITE ADDRESS 103		
350 West Trimble Road		
CITY 104		ZIP CODE 105
San Jose	CA	95131-1008
DUN & BRADSTREET 106		SIC CODE (4 digit #) 107
084963177 (effective 11/1/99)		3674
COUNTY 108		
Santa Clara		
BUSINESS OPERATOR NAME 109		BUSINESS OPERATOR PHONE 110
Agilent Technologies, Inc		408-435-7400

II. BUSINESS OWNER

OWNER NAME 111	OWNER PHONE 112
Agilent Technologies, Inc	408-435-7400

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PAGER # 127	PAGER # 132
408-989-6664	408-989-9904

ADDITIONAL LOCALLY COLLECTED INFORMATION

Reviewed By Nicole Pullman

Date 10/27/99 & modified 10/28/99

Certification Based on my inquiry of those individuals responsible for obtaining the information, I certify under penalty of law that I have personally examined and am familiar with the information submitted and believe the information is true, accurate, and complete

SIGNATURE OF OWNER/OPERATOR OR DESIGNATED REPRESENTATIVE	DATE 134	NAME OF DOCUMENT PREPARER 135
	10/25/99	Rebecca M Bond
NAME OF SIGNER (print) 136	TITLE OF SIGNER 137	
Jerry Thorne	Semiconductor Products Group Operations Manager	

UNIFIED PROGRAM CONSOLIDATED FORM

FACILITY INFORMATION

BUSINESS ACTIVITIES

I. FACILITY IDENTIFICATION

FACILITY ID #	1	EPA ID # (Hazardous Waste Only)
		CAT 000 611 400

BUSINESS NAME (Same as Facility Name of DBA-Doing Business As) 3

Agilent Technologies, Inc

II. ACTIVITIES DECLARATION

NOTE: If you check YES to any part of this list, please submit the Business Owner/Operator Identification page (OES Form 2730).

Does your facility	If Yes, please complete these pages of the UPCF	
A HAZARDOUS MATERIALS Have on site (for any purpose) hazardous materials at or above 55 gallons for liquids, 500 pounds for solids, or 200 cubic feet for compressed gases (include liquids in ASTs and USTs), or the applicable Federal threshold quantity for an extremely hazardous substance specified in 40 CFR Part 355, Appendix A or B, or handle radiological materials in quantities for which an emergency plan is required pursuant to 10 CFR Parts 30, 40 or 70?	☒ YES ☐ NO 4	HAZARDOUS MATERIALS INVENTORY - CHEMICAL DESCRIPTION (OES 2731)
B UNDERGROUND STORAGE TANKS (USTs)		UST FACILITY (Formerly SWRCB Form A)
1 Own or operate underground storage tanks?	☒ YES ☐ NO 5	UST TANK (one page per tank) (Formerly Form B)
2 Intend to upgrade existing or install new USTs?	☐ YES ☒ NO 6	UST FACILITY UST TANK (one per tank) UST INSTALLATION - CERTIFICATE OF COMPLIANCE (one page per tank) (Formerly Form C)
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C ABOVE GROUND PETROLEUM STORAGE TANKS (ASTs) Own or operate ASTs above these thresholds ---any tank capacity is greater than 660 gallons, or ---the total capacity for the facility is greater than 1,320 gallons?	☐ YES ☒ NO 8	NO FORM REQUIRED TO CUPAs
D HAZARDOUS WASTE		
1 Generate hazardous waste?	☒ YES ☐ NO 9	EPA ID NUMBER - provide at the top of this page
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5 Consolidate hazardous waste generated at a remote site?	☐ YES ☒ NO 13	REMOTE WASTE / CONSOLIDATION SITE ANNUAL NOTIFICATION (Formerly DTSC Form 1196)
6 Need to report the closure/removal of a tank that was classified as hazardous waste and cleaned onsite?	☐ YES ☒ NO 14	HAZARDOUS WASTE TANK CLOSURE CERTIFICATION (Formerly DTSC Form 1249)

E LOCAL REQUIREMENTS 15

(You may also be required to provide additional information by your CUPA or local agency)

...FIED PROGRAM CONSOLIDATED FO...

HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION – FACILITY PAGE

BUSINESS NAME (Same as FACILITY NAME or DBA Doing Business As) 3	FACILITY ID# 1
Agilent Technologies, Inc	

II. STATUS

NOTIFICATION STATUS 600	PERMIT STATUS (Check all that apply) 601	
☒ a Amended	☐ a Facility Permit	☐ d Variance
☐ b Initial	☐ b Interim Status	☐ e Consent Agreement
☐ c Renewal (PBR Only)	☐ c Standardized Permit	

III. NUMBER OF UNITS AT FACILITY

(Indicate the number of units you operate in each tier, attach one unit notification page for each unit except CE-CL)

602

A Conditionally Exempt – Small Quantity Treatment (CESQT) (May not function under any other tier)

B Conditionally Exempt Specified Wastestream (CESW)

C Conditionally Authorized (CA)

D 1 Permit by Rule (PBR)

E Conditionally Exempt – Limited (CEL)

F Conditionally Exempt Commercial Laundry (CE-CL) (No unit page is required for laundries)

G 1 TOTAL UNITS (Must equal the number of unit notification pages attached plus the number of CE-CL units)

IV. CERTIFICATION AND SIGNATURE

Waste Minimization I certify that I have a program in place to reduce the volume, quantity and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment

Tiered Permitting Certification I certify that the unit or units described in these documents meet the eligibility and operating requirements of state statutes and regulations for the indicated permitting tier, including generator and secondary containment requirements I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate, and complete

I am aware that there are substantial penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations

SIGNATURE OF OWNER/OPERATOR	DATE 603
	10/28/99
NAME OF OWNER/OPERATOR	TITLE OF OWNER/OPERATOR 605
Jerry Thorne	Semiconductor Products Group Operations Manager

REQUEST FOR SHORTENED REVIEW PERIOD (CE and CA only) ☐ Yes ☐ No

State Reason for Request

V. ATTACHMENTS (Check if attached)

ALL tiers except CE-CL (Laundries) must submit	PBR ONLY
☒ 1 One unit specific notification page and one treatment process page per unit	☒ 1 Tank and container certifications, if required
☒ 2 Plot Plan (or other grid/map)	☒ 2 Notification of local agency or agencies
	NR ☐ 3 Notification of property owner, if different from business owner
PBR & CA ONLY	
☒ 1 Closure Financial Assurance (formerly DTSC form 1232)	
☐ Self Certified (< $10,000) ☒ Other mechanism	
☐ 2 Prior Enforcement History, if applicable	

Agilent Technologies, Inc
350 West Trimble Road
San Jose, CA 95131

Attachment 1

October 22, 1999 Application for
Agilent Technologies, Inc. EPA ID #

Hewlett-Packard Company
350 West Trimble Road
San Jose, CA 95131

October 21, 1999

U.S. Environmental Protection Agency Region IX
RCRA Notifications
75 Hawthorne Street (WST-6)/TetraTech
San Francisco, CA 94105

Re: Hewlett-Packard Company
350 West Trimble Road
San Jose, CA 95131-1008
EPA ID No. CAT000611400

Dear Sir or Madam,

Enclosed with this letter are forms relating to the EPA ID number for the current Hewlett-Packard Company (HP) facility at 350 West Trimble Road in San Jose, California. Subject to completion of the necessary paperwork, effective November 1, 1999, this HP facility will be owned and operated by a newly formed wholly-owned subsidiary of Hewlett-Packard called Agilent Technologies, Inc. ("Agilent").

This change is part of Hewlett-Packard's corporate realignment into two independent companies. Currently it is anticipated that sometime during the spring of 2000, Agilent will become a completely independent company that will no longer be owned by Hewlett-Packard. Nor will Hewlett-Packard conduct any operations at this site.

Therefore, we wish to cancel the current EPA ID number for this facility (CAT000611400) which was issued to Hewlett-Packard, and to obtain a new EPA ID number which will be issued to Agilent Technologies, Inc. We would like the new EPA ID number for Agilent to become effective on November 1, 1999, and we would like the old EPA ID number assigned to Hewlett-Packard to be discontinued as of November 1, 1999.

It is my understanding that the forms we are submitting will accomplish this purpose. Please call me at 408-435-4161 if you need any additional information.

Sincerely,

Stewart Crook
Environmental Specialist
Hewlett-Packard Company

Please print or type with ELITE type (12 characters per inch) in the unshaded areas only

Form Approved, OMB No. 2050-0028 Expires 10/31/99
GSA No. 0246-EPA-OT

Please refer to Section V, Line-by-Line Instructions for Completing EPA Form 8700-12 before completing this form. The information requested here is required by law (Section 3010 of the Resource Conservation and Recovery Act).

Notification of Regulated Waste Activity

EPA United States Environmental Protection Agency

Date Received (For Official Use Only)

I. Installation's EPA ID Number *(Mark 'X' in the appropriate box)*

A. Initial Notification	B. Subsequent Notification (Complete item C)	C. Installation's EPA ID Number
X		

II. Name of Installation *(Include company and specific site name)*

Agilent Technologies Inc.

III. Location of Installation *(Physical address not P.O. Box or Route Number)*

Street

350 West Trimble Road

Street *(Continued)*

City or Town: San Jose | State: CA | Zip Code: 95131-

County Code: | County Name: Santa Clara County

IV. Installation Mailing Address *(See instructions)*

Street or P.O. Box: SAME

City or Town: | State: | Zip Code: -

V. Installation Contact *(Person to be contacted regarding waste activities at site)*

Name (Last): Crook | (First): Stewart

Job Title: Env. Specialist | Phone Number (Area Code and Number): 408-435-7400

VI. Installation Contact Address *(See instructions)*

A. Contact Address Location: Mailing	B. Street or P.O. Box
X	

City or Town: | State: | Zip Code: -

VII. Ownership *(See instructions)*

A. Name of Installation's Legal Owner: Agilent Technologies, Inc.

Street, P.O. Box, or Route Number: 3000 Hanover Street

City or Town: Palo Alto | State: CA | Zip Code: 94304-

Phone Number (Area Code and Number)	B. Land Type	C. Owner Type	D. Change of Owner Indicator	(Date Changed) Month	Day	Year
650-857-1501	P	P	Yes: No: X			

Please print or type with ELITE type (12 characters per inch) in the unshaded areas only

Form Approved, OMB No. 2050-0028 Expires 10/31/99
GSA No. 0246-EPA-OT

For Official Use Only

Page 17 of 101

VIII. Type of Regulated Waste Activity *(Mark 'X' in the appropriate boxes. Refer to instructions)*

A. Hazardous Waste Activity

1. Generator (See instructions)
   - [X] a. Greater than 1000kg/mo (2,200 lbs.)
   - [ ] b. 100 to 1000 kg/mo (220-2,200 lbs.)
   - [ ] c. Less than 100 kg/mo (220 lbs)
2. Transporter (Indicate Mode in boxes 1-5 below)
   - [ ] a. For own waste only
   - [ ] b. For commercial purposes

Mode of Transportation
- [ ] 1. Air
- [ ] 2. Rail
- [ ] 3. Highway
- [ ] 4. Water
- [ ] 5. Other - specify

[ ] 3. Treater, Storer, Disposer (at installation) Note: A permit is required for this activity, see instructions.

4. Hazardous Waste Fuel
   - [ ] a. Generator Marketing to Burner
   - [ ] b. Other Marketers
   - [ ] c. Boiler and/or Industrial Furnace
     - [ ] 1. Smelter Deferral
     - [ ] 2. Small Quantity Exemption

Indicate Type of Combustion Device(s)
- [ ] 1. Utility Boiler
- [ ] 2. Industrial Boiler
- [ ] 3. Industrial Furnace

[ ] 5. Underground Injection Control

B. Used Oil Recycling Activities

1. Used Oil Recycling Marketer
   - [ ] a. Marketer Directs Shipment of Used Oil to Off-Specification Burner
   - [ ] b. Marketer Who First Claims the Used Oil Meets the Specifications
2. Used Oil Burner - Indicate Type(s) of Combustion Device
   - [ ] a. Utility Boiler
   - [ ] b. Industrial Boiler
   - [ ] c. Industrial Furnace
3. Used Oil Transporter - Indicate Type(s) of Combustion Device(s)
   - a. Transporter
   - b. Transfer Facility
4. Used Oil Processor/Re-refiner - Indicate Type(s) of Activity(ies)
   - [ ] a. Process
   - [ ] b. Re-refine

IX. Description of Regulated Wastes *(Use additional sheets if necessary)*

A. Characteristics of Nonlisted Hazardous Wastes. *(Mark 'X' in the boxes corresponding to the characteristics of nonlisted hazardous wastes your installation handles; See 40 CFR Parts 261.20 - 261.24)*

1. Ignitable (D001)	2. Corrosive (D002)	3. Reactive (D003)	4. Toxicity Characteristic	(List specific EPA hazardous waste number(s) for the Toxicity characteristic contaminant(s))			
X	X	X	X	D001	D002	D003	D004

B. Listed Hazardous Wastes. *(See 40 CFR 261.31 - 33; See instructions if you need to list more than 12 waste codes.)*

1	2	3	4	5	6
F002	F003	F004	F005	F007	F008
7	**8**	**9**	**10**	**11**	**12**
F009					

C. Other Wastes. *(State or other wastes requiring a handler to have an I.D. number; See instructions.)*

1	2	3	4	5	6

X. Certification

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Signature	Name and Official Title *(Type or print)*	Date Signed
[signature]	STEWART CROOK ENVIRONMENTAL SPECIALIST	10/21/99

XI. Comments

Note: Mail completed form to the appropriate EPA Regional or State Office. *(See Section III of the booklet for addresses.)*

Agilent Technologies, Inc.
350 West Trimble Road
San Jose, CA 95131

Attachment 2

Unit Specific Notification and Treatment Process Page for NS-1

...IED PROGRAM CONSOLIDATED FO...

HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION - UNIT PAGE

(one page and attachments per unit)

FACILITY ID#	1	BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As)	3
		Agilent Technologies, Inc	

I. TREATMENT UNIT

UNIT ID# 606	UNIT TYPE/TIER 607	NUMBER OF TANKS 608	NUMBER OF CONTAINERS/ TREATMENT AREAS 609
NS-1	☐ a CESQT ☐ b CESW ☐ c CA ☒ d PBR ☐ e CEL	4	
UNIT NAME 610		**MONTHLY TREATMENT VOLUME 611**	**UNIT OF MEASURE 612**
Neutralization System		**9,000,000 gallons/month (300,000 gallons/day)**	☐ a Pounds ☒ b Gallons

SPECIFIC WASTE TYPE TREATED (narrative) 613

Inorganic acid or alkaline wastewaters, including hydrofluoric acid

TREATMENT PROCESS DESCRIPTION (narrative) 614

Automatic elementary neutralization using sodium hydroxide and sulfuric acid in a two stage continuous flow treatment system, additional tanks are for wastewater transfer to treatment system

(NOTE for each treatment unit, complete and attach the appropriate Waste And Treatment Process Combinations page)

II. BASIS FOR NOT NEEDING FEDERAL PERMIT (Check all that apply)

☒ a The treated waste is not a hazardous waste under federal law (California-only waste)

☒ b Treated in waste water treatment units (tanks) and discharged to a publicly owned treatment works (POTW)/ sewering agency or under an NPDES permit

☒ c Treatment in elementary neutralization units

☐ d Treatment in a totally enclosed treatment facility

☐ e Federal conditionally exempt small quantity generator (generated 100 kg, approximately 27 gallons, or less of hazardous waste in a calendar month)

☐ f Treatment in an accumulation tank or container within 90 days for over 1000 kg/month generators and 180 or 270 days for generators of 100 to 1000 kg/month 615

☐ g Recyclable materials are reclaimed to recover silver or other precious metals

☐ h Empty container rinsing and/or treatment

☐ i Other (specify below)

III. RESIDUALS MANAGEMENT DESCRIPTION (Check all that apply)

☒ a Discharge non-hazardous aqueous waste to POTW or sewer

☐ b Discharge non-hazardous aqueous waste under a NPDES permit

☐ c Dispose of non-hazardous solid waste residues at an offsite location

Residual hazardous waste hauled offsite by a registered hauler 616

☐ d Offsite recycling

☐ e Thermal treatment

☐ f Disposal to land

☐ g Further treatment

☐ h Other method of disposal (describe below)

SECONDARY CONTAINMENT INSTALLATION DATE (If required) 617

1978

UNIFIED PROGRAM CONSOLIDATED FORM

ONSITE TIERED PERMITTING

PERMIT BY RULE PAGE

WASTE AND TREATMENT PROCESS COMBINATIONS

(one page per treatment unit – check all that apply))

Unit ID# NS-1 606 Facility ID# 1

630

1 Aqueous waste containing hexavalent chromium may be treated by the following process

☐ a Reduction of hexavalent chromium to trivalent chromium with sodium bisulfite, sodium metabisulfite, sodium thiosulfate, ferrous sulfate, ferrous sulfide or sulfur dioxide provided both pH and addition of the reducing agent are automatically controlled

2 Aqueous wastes containing metals listed in Title 22, CCR, Section 66261 24 (a)(2) and/or fluoride salts may be treated by the following technologies

☒ a pH adjustment or neutralization
☐ b Precipitation or crystallization
☐ c Phase separation by filtration, centrifugation, or gravity settling
☐ d Ion exchange
☐ e Reverse osmosis
☐ f Metallic replacement
☐ g Plating the metal onto an electrode
☐ h Electrodialysis
☐ i Electrowinning or electrolytic recovery
☐ j Chemical stabilization using silicates and/or cementitious types of reactions
☐ k Evaporation
☐ l Adsorption

3 Aqueous wastes with total organic carbon less than 10% as measured by EPA Method 9060 and less than 1% total volatile organic compounds as measured by EPA Method 8240 may be treated by the following technologies

☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
☐ b Adsorption
☐ c Distillation
☐ d Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms
☐ e Photodegradation using ultraviolet light, with or without the addition of hydrogen peroxide or ozone, provided the treatment is conducted in an enclosed system
☐ f Air stripping or steam stripping

4 Sludges, dusts, solid metal objects and metal workings which contain or are contaminated with metals listed in Title 22, CCR, Section 66261 24(a)(2) and/or fluoride salts may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Physical processes which change only the physical properties of the waste such as grinding, shredding, crushing, or compacting
☐ c Drying to remove water
☐ d Separation based on differences in physical properties such as size, magnetism or density

5 Alum, gypsum, lime, sulfur or phosphate sludges may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling

6 Wastes identified in Title 22, CCR, Section 66261 120, that meet the criteria and requirements for special waste classification in Section 66261 122 may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d Screening to separate components based on size
☐ e Separation based on differences in physical properties such as size, magnetism or density

7 Wastes, except asbestos, which have been classified by the Department as special wastes pursuant to Title 22, CCR, Section 66261 124, may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d Magnetic separation

8 Inorganic acid or alkaline wastes may be treated by the following technology

☒ a pH adjustment or neutralization

9 Soils contaminated with metals listed in Title 22, CCR, Section 66261 24(a)(2), (Persistent and Bioaccumulative Toxic Substances) may be treated by the following technologies

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Screening to separate components based on size
☐ c Magnetic separation

10 Used oil, unrefined oil waste, mixed oil, oil mixed with water and oil/water separation sludges may be treated by the following technologies

☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
☐ b Distillation
☐ c Neutralization
☐ d Separation based on differences in physical properties such as size, magnetism or density
☐ e Reverse osmosis
☐ f Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms

11 Containers of 110 gallons or less capacity which are not constructed of wood, paper, cardboard, fabric or any other similar absorptive material, which have been emptied as specified in Title 40 of the Code of Federal Regulations, Section 261 7 or inner liners removed from empty containers that once held hazardous waste or hazardous material and which are not excluded from regulation may be treated by the following technologies provided the treated containers and rinseate are managed in compliance with applicable requirements

☐ a Rinsing with a suitable liquid capable of dissolving or removing the hazardous constituents which the container held
☐ b Physical processes such as crushing, shredding, grinding or puncturing, that change only the physical properties of the container or inner liner, provided the container or inner liner is first rinsed and the rinseate is removed from the container or inner liner

12 Multi-component resins may be treated by the following process

☐ a Mixing the resin components in accordance with the manufacturer's instructions

13 A waste stream technology combination certified by the Department pursuant to Section 25200 1 5 of the Health and Safety Code as appropriate for authorization under Permit by Rule

_____ Certified Technology Number

Agilent Technologies, Inc
350 West Trimble Road
San Jose, CA 95131

Attachment 4

Site Plot Plan

Agilent Technologies, Inc
350 West Trimble Road
San Jose, CA 95131

Attachment 5

Financial Assurance Mechanism

TANK ASSESSMENT

FOR

PERMIT BY RULE

PREPARED FOR:

HEWLETT-PACKARD COMPANY
350 WEST TRIMBLE ROAD
SAN JOSE, CA 94089

EPA ID #: CAT000611400
FTU No.: NS-1

ACID RINSE WASTE TREATMENT SYSTEM

DATE OF AUDIT: MAY 17, 1993
SUBMITTED BY: Ken Ravon, P.E. No. M27518, REA No. 02734

Lee Engineering Enterprise International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

1.0 INTRODUCTION

Hewlett-Packard Company, located at 350 West Trimble Road in San Jose, California, is a semiconductor fabricator and a bulk crystal grower. Currently there are three waste streams requiring treatment prior to discharge to the local POTW. These waste streams are hydrofluoric acid rinse water, gallium arsenide bearing rinse water, and acidic rinse water.

Following are the tank certifications for the acid rinse waste system, fixed treatment unit identification number NS-1, per R-89-13, Permit By Rule Regulations for Hewlett-Packard Company, EPA ID No. CAT000611400. This report is submitted by Ken Ravon, REA No. 02734, P.E. No. M27518. This report was compiled based on observations from a site visit conducted by Adam Bliven, REA No. 04345, on May 17, 1993, engineering drawings of the system, and information provided by Mr. Gary Lapp of the Hewlett-Packard Company.

Facility Site: Hew' 'ackard Company, 350 West Trin Road, San Jose, CA 95131

Tank Name: Acid Neutralization Tank 1, W-28

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 5875 gallons. The tank has been in operation for approximately fifteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water and has a pH range of 2 to 10.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was manufactured in late 1978. This date is documented by a manufacturer's label permanently bonded to the tank wall.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Facility Site: Hewl 'ackard Company, 350 West Trin Road, San Jose, CA 95131

Tank Name: Acid Neutralization Tank 2, W-29

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 5875 gallons. The tank has been in operation for approximately fifteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains waste water and has a pH range of 5 to 10.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was manufactured in late 1978. This date is documented by a manufacturer's label permanently bonded to the tank wall.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Tank Name: Solids Settling Tank, W-30a

1. Structure

Observations: The tank is constructed of 1/4 inch natural polypropylene with a fiberglass casing and has a capacity of 518 gallons. The tank has been in operation for approximately sixteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water and has a pH range of 1 to 10.

3. Corrosion Protection Measures

Observations: The tank is manufactured of polypropylene material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1977. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Facility Site: Hewl 'ackard Company, 350 West Trin Road, San Jose, CA 95131

Tank Name: Acid Waste Tank, W-30b

1. Structure

Observations: The tank is constructed of mild carbon steel with a 3/32 PVC liner and has a capacity of 1851 gallons. The tank has been in operation for approximately sixteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams and the tank will perform without fail as long as the tank wall thickness is not significantly reduced by corrosion.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water and has a pH range of 1 to 10.

3. Corrosion Protection Measures

Observations: The tank is manufactured of mild carbon steel with a PVC liner, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1977. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

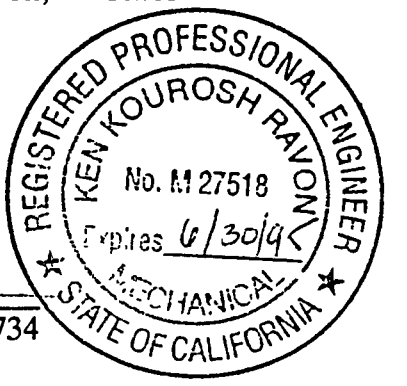
Facility Site: Hewle ackard Company, 350 West Trim Road, San Jose, CA 95131

3.0 TANK SYSTEM CERTIFICATION

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Furthermore, I certify that the tank system at the above-listed facility is adequately designed and constructed to prevent failure. My assessment includes:

- Design standards used for the tank system
- Hazardous characteristics of the waste contained
- Corrosion protection measures
- Results of leak test, internal inspection, or other tank integrity examination



Ken Ravon, P.E. No. M27518, REA-02734

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

APPENDIX A

CALCULATIONS

NEUTRALIZATION SYSTEM TANK VOLUME CALCULATIONS
FTU No. NS-1

TANK NUMBER	WIDTH (Feet)	LENGTH (Feet)	HEIGHT (Feet)	DIA. (Feet)	VOLUME (Cubic Feet)	VOLUME (Gallons)
W-18a	N. A.	N. A.	5.4	4.0	67.86	507.57
W-18b	N. A.	N. A.	7.5	7.0	288.63	2158.92
W-28	N. A.	N. A.	10.0	10.0	785.38	5874.61
W-29	N. A.	N. A.	10.0	10.0	785.38	5874.61
W-30a	N. A.	N. A.	5.0	4.2	69.27	518.14
W-30b	5.5	9.0	5.0	N. A.	247.50	1851.30

Agilent Technologies, In
350 West Trimble Road
San Jose, CA 95131

Attachment 7

Notification of Local Agency

Hewlett-Packard Company
Components Group
370 West Trimble Road
San Jose California 95131

SENT VIA CERTIFIED MAIL

October 25, 1999

Ms. Saroj Dhillon
San Jose/Santa Clara Water Pollution Control Plant
Environmental Enforcement Division
Source Control Section
4245 Zanker Road, Ste. S
San Jose, CA 95134

Subject: Notification of Transfer to Subsidiary and Change of Name of Facility Located at 350/370 West Trimble Road, San Jose, California

Dear Saroj:

The purpose of this letter is to provide notification that, subject to Hewlett-Packard's completion of the necessary paperwork, effective November 1, 1999, the Facility will be owned and operated by a newly formed subsidiary of Hewlett-Packard Company called Agilent Technologies, Inc. ("Agilent"). Also, a business unit operating in building 91 (370 West Trimble Road), formerly known as the Optoelectronics Division (OED), will become a separate company in November 1999, equally owned by Agilent and Philips Lighting Company, to be known as "LumiLeds."

LumiLeds will continue to operate the former OED division in Building 91 in the same manner, for the same purpose and with the same personnel as Hewlett-Packard Company operated it. Similarly, Permit By Rule units MPU-1 (Metals Precipitation System) and SS-1 (Settling System), and Conditionally Authorized NS-2 (Neutralization System), will continue to be operated in the same manner, for the same purpose, and with the same personnel. Agilent will continue to operate the Permit By Rule Settling System, SS-2, and the Conditionally Authorized Neutralization system, NS-1. There will be no change in local discharge requirement monitoring, flow measurement and recording, or the final wastewater discharge point. The types of wastewater streams and process operations remain the same.

If you require any additional information, please do not hesitate to call me at (408) 435-4151.

Sincerely,

Rebecca Bond

Rebecca M Bond, P.E.
Environmental Engineer

CC: Stephanie Christenberry, County of Santa Clara Department of Environmental Health
Mary Ann Baker, County of Santa Clara Department of Environmental Health
Bonnie Griffith, Department of Toxic Substances Control

Printed on recycled paper

Ms Mary Ann Baker
October 26, 1999

Attachment C

Sketch of Interim Agilent/LumiLeds Wastewater Treatment Separation

Attachment D

Copy of October 13, 1999 Letter to DTSC

Hewlett-Packard Company
Semiconductor Products Group
350/370 W. Trimble Road
San Jose, California 95131

408-435-7400

VIA HAND DELIVERY

October 13, 1999

Ms. Paula Rasmussen
Chief
Statewide Regulatory Program
Cal/EPA, Department of
Toxic Substances Control
400 P Street, 4th Floor
Sacramento, CA 95814

Ms. Bonnie Griffith
Santa Clara County
CUPA Liaison
Cal/EPA, Department of
Toxic Substances Control
700 Heinz Avenue, #200
Berkeley, CA 94710

Mr. Larry Wong
Section Chief
State Regulatory Program
Cal/EPA, Department of
Toxic Substances Control
700 Heinz Avenue, #200
Berkeley, CA 94710

Dear Ms. Rasmussen, Ms. Griffith and Mr. Wong:

Agilent Technologies, Inc. – San Jose Campus

We appreciated the opportunity to meet with Ms. Griffith and Ms. Soria last week concerning the Agilent Technologies, Inc. ("Agilent")[1] manufacturing facility located at 350/370 Trimble Road in San Jose, California (the "Facility"). The Facility has been and will continue to be used for the manufacture of fiberoptic communications devices, wireless communication devices and light emitting diodes.

At your request, we provide in this letter written information concerning the various regulatory issues that we discussed at our October 5 meeting. In addition, we present in this letter a proposal to resolve outstanding issues in a prompt and cooperative manner.

[1] Agilent is a wholly owned subsidiary of Hewlett Packard Company. Effective November 1, 1999 Agilent will assume ownership of all real property, fixtures, assets, manufacturing equipment, resources and other property at the Facility. No physical changes in the conduct or nature of manufacturing operations, business activities or other use of the Facility will occur as a result of this change in ownership. For this reason, unless otherwise specified, reference in this letter is made to Agilent as the owner and operator of the Facility.

A. Background

1. Organizational Developments; Agency Contacts

On November 1, 1999 Agilent will lease a portion of the Facility to LumiLeds Lighting U.S., LLC ("LumiLeds").[2] LumiLeds will occupy and use the leased portion of the Facility to continue existing light emitting diode manufacturing operations. Agilent will continue to manufacture fiberoptic and wireless communication devices at the Facility.

The potential regulatory implications associated with such matters were identified in late August 1999 as a result of the parties' due diligence efforts. In September 1999 the parties retained consultants to investigate the Facility's wastewater treatment system. In addition, we contacted the Santa Clara Department of Environmental Health (the "CUPA") to discuss these matters. In particular, we discussed these issues with the CUPA in a September 24, 1999 telephone conversation and a September 28, 1999 meeting. At the suggestion of the CUPA, we met with the Department on October 5, 1999 to discuss various regulatory issues concerning the continued operation of wastewater treatment activities at the Facility for the collection, transmission, and treatment of wastewaters to be generated by Agilent and LumiLeds.

2. Existing Wastewater Treatment Processes

The Facility consists of three buildings. Two buildings are dedicated to administrative and manufacturing activities ("Building 90" and "Building 91"). A third building is dedicated to wastewater management and other infrastructure support activities (the "Support Building").

Wastewaters from existing manufacturing operations conducted at the Facility are collected and treated in a Facility wastewater treatment system in accordance with the June 7, 1999 Letter of Authorization issued by the Department and related documents (collectively the "PBR Authorization"). A copy of the PBR Authorization is enclosed. Briefly stated, the existing wastewater treatment system consists of the following units:

- SS-1 is a settling system (located in the basement of Building 91) designed to allow suspended particulate metals, in particular arsenic, to gravity settle from aqueous wastewater (California Waste Code D004).
- MPU-1 is a metals precipitation unit (located in the Support Building) designed for batch chemical precipitation of metals, in particular arsenic, from aqueous waste water (California Waste Code D004). The precipitate is separated from wastewater by flocculation, gravity settling and filtration. Wastewater from the treatment process is basic and is directed to the neutralization system for pH adjustment.
- NS-1 is a neutralization system (located in the Support Building) designed to accept a continuous flow of wastewater (California Waste Code D002) and to adjust pH before final discharge to the Facility's sewer system pursuant to Industrial Waste Discharge Permit No. SJ-003A (dated October 22, 1997) issued by the San Jose/Santa Clara Water Pollution Control Plant.

---

[2] Effective November 1, 1999 LumiLeds will be a joint venture owned jointly by Agilent and Koninklijke Philips Electronics, N.V.

Wastewaters generated from manufacturing operations in Building 91 presently are conveyed by common piping to SS-1 (located in the basement of Building 91) and MPU-1 and NS-1 (located in the Support Building) for treatment. Please see the enclosed Site Plan for further details.

Both Agilent and LumiLeds will conduct manufacturing activities in Building 91. (No physical changes in manufacturing operations will occur on November 1, 1999.) Both Agilent and LumiLeds will generate hazardous wastewaters having characteristics identical or substantially similar to those presently being generated at the Facility.

B. Regulatory Implications

In our October 5 meeting we proposed, on behalf of Agilent and LumiLeds, the continued management of hazardous wastewaters that will be generated by Agilent and LumiLeds in the Facility's existing wastewater treatment system pursuant to the terms and conditions of the PBR Authorization. We made this proposal, in part, because (1) the hazardous wastewaters generated by Agilent and LumiLeds will be identical or substantially similar to wastewaters presently being generated at the Facility, and (2) it will be physically impossible to segregate and separately manage the wastewaters that will be generated by Agilent and LumiLeds on or before November 1, 1999. The Department raised a number of concerns regarding the compliance of this proposal with hazardous waste management laws and regulations.

It is of critical importance for Agilent and LumiLeds to resolve this outstanding issue on or before November 1, 1999. Accordingly, Agilent and LumiLeds are prepared to expend significant resources (approximately four million dollars) to resolve this issue in a manner that clearly complies with existing hazardous waste management laws and regulations. More specifically, Agilent and LumiLeds propose to segregate and separately manage the wastewaters that they will generate at the Facility as soon as practicable. To achieve this result, the parties have determined that it will be necessary to: (1) undertake substantial structural changes to the Facility in order to segregate wastewaters by modifying the Facility's existing wastewater treatment system, installing a new wastewater treatment system, modifying existing piping, installing new piping, and making other physical changes to the wastewater collection and transmission systems; (2) obtain appropriate permits or authorizations from the Department and other regulatory agencies for the management of wastewater streams and the discharge of treated wastewaters, and (3) perform other, related tasks (collectively the "Facility Modifications"). Upon completion of the Facility Modifications, Agilent and LumiLeds each will independently and by means of separate wastewater treatment systems collect, transmit, and treat the hazardous wastewaters they will generate at the Facility.

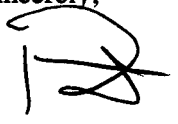
Agilent and LumiLeds estimate that the Facility Modifications will take approximately two years to complete. (Even if Facility Modifications had been initiated in late August 1999, when potential regulatory compliance issues first were identified, they could not have been completed prior to November 1, 1999.) During the pendency of the Facility Modifications, Agilent and LumiLeds propose to continue to manage their respective wastewater streams using the Facility's existing wastewater treatment system, operated in accordance with the terms and conditions of the PBR Authorization.

We enclose for your review a draft consent agreement that requires Agilent and LumiLeds to undertake the Facility Modifications and, in the meantime, to operate the Facility's existing wastewater treatment system in compliance with the terms and conditions of the PBR Authorization. The draft consent agreement is based on a similar agreement reached by and among the Department, Xerox and dpiX. We have used this model in an effort to expedite the Department's consideration of our proposal.

As discussed at our October 5 meeting, time is of the essence for Agilent and LumiLeds. It is our hope that the proposal to segregate and separately manage wastewaters that will be generated by Agilent and LumiLeds demonstrates the parties' willingness to resolve outstanding issues in a prompt, cooperative and clearly compliant manner. For these and other reasons, we respectfully request that the Department act on this proposal prior to November 1, 1999.

We look forward to continued discussions with you and your colleagues in the immediate near future.

Sincerely,



Roy West
Semiconductor Products Group, EHS Manager

Enclosures

cc: Ms. Charlene Williams
Orchid Kwei, Esq.
(each with enclosures)

Hewlett-Packard Company
Components Group
370 West Trimble Road
San Jose California 95131

SENT VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

March 15, 1999

Department of Toxic Substances Control
ATTN: PBR RENEWAL- Tiered Permitting
P.O. Box 806
Sacramento, California 95812-0806

Subject: **Please Note Changes to DTSC Notification Renewal Form**
350/370 West Trimble Road, San Jose, EPA ID# CAT 000 611 400

The following corrected copy of the DTSC Notification Renewal Form is being submitted in accordance with the annual PBR renewal requirement.

If you have any questions regarding this letter, please call me at (408) 435-4151.

Sincerely,

Rebecca Maddex Bond
Environmental Engineer

cc: Erwin Koehler, Santa Clara County Environmental Health

FACILITY NAME: HEWLETT-PACKARD CO/SAN JOSE

INFORMATION STATUS: The information in the Notification Renewal Form is:

☐ 1. Unchanged and correct.

☒ 2. Incorrect and has been corrected.

☐ 3. Amended to reflect operational changes of the facility which have occurred since the last notification (include attachments if applicable). Note: If adding new treatment units use the Unit Specific Forms (1772B, C, D or L) and attach with your PBR renewal form.

CERTIFICATION: *This form must be signed by an authorized corporate officer or any other person in the company who has operational control and performs decision-making functions that govern operation of the facility (per Title 22, California Code of Regulations (CCR) Section 66270.11).*

Waste Minimization I certify that I have a program in place to reduce the volume, quantity, and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment.

Tiered Permitting Certification I certify that the unit or units described in these documents meet the eligibility and operating requirements of state statutes and regulations for the indicated permitting tier, including generator and secondary containment requirements.

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are substantial penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations.

Jerry Thorne
Name (Print or Type)

Components Group Regional Operations Manage
Title (Print)

Signature

3/11/94
Date Signed

REQUESTING A SHORTENED REVIEW PERIOD:

YES ☐ **Reason:** _____

Unit Name : _____

SUBMISSION PROCEDURES: One copy with original signature to DTSC and one copy to your local CUPA or county agency.

MAIL TO:

Department of Toxic Substances Control
ATTN: PBR RENEWAL - Tiered Permitting
P.O. Box 806
Sacramento, CA 95812-0806

Your Local CUPA or County Agency
(Listing attached.)

You must also retain a copy as part of your operating record.

I. NOTIFICATION CATEGORIES REGION:2

Number of units and attached unit specific notifications:

A. 0 - Conditionally Exempt-Small Quantity Treatment

B. 0 - Conditionally Exempt-Specified Wastestream

C. 1 - Conditionally Authorized

D. 2 - Permit By Rule

E. 0 - Commercial Laundry

F. 0 - Conditionally Exempt - Limited

3 - Total Number of Units

II. GENERATOR IDENTIFICATION

EPA ID NUMBER CAT000611400 BOE NUMBER HFHQ38000703

COMPANY NAME (DBA) HEWLETT-PACKARD CO/SAN JOSE

PHYSICAL LOCATION 350 W TRIMBLE RD

CITY/STATE/ZIP SAN JOSE CA 95131-1008

COUNTY SANTA CLARA

CONTACT PERSON ~~GARY~~ REBECCA ~~LAPP~~ BOND 408/~~435-4100~~ 435-4151 ext.

(First Name) (Last Name) (Phone #)

Mailing Address BACKUP SITE # 495-4179 (DEPT Admin) or 435-7400 (GENERAL SITE #)
COMPANY NAME (DBA)

STREET

CITY/STATE/ZIP

COUNTRY (if other than USA)

CONTACT PERSON ext.

(First Name) (Last Name) (Phone #)

Note: A 'U' on a question line indicates that you did not provide an answer on your application. Please change it to a Yes or No

III. RADIOACTIVE MATERIALS OR WASTE - Specify Yes or No

N -- Does this facility use, store or treat radioactive materials or radioactive waste?

IV. TYPE OF COMPANY: STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODE:

First: 3674 Semiconductors and related devices

Second: 0000

V. PRIOR PERMIT STATUS: Specify Yes or No

Y -- 1. Did you file a PBR Notice of Intent to Operate for this location?

N -- 2. Do you now have or have you ever held a state or federal hazardous waste facility full permit or interim status for any of these treatment units?

N -- 3. Do you now have or have you ever held a state or federal full permit or interim status for any other hazardous waste activities at this location?

Y -- 4. Have you ever held a variance issued by the Department of Toxic Substances Control for the treatment you are now notifying for at this location?

Y -- 5. Has this location ever been inspected by the state or any local agency as a hazardous waste generator?

VI. PRIOR ENFORCEMENT HISTORY - Specify Yes or No

Y -- Within the last three years, has this facility been the subject of any convictions, judgments, settlements, or final orders resulting from an action by any local, state, or federal environmental, hazardous waste, or public health enforcement agency?

VII. ATTACHMENTS SUBMITTED:

X -- A plot plan/map detailing the location(s) of the covered unit(s) in relation to the facility boundaries.

X -- A unit specific notification form for each unit to be covered at this location.

VIII. CERTIFICATION:

NAME: JERRY T THORNE TITLE: COMPONENTS GRP REG OPERS MGR

PERMIT BY RULE
Unit Specific Notification

UNIT NAME METALS PRECIPITATION UNIT UNIT ID NUMBER ~~MPR-1~~ MPU-1

NUMBER OF TREATMENT DEVICES: 6 Tank(s)
0 Container(s)/Container Treatment Area(s)

I. WASTESTREAMS VOLUME/HAZARD:

Estimated Monthly Total Volume Treated: 300,000
0 pounds and/or ~~450,000~~ gallons

Specify Yes or No

N Is the waste treated in this unit radioactive?

N Is the waste treated in this unit a bio-hazardous/infectious/medical waste?

N Is remotely generated hazardous waste (HSC 25110.10) treated in this unit?

II. NARRATIVE DESCRIPTIONS:

1. SPECIFIC WASTE TYPES TREATED: AQUEOUS METAL & FLUORIDE SALTS

2. TREATMENT PROCESS(ES) USED: BATCH PRECIPITATION/PHASE SEPARATION BY GRAVITY SETTLING & FINALLY BY FILTRATION

III. RESIDUAL MANAGEMENT: Specify Yes or No

N 1. Do you discharge non-hazardous aqueous waste to a publicly owned treatment works (POTW)/sewer?

N 2. Do you discharge non-hazardous aqueous waste under an NPDES permit?

Y -- 3. Do you have your idual hazardous waste hauled fsite by a registered haz_ous waste hauler? If you do, where is the waste sent?

-- a. Offsite recycling

-- b. Thermal treatment

X -- c. Disposal to land

-- d. Further treatment

N -- 4. Do you dispose of non-hazardous solid waste residues at an offsite location?

Y -- 5. Other method of disposal. LIQUID FROM THIS SYS IS BASIC & DISCHARGED TO ACID/NEUTRALIZATION SYSTEM...

IV. BASIS FOR NOT NEEDING A FEDERAL PERMIT

-- 1. The hazardous waste being treated is not a hazardous waste under federal law although it is regulated as a hazardous waste under California state law.

X -- 2. The waste is treated in wastewater treatment units (tanks), and discharged to a publicly owned treatment works (POTW)/sewering agency or under an NPDES permit.

X -- 3. The waste is treated in elementary neutralization units, and discharged to a POTW/sewering agency or under an NPDES permit.

-- 4. The waste is treated in a totally enclosed treatment facility.

-- 5. The company generates no more than 100 kg (approximately 27 gallons) of hazardous waste in a calendar month and is eligible as a federal conditionally exempt small quantity generator.

-- 6. The waste is treated in an accumulation tank or container within 90 days for over 1000 kg/month generators and 180 or 270 days for generators of 100 to 1000 kg/month.

-- 7. Recyclable materials are reclaimed to recover economically significant amounts of silver or other precious metals.

-- 8. Empty container rinsing and/or treatment.

-- 9. Other:

V. UNIT OWNER INFORMATIC ONLY IF DIFFERENT FROM GENER[redacted]R

OWNER NAME _____

STREET _____

_____

_____

CITY/STATE/ZIP _____

COUNTRY _____ (if other than USA)

CONTACT PERSON _____ ext.

(First Name) (Last Name) (Phone #)

VI. APPLICABLE WASTESTREAMS AND TREATMENT PROCESSES:

2A AQUEOUS WASTE W/METALS-PH ADJUSTMENT/ NEUTRALIZATION

2B AQUEOUS WASTE W/METALS-PRECIPITATION OR CRYSTALLIZATION

2C AQUEOUS WASTE W/METALS-PHASE SEPARATION BY FILTER, CENTRIFUGE, GRAVITY SETTLING

CONDITIONALLY AUTHORIZED
Unit Specific Notification

UNIT NAME NEUTRALIZATION SYSTEM UNIT ID NUMBER NS-1

NUMBER OF TREATMENT DEVICES: 2 Tank(s)
0 Container(s)/Container Treatment Area(s)

I. WASTESTREAMS VOLUME/HAZARD:

Estimated Monthly Total Volume Treated:
0 pounds and/or 10,000,000 gallons

Specify Yes or No

N Is the waste treated in this unit radioactive?

N Is the waste treated in this unit a bio-hazardous/infectious/medical waste?

N Is remotely generated hazardous waste (HSC 25110.10) treated in this unit?

II. NARRATIVE DESCRIPTIONS:

1. SPECIFIC WASTE TYPES TREATED: ACID & BASIC WASTES

2. TREATMENT PROCESS(ES) USED: AUTOMATIC ELEMENTARY NEUTRALIZATION IN A 2-STAGE TREATMENT SYS/SULFURIC ACID. AND SODIUM HYDROXIDE

III. RESIDUAL MANAGEMENT: Specify Yes or No

Y 1. Do you discharge non-hazardous aqueous waste to a publicly owned treatment works (POTW)/sewer?

N 2. Do you discharge non-hazardous aqueous waste under an NPDES permit?

N -- 3. Do you have your re[illegible]ual hazardous waste hauled o[illegible]ite by a registered hazardous waste hauler? If you do, where is the waste sent?

-- a. Offsite recycling

-- b. Thermal treatment

-- c. Disposal to land

-- d. Further treatment

N -- 4. Do you dispose of non-hazardous solid waste residues at an offsite location?

N -- 5. Other method of disposal.

IV. BASIS FOR NOT NEEDING A FEDERAL PERMIT

X -- 1. The hazardous waste being treated is not a hazardous waste under federal law although it is regulated as a hazardous waste under California state law.

X -- 2. The waste is treated in wastewater treatment units (tanks), and discharged to a publicly owned treatment works (POTW)/sewering agency or under an NPDES permit.

X -- 3. The waste is treated in elementary neutralization units, and discharged to a POTW/sewering agency or under an NPDES permit.

-- 4. The waste is treated in a totally enclosed treatment facility.

-- 5. The company generates no more than 100 kg (approximately 27 gallons) of hazardous waste in a calendar month and is eligible as a federal conditionally exempt small quantity generator.

-- 6. The waste is treated in an accumulation tank or container within 90 days for over 1000 kg/month generators and 180 or 270 days for generators of 100 to 1000 kg/month.

-- 7. Recyclable materials are reclaimed to recover economically significant amounts of silver or other precious metals.

-- 8. Empty container rinsing and/or treatment.

-- 9. Other:

V. TRANSPORTABLE TREATMENT UNIT:

N -- Is this unit a Transportable Treatment Unit?

VI. APPLICABLE WASTESTREAMS AND TREATMENT PROCESSES:

9A NEUTRALIZATION ALKALINE/ACIDIC WASTE
<10% BY WEIGHT

PERMIT BY RULE
Unit Specific Notification

UNIT NAME SETTLING SYSTEM UNIT ID NUMBER SS-1

NUMBER OF TREATMENT DEVICES: 5 Tank(s)

0 Container(s)/Container Treatment Area(s)

I. WASTESTREAMS VOLUME/HAZARD:

Estimated Monthly Total Volume Treated:
0 pounds and/or 40,000 gallons

Specify Yes or No

N Is the waste treated in this unit radioactive?

N Is the waste treated in this unit a bio-hazardous/infectious/medical waste?

N Is remotely generated hazardous waste (HSC 25110.10) treated in this unit?

II. NARRATIVE DESCRIPTIONS:

1. SPECIFIC WASTE TYPES TREATED: AQUEOUS WASTE WITH SUSPENDED PARTICULATE (Particulate) METALS

2. TREATMENT PROCESS(ES) USED: GRAVITY SETTLING FOLLOWED BY EVAPORATION OF RESIDUAL WATER

III. RESIDUAL MANAGEMENT: Specify Yes or No

N 1. Do you discharge non-hazardous aqueous waste to a publicly owned treatment works (POTW)/sewer?

N 2. Do you discharge non-hazardous aqueous waste under an NPDES permit?

Y -- 3. Do you have your residual hazardous waste haul offsite by a registered hazardous waste hauler? If you do, where is the waste sent?

-- a. Offsite recycling

-- b. Thermal treatment

X -- c. Disposal to land

-- d. Further treatment

N -- 4. Do you dispose of non-hazardous solid waste residues at an offsite location?

Y -- 5. Other method of disposal. OVER FLOW AQUEOUS WASTE IS TREATED IN METALS PRECIP UNIT 1/THEN DISCHARGED TO NS-1

IV. BASIS FOR NOT NEEDING A FEDERAL PERMIT

-- 1. The hazardous waste being treated is not a hazardous waste under federal law although it is regulated as a hazardous waste under California state law.

X -- 2. The waste is treated in wastewater treatment units (tanks), and discharged to a publicly owned treatment works (POTW)/sewering agency or under an NPDES permit.

-- 3. The waste is treated in elementary neutralization units, and discharged to a POTW/sewering agency or under an NPDES permit.

X -- 4. The waste is treated in a totally enclosed treatment facility.

-- 5. The company generates no more than 100 kg (approximately 27 gallons) of hazardous waste in a calendar month and is eligible as a federal conditionally exempt small quantity generator.

-- 6. The waste is treated in an accumulation tank or container within 90 days for over 1000 kg/month generators and 180 or 270 days for generators of 100 to 1000 kg/month.

-- 7. Recyclable materials are reclaimed to recover economically significant amounts of silver or other precious metals.

-- 8. Empty container rinsing and/or treatment.

-- 9. Other:

V. UNIT OWNER INFORMATION, ONLY IF DIFFERENT FROM GENERATOR

OWNER NAME _____

STREET _____

_____

_____

CITY/STATE/ZIP _____

COUNTRY _____ (if other than USA)

CONTACT PERSON _____ ext.

_____ _____ _____

(First Name) (Last Name) (Phone #)

VI. APPLICABLE WASTESTREAMS AND TREATMENT PROCESSES:

2C AQUEOUS WASTE W/METALS-PHASE SEPARATION BY FILTER, CENTRIFUGE, GRAVITY SETTLING

2K AQUEOUS WASTE W/METALS-EVAPORATION

End of data for EPA ID: CAT000611400

Dep[illegible]nent of Toxic Substances [illegible]ntrol

Edwin F. Lowry, Director
400 P Street, 4th Floor, P.O. Box 806
Sacramento, California 95812-0806

Winston H. Hickox
Secretary for
Environmental
Protection

Gray Davis
Governor

June 7, 1999

HEWLETT-PACKARD CO/SAN JOSE
REBECCA BOND
350 W TRIMBLE RD
SAN JOSE, CA 95131

EPA ID: CAT000611400
Initial Authorization: 08/02/93
Renewal Date: 03/27/99
Site Address:
350 W TRIMBLE RD
SAN JOSE, CA 95131

Dear Onsite Treatment Facility:

The Department of Toxic Substances Control (DTSC) has received your facility's Renewal notification. It is administratively complete, but has not been reviewed for technical adequacy. A technical review will be conducted when an inspection is performed by DTSC or the Certified Unified Program Agency (CUPA).

DTSC adopted regulations effective January 8, 1999 that transferred the notifications, including closure notifications, amendment notifications, withdrawal notifications, exemption notifications and annual renewals of notifications of PBR facilities to the CUPAs. Although CUPAs became responsible for PBR Renewals effective January 8, 1999, DTSC will handle all PBR Renewals and renewal authorizations for this year (1999) because CUPAs would need some time to be ready to process PBR annual renewals. Effective January 1, 2000, the CUPAs will be responsible for PBR renewals.

The treatment unit(s) listed on page 2 of this letter, is/are hereby authorized pursuant to Title 22 of the California Code of Regulations (CCR). Your authorization continues until you notify the CUPA or DTSC (where there is no CUPA) that you have stopped treating wastes and have fully closed the unit(s) pursuant to all applicable closure requirements of CCR, Title 22 and your closure plan. If your facility is operating in a non-CUPA jurisdiction, DTSC will inform the Board of Equalization of your facility/ unit(s) status for billing purposes.

If you have any questions on this letter please contact, Ms. Marina Baiza of my staff at (916) 322-0471.

Sincerely,

Sangat Kals, Ph.D., Chief
Unified Program Section
State Regulatory Program Division

cc: LARRY WONG
DTSC REGION 2
SURVEILLANCE & ENFORCEMENT BR
700 HEINZ AVE/BLDG F/2ND FL
BERKELEY, CA 94710
510/540-3859

MR ERWIN KOEHLER
SANTA CLARA COUNTY
SANTA CLARA COUNTY ENV HEALTH
2220 MOORPARK AVE
SAN JOSE, CA 95128
408/299-6930

Units authorized to operate at this location:

UNDER PERMIT BY RULE:	MPU-1
UNDER PERMIT BY RULE:	SS-1

DRAFT
10/12/99

STATE OF CALIFORNIA
ENVIRONMENTAL PROTECTION AGENCY
DEPARTMENT OF TOXIC SUBSTANCE CONTROL

In the Matter of: Agilent and LumiLeds 350 West Trimble Road San Jose, California, 95131 Respondents: Agilent Technologies, Inc., LumiLeds Lighting U.S., LLC	Docket No. HWCA XX-XXXX CONSENT AGREEMENT Health and Safety Code Section 25187

The State Department of Toxic Substances Control ("Department"), Agilent Technologies, Inc. ("Agilent"), and LumiLeds Lighting U.S., LLC ("LumiLeds") agree as follows:

1. Hewlett-Packard Company ("HP") currently owns and operates a manufacturing facility located at 350/370 West Trimble Road in San Jose, California (the "Facility"). The Facility has been and will continue to be used for the manufacture of fiberoptic communication devices, wireless communication devices and light emitting diodes. In the course of conducting manufacturing operations and related business activities at the Facility, HP generates various hazardous wastewaters. HP treats its hazardous wastewaters in a Facility wastewater treatment system in accordance with the June 7, 1999 Letter of Authorization issued by the Department and related documents which are attached hereto and incorporated herein (collectively, the "PBR Authorization").

2. Agilent is a wholly owned subsidiary of HP. Effective November 1, 1999 Agilent will assume ownership of all real property, fixtures, assets, equipment, resources and other property at the Facility.

3. Effective November 1, 1999 LumiLeds will be a joint venture owned jointly by Agilent and Koninklijke Philips Electronics, N.V.

4. On November 1, 1999 LumiLeds will lease a portion of the Facility from Agilent. LumiLeds will occupy and use the leased portion of the Facility to continue existing light emitting diode manufacturing operations Agilent will occupy and use the remainder of the Facility to continue the manufacture of fiberoptic and wireless communication devices, and related business activities.

5. No physical changes in the conduct or nature of existing manufacturing operations will occur on November 1 Both Agilent and LumiLeds will generate hazardous wastewaters having characteristics identical or substantially similar to those generated at the Facility

prior to November 1, 1999. It will be physically impossible to modify the Facility prior to November 1, 1999 to segregate and separately manage the hazardous wastewaters that Agilent and LumiLeds each will generate.

6. In earlier discussions with the Department, Agilent and LumiLeds proposed the continued management of hazardous wastewaters they will generate in the Facility's existing wastewater treatment system in accordance with the PBR Authorization. The Department raised certain concerns regarding the compliance of Agilent and LumiLeds' proposal with applicable requirements of the California Hazardous Waste Control Law, Health & Safety Code § 25100 et seq.

7. In order to avoid any disputes with the Department, Agilent and LumiLeds have agreed to segregate and separately manage the hazardous wastewaters that each will generate at the Facility as soon as practicable. In order to achieve this result, Agilent and LumiLeds have determined that it will be necessary to: (a) undertake substantial structural changes to the Facility in order to segregate wastewaters by modifying the Facility's existing wastewater treatment system, installing a new wastewater treatment system, modifying existing piping, installing new piping, and making other physical changes to the wastewater collection and transmission systems; (b) obtain appropriate permits or authorizations from the Department and other regulatory agencies for the management of hazardous wastewaters and the discharge of treated wastewaters; and (c) perform other, related tasks (collectively the "Facility Modifications"). Upon completion of the Facility Modifications, Agilent and LumiLeds each will independently and by means of separate wastewater treatment systems collect, transmit, and treat the hazardous wastewaters and treated wastewaters that they generate at the Facility.

8. During the pendency of the Facility Modifications, but in no event later than December 31, 2001, Agilent and LumiLeds, jointly or severally, will continue to collect, commingle, transmit, treat and otherwise manage their hazardous wastewaters in the Facility's existing wastewater treatment system in accordance with the PBR Authorization.

9. Jurisdiction exists pursuant to Section 25187 of the California Health & Safety Code.

10. Agilent and LumiLeds waive any right to a hearing in this matter.

11. As set forth in this Consent Agreement, the Department approves the collection, commingling, transmission, treatment and other management of hazardous wastewaters that will be generated by Agilent and LumiLeds in the Facility's existing wastewater treatment system in accordance with the PBR Authorization. This Consent Agreement does not limit the Department from taking appropriate enforcement action against Agilent or LumiLeds for alleged violations of hazardous waste management laws and regulations arising from or related to acts or omissions other than those addressed in this Consent Agreement.

12. Agilent and LumiLeds, jointly or severally, shall comply with the following requirements:

12.1. The Facility Modifications shall be completed on or before December 31, 2001

12.2. Pending completion of the tasks set forth in Section 11.1 of this Consent Agreement, but no later than December 31, 2001, Agilent and LumiLeds may continue to discharge, collect, commingle, transmit, treat and otherwise manage their hazardous wastewaters in the Facility's existing wastewater treatment system in accordance with the PBR Authorization.

12.3. The Department may extend the deadline set forth in Sections 12.1 and 12.2 of this Consent Agreement for good cause upon written request from LumiLeds or Agilent.

13. Within 30 days of the effective date of this Consent Agreement, the sum of $XXXX.XX shall be paid to the Department to reimburse the Department for its administrative cost incurred in this case. The check shall be made payable to the Department, and shall be delivered together with a copy of this Consent Agreement to:

Department of Toxic Substances
Control
Accounting Office
P.O. Box 806
Sacramento, California 95812-0806

A copy of the check shall be simultaneously sent to:

Ms. Patricia Barni, Unit Chief
Northern California Branch
Statewide Compliance Division
Hazardous Waste Management Program
Department of Toxic Substances Control
700 Heinz Avenue, Suite 200
Berkeley, California 94710

14. In the event of a late submittal of the costs described above, the amount of payment due to the Department shall be increased to account for (a) interest at the rate established pursuant to Cal. Health & Safety Code § 25360.1, and (b) any costs incurred by the Department in pursuing collection (including attorney's fees).

15. This Consent Agreement constitutes the entire agreement between the parties and may not be amended, supplemented, or modified, except as agreed by all parties.

16. This Consent Agreement is effective as of November 1, 1999.

Dated: _____ _____

Signature of Representative of LumiLeds

Typed or Printed Name and Title of LumiLeds Representative

Dated: _____

Signature of Representative of Agilent

Typed or Printed Name and Title of Agilent Representative

Dated: _____

Charlene Williams, Branch Chief, Northern California Branch, Statewide Compliance Division, Hazardous Waste Management Program, Department of Toxic Substances Control

STATE OF CALIFORNIA
ENVIRONMENTAL PROTECTION AGENCY
DEPARTMENT OF TOXIC SUBSTANCE CONTROL

In the Matter of Agilent and LumiLeds 350 West Trimble Road San Jose, California, 95131 Respondents: Agilent Technologies, Inc , LumiLeds Lighting U S., LLC	Docket No HWCA XX-XXXX CONSENT AGREEMENT Health and Safety Code Section 25187

The State Department of Toxic Substances Control ("Department"), Agilent Technologies, Inc. ("Agilent"), and LumiLeds Lighting U S , LLC ("LumiLeds") agree as follows:

1. Hewlett-Packard Company ("HP") currently owns and operates a manufacturing facility located at 350/370 West Trimble Road in San Jose, California (the "Facility") The Facility has been and will continue to be used for the manufacture of fiberoptic communication devices, wireless communication devices and light emitting diodes In the course of conducting manufacturing operations and related business activities at the Facility, HP generates various hazardous wastewaters HP treats its hazardous wastewaters in a Facility wastewater treatment system in accordance with the June 7, 1999 Letter of Authorization issued by the Department and related documents which are attached hereto and incorporated herein (collectively, the "PBR Authorization")

2. Agilent is a wholly owned subsidiary of HP Effective November 1, 1999 Agilent will assume ownership of all real property, fixtures, assets, equipment, resources and other property at the Facility

3 Effective November 1, 1999 LumiLeds will be a joint venture owned jointly by Agilent and Koninklijke Philips Electronics, N V

4 On November 1, 1999 LumiLeds will lease a portion of the Facility from Agilent LumiLeds will occupy and use the leased portion of the Facility to continue existing light emitting diode manufacturing operations Agilent will occupy and use the remainder of the Facility to continue the manufacture of fiberoptic and wireless communication devices, and related business activities

5 No physical changes in the conduct or nature of existing manufacturing operations will occur on November 1. Both Agilent and LumiLeds will generate hazardous wastewaters having characteristics identical or substantially similar to those generated at the Facility

prior to November 1, 1999 It will be physically impossible to modify the Facility prior to November 1, 1999 to segregate and separately manage the hazardous wastewaters that Agilent and LumiLeds each will generate.

6 In earlier discussions with the Department, Agilent and LumiLeds proposed the continued management of hazardous wastewaters they will generate in the Facility's existing wastewater treatment system in accordance with the PBR Authorization. The Department raised certain concerns regarding the compliance of Agilent and LumiLeds' proposal with applicable requirements of the California Hazardous Waste Control Law, Health & Safety Code § 25100 et seq.

7 In order to avoid any disputes with the Department, Agilent and LumiLeds have agreed to segregate and separately manage the hazardous wastewaters that each will generate at the Facility as soon as practicable. In order to achieve this result, Agilent and LumiLeds have determined that it will be necessary to: (a) undertake substantial structural changes to the Facility in order to segregate wastewaters by modifying the Facility's existing wastewater treatment system, installing a new wastewater treatment system, modifying existing piping, installing new piping, and making other physical changes to the wastewater collection and transmission systems; (b) obtain appropriate permits or authorizations from the Department and other regulatory agencies for the management of hazardous wastewaters and the discharge of treated wastewaters, and (c) perform other, related tasks (collectively the "Facility Modifications") Upon completion of the Facility Modifications, Agilent and LumiLeds each will independently and by means of separate wastewater treatment systems collect, transmit, and treat the hazardous wastewaters and treated wastewaters that they generate at the Facility

8 During the pendency of the Facility Modifications, but in no event later than December 31, 2001, Agilent and LumiLeds, jointly or severally, will continue to collect, commingle, transmit, treat and otherwise manage their hazardous wastewaters in the Facility's existing wastewater treatment system in accordance with the PBR Authorization

9 Jurisdiction exists pursuant to Section 25187 of the California Health & Safety Code.

10 Agilent and LumiLeds waive any right to a hearing in this matter.

11 As set forth in this Consent Agreement, the Department approves the collection, commingling, transmission, treatment and other management of hazardous wastewaters that will be generated by Agilent and LumiLeds in the Facility's existing wastewater treatment system in accordance with the PBR Authorization This Consent Agreement does not limit the Department from taking appropriate enforcement action against Agilent or LumiLeds for alleged violations of hazardous waste management laws and regulations arising from or related to acts or omissions other than those addressed in this Consent Agreement

12 Agilent and LumiLeds, jointly or severally, shall comply with the following requirements·

12 1 The Facility Modifications shall be completed on or before December 31, 2001

12.2 Pending completion of the tasks set forth in Section 11 1 of this Consent Agreement, but no later than December 31, 2001, Agilent and LumiLeds may continue to discharge, collect, commingle, transmit, treat and otherwise manage their hazardous wastewaters in the Facility's existing wastewater treatment system in accordance with the PBR Authorization

12 3 The Department may extend the deadline set forth in Sections 12.1 and 12.2 of this Consent Agreement for good cause upon written request from LumiLeds or Agilent

13 Within 30 days of the effective date of this Consent Agreement, the sum of $XXXX XX shall be paid to the Department to reimburse the Department for its administrative cost incurred in this case. The check shall be made payable to the Department, and shall be delivered together with a copy of this Consent Agreement to.

Department of Toxic Substances
Control
Accounting Office
P.O Box 806
Sacramento, California 95812-0806

A copy of the check shall be simultaneously sent to

Ms Patricia Barni, Unit Chief
Northern California Branch
Statewide Compliance Division
Hazardous Waste Management Program
Department of Toxic Substances Control
700 Heinz Avenue, Suite 200
Berkeley, California 94710

14 In the event of a late submittal of the costs described above, the amount of payment due to the Department shall be increased to account for (a) interest at the rate established pursuant to Cal. Health & Safety Code § 25360 1, and (b) any costs incurred by the Department in pursuing collection (including attorney's fees)

15 This Consent Agreement constitutes the entire agreement between the parties and may not be amended, supplemented, or modified, except as agreed by all parties

16. This Consent Agreement is effective as of November 1, 1999.

Dated: _____ _____

Signature of Representative of LumiLeds

Typed or Printed Name and Title of LumiLeds Representative

Dated. _____

Signature of Representative of Agilent

Typed or Printed Name and Title of Agilent Representative

Dated. _____

Charlene Williams, Branch Chief, Northern California Branch, Statewide Compliance Division, Hazardous Waste Management Program, Department of Toxic Substances Control

County of Santa Clara

Department of Environmental Health
Hazardous Materials Compliance Division
2220 Moorpark Avenue
P.O. Box 28070
San Jose, CA 95159-8070
(408) 299-6930 Fax (408) 280-6479

Agency Use Only
PE:
EMP:
LC:
CT:
PS: 1
KG:

HAZARDOUS WASTE GENERATOR PERMIT APPLICATION

- ☐ First-Time Application
- ☐ New Owner
- ☐ Business Moved
- ☐ Change of Information

Business Name (DBA): AGILENT TECHNOLOGIES INC. Semiconductor Products Group

Site Address: 350 West Trimble Road City: San Jose Zip: 95131

Mailing Address: SAME (If different from site address) City: _____ Zip: _____

Business Owner Name(s): AGILENT TECHNOLOGIES INC.

Proprietor/Billing Contact Name: _____ (If different from owner)

Billing Address: SAME (If different from mailing address) City: _____ State: ____ Zip: _____

Facility Phone No.: (408) 435-7400 Fax No.: (408) 435-4155 Days/Hours of Operation: 7/24 hours

Contact Person: Stewart Crook Contact Phone No.: (408) 435-4161

Principal Type of Business (e.g. auto repair, photoprocessing): Semiconductor Products

- ☐ Owned by Individual
- ☐ Partnership
- ☒ Corporation
- ☐ Other

EPA ID Number: CAT000611400 Primary Standard Industrial Classification (SIC) 4 Digit Code No.: 3674

Hazardous Waste Inventory Information:

The annual permit fee is determined by the total quantity of hazardous waste generated per year. Complete the table below for all hazardous waste inventory *(e.g used oil, used parts cleaning solvent, used oil filters, waste paint, spent fixer, etc.)*. Additional space is provided on the other side of this form. *[Note to medical facilities: Do not list medical (i.e. red bag) wastes on this form]*

Name of Hazardous Waste	Treatment/Disposal Method(s) *(Definitions provided on bottom of page 2)*	Annual Quantity Generated*
Bulk Solvent Mixture Waste	☐ Recycled on-site. ☐ Treated on-site. ☒ Shipped off-site for recycling/treatment/disposal.	127168 ☐ gal. ☒ lbs.
Misc Solids & Debris Waste	☐ Recycled on-site. ☐ Treated on-site. ☒ Shipped off-site for recycling/treatment/disposal.	11643 ☐ gal. ☒ lbs
Solvent Contaminated Wipes	☐ Recycled on-site. ☐ Treated on-site. ☒ Shipped off-site for recycling/treatment/disposal.	8417 ☐ gal. ☒ lbs

* *Solids must be reported in pounds. Liquids may be reported in either pounds or gallons.*

The undersigned hereby applies for a hazardous waste generator permit from the County of Santa Clara. I hereby certify that the submitted information is true, accurate, and complete. I understand that a new application will be required if this facility changes ownership, moves, or begins generating hazardous wastes which are not listed on this application.

Signature of Owner/Operator: _____ Title: Hazardous Waste Programs Manager Date: 6/27/00

Continued on Other Side

Hazardous Waste Generator Permit Application - Page 2 of 2 Rev. 06/26/97

Hazardous Waste Inventory Information *(Continued)*:

Name of Hazardous Waste	Treatment/Disposal Method(s) *(Definitions provided on bottom of page 2)*	Annual Quantity Generated*
Photoresist Waste	☐ Recycled on-site. ☐ Treated on-site. ☒ Shipped off-site for recycling/treatment/disposal.	1359 ☐ gal. ☒ lbs.
	☐ Recycled on-site. ☐ Treated on-site. ☐ Shipped off-site for recycling/treatment/disposal.	☐ gal. ☐ lbs.
	☐ Recycled on-site. ☐ Treated on-site. ☐ Shipped off-site for recycling/treatment/disposal.	☐ gal. ☐ lbs
	☐ Recycled on-site. ☐ Treated on-site. ☐ Shipped off-site for recycling/treatment/disposal.	☐ gal. ☐ lbs.
	☐ Recycled on-site. ☐ Treated on-site. ☐ Shipped off-site for recycling/treatment/disposal.	☐ gal. ☐ lbs.
	☐ Recycled on-site. ☐ Treated on-site. ☐ Shipped off-site for recycling/treatment/disposal.	☐ gal. ☐ lbs.
	☐ Recycled on-site. ☐ Treated on-site. ☐ Shipped off-site for recycling/treatment/disposal.	☐ gal. ☐ lbs.
	☐ Recycled on-site. ☐ Treated on-site. ☐ Shipped off-site for recycling/treatment/disposal.	☐ gal. ☐ lbs.
	☐ Recycled on-site. ☐ Treated on-site. ☐ Shipped off-site for recycling/treatment/disposal.	☐ gal. ☐ lbs.
	☐ Recycled on-site. ☐ Treated on-site. ☐ Shipped off-site for recycling/treatment/disposal.	☐ gal. ☐ lbs.

* *Solids must be reported in pounds. Liquids may be reported in either pounds or gallons.*

For the following questions, check the appropriate box:

1. Does this facility discharge process waste waters to sanitary sewer? ☒ Yes; ☐ No
2. Does this facility generate infectious/biomedical wastes? ☐ Yes; ☒ No

Definitions of Treatment/Disposal Methods

Recycled on-site: The facility takes the waste or any constituent of the waste, treated or not, and reuses it on-site or ships it off-site as an Excluded Recyclable Material

Treated on-site: The facility employs any method, technique, or process which changes or is designed to change the physical, chemical, or biological character or composition of the hazardous waste or any material contained therein, or removes or reduces its harmful properties or characteristics for any purpose including, but not limited to, energy recovery, material recovery, or reduction in volume *(e.g pH adjustment, evaporation, precipitation, filtration, distillation, compacting, etc.)*. If, after treatment, the material is reused at the facility, the "Recycled on-site" box in the waste inventory table should be checked.

Shipped off-site for recycling/treatment/disposal: The facility sends the waste, or any hazardous treatment residual, to an off-site permitted treatment, storage, or disposal facility (TSDF).

Note: Depending on how a waste or its constituents are recycled and/or treated, more than one treatment/disposal category may apply. All applicable boxes in column 2 of the waste inventory table should be checked.

County of Santa Clara

Department of Environmental Health
Hazardous Materials Compliance Division
2220 Moorpark Avenue
P.O. Box 28070
San Jose, CA 95159-8070
(408) 299-6930 Fax (408) 280-6479

ENVIRONMENTAL HEALTH
HMCD

OCT 25 2 24 PM '95

Agency Use Only
PE: 2208
EMP: 4760
LC: 13
CT:
PS: 1
KG: ~~67,540~~ 74 Tons

HAZARDOUS WASTE GENERATOR PERMIT APPLICATION

- ☐ First-Time Application
- ☐ New Owner
- ☐ Business Moved
- ☒ Change of Information

Business Name (DBA): AGILENT TECHNOLOGIES, INC. Semiconductor Products Group

Site Address: 350 West Trimble Road City: San Jose Zip: 95131

Mailing Address: SAME (If different from site address) City: _____ Zip: _____

Business Owner Name(s): Hewlett Packard Company

Proprietor/Billing Contact Name: _____ (If different from owner)

Billing Address: SAME (If different from mailing address) City: _____ State: _____ Zip: _____

Facility Phone No.: (408) 435-7400 Fax No.: (408) 435-4155 Days/Hours of Operation: 7/24 hours

Contact Person: Stewart Crook Contact Phone No.: (408) 435-4161

Principal Type of Business (e.g. auto repair, photoprocessing):
~~Semiconductor Products~~

- ☐ Owned by Individual
- ☐ Partnership
- ☒ Corporation
- ☐ Other

EPA ID Number: CAT000611400 Primary Standard Industrial Classification (SIC) 4 Digit Code No.: 3674

Hazardous Waste Inventory Information:
The annual permit fee is determined by the total quantity of hazardous waste generated per year. Complete the table below for all hazardous waste inventory *(e g. used oil, used parts cleaning solvent, used oil filters, waste paint, spent fixer, etc)*. Additional space is provided on the other side of this form. *[Note to medical facilities: Do not list medical (i e. red bag) wastes on this form.]*

Name of Hazardous Waste	Treatment/Disposal Method(s) *(Definitions provided on bottom of page 2)*	Annual Quantity Generated*
Bulk Solvent Mixture Waste	☐ Recycled on-site. ☐ Treated on-site. ☒ Shipped off-site for recycling/treatment/disposal	127168 ☐ gal. ☒ lbs.
Misc Solids & Debris Waste	☐ Recycled on-site. ☐ Treated on-site. ☒ Shipped off-site for recycling/treatment/disposal.	11643 ☐ gal. ☒ lbs.
Solvent Contaminated Wipes	☐ Recycled on-site. ☐ Treated on-site. ☒ Shipped off-site for recycling/treatment/disposal.	8417 ☐ gal. ☒ lbs.

* *Solids must be reported in pounds. Liquids may be reported in either pounds or gallons.*

The undersigned hereby applies for a hazardous waste generator permit from the County of Santa Clara. I hereby certify that the submitted information is true, accurate, and complete. I understand that a new application will be required if this facility changes ownership, moves, or begins generating hazardous wastes which are not listed on this application.

Signature of Owner/Operator: _____ Title: Semiconductor products Group operations mgr. Date: 10/19/95

HMCD-005 Rev. 06/26/97

Hazardous Waste Inventory Information *(Continued)*:

Name of Hazardous Waste	Treatment/Disposal Method(s) *(Definitions provided on bottom of page 2)*	Annual Quantity Generated*
Photoresist Waste	☐ Recycled on-site. ☐ Treated on-site. ☒ Shipped off-site for recycling/treatment/disposal	☐ gal. ☒ lbs. 1359
	☐ Recycled on-site. ☐ Treated on-site. ☐ Shipped off-site for recycling/treatment/disposal.	☐ gal. ☐ lbs.
	☐ Recycled on-site. ☐ Treated on-site. ☐ Shipped off-site for recycling/treatment/disposal.	☐ gal. ☐ lbs.
	☐ Recycled on-site. ☐ Treated on-site. ☐ Shipped off-site for recycling/treatment/disposal.	☐ gal. ☐ lbs.
	☐ Recycled on-site ☐ Treated on-site. ☐ Shipped off-site for recycling/treatment/disposal.	☐ gal. ☐ lbs.
	☐ Recycled on-site. ☐ Treated on-site. ☐ Shipped off-site for recycling/treatment/disposal.	☐ gal. ☐ lbs.
	☐ Recycled on-site. ☐ Treated on-site. ☐ Shipped off-site for recycling/treatment/disposal.	☐ gal ☐ lbs.
	☐ Recycled on-site. ☐ Treated on-site. ☐ Shipped off-site for recycling/treatment/disposal	☐ gal. ☐ lbs.
	☐ Recycled on-site. ☐ Treated on-site. ☐ Shipped off-site for recycling/treatment/disposal	☐ gal. ☐ lbs.
	☐ Recycled on-site. ☐ Treated on-site. ☐ Shipped off-site for recycling/treatment/disposal.	☐ gal. ☐ lbs
	☐ Recycled on-site. ☐ Treated on-site. ☐ Shipped off-site for recycling/treatment/disposal	☐ gal. ☐ lbs.

* *Solids must be reported in pounds. Liquids may be reported in either pounds or gallons.*

For the following questions, check the appropriate box:

1. Does this facility discharge process waste waters to sanitary sewer? ☒ Yes; ☐ No
2. Does this facility generate infectious/biomedical wastes? ☐ Yes; ☒ No

Definitions of Treatment/Disposal Methods

Recycled on-site: The facility takes the waste or any constituent of the waste, treated or not, and reuses it on-site or ships it off-site as an Excluded Recyclable Material.

Treated on-site: The facility employs any method, technique, or process which changes or is designed to change the physical, chemical, or biological character or composition of the hazardous waste or any material contained therein, or removes or reduces its harmful properties or characteristics for any purpose including, but not limited to, energy recovery, material recovery, or reduction in volume *(e.g. pH adjustment, evaporation, precipitation, filtration, distillation, compacting, etc.)*. If, after treatment, the material is reused at the facility, the "Recycled on-site" box in the waste inventory table should be checked.

Shipped off-site for recycling/treatment/disposal: The facility sends the waste, or any hazardous treatment residual, to an off-site permitted treatment, storage, or disposal facility (TSDF).

Note. Depending on how a waste or its constituents are recycled and/or treated, more than one treatment/disposal category may apply. All applicable boxes in column 2 of the waste inventory table should be checked.

2213 D
92,781 kg

501151
WA 605
RKM

County of Santa Clara

Health Department

Toxics Control Unit
(408) 299-6930

2220 Moorpark Avenue
San Jose, California 95128

HAZARDOUS WASTE GENERATOR PERMIT APPLICATION

Business Name (DBA): _____ ATTN: HAZEL KELLY
DBA Location Address: _____ C/O HEWLETT-PACKARD W TRIMBLE
Mailing Address (if different): _ 350-370 W TRIMBLE RD M/S 91/BC
SAN JOSE CA 95131-1008

Proprietor/ Billing Name: _____

Billing Address: _____
(if different from mailing address)

Business Phone: 408-435-7400 Hours of Operation: 24 hours

Contact Person: Hazel Kelly Phone: 408-435-4192

Type of Business: Manufacturer of Semiconductors & Related Devices SIC Code: 3674, 3679

EPA ID No.: CAT 000611400

List any other permits you have for the storage, treatment, or disposal of hazardous waste: 1) San Jose Fire Dept. Hazardous Materials Storage Permit: 2) Acid Waste & HF Treatment System DHS Variance; 3) Extremely Hazardous Waste Disposal Permit

The annual permit fee is determined by the quantity of hazardous waste generated per year. Check the one line below that best describes the amount and kind of waste generated by your business over the past year.

Hazardous Waste Generated

[ ] Recycles < 5 tons/yr. **WASTE OIL ONLY**
[ ] Generates < 5 tons/yr.
[ ] Generates 5 to < 25 tons/yr.
[ ] Generates 25 to < 50 tons/yr.
[X] Generates 50 to < 250 tons/yr.
[ ] Generates 250 to < 500 tons/yr.
[ ] Generates 500 to < 1,000 tons/yr.
[ ] Generates 1,000 to 2,000 tons/yr.
[ ] Generates 2,000 or more tons/yr.

RECEIVED
AUG 23 1990
TOXICS
CONTROL UNIT

The undersigned hereby applies for a hazardous waste generator permit from the County of Santa Clara and agrees to comply with all applicable hazardous waste regulations and with inspectional procedures needed to ensure compliance.

X William Craven Bill Craven/Vice-President & Gen. Mgr. 08- 20 -90
Signature of Owner/Operator, Title Date

Board of Supervisors: Susanne Wilson Zoe Lofgren Ron Gonzales Rod Diridon Dianne McKenna
County Executive: Sally R Reed

50.02

RKM

WASTE INVENTORY FORM

Please complete the following information:

Identify all waste streams generated by your faciity. For each waste stream, identify the California Waste Code, annual quantities produced and current method of disposal for all waste manifested off site (ie., recycle (01), incineration (07), etc.) See the attached table for reference in selecting proper numerical codes for waste streams and disposal methods.

Waste Stream	CA Waste Code	Annual Quantity Generated	Current Disposal Method
1) Solvents/Strippers	214,791	27,175 GA	99/01
2) Photoresist (+)	214	440 GA	99/01
3) Photoresist (Lab Pak)	214	1,056 LB ✓	99/01/03
4) Empty Drums	512	250 LB	99/03
5) Empty Drums	512	450 LB	99/01
6) Petroleum Naphtha	213	125 GA	01
7) Flooring w/ Asbestos	151	2,000 LB ✓	03
8) Gallium Liquid	727	6,914 LB ✓	14/01
9) Gallium Phosphide	551	240 LB ✓	14/01
10) Gallium Arsenide Compound	551	1,863 LB ✓	14/01
11) Potassium Ferrocyanide	711	550 GA	15
12) Calcium Fluoride w/ Arsenic Cake	551	111,473 LB ✓	03
13) Contaminated Pipes, Ducts, Equip, & Drained Oil Filters	181	8,600 LB ✓	03
14) Gallium Arsenide Compound Slurry	181	17,442 LB ✓	03
15) Process Wipes & Solids - Contaminated w/ Arsenic	181	19,710 LB ✓	03
16) Process Wipes Contaminated w/ Alkalines	181	1,418 LB ✓	03
17) Process Wipes Contaminated w/ Solvents, Inks, Epoxies	181	6,355 LB ✓	07
18) Process Wipes Contaminated w/ Acids	181	1,555 LB ✓	03
19) Lab-Paks - out-dated or discontinued product	551	1,140 LB	03
20) Fiberglass Tank	512	200 LB	03
21) Gallium Arsenide Phosphide Slurry	491.721	1,062 LB ✓	07
22) Lab-Paks - out-dated & discontinued product	551	625 LB	07
23) Lab-Paks (out-dated product)	551	70 GA	03

WASTE INVENTORY FORM

Please complete the following information:

Identify all waste streams generated by your faciity. For each waste stream, identify the California Waste Code, annual quantities produced and current method of disposal for all waste manifested off site (ie., recycle (01), incineration (07), etc.) See the attached table for reference in selecting proper numerical codes for waste streams and disposal methods.

Waste Stream	CA Waste Code	Annual Quantity Generated	Current Disposal Method
24) 2/500 GA tanks	512	950 LB	01
25) Water Contaminated w/ Solvents	133	275 GA	01
26) PPE & Visqueen	181	99 LB ✓	01
27) Lead Dross	551	200 LB ✓	01
28) Mercury Metallic	725	57 LB ✓	01
29) C-35 (Lab-Pak)	792	3,769 LB	01
30) Filters	132	9 LB	01
31) Plating Solutions	132	219 GA	01

24064
180054
204,118 lb

102 T
92,781 kg

TANK ASSESSMENT

FOR

PERMIT BY RULE

PREPARED FOR:

HEWLETT-PACKARD COMPANY
350 WEST TRIMBLE ROAD
SAN JOSE, CA 94089

EPA ID #: CAT000611400
FTU No.: MPU-1

HYDROFLUORIC ACID WASTE TREATMENT SYSTEM

DATE OF AUDIT: MAY 17, 1993
SUBMITTED BY: Ken Ravon, P.E. No. M27518, REA No. 02734

Lee Engineering Enterprise International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

1.0 INTRODUCTION

Hewlett-Packard Company, located at 350 West Trimble Road in San Jose, California, is a semiconductor fabricator and bulk crystal grower. Currently there are three waste streams requiring treatment prior to discharge to the local POTW. These waste streams are hydrofluoric acid rinse water, gallium arsenide bearing rinse water, and acidic rinse water.

Following are the tank certifications for the hydrofluoric acid waste system, fixed treatment unit identification number MPU-1, per R-89-13, Permit By Rule Regulations for Hewlett-Packard Company, EPA ID No. CAT000611400. This report is submitted by Ken Ravon, REA No. 02734, P.E. No. M27518. This report was compiled based on observations from a site visit conducted by Adam Bliven, REA No. 04345, on May 17, 1993, engineering drawings of the system, and information provided by Mr. Gary Lapp of the Hewlett-Packard Company.

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

2.0 TANK AUDIT
(Per 66264.191)

The tank systems audit evaluated the tank systems to determine if they are adequately designed, have sufficient structural strength, and are compatible with the waste(s) to be transferred, stored, or treated to ensure that it will not collapse or fail.

Tank Name: Solids Settling Tank, W-7a

1. Structure

   Observations: The tank is constructed of 1/4 inch natural polypropylene with a fiberglass casing and has a capacity of 346 gallons. The tank has been in operation for approximately sixteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

   Observations: The tank contains corrosive waste water with suspended metals and has a pH range of 1 to 8.

3. Corrosion Protection Measures

   Observations: The tank is manufactured of polypropylene material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

   Observations: The tank was installed in late 1977. This date is documented by engineering drawings of the system.

5. Tank Integrity

   Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Hydrofluoric Waste Tank, W-7b

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 1175 gallons. The tank has been in operation for approximately sixteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water with suspended metals and has a pH range of 1 to 8.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1977. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Hydrofluoric Waste Tank, W-7c

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 1175 gallons. The tank has been in operation for approximately sixteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water with suspended metals and has a pH range of 1 to 8.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1977. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Hydrofluoric Waste Tank, W-7d

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 1175 gallons. The tank has been in operation for approximately sixteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water with suspended metals and has a pH range of 1 to 8.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1977. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven; REA No 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Hydrofluoric Waste Tank, W-7e

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 1175 gallons. The tank has been in operation for approximately sixteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water with suspended metals and has a pH range of 1 to 8.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1977. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Hydrofluoric Waste Holding Tank, W-8a

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 6337 gallons. The tank has been in operation for approximately twelve years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water with suspended metal and has a pH range of 1 to 8.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1981. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Solids Settling Tank - W-8b

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 622 gallons. The tank has been in operation for approximately twelve years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water with suspended metals and has a pH range of 1 to 8.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1981. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Hydrofluoric Sludge Holding Tank; W-9

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 2447 gallons. The tank has been in operation for approximately twelve years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains industrial sludge with suspended calcium fluoride and has a pH range of 7 to 13.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1981. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Hydrofluoric Sludge Holding Tank, W-10

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 2447 gallons. The tank has been in operation for approximately twelve years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains industrial sludge with suspended calcium fluoride and has a pH range of 7 to 13.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1981. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Hydrofluoric Waste Treatment Tank, W-14

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 4994 gallons. The tank has been in operation for approximately twelve years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water with suspended calcium fluoride and has a pH range of 1 to 13.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1981. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Decant Tank, W-26

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 212 gallons. The tank has been in operation for approximately twelve years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains treated waste water with some residual fluoride and has a pH range of 7 to 13.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1981. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

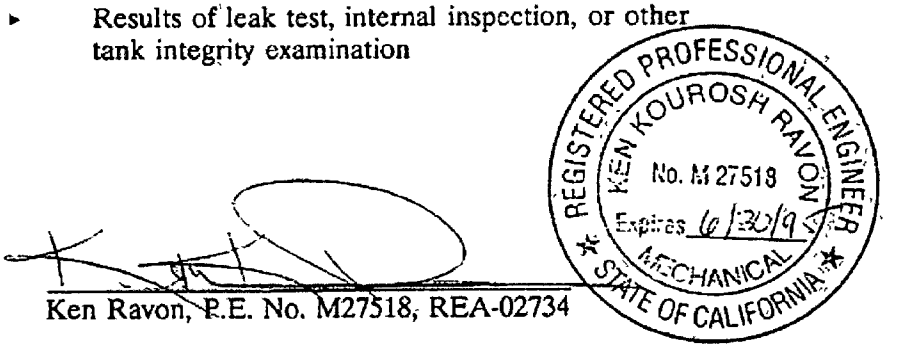
Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

3.0 TANK SYSTEM CERTIFICATION

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Furthermore, I certify that the tank system at the above-listed facility is adequately designed and constructed to prevent failure. My assessment includes:

- Design standards used for the tank system
- Hazardous characteristics of the waste contained
- Corrosion protection measures
- Results of leak test, internal inspection, or other tank integrity examination



Ken Ravon, P.E. No. M27518, REA-02734

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

APPENDIX A

CALCULATIONS

HYDROFLUORIC ACID SYSTEM TANK VOLUME CALCULATIONS
FTU No. MPU-1

TANK NUMBER	WIDTH (Feet)	LENGTH (Feet)	HEIGHT (Feet)	DIA (Feet)	VOLUME (Cubic Feet)	VOLUME (Gallons)
W-7a	N. A.	N. A.	4.3	3.7	46.23	345.82
W-7b	N. A.	N. A.	8.0	5.0	157.08	1174.92
W-7c	N. A.	N. A.	8.0	5.0	157.08	1174.92
W-7d	N. A.	N. A.	8.0	5.0	157.08	1174.92
W-7e	N. A.	N. A.	8.0	5.0	157.08	1174.92
W-8a	N. A.	N. A.	8.6	11.2	847.25	6337.43
W-8b	N. A.	N. A.	6.0	4.2	83.12	621.77
W-9	N. A.	N. A.	8.5	7.0	327.11	2446.77
W-10	N. A.	N. A.	8.5	7.0	327.11	2446.77
W-14	N. A.	N. A.	8.5	10.0	667.57	4993.41
W-26	N. A.	N. A.	4.0	3.0	28.27	211.49

TANK ASSESSMENT

FOR

PERMIT BY RULE

PREPARED FOR:

HEWLETT-PACKARD COMPANY
350 WEST TRIMBLE ROAD
SAN JOSE, CA 94089

EPA ID #: CAT000611400
FTU No.: NS-1

ACID RINSE WASTE TREATMENT SYSTEM

DATE OF AUDIT: MAY 17, 1993
SUBMITTED BY: Ken Ravon, P.E. No. M27518, REA No. 02734

Lee Engineering Enterprise International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

1.0 INTRODUCTION

Hewlett-Packard Company, located at 350 West Trimble Road in San Jose, California, is a semiconductor fabricator and a bulk crystal grower. Currently there are three waste streams requiring treatment prior to discharge to the local POTW. These waste streams are hydrofluoric acid rinse water, gallium arsenide bearing rinse water, and acidic rinse water.

Following are the tank certifications for the acid rinse waste system, fixed treatment unit identification number NS-1, per R-89-13, Permit By Rule Regulations for Hewlett-Packard Company, EPA ID No. CAT000611400. This report is submitted by Ken Ravon, REA No. 02734, P.E. No. M27518. This report was compiled based on observations from a site visit conducted by Adam Bliven, REA No. 04345, on May 17, 1993, engineering drawings of the system, and information provided by Mr. Gary Lapp of the Hewlett-Packard Company.

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

2.0 TANK AUDIT
(Per 66264.191)

The tank systems audit evaluated the tank systems to determine if they are adequately designed, have sufficient structural strength, and are compatible with the waste(s) to be transferred, stored, or treated to ensure that it will not collapse or fail.

Tank Name: Solids Settling Tank , W-18a

1. Structure

   Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 508 gallons. The tank has been in operation for approximately twelve years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

   Observations: The tank contains corrosive waste water and has a pH range of 1 to 10.

3. Corrosion Protection Measures

   Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

   Observations: The tank was installed in late 1981. This date is documented by engineering drawings of the system.

5. Tank Integrity

   Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Acid Waste Transfer Tank, W-18b

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 2159 gallons. The tank has been in operation for approximately twelve years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water and has a pH range of 1 to 10.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1981. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Acid Neutralization Tank 1, W-28

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 5875 gallons. The tank has been in operation for approximately fifteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water and has a pH range of 2 to 10.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was manufactured in late 1978. This date is documented by a manufacturer's label permanently bonded to the tank wall.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Acid Neutralization Tank 2, W-29

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 5875 gallons. The tank has been in operation for approximately fifteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains waste water and has a pH range of 5 to 10.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was manufactured in late 1978. This date is documented by a manufacturer's label permanently bonded to the tank wall.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Solids Settling Tank, W-30a

1. Structure

Observations: The tank is constructed of 1/4 inch natural polypropylene with a fiberglass casing and has a capacity of 518 gallons. The tank has been in operation for approximately sixteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water and has a pH range of 1 to 10.

3. Corrosion Protection Measures

Observations: The tank is manufactured of polypropylene material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1977. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Acid Waste Tank, W-30b

1. Structure

Observations: The tank is constructed of mild carbon steel with a 3/32 PVC liner and has a capacity of 1851 gallons. The tank has been in operation for approximately sixteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams and the tank will perform without fail as long as the tank wall thickness is not significantly reduced by corrosion.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water and has a pH range of 1 to 10.

3. Corrosion Protection Measures

Observations: The tank is manufactured of mild carbon steel with a PVC liner, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1977. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

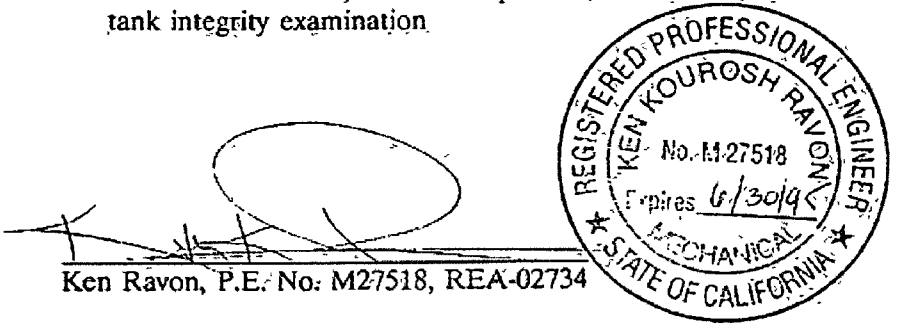
Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

3.0 TANK SYSTEM CERTIFICATION

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Furthermore, I certify that the tank system at the above-listed facility is adequately designed and constructed to prevent failure. My assessment includes:

- Design standards used for the tank system
- Hazardous characteristics of the waste contained
- Corrosion protection measures
- Results of leak test, internal inspection, or other tank integrity examination



Ken Ravon, P.E. No. M27518, REA-02734

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

APPENDIX A

CALCULATIONS

NEUTRALIZATION SYSTEM TANK VOLUME CALCULATIONS
FTU No. NS-1

TANK NUMBER	WIDTH (Feet)	LENGTH (Feet)	HEIGHT (Feet)	DIA (Feet)	VOLUME (Cubic Feet)	VOLUME (Gallons)
W-18a	N. A.	N. A.	5.4	4.0	67.86	507.57
W-18b	N. A.	N. A.	7.5	7.0	288.63	2158.92
W-28	N. A.	N. A.	10.0	10.0	785.38	5874.61
W-29	N. A.	N. A.	10.0	10.0	785.38	5874.61
W-30a	N. A.	N. A.	5.0	4.2	69.27	518.14
W-30b	5.5	9.0	5.0	N. A.	247.50	1851.30

TANK ASSESSMENT

FOR

PERMIT BY RULE

PREPARED FOR:

HEWLETT-PACKARD COMPANY
350 WEST TRIMBLE ROAD
SAN JOSE, CA 94089

EPA ID #: CAT000611400
FTU No.: MPU-1

HYDROFLUORIC ACID WASTE TREATMENT SYSTEM

DATE OF AUDIT: MAY 17, 1993
SUBMITTED BY: Ken Ravon, P.E. No. M27518, REA No. 02734

Lee Engineering Enterprise International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

1.0 INTRODUCTION

Hewlett-Packard Company, located at 350 West Trimble Road in San Jose, California, is a semiconductor fabricator and bulk crystal grower. Currently there are three waste streams requiring treatment prior to discharge to the local POTW. These waste streams are hydrofluoric acid rinse water, gallium arsenide bearing rinse water, and acidic rinse water.

Following are the tank certifications for the hydrofluoric acid waste system, fixed treatment unit identification number MPU-1, per R-89-13, Permit By Rule Regulations for Hewlett-Packard Company, EPA ID No. CAT000611400. This report is submitted by Ken Ravon, REA No. 02734, P.E. No. M27518. This report was compiled based on observations from a site visit conducted by Adam Bliven, REA No. 04345, on May 17, 1993, engineering drawings of the system, and information provided by Mr. Gary Lapp of the Hewlett-Packard Company.

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

2.0 TANK AUDIT
(Per 66264.191)

The tank systems audit evaluated the tank systems to determine if they are adequately designed, have sufficient structural strength, and are compatible with the waste(s) to be transferred, stored, or treated to ensure that it will not collapse or fail.

Tank Name: Solids Settling Tank, W-7a

1. Structure

   Observations: The tank is constructed of 1/4 inch natural polypropylene with a fiberglass casing and has a capacity of 346 gallons. The tank has been in operation for approximately sixteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

   Observations: The tank contains corrosive waste water with suspended metals and has a pH range of 1 to 8.

3. Corrosion Protection Measures

   Observations: The tank is manufactured of polypropylene material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

   Observations: The tank was installed in late 1977. This date is documented by engineering drawings of the system.

5. Tank Integrity

   Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Hydrofluoric Waste Tank, W-7b

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 1175 gallons. The tank has been in operation for approximately sixteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water with suspended metals and has a pH range of 1 to 8.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1977. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Hydrofluoric Waste Tank, W-7c

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 1175 gallons. The tank has been in operation for approximately sixteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water with suspended metals and has a pH range of 1 to 8.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1977. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Hydrofluoric Waste Tank, W-7d

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 1175 gallons. The tank has been in operation for approximately sixteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water with suspended metals and has a pH range of 1 to 8.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1977. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Hydrofluoric Waste Tank, W-7e

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 1175 gallons. The tank has been in operation for approximately sixteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water with suspended metals and has a pH range of 1 to 8.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1977. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Hydrofluoric Waste Holding Tank, W-8a

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 6337 gallons. The tank has been in operation for approximately twelve years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water with suspended metal and has a pH range of 1 to 8.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1981. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Solids Settling Tank - W-8b

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 622 gallons. The tank has been in operation for approximately twelve years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water with suspended metals and has a pH range of 1 to 8.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1981. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Hydrofluoric Sludge Holding Tank, W-9

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 2447 gallons. The tank has been in operation for approximately twelve years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains industrial sludge with suspended calcium fluoride and has a pH range of 7 to 13.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1981. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Hydrofluoric Sludge Holding Tank, W-10

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 2447 gallons. The tank has been in operation for approximately twelve years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains industrial sludge with suspended calcium fluoride and has a pH range of 7 to 13.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1981. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Hydrofluoric Waste Treatment Tank, W-14

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 4994 gallons. The tank has been in operation for approximately twelve years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water with suspended calcium fluoride and has a pH range of 1 to 13.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1981. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Decant Tank, W-26

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 212 gallons. The tank has been in operation for approximately twelve years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains treated waste water with some residual fluoride and has a pH range of 7 to 13.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1981. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

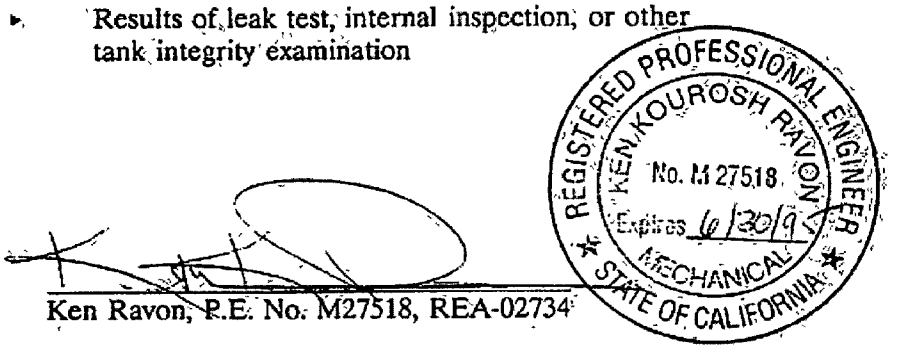
Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

3.0 TANK SYSTEM CERTIFICATION

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Furthermore, I certify that the tank system at the above-listed facility is adequately designed and constructed to prevent failure. My assessment includes:

- Design standards used for the tank system
- Hazardous characteristics of the waste contained
- Corrosion protection measures
- Results of leak test, internal inspection, or other tank integrity examination



Ken Ravon, P.E. No. M27518, REA-02734

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

APPENDIX A

CALCULATIONS

HYDROFLUORIC ACID SYSTEM TANK VOLUME CALCULATIONS
FTU No. MPU-1

TANK NUMBER	WIDTH (Feet)	LENGTH (Feet)	HEIGHT (Feet)	DIA. (Feet)	VOLUME (Cubic Feet)	VOLUME (Gallons)
W-7a	N. A.	N. A.	4.3	3.7	46.23	345.82
W-7b	N. A.	N. A.	8.0	5.0	157.08	1174.92
W-7c	N. A.	N. A.	8.0	5.0	157.08	1174.92
W-7d	N. A.	N. A.	8.0	5.0	157.08	1174.92
W-7e	N. A.	N. A.	8.0	5.0	157.08	1174.92
W-8a	N. A.	N. A.	8.6	11.2	847.25	6337.43
W-8b	N. A.	N. A.	6.0	4.2	83.12	621.77
W-9	N. A.	N. A.	8.5	7.0	327.11	2446.77
W-10	N. A.	N. A.	8.5	7.0	327.11	2446.77
W-14	N. A.	N. A.	8.5	10.0	667.57	4993.41
W-26	N. A.	N. A.	4.0	3.0	28.27	211.49

TANK ASSESSMENT

FOR

PERMIT BY RULE

PREPARED FOR:

HEWLETT-PACKARD COMPANY
350 WEST TRIMBLE ROAD
SAN JOSE, CA 94089

EPA ID #: CAT000611400
FTU No.: NS-1

ACID RINSE WASTE TREATMENT SYSTEM

DATE OF AUDIT: MAY 17, 1993
SUBMITTED BY: Ken Ravon, P.E. No. M27518, REA No. 02734

Lee Engineering Enterprise International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

1.0 INTRODUCTION

Hewlett-Packard Company, located at 350 West Trimble Road in San Jose, California, is a semiconductor fabricator and a bulk crystal grower. Currently there are three waste streams requiring treatment prior to discharge to the local POTW. These waste streams are hydrofluoric acid rinse water, gallium arsenide bearing rinse water, and acidic rinse water.

Following are the tank certifications for the acid rinse waste system, fixed treatment unit identification number NS-1, per R-89-13, Permit By Rule Regulations for Hewlett-Packard Company, EPA ID No. CAT000611400. This report is submitted by Ken Ravon, REA No. 02734, P.E. No. M27518. This report was compiled based on observations from a site visit conducted by Adam Bliven, REA No. 04345, on May 17, 1993, engineering drawings of the system, and information provided by Mr. Gary Lapp of the Hewlett-Packard Company.

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

2.0 TANK AUDIT
(Per 66264.191)

The tank systems audit evaluated the tank systems to determine if they are adequately designed, have sufficient structural strength, and are compatible with the waste(s) to be transferred, stored, or treated to ensure that it will not collapse or fail.

Tank Name: Solids Settling Tank , W-18a

1. Structure

   Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 508 gallons. The tank has been in operation for approximately twelve years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

   Observations: The tank contains corrosive waste water and has a pH range of 1 to 10.

3. Corrosion Protection Measures

   Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

   Observations: The tank was installed in late 1981. This date is documented by engineering drawings of the system.

5. Tank Integrity

   Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Acid Waste Transfer Tank, W-18b

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 2159 gallons. The tank has been in operation for approximately twelve years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water and has a pH range of 1 to 10.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1981. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Acid Neutralization Tank 1, W-28

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 5875 gallons. The tank has been in operation for approximately fifteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water and has a pH range of 2 to 10.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was manufactured in late 1978. This date is documented by a manufacturer's label permanently bonded to the tank wall.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr., Suite 103, Sunnyvale, CA 94089

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Acid Neutralization Tank 2, W-29

1. Structure

Observations: The tank is constructed of heavy duty filament wound fiberglass and has a capacity of 5875 gallons. The tank has been in operation for approximately fifteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains waste water and has a pH range of 5 to 10.

3. Corrosion Protection Measures

Observations: The tank is manufactured of heavy duty filament wound fiberglass material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was manufactured in late 1978. This date is documented by a manufacturer's label permanently bonded to the tank wall.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Solids Settling Tank, W-30a

1. Structure

Observations: The tank is constructed of 1/4 inch natural polypropylene with a fiberglass casing and has a capacity of 518 gallons. The tank has been in operation for approximately sixteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water and has a pH range of 1 to 10.

3. Corrosion Protection Measures

Observations: The tank is manufactured of polypropylene material, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1977. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

Tank Name: Acid Waste Tank, W-30b

1. Structure

Observations: The tank is constructed of mild carbon steel with a 3/32 PVC liner and has a capacity of 1851 gallons. The tank has been in operation for approximately sixteen years and was designed for this purpose. There are no signs of stress on the tank's walls or seams and the tank will perform without fail as long as the tank wall thickness is not significantly reduced by corrosion.

2. Hazardous Characteristics of the Waste

Observations: The tank contains corrosive waste water and has a pH range of 1 to 10.

3. Corrosion Protection Measures

Observations: The tank is manufactured of mild carbon steel with a PVC liner, which is compatible with rinse water ranging in pH of 0 to 14.

4. Age of the Tank

Observations: The tank was installed in late 1977. This date is documented by engineering drawings of the system.

5. Tank Integrity

Observations: A leak test was performed with the existing tank contents. There were no visible signs of leaks from any seams or fittings.

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

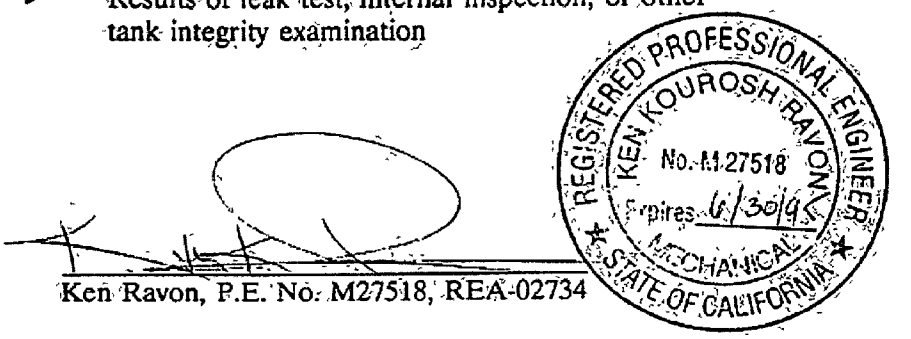
Facility Site: Hewlett-Packard Company, 350 West Trimble Road, San Jose, CA 95131

3.0 TANK SYSTEM CERTIFICATION

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Furthermore, I certify that the tank system at the above-listed facility is adequately designed and constructed to prevent failure. My assessment includes:

- Design standards used for the tank system
- Hazardous characteristics of the waste contained
- Corrosion protection measures
- Results of leak test, internal inspection, or other tank integrity examination



Ken Ravon, P.E. No. M27518, REA-02734

Adam R. Bliven, REA No. 04345
Name of REA Conducting Audit

May 17, 1993
Date of Audit

Lee Engineering Enterprises International
1153 Bordeaux Dr. Suite 103, Sunnyvale, CA 94089

APPENDIX A

CALCULATIONS

NEUTRALIZATION SYSTEM TANK VOLUME CALCULATIONS
FTU No. NS-1

TANK NUMBER	WIDTH (Feet)	LENGTH (Feet)	HEIGHT (Feet)	DIA. (Feet)	VOLUME (Cubic Feet)	VOLUME (Gallons)
W-18a	N. A.	N. A.	5.4	4.0	67.86	507.57
W-18b	N. A.	N. A.	7.5	7.0	288.63	2158.92
W-28	N. A.	N. A.	10.0	10.0	785.38	5874.61
W-29	N. A.	N. A.	10.0	10.0	785.38	5874.61
W-30a	N. A.	N. A.	5.0	4.2	69.27	518.14
W-30b	5.5	9.0	5.0	N. A.	247.50	1851.30

County of Santa Clara

Environmental Resources Agency
Department of Environmental Health

Hazardous Materials Compliance Division
1555 Berger Drive Suite 300
San Jose, California 95112-2716
(408) 918-3400 FAX (408) 280-6479
www EHinfo org

FILE

May 31, 2005

MITCH COLE
AGILENT TECHNOLOGIES INC
350 W TRIMBLE RD
SAN JOSE, CA 95131

EPA ID. CAT000611400
Initial Authorization· 10/28/1999
Renewal Date: May 31, 2005

Site Address: 350 W TRIMBLE RD SAN JOSE

Dear Onsite Treatment Facility

The County of Santa Clara Hazardous Materials Compliance Division (HMCD) has received and reviewed your facility's PBR Renewal Notification to ensure it is administratively complete. It has not been reviewed for technical adequacy. The technical review will be conducted during a facility inspection by this office. A copy of the Hazardous Waste Tiered Permit Audit Checklist-Permit By Rule can be found on website www.EHinfo.org.

The treatment unit (s) listed below is / are hereby authorized pursuant to Title 22 of the California Code of Regulations (CCR). **Your authorization continues until you notify this office that you have stopped treating wastes and have fully closed the unit(s) pursuant to all applicable closure requirements of CCR Title 22 and your closure plan.**

Violeta Mislang with the state Department of Toxic Substances Control (DTSC) can be contacted at (714) 484-5387 for questions concerning the Phase I Environmental Assessment/Corrective Action Program. If you have any questions regarding this letter please contact Ruben Williams at (408) 918-1985.

Sincerely,

Nicole Pullman

Nicole Pullman, R.E.H.S.
Hazardous Materials Program Manager
Hazardous Materials Compliance Division

Units authorized to operate at this location:

UNDER PERMIT BY RULE: MPU-1, NS-1

Board of Supervisors Donald F Gage, Blanca Alvarado, Pete McHugh, James T Beall, Jr , Liz Kniss
County Executive Peter Kutras, Jr

Agilent Technolog
Semiconductor Products Group
350 West Trimble Road
San Jose, California 95131

www agilent com

Agilent Technologies
Innovating the HP Way

SEP 25 4 18 PM '01

CERTIFIED MAIL ARTICLE # 7099 3400 0016 2568 2244

September 21, 2001

Mr. Nebu John
Department of Toxic Substances Control
5796 Corporate Avenue
Cypress, CA 90630

Subject: Phase I Environmental Site Assessment for Lumileds

Dear Mr. John:

Per your request, I have attached the relevant sections of the Phase I Environmental Site Assessment conducted by ARCADIS Geraghty & Miller Dated 10/29/99. This assessment was used to meet the Phase I Environmental Assessment Checklist requirement under PBR CCR Title 22 Section 67450.7. If you need any further information, please contact me at (408) 435-4205.

Sincerely,

Mitch Cole
Environmental Specialist

enclosure

cc: Ms. Nicole Pullman
Santa Clara County Department of Environmental Health
2220 Moorpark Avenue
Santa Clara, CA 95128

PHASE I ENVIRONMENTAL SITE ASSESSMENT

HEWLETT-PACKARD COMPANY

350 WEST TRIMBLE ROAD

SAN JOSE, CALIFORNIA

Prepared by

ARCADIS Geraghty & Miller, Inc.

October 29, 1999

Jaque Forrest

Jaque Forrest
Project Manager

Donald C. Trueblood
Regional Manager

Phase I Environmental Site Assessment

Hewlett-Packard Company
350 West Trimble Road
San Jose, California

October 29, 1999

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Appendix K Industrial Waste Water Discharge Permit
Appendix L DTSC Authorization Letter
Appendix M Health and Safety Programs
Appendix N VISTA Reports

Executive Summary

Philips Lighting retained ARCADIS Geraghty & Miller to perform a Phase I Environmental Site Assessment (ESA) and limited compliance review of the Hewlett-Packard Company located at 350 West Trimble Road, San Jose, California The work was performed in accordance with the Master Services Agreement between ARCADIS Heidemij Advies and Philips Lighting

The Phase I ESA described herein was performed in conformance with the scope and limitations of the American Society of Testing Materials (ASTM) Standard on Environmental Site Assessments: Phase I Environmental Site Assessment Process E 1527-97 (ASTM 1527). The purpose of this ESA is to identify, within reasonably ascertainable limits pursuant to the processes described herein, Recognized Environmental Conditions (RECs) in connection with the property that would affect soil and groundwater

In addition, ARCADIS Geraghty & Miller performed a limited regulatory compliance review to determine the status of the Hewlett-Packard operations regarding:

1. Hazardous materials/waste management
2. Air quality control
3. Water quality control
4. Federal and state occupational health and safety

ARCADIS Geraghty & Miller representative, Jaque Forrest, conducted a site reconnaissance with Philips Lighting representative Mr. M.L.M van Lierop and Hewlett-Packard representatives Mr. Roy West, Mr. Stewart Crook ,and Mr Bob Method on August 30, 1999. In addition, Mr Gopal Shetty was interviewed regarding air quality, Ms. Rebecca Bond was interviewed regarding water quality; and Ms. Sharon Bottome was interviewed regarding site operational health and safety.

Based on the results of the ESA, ARCADIS Geraghty & Miller did not identify any recognized environmental conditions associated with current site operations. Recognized environmental conditions associated with adjacent sites also were not identified.

Hewlett-Packard is classified as a large quantity hazardous waste generator per the criteria defined in 40 Code of Federal Regulations (CFR), Part 262 of the Resource Conservation and Recovery Act (RCRA) and Title 22, Division 4.5, § 66262 of the California Code of Regulations (CCR), Environmental Health Standards for the Management of Hazardous Waste. In addition, the facility is subject to the permit requirements and operating conditions of the Bay Area Air Quality Management District and the San Jose/Santa Clara

Hewlett-Packard
Company
350 West Trimble Road
San Jose, California

October 29, 1999

Water Pollution Control Plant. Health and safety is regulated by the federal and state Occupational Health and Safety Administrations

ARCADIS Geraghty & Miller reviewed the required programs and controls to determine if Hewlett-Packard is compliant with existing permits and the conditions defined therein. Based on this limited regulatory review, compliance issues were not identified.

Phase I Environmental Site Assessment

Hewlett-Packard Company
350 West Trimble Road
San Jose, California

October 29, 1999

1.0 Introduction (Objectives and Limitations)

Philips Lighting retained ARCADIS Geraghty & Miller to perform a Phase I Environmental Site Assessment (ESA) and limited compliance review of the Hewlett-Packard Company located at 350 West Trimble Road, San Jose, California. The work was performed in accordance with the Master Services Agreement between ARCADIS Heidemij Advies and Philips Lighting

The purpose of this ESA is to identify, to the extent feasible, pursuant to the processes described herein, Recognized Environmental Conditions (RECs) in connection with the property The ESA was conducted in accordance with the American Society for Testing and Materials (ASTM) Standard Practice for Environmental Site Assessment: Phase I Environmental Site Assessment Process, designated E 1527-97 (ASTM 1527). RECs are defined by ASTM as:

the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substance or petroleum products into structures on the property or into the ground, groundwater, or surface water of the property The term includes hazardous substances or petroleum products even under conditions in compliance with laws The term is not intended to include de minimis *conditions that generally do not present a material risk of harm to public health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies*

The ESA consisted of a site reconnaissance, interviews with individuals, a regulatory database search, agency records file review, and preparation of this report. The tasks completed as part of this ESA included:

- Site reconnaissance of the property, including visual observations of interior and exterior portions,
- Interviews with individuals knowledgeable about the current and past uses and ownership of the property;
- Acquisition and review of a regulatory agency database search report per ASTM Standard E 1527-97, standard environmental record sources and search distances,
- Review of records from local agencies and interviews with local officials;
- Preparation of a site location map and site plan map, and
- Preparation of this report.

In addition to the Phase I ESA, ARCADIS Geraghty & Miller performed a limited regulatory compliance review to determine the status of

the Hewlett-Packard operations regarding:

- Hazardous materials/waste management
- Air quality control
- Water quality control
- Federal and state occupational health and safety.

2.0 Site Location and Description

The site is located on West Trimble Road in San Jose, California and is solely owned by Hewlett-Packard. Figure 1 shows the site location.

Hewlett-Packard purchased and developed the property in 1976 for the manufacture of optoelectronic devices, silicon-based semiconductors and related research and development. The site consists of approximately 38 acres of parking lots, shipping and receiving facilities, two main structures and several appurtenant service structures. The two main structures, Buildings 90 and 91 were completed in 1978 and 1982, respectively. A site plan is presented on Figure 2.

A buffer zone of 96 acres owned by Hewlett-Packard borders the southern and western portions of the site and is leased to a local farmer for agricultural development. Currently, the buffer zone is planted with green beans.

For the purpose of this report, the site reconnaissance focused on the operations and related hazardous material/waste management activities associated with the manufacturing processes in Building 91. The primary operation in Building 91 is the manufacture of luminescent light-emitting diodes (Lumileds). The operations in Building 91 will become the intellectual property of Philips Lighting The land and fixed assets (including the buildings, etc.) will remain the property of Hewlett-Packard. Operational changes are not anticipated.

2.1 Site and Vicinity Characteristics

Characteristics of the property and vicinity including topography, surface water, and groundwater depth and flow direction are based on information obtained during the Phase I site reconnaissance, a review of documents provided by Hewlett-Packard including a Subsurface Investigation Report prepared by Montgomery Watson in 1994, and general knowledge of the area based on Phase I and II environmental assessments of properties in the same vicinity.

2 1.1 Topography and Surface Water Flow

Topography at the site is generally flat. The site is located approximately three

miles southeast of the historical shoreline of San Francisco Bay and on the flood plain of the Guadalupe River In general, the site is underlain by medium-grained alluvium which consists of unconsolidated, moderately sorted, fine-grained sand, silt and clayey silt (Montgomery Watson 1994). Since the majority of the site is graded and paved, surface water flows to storm drains located throughout the site. Irrigation flows from the agricultural buffer zone do not mingle with the surface water flows on the developed portion of the site

2.2 Groundwater Depth and Flow Direction

The Santa Clara Valley is located within the North Santa Clara Valley Ground Water Basin and the South Bay Ground Water Basin The basin, in general, consists of alluvial deposits The base of the water-bearing sediments is in excess of 800 feet.

Regionally, the subsurface consists of fine-grained alluvium Groundwater in the area generally is found at depths of less than 20 feet below ground surface (bgs), and typically flows north to northwest.

Groundwater flow direction at the site is influenced by the de-watering systems beneath Buildings 90 and 91. Groundwater flow direction has not been evaluated since the installation of the de-watering system. Therefore, the actual direction of local groundwater flow is not known.

3.0 Site History and Past Uses of the Property

As previously stated, Hewlett-Packard purchased approximately 134 acres of land in 1976 for the purpose of constructing a manufacturing facility. Construction of Building 90 was completed in 1978 and Building 91 in 1982. Manufacturing has been the primary function of the site since its construction. According to Mr. West, the property was used as agricultural land prior to purchase in 1976.

A buffer zone of approximately 96 acres owned by Hewlett-Packard surrounds the site and is leased to a local farmer for agricultural purposes According to Mr. Crook, the crops cultivated on the leased portion of the property are "pesticide-free."

4.0 Current Use of the Property and Surrounding Area

Hewlett-Packard manufactures silicon-based semiconductors, fiber optic communications components, and light-emitting diodes at the San Jose facility. The primary use of Building 91 is the front-end manufacture and assembly of Lumileds The manufacture of luminescent light-emitting diodes is complex: A substrate of gallium arsenide is treated with an

epitaxial process using toxic gases Organo-metallics are attached to the substrate and a wafer is fabricated. The wafers then go through additional processes resulting in a luminescent product that is shipped to Penang, Malaysia for "back-end" assembly.

Building 91, the focus of the site reconnaissance, is a two-story structure with a basement, storage yard, and an associated above-grade gas vault Gas vaults also are located in the basement. Building 90 also is a two-story structure with a basement and paved service yard

Hewlett-Packard operates three on-site waste water treatment units at the facility. The waste water neutralization system and metals precipitation units are located in the service building between Buildings 90 and 91. The settling system is located in the basement of Building 91

A paved storage yard is located on the exterior western portion of Building 91 All of the stock and raw materials used in Buildings 90 and 91 are received and stored in this area. The storage area consists of concrete block structures enclosed on three sides, fenced at the entrance and covered with a roof. Materials are segregated by type and hazard category. Figure 3 shows the layout of the Building 91 Storage Yard.

Another paved service yard is located behind Building 90 and used for hazardous waste storage. The transformer room, chiller room and emergency generators are located on the perimeter of the service yard. Figure 4 shows the layout of the service yard and utility rooms.

A 150,000-gallon water storage bladder (sub-grade) is located near the pump house on the southwest side of the property. The water and associated pumps are for fire emergencies. A fuel oil tank is located in the sub-grade pump house.

The remaining portion of the site consists of other small service structures, paved parking areas, a recreational area and landscaping.

4.1 Site Utilities

Electrical service is provided by Pacific Gas & Electric Company.

Natural gas is provided by Duke Energy.

Potable water is provided by the Santa Clara Valley Water District.

Sanitary waste water is discharged to, and treated by, the San Jose/Santa Clara Valley Water Pollution Control Plant.

4.2 Surrounding Area

ARCADIS Geraghty & Miller performed a visual reconnaissance of the surrounding area within a ¼ mile radius of the site. The Guadalupe River is located west and south of the site within ¼ mile and is a property boundary. San Jose International Airport is located south and west of the site within one mile.

The general area consists of light industrial parks similar to the one occupied by Hewlett-Packard, agricultural land, and office buildings Heavy manufacturing facilities were not observed, nor were automotive maintenance/fueling stations, or landfills

5.0 Information from the Site Reconnaissance and Interviews

ARCADIS Geraghty & Miller representative, Jaque Forrest, conducted a site reconnaissance with Philips Lighting representative Mr. M.L.M van Lierop and Hewlett-Packard representatives Mr. Roy West, Mr. Stewart Crook, and Mr. Bob Method on August 30, 1999 In addition, Mr. Gopal Shetty was interviewed regarding air quality; Ms. Rebecca Bond was interviewed regarding water quality; and Ms Sharon Bottome was interviewed regarding site operational health and safety.

5.1 Site Reconnaissance

The site reconnaissance included a physical tour of the perimeter of the property, buildings, service areas, storage yards, the Building 91 gas vault, and pump house. Interviews were conducted with the appropriate Hewlett-Packard personnel regarding hazardous material/waste management, air quality control, water quality control, and general site operations.

The manufacturing processes that take place in Building 91 use the following raw materials:

- Inorganics: Arsenic, gallium, phosphorous, indium, and aluminum
- Gases. Arsine, phosphine, hydrochloric (HCl), and silane
- Solvents. Isopropyl alcohol, acetone, xylene, stripper, ethylene glycol, and photoresist
- Acids/oxidizers· Hydrofluoric (HF), nitric, sulfuric, acetic, and chromic acids
- Plastics Polymers and epoxies

Air emission controls in Building 91 include 8 packed bed scrubbers, a Venturi scrubber and a catalytic afterburner. Wastewater is treated in a settling system, located in Building 91, which flows from a metals precipita-

tion unit to a neutralization system (both located in the service building between Buildings 90 and 91) and is discharged to the sanitary sewer

Hazardous materials are received, segregated, and stored in the appropriate bays of the Building 91 Service Yard Figure 3 shows the layout of the materials storage area. Each storage bay is secured with a lock to prevent access by unauthorized personnel.

Hewlett-Packard has implemented stringent materials inventory control to track the use of hazardous materials to the source, and prevent accidental releases. Fabrication units and other operating units within the facility request materials on a daily basis. The materials are then moved to the operation in secondary containment by qualified personnel.

The manufacturing processes in Building 91 generate hazardous and extremely hazardous wastes. The hazardous wastes include sludge cakes from the wastewater treatment process, solvent/stripper waste and solvent waste. Extremely hazardous wastes include potassium ferric cyanide, gallium-arsenic scrap, gallium arsenic SawKerf, and gallium arsenide slurry

Table top quantities of isopropyl alcohol and other cleaners are used in the clean rooms and fabrications areas. Flammable storage cabinets are located throughout Building 91 and described in detail in Appendix A, Hewlett-Packard, San Jose Site, Hazardous Material Management/Business Plan. Appendix A also includes a detailed inventory of the types and locations of all the hazardous materials used and wastes generated at the San Jose site

5.2 Underground Storage Tanks (USTs) and Above Ground Storage Tanks (ASTs)

Fuels are stored on site for use in back-up generators and compressors. A 200-gallon tank is located in Building 91. A 275-gallon tank is located in Building 90 and a 250-gallon tank is located in the pump house (see Figure 2). These three tanks are above ground and contained. A 12,000-gallon underground diesel tank is located in the parking area west of Buildings 90 and 91. The tank stores diesel for the emergency generators. The underground storage tank is a steel, double-walled structure with double-wall appurtenant piping systems and continuous electronic monitoring of the piping interstitial space and vault.

Chemicals and hazardous wastes also are stored in tanks. These tanks are located in the service areas of Building 91 and their corresponding contents are listed in Table 1. ARCADIS Geraghty & Miller observed that all of the tanks described in Table 1 are either located in concrete vaults or, in the case of above ground storage tanks, in secondary containments. The tank systems are continuously monitored and visu-

ally inspected on a daily and weekly basis.

5.3 Identification of Hazardous Substances and Petroleum Products Not Used for On-site Processes

Hazardous substances and petroleum products not used for on-site manufacturing processes were not identified.

5.4 Odors

Unusual odors were not detected during the site reconnaissance Since the San Jose site uses toxic gases in the manufacturing process, a comprehensive Odor Control Program has been implemented. The program includes procedures for odor reporting and response Examples of the reporting and response forms are presented in Appendix B

5.5 Sumps, Drains, and Pools of Liquid

Sumps and drains are located in Building 91. According to Mr. Bob Method, the Facilities Support Manager, the sumps drain via gravity flow or pump to the on-site wastewater treatment system. After treatment, the water is discharged to the sanitary sewer.

Pools of liquid were not observed in any location during the site reconnaissance.

5.6 Drums and Unlabeled Containers

Drums of materials were observed in the Building 91 chemical storage area. All of the drums were labeled, segregated and stored according to the layout described on Figure 3 Drums were not observed in the fabrication areas.

Drums of hazardous wastes were observed in the Building 90 Service Yard. All of the drums were properly labeled and dated. The appropriate waste descriptions were on each label.

Unmarked drums and/or containers were not observed during the site reconnaissance.

5.7 Polychlorinated biphenyls (PCBs)

The San Jose site has six transformers. Of the six, two are dry-type and four are oil-filled In 1993, Hewlett-Packard tested the oil in the four transformers for PCBs None of the transformers contained PCBs Copies of the analytical data sheets for the transformer oil analyses are presented in Appendix C.

Elevators are located in Buildings 90 and 91. The elevators are hydraulic lifts that require oil. However, according to Mr Crook, the hydraulic oils used by Hewlett-Packard do not contain PCBs

5.8 Asbestos Containing Building Materials

Hewlett-Packard contracted McLaren Hart to perform an asbestos survey of the San Jose site in 1989. The survey identified friable and non-friable asbestos-containing materials in Building 91. These materials were abated as described on the maps in Appendix D. An operations and maintenance procedure was developed and is implemented for work on the remaining asbestos-containing floor covering (tiles and mastics). The operations and maintenance procedure is included in Appendix D.

5.9 Stains and/or Corrosion

Stains and/or corrosion of interior wall and floor surfaces were not observed. Secondary containment structures and tank vaults were observed to be in good condition Concrete surfaces were coated and the coatings were observed to be cohesive and intact. Staining of exterior surfaces in the service yards, storage areas and parking lots was not observed

5.10 Pits, Ponds and Lagoons

Pits, ponds and lagoons were not observed within a ¼ mile radius of the industrial park However, the Guadalupe River borders the property to the west. An earthen berm separates the river from the surrounding topography.

5.11 Stressed Vegetation

Stressed vegetation was not observed

5.12 On-Site Waste Facilities

As described in Section 5 1, the hazardous wastes generated from the manufacturing processes at the San Jose site (Buildings 90 and 91), are treated in the on-site wastewater treatment system (aqueous wastes), plumbed to or transported to waste storage tanks (solvent/stripper wastes), and/or collected and stored in 55-gallon drums (lab packs and debris), or cardboard disposal boxes (sludge generated from the wastewater treatment system).

The on-site wastewater treatment system handles the aqueous waste streams from Buildings 90 and 91. The wastewater first goes to a solids settling unit, through metals precipitation and then to a neutralization unit. The treated wastewater is discharged to the sanitary sewer. The sludge generated from precipitation treatment is shipped off site for disposal

Waste solvent is primarily collected in vaulted storage tanks. The tanks are pumped by vacuum truck and the waste solvent disposed off site.

Other solid wastes generated from the manufacturing processes are drummed, labeled, and shipped off site for disposal. The drummed wastes are stored in the Building 90 Service Yard.

5.13 Storm Water

Storm drains are located in the Building 90 Service Yard and the Building 91 Storage Yard. The storage bays in both areas are covered and Hewlett-Packard manages material/waste movement at the site so that the potential for spills is minimized However, if a spill occurred in either area, the storm drains are equipped with shut-off valves to prevent any material/waste from entering the storm drain system. During rain events, the valves are opened and water flows into the drains

5.14 Wells

Based on a visual reconnaissance, drinking water wells and groundwater monitoring wells were not observed at the facility or within ¼ mile of the facility. According to Mr. Method, two irrigation wells are located in the 96-acre buffer zone and supply water to the field.

5.15 Septic Systems

Hewlett-Packard discharges sanitary waste to the sanitary sewer system.

5.16 Other Conditions of Concern

Other conditions of concern were not identified during the site reconnaissance.

6.0 Limited Regulatory Compliance Review

ARCADIS Geraghty & Miller performed a limited compliance review to determine the status of the operations regarding:

1. Hazardous materials/waste management,
2. Air quality control,
3. Water quality control, and
4. Federal and state occupational health and safety

Hazardous Materials Management

Hewlett-Packard uses hazardous materials in the manufacturing processes at the San Jose Site. The San Jose Fire Department permits for hazardous materials storage are included in Appendix E. The current permit expires in June 2000.

In addition to a permit, the fire department requires facilities to prepare and submit a Hazardous Material Management/Business Plan. The plan must include an inventory of the types and quantities of hazardous materials used on site, the corresponding location where the material is stored, and an emergency response plan. Hewlett-Packard's most recent Plan is presented as Appendix A The Plan is compliant with the requirements.

The City of San Jose Fire Department also is the permitting authority for the use of compressed gases and combustible liquids fire safety. The current permits are included as Appendix F. The permits are expired, but new applications are in process

Hewlett-Packard also is subject to the federal SARA Title III reporting requirements. Facilities that use hazardous materials in reportable quantities must submit an annual inventory and report Hewlett-Packard prepared their 1999 Hazardous Material Management/Business Plan so that it would satisfy both requirements. Therefore, the Plan was also submitted for SARA Title III and is compliant with the requirements.

The Toxic Substances Control Act (TSCA) requires facilities that manufacture chemicals for import or export prepare certifications and reports. TSCA 12(b) notifications are generated through the Hewlett-Packard corporate reporting system. The San Jose site prepares TSCA import certifications for their operation in Malaysia (This operation provides the gallium arsenide substrates used to manufacture the Lumileds). Therefore, the San Jose site appears to be compliant with the TSCA certification and reporting requirements.

The City of San Jose issues permits for the use and operation of underground storage tanks. The permits for Hewlett-Packard's underground storage tanks are included as Appendix G The permits are valid through 2002

Hazardous Waste Management

Hewlett-Packard is a large quantity generator of RCRA hazardous waste. The facility has the following generator EPA Identification Number: CAT000611400. An "Acknowledgment of Notification of Hazardous Waste Activity" is included as Appendix H The EPA identification number is used on all manifests to record the shipment and disposal of hazardous wastes.

Under RCRA, generators are required to meet the requirements in 40 CFR Part 262, Generator Standards. The requirements include:

- Obtaining an identification number;
- Completing a manifest for all hazardous waste shipments,
- Proper packaging, labeling and placarding;
- Meeting accumulation time limits, and
- Record keeping and reporting.

The generator standards also require the following:

- Management of containers per subpart I of 40 CFR 265. Condition, compatibility, management/inspections. Based on the visual observations made during the site reconnaissance and a limited review of manifests and inspection logs, Hewlett-Packard is compliant with subpart I.

- Management of tanks per subpart J of 40 CFR 265. Integrity, design and installation, containment and detection of releases and response to leaks and spills. Based on the observations made during the site reconnaissance, a limited review of inspection logs and procedures, and a review of the Chemical Spill Plan, Hewlett-Packard is compliant with subpart J.

- Preparedness and prevention per subpart C of 40 CFR 265. An emergency response plan that incorporates the use of alarms, other communication equipment, and notification of local authorities Hewlett-Packard's Emergency Response Team Plan satisfies the requirements of subpart C and is included as Appendix I.

Air Quality Control

Hewlett-Packard has permits to operate underground storage tanks, wastewater treatment tanks, and air pollution control devices at the San Jose site. The combined permit issued by the Bay Area Air Quality Management District is included as Appendix J and expires in May 2000. A limited review of the logs and chemical tracking systems used to meet the operating conditions specified in the permit indicated that the site is compliant. According to Mr Shetty, the facility was last inspected in August of 1998 and did not receive any violations.

Water Quality Control

The San Jose/Santa Clara Water Pollution Control Plant issued an Industrial Wastewater Discharge Permit to Hewlett-Packard in 1997. A copy of the permit and monthly self-monitoring reports are included as Appendix K.

The permit expires in 2002 and allows the discharge of pre-treated industrial wastewater to the sewage treatment plant. Discharge conditions are specified in the permit. According to Ms. Rebecca Bond, Environmental Engineer, only one exceedance of the discharge conditions has occurred in the last three years. The exceedance was for arsenic and caused by an operator error during a cleaning operation. The exceedance was reported to the permit authority. Corrective action was taken to prevent future exceedances. A limited review of the monthly self-monitoring reports shows that the San Jose site is compliant with the discharge conditions.

The facility operates wastewater treatment systems that are regulated by the California Environmental Protection Agency, Department of Toxic Substances Control (DTSC) The requirements for the operation of the settling system, metals precipitation unit and neutralization system are set forth in the California Code of Regulations, Title 22, Division 4.5 Chapter 45, §67000. These regulations are commonly referred to as Permit-by-Rule (PBR)

The DTSC authorization letter for the operation of the solids settling unit and the metal precipitation unit is included as Appendix L. The neutralization system is conditionally authorized. In addition to the management of tank systems required by RCRA, the PBR regulations require that the wastewater treatment system tanks be integrity tested and certified by a California Professional Engineer. The tank systems and associated piping were inspected, tested and certified by Lee Engineering Enterprises, Ken Ravon, P.E.M. 27518. Based on observations made during the site reconnaissance and the limited document review, Hewlett-Packard is compliant with the requirements of PBR.

Hewlett-Packard's standard industrial classification (SIC) is 3674, which is covered by the National Pollutant Discharge Elimination System (NPDES) General Permit for Stormwater Discharges. A Notice of Intent to discharge storm water was submitted to the Regional Water Quality Control Board. The San Jose site has prepared a Storm Water Pollution Prevention Plan (SWPPP) and implemented Best Management Practices to prevent pollution from entering the storm drain system. A limited review of the annual monitoring reports for 1992/93, 1995/96 and 1997/98 showed that the facility has not allowed illegal discharges of pollutants to the storm drain system. Based on the observations made during the site reconnaissance and a limited review of the SWPPP and annual monitoring reports, Hewlett-Packard is compliant with the requirements of the General Storm Water Permit.

Federal and California Health and Safety

Although not included as part of the scope of work, ARCADIS Geraghty & Miller performed a limited review of health and safety compliance per the request of the client during the site reconnaissance.

Hewlett-Packard operations are subject to California Occupational Health and Safety regulations which require the facility to maintain a Hazard Communication Program and an Injury, Illness and Prevention Program. Hewlett-Packard has implemented both of these programs and currently is compliant with the requirements

In addition, Hewlett-Packard has a comprehensive corporate-wide health and safety plan that is implemented at all of its facilities. The health and safety plan includes programs for hearing protection, medical protection and surveillance for chemical and radiation exposure, medical surveillance for use of personal protective equipment, lock-out/tag-out procedures, confined space entry procedures and ergonomics According to Ms. Sharon Bottome, Health and Safety Manager, OSHA reportable accidents have decreased at the San Jose site by 50% since 1998. A copy of the most recent OSHA 200 log and examples of various health and safety programs are presented in Appendix M. Based on the observations made during the site reconnaissance and a limited review of available documentation, Hewlett-Packard is compliant with California OSHA standards.

7.0 Regulatory Database Review

The objective of the regulatory database review is to identify those sites that use, store, treat, generate, dispose of, or otherwise handle hazardous materials, or have been listed for known or suspected releases of hazardous substances.

ARCADIS Geraghty & Miller retained VISTA to perform a database search of standard state and federal environmental records for properties within a minimum search distance as specified in ASTM Standard E 1527. A copy of the report produced by VISTA is in Appendix N

Reported sites identified in the regulatory agency database search were evaluated based on the following criteria:

- The nature and extent of the release,
- The reported distance of the release site from the subject property, and
- The location of the reported release site with respect to regional groundwater flow.

In general, a reported release site located upgradient or cross-gradient of the property within 1/4 mile or the specified search radius is considered to have the potential to affect the site

Sites listed in the database report which did not have a reported release (e.g., a site listed as a hazardous waste generator) were not considered to have the potential to affect the property.

Due to the large area that the Hewlett-Packard occupies, the subject property boundary was extended to a ¼ mile. The regulatory databases were searched from the property boundary. The table below summarizes the data-

bases and the respective search distances.

VISTA Database Search

DATABASE	SEARCH DISTANCE
National Priorities List (NPL)	1-mile radius
USEPA Hazardous Waste Treatment and Storage Facilities Subject to Corrective Action Under Resource Conservation and Recovery Act (RCRA) (CORRACTS)	1-mile radius
State Hazardous Waste Site List (SPL)	1-mile radius
State Equivalent Comprehensive Environmental Response, Compensation, and Liability Information Systems (CERCLIS) List (SCL)	½ mile radius
State Landfill List (SWLF)	½-mile radius
Leaking Underground Storage Tanks (LUST) List	½-mile radius
Sites currently or formerly under review by USEPA (CERCLIS/No Further Remedial Action Planned)	½-mile radius
RCRA permitted treatment, storage, disposal (TSD) facility	½-mile radius
Registered Underground Storage Tanks (UST) List	¼-mile radius
Aboveground Storage Tanks (AST) List	¼-mile radius
RCRA Large Quantity Generators (RCRA-LG GEN)	1/8-mile radius
RCRA Small Quantity Generators (RCRA-SM GEN)	1/8-mile radius
The Emergency Response Notification System (ERNS)	1/8-mile radius

A review of the searched databases identified the following types of sites within the specified search distance:

- 7 CORRACTS sites,
- 3 SCL sites,
- 7 CERCLIS/NFRAAP sites,
- 57 LUST sites,
- 7 registered UST sites,
- 2 ERNS sites,
- 2 LG GEN sites, and
- 5 SM GEN sites

A further evaluation of these database listings based on the criteria previously described and the general direction of groundwater flow identified the following sites to be a potential concern due to the distance from the subject property.

Hewlett-Packard, the subject property, was listed on the VISTA database report as a CERCLIS/NFRAP, LUST, UST, ERNS, and LG GEN site. The LUST case has been closed and is not on the priority list. Three spills were reported through the ERNS system. A diesel spill occurred in May 1990, however the waterway was not impacted. Additional information regarding the extent and quantity spilled was not provided. On February 26, 1994, approximately 2,000 gallons of water with 0.1% sodium hypochlorite was released into a storm drain. The status of this release was not noted on the VISTA report. Further investigation should be conducted to determine if any adverse impacts to the property occurred as a result of this release. On August 8, 1994, approximately 1 pound of m-xylene was released into the air. Adverse impacts to the property are not expected and this release is not considered a REC.

Altera Corporation is located immediately adjacent to the subject property to the northeast. This site was listed as a LUST site, however, the current status is inactive and the site is not listed on a priority list. Based on information provided in the VISTA report, this site is not expected to adversely impact the subject property.

Unocal, a nearby service station, is located just west of the subject property and is listed on the LUST database twice. One case was closed in 1991 with impacts to the soil only. The second LUST report indicates also soil only impacts from gasoline spill. The case is still active. Based on the limited impact to the soil, this site is not likely to adversely impact the subject property and is not considered a REC.

The Esrey Supply Company located adjacent to Hewlett-Packard to the west was listed as a LUST site. Two LUST reports appeared on the VISTA results. This site released gasoline to the groundwater, however, the case was closed in 1996. The second LUST report is for xylene and gasoline im-

pacts to groundwater. This site is active. Due to the proximity of this site to the subject property, potential impacts from off site may occur. In order to evaluate the impacts, further investigation should be conducted.

JB Enterprises is listed as a LUST site, located at 42 Laurelwood Road, Santa Clara. The site status is no remediation action, and the site is not on a priority list. The VISTA database reported another JB Enterprises located at 342 Laurelwood Road in Santa Clara on the CORRACTS/SCR list. These two sites may be the same and a possible error with the addresses in the database. The 342 site may be a potential concern since a RCRA corrective action has been assessed. The hazardous materials released and the extent of the release was not identified in the VISTA report. However a RCRA facility assessment has been completed. This site was also listed on the NFRAP/SCR database. Information contained in the VISTA report did not indicate whether the NFRAP was related to the CORRACTS RCRA issue. Further investigation should be conducted to identify the status of the RCRA corrective action and determine any potential adverse impacts to the subject property.

JC Machining Inc. is located approximately 0.1 miles west of the subject property. This site released approximately 75 gallons of waste oil in 1991, which was reported on the ERNS database. Waterways were not affected. Since the quantity of waste oil released was relatively small and this release occurred over 8 years ago, this spill is not likely to impact the subject property.

Adda Corporation is also located 0.1 miles west of the subject property and on the LUST database. The case status is no remedial action and not on any priority list. This site is not considered a REC.

MBL, Inc. is another LUST database site located approximately 0 14 miles west of the site. According to the VISTA report the case was closed in January 1998. This site is not expected to impact the subject property and is not a REC.

Additional LUST sites were identified in the VISTA report. However, given their location with respect to groundwater flow direction and the proximity to the subject property, these sites are not likely to have impacted the subject property. All other sites listed in other databases were not considered a REC because they were located downgradient from the subject property and not expected to impact the subject property.

8.0 Conclusions

Based on the results of the ESA, ARCADIS Geraghty & Miller did not identify any recognized environmental

conditions associated with current site operations. Recognized environmental conditions associated with adjacent sites also were not identified.

ARCADIS Geraghty & Miller found Hewlett-Packard compliant with the regulations applicable to its facility operations based on a limited regulatory review of permits and available documentation.

9.0 Limitations of Investigation

This ESA is limited in nature and should not be construed as a complete characterization of overall environmental regulatory compliance or above or below grade conditions at the site. ARCADIS Geraghty & Miller assumes that the information sources utilized for this investigation provide complete and accurate information and evaluations presented in this report are based exclusively on information provided by the site representative, local agency personnel, available public records, and observations made during the site visit.

Quantitative field activities were not conducted as part of this ESA. Any reliance by Philips Lighting shall be consistent and in keeping with the limitations specified herein, and subject to project scope of work limitations.

The limited compliance review performed by ARCADIS Geraghty & Miller was limited in nature and consisted of a brief review of existing permits, observations made during the ESA site visit, and discussions with site representatives. It should not be construed as a comprehensive compliance audit.

ARCADIS Geraghty & Miller warrants that the services were performed in a manner consistent with the standards of care and skill ordinarily exercised by other environmental consultants currently practicing in the same locality under similar conditions.

ARCADIS Geraghty & Miller cannot warrant the actual site conditions described in this report beyond matters amenable to visual confirmation within the limits of this site inspection program.

There are no third-party rights or benefits conferred under this report except as stated herein Use of this report is limited to Philips Lighting, its successors, and any corporation or other entity in which Philips Lighting, or its principals hold an interest, as well as any lenders, investors, or other sources of funding in connection with the pending transaction regarding this site and involving these parties. Any reliance on the contents of this report by any other third party is the sole responsibility of that party.

ARCADIS GERAGHTY & MILLER

Table 1: Chemical and Hazardous Waste Storage Tanks

Hewlett-Packard Company
350 West Trimble Road
San Jose, California

Bldg.#	ID#	Name	Gallons	PBR#	Notes
	T1	Gasoline	1,000		removed
	T2	Diesel Fuel	12,000		removed
	T3	Diesel Fuel	12,000		removed
90	T4	Fuel Oil #2	12,000		empty, never used
90	T5	Fuel Oil #2	12,000		empty, never used
90	T6	Hydrogen	3,600		
90	T7	Hydrogen	2,600		
90	T8	Nitrogen	3,200		
91	T9	Nitrogen	500		
90	T10	Oxygen	1,100		
91	T11	Argon	500		
91	T12	Fuel Oil #2	200		
90	T14	Fuel Oil #2	275		
90	T15	Fuel Oil #2	12,000		
GV	T16	Fuel Oil #2	250		
90	W1	RQ Waste Flammable Liq.Corrosive, N.O.S.	750		
91	W2	RQ Waste Flammable Liq. N.O.S.	1,200		
91	W3	RQ Waste Flammable Liq. N.O.S.	1,200		
90	W4	Stripper	250		
91	W6	Stripper	150		
90	W7	Hydraulic Acid Waste Holding Tank (4)	A=1200 B=1200 C=1200 D=1200	MPU-1	
91	W8	Hydraulic Acid Waste Holding Tank	A=520 B=6000	MPU-1	
90	W9	Calcium Floride	2,600	MPU-1	
90	W10	Calcium Floride	1,600	MPU-1	
90	W11	Sodium Hydroxide	300		
90	W12	Sodium Hydroxide	300		
90	W13	Hydraulic Acid	300		
90	W14	Calcium Floride	5,600		
90	W15	Hydrated Lime Slurry Mix	300		
91	W16	Stripper	718		
90	W17	Sulfuric Acid	300		
91	W18	Acid Waste Transfer (2)	A=508 B=2159	NS-1	
91	W19	Coolant	200		
91	W20	Slurry Room	550	SS-1	

ARCADIS GERAGHTY & MILLER

Table 1: Chemical and Hazardous Waste Storage Tanks

Hewlett-Packard Company
350 West Trimble Road
San Jose, California

Bldg.#	ID#	Name	Gallons	PBR#	Notes
91	W21	Slurry Room	250	SS-1	
91	W22	Slurry Room	550	SS-1	
91	W23	Slurry Room	70	SS-1	
91	W24	Slurry Room	90	SS-1	
91	W25	Slurry Room	250	SS-1	
91	W26	HF/Acid Waste Treatment System	250	MPU-1	
91	W27	HF/Acid Waste Treatment System	15	MPU-1	
91	W28	Acid Waste Treatment System	5,000	NS-1	
91	W29	Acid Waste Treatment System	5,000	NS-1	
91	W30	Acid Waste Treatment System	A=520 B=1850	NS-1	

TIERED PERMITTING PHASE I ENVIRONMENTAL ASSESSMENT CHECKLIST

SECTION I: FACILITY INFORMATION

Instructions: Complete the following descriptive information about your facility. This information accurately describes the location of your facility and establishes mailing and phone contacts. If facility location and mailing address are identical, you may put "same" into facility mailing address spaces.

Type of Permit: Permit by Rule X Conditional Authorization X

1. CURRENT FACILITY NAME: Hewlett-Packard Company, Components Group

   PAST NAMES (Attach additional pages if necessary):

2. EPA I.D. NUMBER: CAT000611400

3. NAME OF FACILITY OWNER (see definition of owner): Hewlett-Packard Company

4. NAME OF FACILITY OPERATOR: Hewlett-Packard Company

5. NAME OF PROPERTY OWNER: Hewlett-Packard Company

6. FACILITY LOCATION ADDRESS:

   STREET: 350-370 West Trimble Road

   CITY: San Jose, CA

   COUNTY: Santa Clara

   STATE: California ZIP CODE: 95131-1008

7. FACILITY MAILING ADDRESS (if different from FACILITY LOCATION ADDRESS):

   STREET: Same

   CITY:

   STATE: ZIP CODE:

8. FACILITY TELEPHONE NUMBER: 408/435-7400 main

9. FACILITY FAX NUMBER: 408/435-4155 (Environmental Department)

10. NAME OF FACILITY CONTACT PERSON: Gary Lapp MS 90BJ

11. TITLE OF FACILITY CONTACT PERSON: Environmental Engineer

12. PHONE NUMBER OF FACILITY CONTACT PERSON: 408/435-4188

13. ADDRESS OF FACILITY CONTACT PERSON:
    Gary Lapp MS 90BJ

    STREET: 350-370 West Trimble Road

    CITY: San Jose

    STATE: CA ZIP CODE: 95131-1008

TIERED PERMITTI ` PHASE I ENVIRONMENTAL / `ESSMENT CHECKLIST

SIGNATURE AND CERTIFICATION FOR PERMIT-BY-RULE AND CONDITIONAL AUTHORIZATION

Instructions: Carefully read the certification below. If you feel uncomfortable signing this certification, review the instructions and the information developed in the preparation of the checklist and correct any deficiencies you have found. Be sure that you check one of the boxes below to record your decision regarding further investigation. If you are claiming exemption from completing a Phase I Environmental Assessment, complete that section below.

Either the owner, operator, or independent professional engineer, geologist, or an environmental assessor who is registered in the State of California, shall certify to the following statement by signing on the appropriate lines below:

___ Yes, further investigation is needed to determine the existence, nature, and/or extent of contamination at the facility; or

_X_ No, further investigation is not necessary to determine the existence, nature, and/or extent of contamination at the facility.

___ I am exempt from completing the checklist and/or from resulting followup work. [Please state reason for exemption below and supply documentary evidence (see instructions)]. Explanation:

_____

_____

"Under penalty of perjury, I certify that I have personally examined and am familiar with the information submitted in this document and all attachments, and based on my inquiry of those individuals immediately responsible for obtaining it, the information is true, accurate, and complete to the best of my knowledge. Thus informed, I certify to my best judgement that the conclusion recorded above regarding further investigation or exemption from completion of the Phase I Environmental Assessment is correct.

Owner's Signature	Name, Title, and Company Name	Date
Or:		
J T T	Jerry Thorne, Components Group Regional Operations Manager, Hewlett-Packard Company	12/20/96
Operator's Signature (If Owner is not Operator)	Name, Title, and Company Name	Date

Or: Certification by an independent professional engineer, geologist, or environmental assessor who is registered in the State of California. Certification by a registered professional is optional for Permit-By-Rule and Conditionally Authorized Generators. Sign and affix stamp.

Signature	Name, Title, Registration Number	Date

TIERED PERMITTING PHASE I ENVIRONMENTAL ASSESSMENT CHECKLIST

SECTION II: FACILITY HISTORY

Instructions: Complete this section regarding facility history based on reasonably available knowledge of the facility. This section will determine if past operating practices and significant historical events that occurred at the facility indicate potential areas of contamination. Current and past employees who know about the facility's past operating practices can be an asset in completing this section of the checklist. Yes answers to these questions mean that careful attention must be paid to these areas and considerations when completing the facility walk-through inspection.

		YES	NO
1.	Has an environmental assessment and/or a site investigation report ever been completed for the facility? If this assessment meets the criteria for substituting for this checklist (see Instructions), use the Signature and Certification Page to record this exemption. You need not release confidential assessments. However, if these reports indicate existing or potential contamination, you must use the information relied on by the confidential report to help reach a conclusion in this assessment.		
2.	To your knowledge, have areas of the facility that contain hazardous materials ever been flooded?		X
3.	To your knowledge, has the facility ever been damaged by an earthquake that could cause contamination?		X
4.	To your knowledge, has the location for the facility ever been used for industrial purposes prior to its current use? If YES, then consider potential contamination from the type of industry that the location was formerly used for.		X
5.	To your knowledge, has there been any disposing of hazardous chemicals or hazardous wastes in, on, or under the property?		X
6.	To your knowledge, has the facility ever had electrical transformers, capacitors, or hydraulic equipment including, but not limited to elevators and auto lifts, at the facility which may have released PCBs or oil to the environment? (Not including small quantities of fluorescent light ballasts and capacitors if these materials were not disposed of or dismantled at the facility) If YES, was the equipment ever tested for the presence of PCBs?		
7.	To your knowledge, has testing of any groundwater wells on the property ever revealed possible contamination?		X
8.	Do you have in your possession, or do you know of the existence of any photographs, geophysical reports, analytical test data, and/or air sampling data that indicates the possible presence of hazardous materials and/or waste in unwarranted or unexpected areas of the facility?		
9.	To your knowledge, has the facility ever had liquid/sludge containment area(s), surface impoundment(s), collection pond(s), and/or lagoon(s)?		X
10.	To your knowledge, have land-farming or bioremediation been used at the facility?		X

TIERED PERMITTING PHASE I ENVIRONMENTAL ASSESSMENT CHECKLIST

SECTION III: FACILITY WALK-THROUGH INSPECTION - SPECIFIC AREAS

Instructions: List each portion of the facility where hazardous materials are present. The listing area is divided into functional divisions for convenience. Individual units may be grouped on the chart, but must be individually inspected. Carefully examine each of these areas during the walk-through inspection to determine the presence of releases or possible releases and record the results in the appropriate column, date and intial the entry. Complete a Release Information Data Sheet for each actual and possible release found. Using your best judgement, decide if any actual or suspected releases found require further investigation and record the results on the Release Information Data Sheet and in the appropriate column on this chart. If you need additional space, photocopy this sheet.

HAZARDOUS MATERIAL AREA	INSPECTED (Yes or No)	ACTUAL OR SUSPECTED RELEASE (Yes or No)	REQUIRES FURTHER INVESTIGATION (Yes or No)
LOADING/UNLOADING AREAS	yes	no	No
Service Yard B 90			
Service Yard B 91			
HAZARDOUS MATERIALS USE AREAS	Yes	No	NO
Facility B 90			
Facility B 91			
HAZARDOUS WASTE GENERATION AREAS	Yes	No	No
Facility B 90			
Facility B 91			
HAZARDOUS WASTE TREATMENT/STORAGE AREAS	Yes	No	No
Service Building			
Facility B 91			
Service B90			

TIERED PERMITTING PHASE I ENVIRONMENTAL ASSESSMENT CHECKLIST

11.	To your knowledge, has the facility ever burned hazardous wastes, unidentified waste materials, tires, or automotive batteries at the facility?		X
12.	To your knowledge, have ash and/or combustion residuals been disposed of at the facility?		x
13.	To your knowledge, have any underground storage tank(s) been removed, abandoned, or taken out of service from the facility? Tanks removed, abandoned, or taken out of service under the oversight of a responsible agency need not be considered if the agency addressed potential contamination at the tank location.		X
14.	To your knowledge, has any contaminated soil been discovered and/or remediated at the facility without oversight by an appropriate regulatory agency?		X
15.	To your knowledge, have there been fires and/or explosions at the facility which may have caused a release of hazardous waste or materials?		X
16.	To your knowledge, has the facility ever received complaints from any employees, neighbors, or the public about the facility's practices for managing hazardous wastes, or any actual or potential releases to air, water, or soil, or other environmental issues?		X
17.	To your knowledge, have nearby residents complained to a governmental agency of any type of illnesses or unusual illnesses as having been caused or suspectedly caused by or related to activities at the facility? (Note: this item does not require questioning the facility's neighbors) If YES, indicate below the person and/or agency who recorded the complaint. _____ If YES, to your knowledge, has any evidence been submitted to a physician to substantiate the claim?		X X
18.	To your knowledge, are there any areas at the facility which were formerly used for hazardous waste or hazardous materials transfer (e.g. tank loading areas, drum transfer areas)?		X
19.	To your knowledge, are there, or have there been lawsuits or administrative proceedings concerning an actual, alleged, or threatened release of any hazardous substance against the facility by another party? Only actions concluded by settlement or litigation need be considered.		X

TIERED PERM NG PHASE I ENVIRONMENTAL ASS MENT CHECKLIST

SECTION IV: FACILITY WALK-THROUGH INSPECTION - OTHER AREAS

Instructions: This section of the checklist requires the owner and/or operator of the facility to conduct a walk-through inspection of the those portions of the facility not addressed in Section III in order to identify possible environmental problems, environmental warning signs or potential exposure to people, animals, or plants. Some of the problems that may be discovered during this inspection include abandoned storage tanks, spill areas, surface impoundments, etc. Some of the environmental warning signs include stains, discolored vegetation, and/or unnatural terrain. During the inspection, were any of the following present:

		YES	NO
1.	Does the facility have vent pipes, fill pipes, and/or access routes that may indicate the presence of an underground storage tank?	X	
2.	Does the facility have stains and/or discolorations of the soil, flooring, drains and/or walls at the facility which may indicate a release to the environment that has not or is not being addressed under the oversight of an appropriate agency?		X
3.	Does the facility have areas of soil at the facility that appear disturbed and which may indicate onsite disposal or land treatment of hazardous materials or remediation of releases without oversight by an appropriate agency?		X
4.	Does the facility have areas at the facility where the terrain appears unnatural, such as unexplained mounds or depressions?		X
5.	Does the facility have unusual smells or odors emanating from the soil, floor, drains, and/or walls at the facility?		X
6.	Does the facility have dead, abnormal, or distressed-looking vegetation or conspicuous absence of vegetation at the facility that is not directly explainable by a deliberate action and/or lack of water at the site?		X

7. Where does rain and/or washwater drain to at the facility? (circle all that apply) Note: slightly contaminated storm or washwater can seriously contaminate evaporation or settling areas (with no drainage) over a period of time.

a. Storm Drain
b. Sewer
c. Drainage Ditch
d. Open Land
e. Areas of pooling, settling, or evaporation
f. Other _____

TIERED PERMIT G PHASE I ENVIRONMENTAL ASSI IENT CHECKLIST

AREA OF CONCERN DATASHEET

Instructions: Complete the following questions in detail for EACH release or suspected release identified in Section III FACILITY WALK-THROUGH INSPECTION - SPECIFIC AREAS or SECTION IV FACILITY WALK-THROUGH INSPECTION - OTHER AREAS and any other known or suspected releases. Do not include areas that have been or are being remediated under the oversight of an appropriate agency. If answers to questions are not known, then state "unknown".

1. Facility name: Hewlett-Packard Company-Components Group

2. This sheet is being completed for a: None

   Known release _____ Suspected release _____

3. How was this release or suspected release discovered?

   During the walk-through inspection? _____ Previously known release? _____

   What checklist question(s) are related to this release (section/question)_____

4. When did the release occur?

5. What was released and how much?

6. What caused the release?

7. Indicate the approximate area of the release (e.g. 3 feet in diameter, 5 feet X 4 feet.)

8. Was the release remediated? If YES, explain how. (Note: A datasheet need not be completed for releases remediated or being remediated under the oversight of an appropriate agency.

9. Were samples collected? If yes, what were the results?

10. List any environmental reports or studies performed on the area of concern and attach copies or summaries of the reports not submitted to the Department.

    Name of preparer:

    Title of preparer: Date:

TIERED PERMITTING PHASE I ENVIRONMENTAL ASSESSMENT CHECKLIST

SECTION I: FACILITY INFORMATION

Instructions: Complete the following descriptive information about your facility. This information accurately describes the location of your facility and establishes mailing and phone contacts. If facility location and mailing address are identical, you may put "same" into facility mailing address spaces.

Type of Permit: Permit by Rule X Conditional Authorization X

1. CURRENT FACILITY NAME: Hewlett-Packard Company, Components Group

   PAST NAMES (Attach additional pages if necessary):

2. EPA I.D. NUMBER: CAT000611400

3. NAME OF FACILITY OWNER (see definition of owner): Hewlett-Packard Company

4. NAME OF FACILITY OPERATOR: Hewlett-Packard Company

5. NAME OF PROPERTY OWNER: Hewlett-Packard Company

6. FACILITY LOCATION ADDRESS:

   STREET: 350-370 West Trimble Road

   CITY: San Jose, CA

   COUNTY: Santa Clara

   STATE: California ZIP CODE: 95131-1008

7. FACILITY MAILING ADDRESS (if different from FACILITY LOCATION ADDRESS):

   STREET: Same

   CITY:

   STATE: ZIP CODE:

8. FACILITY TELEPHONE NUMBER: 408/435-7400 main

9. FACILITY FAX NUMBER: 408/435-4155 (Environmental Department)

10. NAME OF FACILITY CONTACT PERSON: Gary Lapp MS 90BJ

11. TITLE OF FACILITY CONTACT PERSON: Environmental Engineer

12. PHONE NUMBER OF FACILITY CONTACT PERSON: 408/435-4188

13. ADDRESS OF FACILITY CONTACT PERSON:
    Gary Lapp MS 90BJ

    STREET: 350-370 West Trimble Road

    CITY: San Jose

    STATE: CA ZIP CODE: 95131-1008

TIERED PERMITTING PHASE I ENVIRONMENTAL ASSESSMENT CHECKLIST

SIGNATURE AND CERTIFICATION FOR PERMIT-BY-RULE AND CONDITIONAL AUTHORIZATION

Instructions: Carefully read the certification below. If you feel uncomfortable signing this certification, review the instructions and the information developed in the preparation of the checklist and correct any deficiencies you have found. Be sure that you check one of the boxes below to record your decision regarding further investigation. If you are claiming exemption from completing a Phase I Environmental Assessment, complete that section below.

Either the owner, operator, or independent professional engineer, geologist, or an environmental assessor who is registered in the State of California, shall certify to the following statement by signing on the appropriate lines below:

___ Yes, further investigation is needed to determine the existence, nature, and/or extent of contamination at the facility; or

X No, further investigation is not necessary to determine the existence, nature, and/or extent of contamination at the facility.

___ I am exempt from completing the checklist and/or from resulting followup work. [Please state reason for exemption below and supply documentary evidence (see instructions)]. Explanation:

_____

_____

"Under penalty of perjury, I certify that I have personally examined and am familiar with the information submitted in this document and all attachments, and based on my inquiry of those individuals immediately responsible for obtaining it, the information is true, accurate, and complete to the best of my knowledge. Thus informed, I certify to my best judgement that the conclusion recorded above regarding further investigation or exemption from completion of the Phase I Environmental Assessment is correct.

Owner's Signature	Name, Title, and Company Name	Date
Or:		
Operator's Signature (If Owner is not Operator)	Jerry Thorne, Components Group Regional Operations Manager, Hewlett-Packard Company	12/22/94

Or: Certification by an independent professional engineer, geologist, or environmental assessor who is registered in the State of California. Certification by a registered professional is optional for Permit-By-Rule and Conditionally Authorized Generators. Sign and affix stamp.

Signature	Name, Title, Registration Number	Date

Agilent Technologies
Semiconductor Products Group
350 West Trimble Road
San Jose, California 95131

www.agilent.com

RECD
DEC 6 3 48 PM '99

Agilent Technologies
Innovating the HP Way

SENT VIA CERTIFIED MAIL

December 2, 1999

Ms. Bonnie Griffith
Cal EPA
Department of Toxic Substances Control
700 Heinz Avenue
Berkeley, California 94710

SUBJECT: Phase I Environmental Assessment Checklist Update
Agilent Technologies
350 West Trimble Road, San Jose
EPA ID# CAT 000 611 400

Dear Bonnie,

Attached please find the updated Tiered Permitting Phase I Environmental Assessment Checklist completed for Agilent Technologies located at the facility at 350 West Trimble Road in San Jose, California. As part of due diligence activities, Philips Lighting retained ARCADIS Geraghty & Miller to perform a Phase I Environmental Site Assessment (ESA) and limited compliance review of the Hewlett-Packard Company located at 350/370 West Trimble Road in San Jose, California. Based on the results of the October 29, 1999 ESA report, ARCADIS Geraghty & Miller did not identify any recognized environmental conditions that would affect soil and groundwater associated with current site operations. Recognized environmental conditions associated with adjacent sites also were not identified. A certified copy of the checklist signed by an independent registered environmental assessor is attached.

If you have any questions regarding this letter or attachment please contact me at (408) 435-4151.

Sincerely,

Rebecca Bond

Rebecca M Bond, P.E.
Environmental Engineer

CC: Stephanie Christenberry, Santa Clara County Department of Environmental Health

Attachments: Agilent Technologies Phase I Environmental Assessment Checklist 12/1/99

TIERED PERMITTING PHASE I ENVIRONMENTAL ASSESSMENT CHECKLIST

SECTION I: FACILITY INFORMATION

Instructions: Complete the following descriptive information about your facility. This information accurately describes the location of your facility and establishes mailing and phone contacts. If facility location and mailing address are identical, you may put "same" into facility mailing address spaces.

Type of Permit: Permit by Rule X Conditional Authorization ____

1. CURRENT FACILITY NAME: Agilent Technologies

   PAST NAMES (Attach additional pages if necessary): Hewlett-Packard Company

2. EPA I.D. NUMBER: CAT 000 611 400

3. NAME OF FACILITY OWNER (see definition of owner): Agilent Technologies

4. NAME OF FACILITY OPERATOR: Agilent Technologies

5. NAME OF PROPERTY OWNER: Agilent Technologies

6. FACILITY LOCATION ADDRESS:

   STREET: 350 West Trimble Road

   CITY: San Jose

   COUNTY: Santa Clara

   STATE: CA ZIP CODE: 95131-1008

7. FACILITY MAILING ADDRESS (if different from FACILITY LOCATION ADDRESS):

   STREET: same

   CITY:

   STATE: ZIP CODE:

8. FACILITY TELEPHONE NUMBER: (408)435-7400 (main)

9. FACILITY FAX NUMBER: (408)435-4155 (Environmental Dept.)

10. NAME OF FACILITY CONTACT PERSON: Rebecca Bond

11. TITLE OF FACILITY CONTACT PERSON: Environmental Engineer

12. PHONE NUMBER OF FACILITY CONTACT PERSON: (408)435-4151

13. ADDRESS OF FACILITY CONTACT PERSON:

    STREET: 350 West Trimble Road
    mailstop 90 BJ

    CITY: San Jose

    STATE: CA ZIP CODE: 95131-1008

TIERED PERMITTING PHASE I ENVIRONMENTAL ASSESSMENT CHECKLIST

SIGNATURE AND CERTIFICATION FOR PERMIT-BY-RULE AND CONDITIONAL AUTHORIZATION

Instructions: Carefully read the certification below. If you feel uncomfortable signing this certification, review the instructions and the information developed in the preparation of the checklist and correct any deficiencies you have found. Be sure that you check one of the boxes below to record your decision regarding further investigation. If you are claiming exemption from completing a Phase I Environmental Assessment, complete that section below.

Either the owner, operator, or independent professional engineer, geologist, or an environmental assessor who is registered in the State of California, shall certify to the following statement by signing on the appropriate lines below:

___ Yes, further investigation is needed to determine the existence, nature, and/or extent of contamination at the facility; or

___ No, further investigation is not necessary to determine the existence, nature, and/or extent of contamination at the facility.

X I am exempt from completing the checklist and/or from resulting followup work. [Please state reason for exemption below and supply documentary evidence (see instructions)]. Explanation:

Philips Lighting retained ARCADIS Geraghty & Miller to perform a Phase I Environmental Site Assessment, completed 10/29/99. No recognized environmental conditions affecting soil and/or groundwater were identified.

"Under penalty of perjury, I certify that I have personally examined and am familiar with the information submitted in this document and all attachments, and based on my inquiry of those individuals immediately responsible for obtaining it, the information is true, accurate, and complete to the best of my knowledge. Thus informed, I certify to my best judgement that the conclusion recorded above regarding further investigation or exemption from completion of the Phase I Environmental Assessment is correct.

Owner's Signature	Name, Title, and Company Name	Date

Or:

Operator's Signature (If Owner is not Operator)	Name, Title, and Company Name	Date

Or: Certification by an independent professional engineer, geologist, or environmental assessor who is registered in the State of California. Certification by a registered professional is optional for Permit-By-Rule and Conditionally Authorized Generators. Sign and affix stamp.

Signature	Name, Title, Registration Number	Date
Jaqualyn D. Forrest	Jaqualyn D. Forrest, Sr Scientist, 04615	12-1-99

Agilent Technologies,
Semiconductor Products Group
350 West Trimble Road
San Jose, California 95131

www agilent com

Agilent Technologies
Innovating the HP Way

LumiLeds

SENT VIA CERTIFIED MAIL

December 2, 1999

Ms Bonnie Griffith
Cal EPA
Department of Toxic Substances Control
700 Heinz Avenue
Berkeley, California 94710

SUBJECT: Phase I Environmental Assessment Checklist Update
LumiLeds Lighting
370 West Trimble Road, San Jose
EPA ID# CAR 000 058 081

Dear Bonnie,

Attached please find the updated Tiered Permitting Phase I Environmental Assessment Checklist completed for LumiLeds Lighting located at the facility at 370 West Trimble Road in San Jose, California As part of due diligence activities, Philips Lighting retained ARCADIS Geraghty & Miller to perform a Phase I Environmental Site Assessment (ESA) and limited compliance review of the Hewlett-Packard Company located at 350/370 West Trimble Road in San Jose, California Based on the results of the October 29, 1999 ESA report, ARCADIS Geraghty & Miller did not identify any recognized environmental conditions that would affect soil and groundwater associated with current site operations. Recognized environmental conditions associated with adjacent sites also were not identified A certified copy of the checklist signed by an independent registered environmental assessor is attached.

If you have any questions regarding this letter or attachment please contact me at (408) 435-4151

Sincerely,

Rebecca Bond

Rebecca M Bond, P E
Environmental Engineer

CC. Stephanie Christenberry, Santa Clara County Department of Environmental Health

Attachments LumiLeds Phase I Environmental Assessment Checklist 12/1/99

TIERED PERMITTING PHASE I ENVIRONMENTAL ASSESSMENT CHECKLIST

SECTION I: FACILITY INFORMATION

Instructions: Complete the following descriptive information about your facility. This information accurately describes the location of your facility and establishes mailing and phone contacts. If facility location and mailing address are identical, you may put "same" into facility mailing address spaces.

Type of Permit: Permit by Rule X Conditional Authorization X

1. **CURRENT FACILITY NAME:** Agilent Technologies

   PAST NAMES (Attach additional pages if necessary): Hewlett-Packard Company

2. **EPA I.D. NUMBER:** CAR 000 058 081

3. **NAME OF FACILITY OWNER (see definition of owner):** Agilent Technologies

4. **NAME OF FACILITY OPERATOR:** LumiLeds Lighting

5. **NAME OF PROPERTY OWNER:** Agilent Technologies

6. **FACILITY LOCATION ADDRESS:**

   STREET: 370 West Trimble Road

   CITY: San Jose

   COUNTY: Santa Clara

   STATE: CA **ZIP CODE:** 95131-1008

7. **FACILITY MAILING ADDRESS (if different from FACILITY LOCATION ADDRESS):**

   STREET: same

   CITY:

   STATE: **ZIP CODE:**

8. **FACILITY TELEPHONE NUMBER:** (408)435-7400 (main)

9. **FACILITY FAX NUMBER:** (408)435-4155 (Environmental Dept.)

10. **NAME OF FACILITY CONTACT PERSON:** Rebecca Bond

11. **TITLE OF FACILITY CONTACT PERSON:** Environmental Engineer

12. **PHONE NUMBER OF FACILITY CONTACT PERSON:** (408)435-4151

13. **ADDRESS OF FACILITY CONTACT PERSON:**

    STREET: 350 West Trimble Road
    mailstop 90 BJ

    CITY: San Jose

    STATE: CA **ZIP CODE:** 95131-1008

TIERED PERMITTING PHASE I ENVIRONMENTAL ASSESSMENT CHECKLIST

SIGNATURE AND CERTIFICATION FOR PERMIT-BY-RULE AND CONDITIONAL AUTHORIZATION

Instructions: Carefully read the certification below. If you feel uncomfortable signing this certification, review the instructions and the information developed in the preparation of the checklist and correct any deficiencies you have found. Be sure that you check one of the boxes below to record your decision regarding further investigation. If you are claiming exemption from completing a Phase I Environmental Assessment, complete that section below.

Either the owner, operator, or independent professional engineer, geologist, or an environmental assessor who is registered in the State of California, shall certify to the following statement by signing on the appropriate lines below:

___ Yes, further investigation is needed to determine the existence, nature, and/or extent of contamination at the facility; or

___ No, further investigation is not necessary to determine the existence, nature, and/or extent of contamination at the facility.

X I am exempt from completing the checklist and/or from resulting followup work. [Please state reason for exemption below and supply documentary evidence (see instructions)]. Explanation:

Philips Lighting retained ARCADIS Geraghty & Miller to perform a Phase I Environmental Site Assessment, completed 10/29/99. No recognized environmental conditions affecting soil and/or groundwater were identified.

"Under penalty of perjury, I certify that I have personally examined and am familiar with the information submitted in this document and all attachments, and based on my inquiry of those individuals immediately responsible for obtaining it, the information is true, accurate, and complete to the best of my knowledge. Thus informed, I certify to my best judgement that the conclusion recorded above regarding further investigation or exemption from completion of the Phase I Environmental Assessment is correct.

Owner's Signature	Name, Title, and Company Name	Date

Or:

Operator's Signature (If Owner is not Operator)	Name, Title, and Company Name	Date

Or: Certification by an independent professional engineer, geologist, or environmental assessor who is registered in the State of California. Certification by a registered professional is optional for Permit-By-Rule and Conditionally Authorized Generators. Sign and affix stamp.

Signature	Name, Title, Registration Number	Date
Jaqualyn D Forrest 12-30-2000	Jaqualyn D Forrest, Sr. Scientist, 04615	12-1-99

UNIFIED PROGRAM CONSOLIDATED FORM
HAZARDOUS WASTE

CERTIFICATION OF FINANCIAL ASSURANCE

FOR PERMIT BY RULE AND CONDITIONALLY AUTHORIZED ONSITE TREATERS

700

☐ a Initial Certification ☐ b Amended Certification ☒ c Annual Certification | Page ___ of ___

I. FACILITY IDENTIFICATION

(Put an asterisk in the left margin next to the amended information)

BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As) 3

Agilent Technologies

FACILITY ID# 1 | FACILITY EP ID# CAT 000 611 400 2

TYPE OF OPERATION ☒ a PBR-FTU ☒ b CA ☐ c Other 701

II. ESTIMATED CLOSURE COSTS

NOTE In addition to the dollar figure below, a written estimate of closure costs must be attached when you submit this section of this page

ESTIMATED CLOSURE COSTS $ 148,570 702

III. EXEMPTION FROM FINANCIAL ASSURANCE REQUIREMENTS

I am not required to provide a mechanism because

☐ a I certify that my closure cost estimate is less than or equal to $10,000, or 703

☐ b Specify other reasons _____ 704

☐ c As a PBR owner or operator, I have not operated more than thirty days in a calendar year (Does not apply to Conditional Authorization) 705

IV. CLOSURE FINANCIAL ASSURANCE MECHANISM

☒ I am required to provide a mechanism and it is attached to this page 706

EFFECTIVE DATE OF CLOSURE ASSURANCE MECHANISM 1/1/2005 707

MECHANISM ID NUMBER(S) 708

I

MECHANISM TYPE (Check one item only) 709

☐ a Closure Trust Fund ☐ b Surety Bond ☐ c Closure Letter of Credit ☐ d Closure Insurance ☒ e Financial test and Corporate Guarantee ☐ f Alternative Mechanism ☐ g Multiple Financial Mechanisms ☐ h Certificate of Deposit ☐ i Savings Account

FINANCIAL INSTITUTION, INSURANCE OR SURETY COMPANY/OTHER ORGANIZATION 710

Agilent Technologies

ADDRESS 5301 Stevens Creek Blvd 711

CITY Santa Clara 712 | STATE CA 713 | ZIP CODE 95051 714

V. OWNER OR OPERATOR CERTIFICATION

SIGNER OF THIS CERTIFICATION ☐ a Owner ☒ b Operator 715

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate and complete I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations (22 CCR Section 66270 11)

SIGNATURE OF OWNER/OPERATOR

DATE 716

23 Jan '05

NAME OF OWNER/OPERATOR (Print) 717

Steven Wolf

TITLE OF OWNER/OPERATOR 718

San Jose Site Manager

RECEIVED
SANTA CLARA COUNTY
DEPT. OF ENV. HEALTH

2005 MAR 25 PM 2:42

Agilent Technologies

March 23, 2005

Ms. Nicole Pullman
County of Santa Clara
Hazardous Materials Compliance Division
1555 Berger Drive, Suite 300
San Jose, CA 95112-2716

Subject: 2005 PBR Annual Renewal
EPA ID# CAT 000 611 400

Dear Ms. Pullman:

The attached forms have been completed to comply with the 2005 annual notification and financial assurance requirements established by CCR Title 22, Section 67450.3 (c) for the Agilent Technologies site located at 350/370 West Trimble Road in San Jose, California.

If you have any questions regarding this submittal, please call me at (408) 435-4205.

Sincerely,

Mitch Cole
Environmental Specialist

Enclosure:

- UPCF Business Activities
- UPCF 2730 Business Owner/Operator Identification
- UPCF 1772f Onsite Hazardous Waste Treatment Notification - Facility Page
- UPCF 1772u Onsite Hazardous Waste Treatment Notification - Unit Page (MPU-1)
- UPCF Permit By Rule Page (MPU-1)
- UPCF 1772u Onsite Hazardous Waste Treatment Notification - Unit Page (NS-1)
- UPCF Permit By Rule Page (NS-1)
- UPCF hwfl1232 Certification of Financial Assurance
- CFO Letter and Financial Test (DTSC Form 1159)
- A copy of the 2004 SEC Form 10-K
- A copy of the PriceWaterHouse Coopers Independent Review

cc: Mr. Jan Radimsky
Attn: Tiered Permitting Notification for Variance
California Department of Toxic Substances Control
Permit Streamlining Branch
PO Box 806
Sacramento, CA 95812

Agilent Technologies, Inc.
395 Page Mill Road
PO Box 10395
Palo Alto, California 94303-0870

Agilent Technologies

February 15, 2005

Director
Department of Toxic Substances Control
Financial Responsibility Unit
P.O. Box 806
Sacramento, California 95812-0806

I am the Chief Financial Officer of Agilent Technologies, Inc., 395 Page Mill Road, Palo Alto, CA 94306.

This letter is in support of this company's use of the Financial Test to demonstrate financial assurance for closure and/or post-closure costs, as specified in California Code of Regulations (Cal. Code of Regs.), Title 22, Division 4.5, Chapter 14 and 15, Article 8.

1. This company is the owner/operator of the following facilities/TTUs for which financial assurance for closure and/or post-closure costs is demonstrated through the Financial Test as specified in Sections 66264.143(f), 66264.145(f), 66265.143(e), and 66265.145(e) of Cal. Code of Regs., Title 22, Division 4.5, of Chapters 14 and 15, Article 8. The current closure and/or post-closure cost estimates covered by the test are shown for each facility/TTU: (See Exhibit I).

2. This company guarantees through the corporate guarantee as specified in Sections 66264.143(f), 66264.145(f), 66265.143(e), and 66265.145(e) of Cal. Code of Regs., Title 22, Division 4.5, of Chapters 14 and 15, Article 8, the closure and/or post-closure care of the following facilities/TTUs owned or operated by subsidiaries of this company. The current cost estimates for the closure and/or post-closure cares so guaranteed are shown for each facility/TTU: (None).

3. In states where the U.S. Environmental Protection Agency is not administering the financial requirement of Subpart H, Title 40 CFR, Parts 264 and 265, this company, as owner, operator or guarantor is demonstrating financial assurance for closure and/or post-closure care of the following facilities/TTUs through the use of a test equivalent or substantially equivalent to the financial test specified Section 66264.143(f), 66264.145(f), and 66265.143(e), and 66265.145(e) of Cal. Code of Regs., Title 22, Division 4.5, of Chapters 14 and 15, Article 8. The current closure and/or post-closure cost estimates covered by such a test are shown for each facility/TTU: (See Exhibit I).

4. This company is the owner or operator of the following facilities/TTUs for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to U.S. Environmental Protection Agency or a State through the financial test or any other financial assurance mechanism as specified in Cal. Code of Regs., Title 22, Division 4.5, of Chapters 14 and 15, Article 8 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility/TTU: (None).

5. This company is the owner or operator of the following Underground Injection Control facilities for which financial assurance for plugging and abandonment is required under 40 CFR Part 144. The current closure cost estimates are shown for each facility. (None)

Agilent Technologies, Inc
395 Page Mill Road
PO Box 10395
Palo Alto, California 94303-0870

Agilent Technologies

This company is required to file a Form 10-K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this company ends on October 31. The figure for the following items marked with an asterisk are derived from this company's independently audited, year-end financial statement for the latest complete fiscal year, ended October 31, 2004.

This company is using Alternative 1. Please see attached worksheet (DTSC 1159)

Sincerely,
Agilent Technologies, Inc.

Adrian T. Dillon
Executive Vice President and Chief Financial Officer

Agilent Technologies, Inc.
395 Page Mill Road
PO Box 10395
Palo Alto, California 94303-0870

Agilent Technologies

EXHIBIT 1

CLOSURE COST ESTIMATES FOR FIXED TREATMENT UNITS PER CCR 67450.13

Site Address	EPA ID#	EPA Region	Closure Cost Est.	Post-Closure Cost Est.
Agilent Technologies, Inc. 3500 Deer Creek Road Palo Alto, CA 94304	CAR 000058560	9	$195,172	N/A
Agilent Technologies, Inc. 350 West Trimble Road San Jose, CA 95131	CAT 000611400	9	$148,570	N/A
Agilent Technologies, Inc. 5301 Stevens Creek Blvd Santa Clara, CA 95051	CAR 000058545	9	$321,704	N/A
Agilent Technologies, Inc. 1400 Fountaingrove Parkway Santa Rosa, CA 95403	CAR 000058537	9	$316,760	N/A

ALTERNATIVE I - FISCAL YEAR 2004

1.	Sum of current closure and post-closure cost estimates [Total of all cost estimates shown in the paragraphs of the letter to the Director of the Department of Toxic Substances Control]	$ 982,206
2.	Total liabilities [if any portion of the closure or post-closure cost estimates is included in total liabilities, you may deduct the amount of that portion from this line and add that amount to lines 3 and 4]	$ 3,487 M
3.	Tangible net worth	$ 3,126 M
4.	Net worth	$ 3,569 M
5.	Current assets	$ 4,577 M
6.	Current liabilities	$ 1,871 M
7.	Net working capital [line 5 minus line 6]	$ 2,706 M
8.	The sum of net income plus depreciation, depletion, and amortization	$ 641 M
9.	Total assets in the United States [required only if less than 90 percent of firm's assets are located in the United States]	$ 2,457 M
10.	Is line 3 at least $10 million?	(Yes) No
11.	Is line 3 at least 6 times line 1?	(Yes) No
12.	Is line 7 at least 6 times line 1?	(Yes) No
13.	Are at least 90 percent of the firm's assets located in the United States? If not, complete line 14.	Yes (No)
14.	Is line 9 at least 6 times line 1?	(Yes) No
15.	Is line 2 divided by line 4 less than 2.0?	(Yes) No
16.	Is line 8 divided by line 2 greater than 0.1?	(Yes) No
17.	Is line 5 divided by line 6 greater than 1.5?	(Yes) No

I hereby certify that this letter is worded as specified by the Department of Toxic Substances Control and is being executed in accordance with the requirements of Cal. Code of Regs., Title 22, Division 4.5, Chapter 14 and 15, Article 8.

Adrian T Dillon
Signature

ADRIAN T. DILLON
Typed or Printed Name

EVP & CFO
Title

2/15/05
Date

[Corporate Seal]

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D C 20549

Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended October 31, 2004

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 001-15405

Agilent Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware	77-0518772
State or other jurisdiction of Incorporation or organization	*I R S. Employer Identification No*

Address of principal executive offices 395 Page Mill Road, Palo Alto, California 94306

Registrant's telephone number, including area code (650) 752-5000

Securities registered pursuant to Section 12(b) of the Act

Title of each class	Name of each exchange on which registered
Common Stock par value $0 01 per share	New York Stock Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act

None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge in definitive proxy or information statements incorporated by reference in Part III of this Form 10 K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act) Yes No

The aggregate market value of the registrant's common equity held by non-affiliates as of April 30, 2004 was approximately $9 436 billion The aggregate market value of the registrant's common stock held by non affiliates as of October 31 2004 was approximately $9 425 billion. As of October 31, 2004, there were 486 841 087 outstanding shares of common stock, par value $0 01 per share Shares of stock held by officers directors and 5 percent or more stockholders have been excluded in that such persons may be deemed to be affiliates This determination of affiliate status is not necessarily a conclusive determination for other purposes

DOCUMENTS INCORPORATED BY REFERENCE

Document Description	10-KPart
Portions of the Proxy Statement for the Annual Meeting of Stockholders (the "Proxy Statement") to be held on March 1, 2005, and to be filed pursuant to Regulation 14A within 120 days after registrant s fiscal year ended October 31 2004 are incorporated by reference into Part III of this Report	III

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Visual Studio is a registered trademark of Microsoft Corporation in the United States and/or other countries Affymetrix is a U S registered trademark of Affymetrix Inc

Forward-Looking Statements

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 10 K. This report contains forward looking statements including, without limitation statements regarding trends, cyclicality seasonality and growth in the markets we sell into our strategic direction, expenditures in research and development contracts remediation and indemnification our future effective tax rate new product introductions, product pricing, changes to our manufacturing processes our liquidity position our ability to generate cash from continuing operations, our image sensor technology and the sale of our camera module business, our expected growth the potential impact of our adopting new accounting pronouncements, our financial results, revenue generated from international sales our potential repatriation of earnings, the impact of our enterprise resource planning systems implementation the impact of our variable cost structure our obligations under and assumptions about our retirement and post retirement benefit plans, our lease payment obligations savings from our restructuring programs and the existence or length of an economic recovery that involve risks and uncertainties Our actual results could differ from the results contemplated by these forward looking statements due to certain factors, including those discussed in Item 7 and elsewhere in this report

PART I

Item 1 ***Business***

Overview

Agilent Technologies Inc ('we' Agilent' or 'the company") incorporated in Delaware in May 1999 is a global diversified technology company that provides enabling solutions to markets within the communications, electronics, life sciences and chemical analysis industries We have four primary businesses

test and measurement

automated test

semiconductor products and

life sciences and chemical analysis

Prior to our initial public offering of 15 9 percent of our stock in November 1999 we were a wholly-owned subsidiary of Hewlett Packard Company ("Hewlett Packard") Hewlett Packard distributed the remaining 84 1 percent of our stock to its stockholders on June 2 2000 in the form of a stock dividend.

Our test and measurement, automated test and semiconductor products businesses focus on growth opportunities in the communications and electronics industries, while our life sciences and chemical analysis business focuses on growth opportunities in the life sciences industry and in the environmental, chemical food and petrochemical industries

We sell our products primarily through direct sales but we also utilize distributors resellers manufacturer s representatives, telesales and electronic commerce Of our total net revenue of $7 2billion for the fiscal year ended October 31 2004, we generated 31 percent in the United States ("U S ") and 69 percent outside the U S As of October 31 2004 we employed approximately 28,000 people worldwide Our primary research and development (R&D") and manufacturing sites are in California, Colorado Delaware and

Washington in the U S and in China, Germany Japan Malaysia, Singapore and the United Kingdom

Our net revenue by business segment for each of the years ending October 31 2004 2003 and 2002 was

	2004	2003	2002
		(in millions)	
Test and Measurement	$ 2,903	$ 2,529	$ 2,612
Automated Test	924	755	706
Semiconductor Products	2,021	1,586	1,559
Life Sciences and Chemical Analysis	1,333	1 186	1,133
Total Net Revenue	$ 7 181	$ 6,056	$ 6,010

More financial information about our business segments is contained in Note 19 "Segment Information," of the consolidated financial statements included in Item 15 of this report Hewlett Packard accounted for approximately 4 percent of our total net revenue for the fiscal year ended October 31 2004 5 percent for fiscal year 2003 and 8 percent for fiscal year 2002 These figures include items sold to contract manufacturers who manufacture products on Hewlett-Packard s behalf

Test and Measurement Business

Our test and measurement business provides standard and customized solutions that are used in the design, development manufacture installation, deployment and operation of electronics equipment and communications networks and services These solutions include test and measurement instruments and systems, communications services and network monitoring management and optimization tools, software design tools and related services Related services include start up assistance, instrument productivity and application services and instrument calibration and repair We also offer customization, consulting and optimization services throughout the customer s product lifecycle

Our test and measurement business employed approximately 11,200 people as of October 31 2004 We sell our test and measurement products through direct sales distributors, resellers manufacturer's representatives telesales and electronic commerce Our test and measurement business generated $2 9 billion in revenue in fiscal 2004, $2 5 billion in revenue in fiscal 2003 and $2 6 billion in revenue in fiscal 2002

Test and Measurement Markets

Our test and measurement products compete in two major markets

the communications test market and

the general purpose test market

The Communications Test Market

We market our communications test products and services to Network Equipment Manufacturers (NEMs ") and communications service providers

NEMs manufacture and sell products to facilitate the transmission of voice and data traffic, including network and subscriber equipment Thus transmission may be in various forms, such as electronic signals over copper wire optical signals over fiber cables

and radio frequency (RF") or microwave signals The NEMs customers are the distributors of end-user subscriber devices, including cell phones and personal digital assistants (PDAs ") as well as communications service

providers that deploy and operate the networks and services To meet their customers demands, NEMs require test and measurement instruments systems and solutions for the development, production and installation of each network technology

Communications service providers require reliable network equipment that enables their networks and services to operate at ever faster speeds, permits an expanding capacity and provides quick feedback To achieve this communications service providers require a range of sophisticated test instruments and systems to evaluate network performance and to identify any sources of communications failure

Agilent s communications service provider customers require advanced software and systems, known as operations support systems (OSSs") to monitor and manage the network infrastructure and services on a continuous proactive basis to achieve either regulated or customer specified service levels Real time monitoring of the network infrastructure also enables the implementation of additional services, such as fraud detection and intercarrier billing which enable service providers to capture the greatest revenue from network usage

The overall market for cellular mobility specifically in handsets grew in recent years as the levels of wireless penetration in developed countries have increased Wireless communications in emerging economies continues to increase To advance cellular telephone equipment manufacturers require electronic design automation software test instruments and systems for the development of wireless devices, high frequency communications circuits and systems Cellular equipment manufacturers also require advanced, high frequency test instruments and systems to develop manufacture and deploy cellular base stations for these wireless networks In addition, the rapid expansion of the cellular handset market coupled with subscriber turnover created by the introduction of new technologies has fueled growth for automated test equipment to test cellular handsets on the factory floor Investments continue for advanced R&D verification solutions for 2 5generation ('G ') and 3G appliance development and network deployment as the demand for complex wireless data networks increases

Further, as new standards evolve in the wireless industry new test and measurement equipment and systems have to be developed to enable testing of the new standards in the research, design and development and later in the manufacturing and deployment phases An example of this is wireless fidelity (Wi Fi"), also called 802 11 for wireless local area networking Companies are constantly finding applications for wireless technology and are providing their customers wireless network access in areas called hot spots ' such as airports coffee shops and libraries As the adoption of these new standards becomes mainstream, additional markets are emerging including larger companies and their network operators The use of wireless test and measurement solutions is quickly being adopted by these larger companies to ensure robust quality of service

In the last several years producers of networking communications equipment have increased their use of contract manufacturers Contract manufacturers require test solutions that are designed for faster production and for use in different applications Mobile phone and other appliance producers are also increasing their use of contract manufacturers original design manufacturers and reference design platforms, including using contract manufacturers for functional test This requires specialized test products and services to address the particular needs of these high frequency products

The General Purpose Test Market

We market our general purpose test products and services to the electronics industry The electronics industry designs, develops and manufactures a wide range of products including those

produced in high volumes, such as computers computer peripherals electronic components consumer electronics enterprise servers, storage networks and communications devices including PDAs The components, printed circuit assemblies and functional devices for these products may be designed, developed and manufactured by electronic components companies by original equipment manufacturers or by contract manufacturers For the development and timely commercialization of new technologies manufacturers require state-of the art test instruments systems and software design tools in order to design products for efficient and cost effective manufacturing and to validate product performance in a variety of configurations and environments Manufacturers of electronics products require sophisticated test equipment to operate and perform highly accurate tests from design through manufacturing They also demand automated functional test systems which test an electronic device as if it were in use in its final environment Finally electronics manufacturers require standardized test instruments system components and complete solutions

We also market our general purpose test products to the aerospace and defense industry Aerospace and defense is an important market for standardized electronic equipment because of the high electronic content of advanced defense systems and defense-related communications and surveillance equipment We believe that defense purchasers will continue to shift from specialized test equipment to commercial off the-shelf test products and systems and will continue to require solutions that optimize asset utilization and effective technology lifecycle management

Test and Measurement Products

Our test and measurement business designs develops and manufactures test and measurement products and services that range from single unit electronic measurement devices priced under $1 000 to large scale test systems or OSS solutions priced at $1 million and higher We divide our test and measurement products into two groups (1) communications test products and (2) general purpose test products

Communications Test Products

We sell installation and maintenance solutions and OSS, including monitoring and network management systems for the following types of communications networks and systems fiber optics networks transport networks broadband and data networks, wireless communications and microwave networks

Fiber Optic Network Products Our fiber optic network test products include optical signal instruments, spectrum analysis instruments and lightwave optical systems, such as optical amplifier test passive component test and jitter test instruments These items are used by the industry's leading NEMs to develop and manufacture reliable optical components and modules Our products also include tunable laser sources, multi wavelength meters photonic all parameter testers and high speed bit-error rate testers that measure key transmission properties of high speed optical and electrical signals

Transport Network Products Our transport network test products, our OmniBER OTN and OmniBER XM network simulators, provide capabilities for testing next generation Synchronous Optical Network/Synchronous Digital Hierarchy ("SONET/SDH") network equipment Our N2X multi-service tester combines services testing with carrier grade infrastructure testing and emulation, and integrates the performance of Router Tester 900 OmniBER XM and SAN Tester

Broadband and Data Network Products Our broadband and data network test products include our Network Analyzer and Router Tester 900 Our Network Analyzer product line helps to troubleshoot high speed local area networks (LANs "), wide area networks (WANs ") and asynchronous transfer mode networks Our Router Tester 900 is the industry leader in core edge router performance verification.

Wireless Communications and Microwave Network Products We design and sell RF and microwave test instruments and Electronic Design Automation (EDA ") software tools which assist in the design and production of cellular handsets and base stations, as well as satellite and aerospace defense systems Examples of our wireless communications products include specialized versions of RF and microwave network analyzers spectrum analyzers, signal sources mobile testers, circuit simulation tools and system simulation tools Agilent also offers solutions for centralized wireless LAN monitoring and network optimization Our AiRMS solution provides remote monitoring of network performance using a series of remote probes deployed in service vehicles and taxicabs The Agilent N5250A PNA series millimeter wave network analyzer has frequency coverage from 10 MHz to 110 GHz in a single sweep This capability enables engineers and system integrators working at millimeter-wave frequencies to take advantage of additional performance and connectivity and gives them the ability to characterize 1 0 mm coaxial and on wafer components subsystems and systems.

Installation and Maintenance Solutions Our solutions for installation test enable service providers to install, commission, and activate networks and services more quickly Agilent has a breadth of solutions for troubleshooting and maintaining optical, wireless, wireline and large-company networks These solutions include Fiber Break Locator Network Tester Optical Time Domain Reflectometers ("OTDR") Network Troubleshooting Center and Framescope We also market bench top and handheld measurement devices such as lightwave multimeters power meters and optical sources

Operations Support Systems and Services Agilent s OSS focus is to help communications service providers manage their business from a customer-centric perspective so they can understand how problems in network or service performance affect individual subscribers or groups of subscribers Our integrated OSS solutions reduce software integration costs and enable high value service level management functions not possible with stand alone systems We offer a number of industry proven monitoring and management systems, such as acceSS7 for Signaling System 7networks NETeXPERT for circuit, packet and hybrid networks NgN Analysis System for next-generation telephony and Internet offload networks Wireless Service Manager for wireless services and networks and Wireless QoS Manager for mobile data services and networks

General Purpose Test Products

We sell the following types of products into the general purpose test market general purpose instruments modular instruments and test software digital design products and high frequency electronic design tools

General Purpose Instruments General purpose test instruments are used principally by engineers in R&D laboratories, manufacturing calibration and service for measuring voltage current frequency signal pulse width and other standard electronics measurements Examples of our general purpose test instruments include spectrum analyzers network analyzers, signal generators, digitizing oscilloscopes, voltmeters multimeters, frequency counters bench and system power supplies, function generators and waveform synthesizers

Modular Instruments and Test Software Our modular instruments and test software including instruments incorporating the new LXI standard (LAN eXtensions for Instrumentation) and modular measurement system software, are used to dynamically configure and reconfigure test systems for designers and manufacturers of electronic devices This allows easy and fast connectivity between instruments and PCs In addition, release 14 of Agilent s IO Library Suite reduces PC configuration and connect time to less than 15 minutes Together with major revisions of Agilent VEE (7 0) and the Test & Measurement Programmers Toolkit for Visual Studio (2 0) these products speed test development and reduce the cost of test for our customers

Digital Design Products Our digital design products range from simple digital control circuits to complex, high speed servers incorporating the latest microprocessor technology and include high performance oscilloscopes, logic analyzers logic signal sources and data generators Agilent s 10 to 13 GHz real time oscilloscopes are the only models in the industry that offer full bandwidth, 40 GSa/s per channel When these new scopes are paired with the Agilent InfiniiMax probes of up to 12 GHz the new system delivers industry leading performance accuracy and probing connectivity This is used by R&D engineers in the computer, communications and semiconductor industries for validating and verifying the performance of new high speed digital product designs

High-Frequency Electronic Design Tools Our high frequency electronic design automation software tools are used by RF integrated circuit design engineers to model, simulate and analyze communications product designs at the circuit and system levels The main products in this area are the Advanced Design System (ADS) the RF Design Environment (RFDE) and the IC CAP Device Modeling Software Each are well-established software platforms within the wireless and the aerospace and defense design communities. Our customers are also applying this technology more frequently to model signal integrity problems in digital design applications

Test and Measurement Customers

Agilent's test and measurement customers include the NEMs who design, develop manufacture and install network equipment, and the service providers who implement, maintain and manage communication networks and services Many of our customers purchase solutions across several of our major product lines for their different business units As of the end of fiscal 2004 no single customer represented greater than 10% of the net revenue of the business

The orders and revenues of the test and measurement business are somewhat seasonal with our fourth quarter traditionally bringing larger volumes of business and our first quarter generally showing reduced volumes This is especially true of products that we sell to the aerospace and defense industry as well as those that are linked to consumer spending, including some of our communications test equipment However, the seasonal impact is tempered by the diversity of the test and measurement business s products and customers which span multiple industries

Test and Measurement Sales Marketing and Support

We have a focused sales strategy using a direct sales force resellers manufacturer s representatives and distributors to strengthen customer satisfaction Our direct sales force is focused on identifying customer needs and recommending solutions involving the effective use and deployment of our equipment, services, systems and capabilities Some members of our direct sales force focus on global accounts providing uniform services on a worldwide basis Others focus on our more complex products such as our communications OSS monitoring systems where customers require intensive strategic consultation. Our sales force also specifically targets the contract manufacturer market by collaborating with original equipment manufacturers to specify that contract manufacturers use our test equipment as well as marketing to contract manufacturers directly

Our direct sales force consists of field engineers and systems engineers who have in-depth knowledge of the customers business and technology needs Some of our field engineers are account managers for our large accounts, and enhance our understanding of the future needs of these customers Our systems engineers provide a combination of consulting systems integration and application and software engineering services and are instrumental in all stages of the sale implementation and support of our complex systems and solutions

To complement our direct sales force we have agreements with many channel partners around the world These partners including resellers manufacturer s representatives and distributors, serve Agilent s customers across a number of product lines and provide the same level of service and support expected from our direct channel Our products come with clearly outlined warranties and extended warranties available for an additional cost

Test and Measurement Manufacturing

We concentrate our test and measurement manufacturing efforts primarily on final assembly and test of our products To maximize our productivity and our ability to respond to market conditions, we use contract manufacturers for the production of printed circuit boards, sheetmetal fabrication metal die-casting plastic molding and standard electronic components We also manufacture proprietary devices and assemblies, in our own fabrication facilities for competitive advantage

We generally only manufacture products when we have received firm orders for delivery and do not generally hold large stocks of finished inventory However due to the large number of components and products we manufacture we hold relatively large amounts of raw materials

Test and Measurement Competition

The market for test and measurement equipment is highly competitive, and we expect this competition to increase Our test and measurement business competes with a number of significant competitors in all our major product categories and across our targeted industries In the general purpose electronic test market, we compete against companies such as Fluke Corporation (asubsidiary of Danaher Corporation) Keithley Instruments Inc LeCroy Corporation, National Instruments Corporation and Tektronix, Inc In the communications test market our primary competitors are Acterna Corporation, Aeroflex Incorporated, Anritsu Corporation, EXFO Electro-Optical Engineering, Inc Ixia, Marconi Corporation, McAfee Inc (formerly Network Associates, Inc) Rohde & Schwartz GmbH & Co KG Spirent, Tektronix, Inc as well as Telcordia, Hewlett Packard Company and Micromuse Inc in the communications network monitoring market Our EDA business also has several software competitors including Ansoft Corporation APLAC Solutions Corporation, Applied Wave Research Inc Eagleware Manufacturing Company Inc and Xpedion Design Systems Inc

In fiscal year 2004 and following the general economic recovery pricing pressure eased in some of our markets

Automated Test Business

Our automated test business provides test solutions that are used in the manufacture of semiconductor devices electronics (primarily printed circuit board assemblies) and flat panel displays (FPDs ") These solutions are complemented by consulting, service and support offerings such as start up assistance, application services and system calibration and repair Our automated test business s test solutions enable electronics designers and manufacturers to shorten the design to-production cycle lower manufacturing cost of test, confirm the functional quality of their devices and of their manufacturing processes and accelerate the high volume delivery of their products

Our automated test business employed approximately 2 200 people as of October 31 2004 We sell our automated test business's solutions through direct sales and through manufacturers representatives Our automated test business generated $0 9 billion in revenue in fiscal 2004 $0 8 billion in revenue in fiscal 2003 and $0 7 billion in revenue in fiscal 2002

Automated Test Markets

Agilent s automated test business sells to the semiconductor manufacturing markets the electronics manufacturing markets and the FPD markets Customers in these markets use our automated test equipment for wafer level parametric testing, wafer sort and final sort for memory test, package level functional test structural and electrical testing and inspection for printed circuit board assemblies and thin film transistor ("TFT") array test for FPDs

Market demand for automated test equipment is driven both by changes in the increased volume of semiconductor devices produced and by developments in semiconductor performance and function, packaging and assembly technology

The development of increasingly faster and more complex semiconductor devices stimulates demand for testers capable of evaluating these high speed devices In addition the continuing integration of functions, such as microprocessor logic analog RF and logic application specific integrated circuits ("ASICs") and memory on a single integrated circuit has created a category of device called system-on a chip (" SOC") These devices require updates to our sophisticated and flexible automated test equipment

In the electronics manufacturing market new technologies and processes increasing density and miniaturization of parts stimulate demand New materials and smaller parts such as ceramic column grid arrays ceramic ball grid arrays and ultra-miniature resistors or capacitors ("0201s") make new demands on test equipment The same is true for new and evolving manufacturing processes, such as the pending introduction of lead free solder This increases demand for test equipment that provides increased resolution for the highest call accuracy and a range of solutions to access issues

The use of FPDs is becoming increasingly common in a wide variety of consumer devices that include cellular phones digital cameras, liquid crystal display ("LCD) televisions computer displays digital cameras and PDAs Different technologies are evolving to improve brightness and resolution on the screens A TFT array tester such as the two testers introduced by our automated test business in October 2004 helps improve display quality while lowering costs These TFT array testers detect defects accurately and early in the manufacturing process, regardless of the FPD technology being used.

Automated Test Products

Our automated test business designs, develops and manufactures semiconductor test equipment electronics manufacturing test equipment and TFT array test equipment We typically develop our automated test products on a single system architecture and then deliver over time, enhancements to that architecture that extend its test capabilities For instance in 2004 Agilent expanded the capabilities of our 93000 SOC system by further expanding its high speed performance to address emerging high speed interconnect technology At the same time, Agilent introduced a low cost parallel probe (wafer sort) solution on the same platform Our customers can adapt their 93000 SOC system according to their needs without having to buy multiple unique testers We also introduced the V5400 memory tester, based on current Agilent Versatest architecture that addresses the growing phenomenon of stacked, mixed memory chips, including any combination of flash, dynamic random access memory (DRAM") and static random access memory ("SRAM")

Semiconductor Test Equipment

We produce semiconductor test equipment to perform electrical functional testing of the operation of logic memory, mixed analog and digital signal, RF, microwave and SOC integrated

circuits Our parametric test instruments and systems combine hardware technology and customizable system software and are used to examine semiconductor wafers during the semiconductor manufacturing process Our product development efforts are targeted at leading edge technologies such as high speed interconnects, highly integrated mixed signal memory parametric test for 90nm and below geometries and emerging technology FPDs

Our semiconductor test equipment tests a variety of different circuit types We test both at the wafer level and at final assembly We are an industry leader in wafer sort test solutions for flash memory devices which retain data even when the power is turned off and that are used in digital cameras cellular phones PDAs and storage of portable digital audio files Our flash memory test products can test as many as 4 608 channels to test multiple devices in parallel greatly improving test throughput and lowering test costs for our customers Our SOC test system can test not only multiple devices at a time but also multiple functional elements on a given device at the same time As a result of its scalable platform architecture this system can be field upgraded to the latest technology without the customer needing to buy a new system or shut down the production line for an extended time

Electronics Manufacturing Test Equipment

Automated Optical Inspection Products Our automated optical inspection line of products enables automated visual inspection of printed circuit assemblies These systems locate with a high degree of repeatability and reliability misplaced and misaligned parts gross solder defects and other process faults without the need for a human inspector

Automated X-ray Inspection Products Our leading x ray inspection products provide a three-dimensional scan of printed circuit board assemblies to identify and isolate quality defects caused by the manufacturing process Our products can look through a device to identify structural defects in soldering that are not identified by visual inspection and that may not be detected with in-circuit testing

Automated In-Circuit Testing Products Our leading in-circuit testers use a probe fixture that makes electrical contact with the circuit board These systems make electrical measurements that identify quality defects such as bad and incorrect parts that affect electrical performance, and allow repair of the defects while it is still relatively inexpensive to make the diagnosis and repair

Manufacturing Test System Software Our Agilent Quality Tool and Agilent Repair Tool software use the Agilent Intelligent Test Framework that connects and integrates information from the Agilent portfolio of test and inspection equipment The software provides common tools to enable customers to use information across the manufacturing line for effective process control, repair and test design

TFT Array Test Equipment

Effective production process testing is essential for FPD manufacturing because most failures occur during the TFT array process, and correcting overlooked failures post process is prohibitively expensive Our TFT array tester family, introduced in October 2004, provides FPD manufacturers with a test solution for all key technologies in the rapidly growing FPD market An array tester can provide significant cost savings by detecting defects early in the process of manufacturing FPDs

Automated Test Customers

Many of our customers purchase solutions across several of our major product lines for their different business units Generally our customers are involved in producing digital consumer and

wireless products, computation, PC and PC peripherals wireline communications, or enterprise networking and storage As of the end of fiscal 2004, no single customer represented greater than 10% of the net revenue of the business

We also engage in collaborative co development relationships with electronics industry leaders and contract manufacturers

The back to-school and holiday seasons affect our automated test business to the extent that we are subject to the cycles of consumer electronics manufacturing Our customers include manufacturers who produce a wide range of consumer electronics equipment requiring the test of semiconductors printed-circuit board assemblies and FPDs

Automated Test Sales, Marketing and Support

Our automated test business's products are distributed using direct sales and through manufacturers representatives Some portions of the direct sales force provide general services around the world, while others provide specialized consultation services for particular segments of the automated test business Manufacturers representatives address specific geographic markets They provide the same level of service and support to Agilent's customers as is expected from our direct channel

Automated Test Manufacturing

Our automated test business has manufacturing facilities in Germany Japan and Singapore and contract manufacturing relationships in Europe Asia, Japan and the U S We do not maintain a high level of finished goods inventory due to a combination of product platform strategy and outsourcing However for those products that we do manufacture, we hold relatively large amounts of raw materials

Automated Test Competition

The market for automated test solutions is highly competitive, and we expect this competition to increase Our automated test business competes with a number of significant competitors in all our major product categories and across our targeted industries In the semiconductor test market we compete primarily against Advantest Corporation and Teradyne In the electronics manufacturing test market, we compete primarily against Teradyne In the large panel FPD test market we compete against Photon Dynamics, Applied Komatsu Technologies and Shimadzu Corporation In emerging FPD technologies we compete primarily against Wintest

Most of our equipment competes primarily on performance or differentiated capabilities Other contributing factors include cost of test system scalability and flexibility sensitivity speed, reliability and yield.

Semiconductor Products Business

Our semiconductor products business is a leading supplier of semiconductor components modules and assemblies for consumer and commercial electronics applications We design, develop and manufacture products for the networking and personal systems markets Our networking products include fiber optic transceivers for sending and receiving data over high speed networks and ICs for enterprise storage and networking In 2004 and 2003, about two thirds of the semiconductor products business came from customers in consumer electronics markets

As of October 31 2004, our semiconductor products business had approximately 6 800 employees worldwide Our semiconductor products business generated revenue of $2 0 billion in fiscal year 2004 $1 6 billion in fiscal year 2003 and $1 6 billion in fiscal year 2002

Semiconductor Markets

Our semiconductor products business serves the following markets

Personal Systems Markets

We sell products into the Personal Systems market which are targeted for use in applications including mobile phones, printers PC peripherals and consumer electronics

The driving trend in mobile communications is for higher speed higher bandwidth connections to offer subscribers more digital services through their mobile phones Consumer products that realize the convergence of palm top computing mobile telephony and digital imaging are increasingly appearing on the market

Networking Markets

We sell products into the networking market, including computing storage local area and public network applications There is a continued evolution of networks both private (local area and storage area networks) and public (metro and wide area networks) to higher speeds and greater bandwidth driven by the ongoing growth of data traffic Business to consumer and business to-business e-commerce the internet the growing volume of e mail traffic the growth of streaming video and audio the delivery of online services and peer to peer communications are all generating ever greater volumes of electronic data that must be processed moved and stored As a result both private and public network managers drive a continual process of upgrading their networks to higher speeds and increased scalability Fiber optic transceivers and high speed digital ICs are the semiconductor technologies that help enable higher speed, higher performance networks

Semiconductor Products

Our semiconductor products business designs and sells semiconductor components modules and assemblies The major product areas of our semiconductor products business include

Personal Systems Products

Radio Frequency and Microwave Communications Device Products We produce a broad family of RF and microwave communications products primarily integrated circuits for wireless communications products and infrastructure Our latest products are the Film Bulk Acoustic Resonator (FBAR ") duplexer, a semiconductor based filter product, and E-pHEMT power amplifiers, a high power added efficient wireless transmitter solution The FBAR duplexer and the E-pHEMT power amplifier help enable smaller, more functionally rich mobile telephones These two products are targeted for both current and future generation mobile phones We began increasing the production of these two products towards the end of 2003 They have been among the top growth areas for our semiconductor products business

Infrared Emitters Detectors and Transceiver Module Products We are a leading supplier of infrared (IR") products that enable short range, point to point wireless communication between portable and stationary devices including notebook personal computers printers, cellular phones PDAs, pagers and digital cameras In 2003 we delivered the industry s first infrared transceiver with remote control functionality for consumer electronics devices such as TVs and VCRs The semiconductor products business also introduced a solution, known as the Ambient Light Photo Sensor that senses available light and signals whether backlighting for displays or keypads is required By not turning on backlighting when it is not needed, mobile systems can save significant battery life In 2004 we introduced products for Infrared Financial Messaging (IrFM") a standard for wirelessly sending digital transactions through use of an IR transceiver in a cell phone PDA or

digital wallet These payment transactions can take place between a customer and millions of point of sale devices to provide instant IR connectivity for secure wireless payment

Printing ASICs We are a leading supplier to Hewlett Packard for printing ASICs, which are the central processing ICs for Hewlett Packard laser printers inkjet printers and all in-one products Agilent provides subsystem solutions for Hewlett Packard printers, aimed at capturing more content of printer components and offering higher integration and shorter time to market

Optical Image Sensors and Processors and Optical Position Sensors Our products include sensors used in embedded camera modules for mobile phones and navigation sensors for laser and LED optical mice We also produce optical motion control products used primarily for precision paper handling and positioning in inkjet printers and all in one products In the fourth quarter of 2004 we agreed to sell inventory and fixed assets relating to our camera module business We will continue to sell the image sensors that are a component part of the camera modules but after the sale we will no longer produce the assembled modules We will retain intellectual property and research and development activities associated with the image sensor technology

LEDs and Optocoupler Products We manufacture and sell a broad range of LEDs, alphanumeric displays and optocouplers used in consumer electronics factory automation and transportation. LEDs are semiconductor devices that emit light when an electrical signal is applied Optocoupler products are devices that provide both electrical insulation for protection, and signal isolation to prevent distortion of data between differing electrical environments We are a leading supplier of optocouplers for use in Plasma Display Panel (PDP") digital TVs We provide integrated color management solutions and color sensor applications for LEDs which are used for color detection, measurement and control capabilities that can be integrated into different applications including LCD TVs using LED backlights We are a leading supplier of LED optoelectronic solutions used for keypad and display backlighting and for camera flash

Lighting Joint Venture We are engaged in a global joint venture Lumileds, with Philips Electronics Lumileds develops manufactures and sells LEDs, modules, products and systems for a broad spectrum of lighting applications including automotive lighting high brightness traffic signals contour lighting and signs outdoor illumination and white LEDs for both indoor and outdoor applications In 2004, consumer electronics companies introduced the first products that employ LEDs as an alternative to Cold Cathode Fluorescent lamps ("CCFLs ") as a source of backlighting in LCD displays

Networking Products

Fibre Channel Controller Products We are the leading supplier of controller ICs for Fibre Channel The Fibre Channel interconnect protocol a standard for the transfer of information between computers and storage devices defined by the American National Standards Institute, is the leading technology for building storage area networks (" SANs ") In 2004 we introduced the industry's first 4 Gb/s Fibre Channel controller ICs The controllers offer storage OEMs performance and port density in a single chip 4 Gb/s Fibre Channel controller IC provides the industry s highest performance for redundant arrangement of independent disk (RAID") arrays storage subsystem virtualization devices storage routers, host bus adapters and host computer motherboards for mid to high end storage applications that use multiprocessor systems These newest products expand our leading portfolio of Fibre Channel controller solutions for 1 and 2 Gb/s We also offer physical layer ICs, which connect processing ICs such as our Fibre Channel controllers to fiber optic transceivers for data transmission

Fiber Optic Products We are a leading supplier of fiber optic transceivers which convert electronic digital data into light signals for transmission, and convert light signals back into

electronic digital form on the receiving end of the communication We market optical transceivers transmitters and receivers for high speed data communications for Fast Gigabit and 10-Gigabit Ethernet, 2 and 4 Gb/s Fibre Channel, and Asynchronous Transfer Mode/Synchronous Optical Network ("ATM/SONET") applications up to 2 5 gigabits per second (OC-48) In addition, we are developing products for dense wave division multiplexing (DWDM") optical transport applications

High-Speed Digital Integrated Circuit Products We provide core electronics chipsets that support central processing units for selected Hewlett-Packard workstations and servers We provide customer specific ASIC solutions for next generation data switching products Finally we are a provider of state-of-the art ASICs and networking ICs for use in next generation network switches

Semiconductor Customers

We sell to customers in the networking and personal systems markets We sell to original equipment manufacturers directly as well as contract manufacturers As we move toward more consumer-centric products, including components for mobile phones and for optical mice, we expect our business to reflect the seasonality inherent in the consumer market

Our semiconductor technology licensing and supply arrangements with Hewlett Packard limit our ability to sell products to other companies subject to restrictions contained in the exhibits to our Master Patent Ownership and License Agreement with Hewlett-Packard and our ICBD Technology Ownership and License Agreement with Hewlett Packard, which are exhibits to this Annual Report on Form 10-K Through sales of ASICs storage area networking components and motion control products, Hewlett-Packard accounted for approximately 14 percent of our semiconductor products revenue in fiscal year 2004 20 percent in fiscal year 2003 and approximately 33 percent in fiscal year 2002

Semiconductor Sales, Marketing and Support

Our semiconductor sales organization consists of approximately 300 employees who have responsibility for emerging accounts or for large global accounts Our sales force has specialized product and service knowledge that enables it to sell specific offerings at key levels throughout a customer s organization We also have a direct sales team that focuses on supporting major contract manufacturers In addition to direct sales we generate approximately 30 percent of our revenue through our relationships with key electronic distributors worldwide We also provide a broad range of products and applications related information to customers and channel partners via the Internet

Semiconductor Manufacturing

The majority of our silicon and gallium arsenide wafer fabrication is done in the U S and Singapore while our assembly and test operations are in Malaysia and Singapore In addition to these facilities, we utilize a network of contract manufacturers throughout Asia for semiconductor fabrication, packaging and test

Our manufacturing strategy has been to outsource more mature technologies while using our in house manufacturing fabrication, assembly and test capabilities to develop new products Our production facilities have developed several quality-management processes designed to increase productivity We have developed proprietary automated test systems, particularly in optical LED and microwave test

For selected customers, we maintain finished goods inventory near or at customer manufacturing sites to support their just in time production In 2004 we negotiated extended payment terms for most of the materials that we purchased.

Semiconductor Competition

The markets for our semiconductor products are intensely competitive, and we expect competition to increase Our ability to compete effectively depends on a number of factors including

- product reliability and performance in operation,
- price
- power consumption
- compliance with standards,
- product size and integration and
- time to market.

In the fiber-optic products market our principal competitors are Finisar Infineon and JDS Uniphase In the market for high-speed digital ICs, our principal competitors are IBM, LSI Logic, Texas Instruments and Vitesse Semiconductor Corporation Our principal competitors in RF wireless are Renesas, RF Micro Devices and SkyWorks In the market for infrared products, our principal competitor is Vishay Intertechnology Inc We compete with companies including LSI Logic, Motorola and STMicroelectronics for printer ASICs Principal competitors in our LED businesses include Lite-on Inc Nichia, Osram, Stanley Electronic Co Ltd and Toshiba

Life Sciences and Chemical Analysis Business

Our life sciences and chemical analysis business provides application focused solutions that include instruments software consumables and services that enable customers to identify, quantify and analyze the physical and biological properties of substances and products Our seven key product categories include microarrays microfluidics, gas chromatography, liquid chromatography mass spectrometry, software and informatics and related consumables, reagents and services

We employed approximately 3 900 people as of October 31 2004 in our life sciences and chemical analysis business This business generated revenue of $1.3 billion in fiscal 2004 $1 2 billion in fiscal 2003 and $1 1 billion in fiscal 2002

Life Sciences and Chemical Analysis Markets

Primarily, our life sciences and chemical analysis business serves the following markets

Life Sciences Markets

Our life science markets account for approximately 40 percent of revenue from our life sciences and chemical analysis business Agilent s life science solutions are used by academic researchers government institutes and pharmaceutical and biopharmaceutical companies in every phase of the drug development process The drug development process includes research into the basic causes and understanding of disease drug discovery drug development, drug manufacturing and quality assurance/quality control ("QA/QC") Within the life sciences, we focus on the following areas pharmaceutical analysis (drug development, manufacturing and QA/QC) gene expression and proteomics

The Pharmaceutical Analysis Market Pharmaceutical and biopharmaceutical companies develop and manufacture drugs under strict regulatory guidelines intended to ensure the quality of products developed and given to patients, and to ensure the security and quality of information given to regulatory agencies We provide liquid chromatography gas chromatography and mass

spectrometry solutions for the analysis of chemicals, and provide compliance services and data systems designed to further enable compliance with relevant regulations of the Food and Drug Administration (FDA) and other regulatory agencies

The Gene Expression Market Biological researchers today can study organisms and diseases based on genetic material Gene expression researchers use devices called microarrays to measure the activity levels of many genes in a cell simultaneously for the purpose of understanding and characterizing disease identifying drug targets and identifying patterns of gene activity that correlate to the potential toxicity or effectiveness of a drug This is a double digit growth market in which our microarray microfluidics and informatics solutions are sold

The Proteomics Market When a drug enters the body it usually targets one or more proteins Proteomics is a new and growing field with the goal of identifying, characterizing and analyzing proteins on a high volume scale Proteomics is also important to the large scale manufacture of protein based therapies in development by biotech companies Protein scientists currently apply traditional protein analysis technologies such as liquid chromatography, gas chromatography and mass spectrometry, as well as newer microfluidics technologies and reagents We provide solutions in all of these areas and are investigating new technologies for proteomics research

Chemical Analysis Markets

Our chemical analysis markets account for approximately 60 percent of revenue from the life sciences and chemical analysis business Agilent s chemical analysis solutions are used by corporations, government organizations and academic researchers to detect, characterize quantify and analyze chemicals and biological entities that could affect human health, both those found in the environment and those created in the manufacturing of products Within chemical analysis, we focus primarily on the following areas petrochemical, environmental homeland security and forensics and bioagriculture and food safety

The Petrochemical Market The natural gas and petroleum refining markets use our products to measure and control the quality of their finished products and to verify the environmental safety of their operations We sell gas chromatographs liquid chromatographs and mass spectrometers into these markets Petroleum refiners use our measurement solutions to analyze crude oil composition, perform raw material analysis, verify and improve refining processes and ensure the overall quality of gasoline fuels, lubricants and other products Our gas chromatographs are also used to monitor consistent quality in the delivery of natural gas

The Environmental Market Our gas chromatography liquid chromatography and mass spectrometry solutions are used by the environmental market for applications such as laboratory and field analysis of chemical pollutants in air, water, soil and solid waste Environmental industry customers include all levels of government the industrial and manufacturing sectors engineering and consulting companies, commercial testing laboratories and colleges and universities We are seeing increased international demand for environmental instrumentation in the Asia Pacific region

The Homeland Security and Forensics Market Our liquid chromatography gas chromatography mass spectrometry and microfluidics solutions are used by health and forensics laboratories in the U S and abroad particularly in the analysis of evidence associated with crime or with the detection and identification of biological and chemical warfare agents This instrumentation is either used in static or mobile laboratories Customers include local, state, federal and international law enforcement agencies and health laboratories

The Bioagriculture and Food Safety Market Food safety industries apply the same general technologies for chemical analysis as the pharmaceutical and environmental markets, including gas and liquid chromatography and mass spectrometry Additionally, bioagriculture industries seek to improve crops and foods by conducting research on these organisms as well as testing for genetically modified content using microarray and microfluidics solutions

Life Sciences and Chemical Analysis Products

A key factor in all of our life sciences and chemical target markets is the need for new products that increase customer productivity and provide high quality data that enables decision making by our customers

Microarray Products

Since announcing the launch of our DNA microarray program for the life sciences in December 1999 we have become the second leading supplier of microarray solutions which we sell primarily to pharmaceutical companies biotech companies and academia Using our refined inkjet manufacturing process, we make highly sensitive 60-mer oligonucleotide (oligo') microarrays This unique inkjet process is highly flexible and accurate, enabling the faster manufacture of new and custom high density microarrays with highly uniform spot shape

In 2004, we introduced our line of whole genome microarrays including kits for human mouse and Arabidopsis a model plant organism In a collaborative effort, we also commercialized the first 60-mer oligo microarray for the study of rice, a staple food for half the world s population We now provide microarrays for the study of human, mouse rat Arabidopsis, rice, rice blast (a type of rice fungus) and yeast

Microfluidics Products

The Agilent 2100 bioanalyzer is the first commercial microfluidics solution for the analysis of a wide range of biological molecules including DNA, RNA, proteins and cells The bioanalyzer chips allow sample quality assessment to be done in a fraction of the usual time using less sample and reagents This technology could eventually replace traditional gel electrophoresis in many applications

In 2004, we introduced the Agilent 2100 Expert Software with compliance features that enable the bioanalyzer to be used for the development and manufacture of protein based therapeutics in the pharmaceutical and biotechnology industries

To standardize RNA quality measurement using the bioanalyzer Agilent introduced a beta version of its RNA integrity number (RIN") software It is the first tool for objectively grading and communicating the quality of RNA used in experiments

In November 2004, Agilent introduced the first fully automated, high-throughput lab-on a chip system which will enable unattended analysis of thousands of DNA or protein samples per day

Gas Chromatography Products

We produce gas chromatography systems, both portable and stationary A gas chromatograph ("GC") is used to separate any gas liquid or solid molecules that can be vaporized in order to determine the quantity and identity of the molecules present As a market leader in gas chromatography, we continue to expand its applications with new columns and supplies, as well as product and software enhancements

In 2004, we introduced a network headspace sampler that features an inert sample pathway and significant improvements in sensitivity, performance and productivity We also introduced a thermal

performance qualification service for Agilent gas chromatographs which helps to verify that a GC s heated zones (oven injection ports and detectors) are working properly In April Agilent also became the first company to offer online training for gas chromatography

Liquid Chromatography Products

A liquid chromatograph (LC ") or a high performance liquid chromatograph ("HPLC") is used to separate molecules of a liquid mixture to determine the quantity and identity of the molecules present Used when gas chromatography is not an option, these instruments are modular in construction and can be configured to form instruments that perform specific analyses We offer a HPLC system the Agilent 1100 Series with over 50,000 systems sold since its introduction As a leader in liquid chromatography we continue to expand its applications with new LC and HPLC columns and provide ongoing product and software enhancements

In 2004 we introduced improvements to the Agilent 1100 Series HPLC purification system We released a new dual loop autosampler for the purification platform that provides flexible sample handling and high sample throughput in a compact design that conserves critical bench space We also released new purification system software, which provide flexible functionality for preparative HPLC enabling users to add modules for specific needs

We also introduced the Agilent 1100 Series HPLC micro collection/spotting system It is a complete software-controlled separation solution for proteomics that features direct spotting on matrix assisted laser desorption/ionization mass spectrometry (MALDI MS) targets

Mass Spectrometry Products

A mass spectrometer (MS ") identifies and quantifies chemicals based on a chemical s molecular mass and on characteristic patterns of fragment masses that result when a molecule is broken apart Mass spectrometry is an important tool in analyzing proteins and other biological entities that undergo transformations because it enables the understanding and characterization of their many different states MS systems are typically used in combination with gas or liquid chromatographs

In the past three years Agilent significantly expanded its mass spectrometry portfolio with a focus on ease of use sensitivity and reliability We introduced several instruments including new ion trap time of flight ("TOF") and inductively coupled plasma mass spectrometry (ICP MS") systems We also significantly upgraded our existing LC/MS and GC/MS quadrupole systems

In 2004, we continued to expand our MS portfolio with several new products and solutions We introduced a new 7500ce ICP-MS system which is up to five times more sensitive than its predecessor We introduced the Agilent LC/MSD Trap XCT Plus ion trap MS which is four times more sensitive than its predecessor We upgraded our TOF MS by providing new autotuning and compatibility features and improving its integration with our capillary electrophoresis system We introduced the Agilent protein identification solution a multiple system LC/MS package for proteomics and pharmaceutical applications

Software and Informatics Products

We provide software for controlling instruments, managing the laboratory, and analyzing the data generated by instrument platforms

Early in 2004 Agilent introduced a new version of the Agilent Cerity Networked Data System for Pharmaceutical QA/QC that is the first system of its kind to provide automated 3 D analysis generic instrument control and a spreadsheet style custom calculator We also released the Agilent

MSD Security ChemStation the first Agilent data system for GC/MS that facilitates the regulatory-compliant use of GC/MS in pharmaceutical environments

Agilent also announced an exclusive agreement in the life sciences area to market sell and support Scientific Software's CyberLAB Enterprise Content Management System a Web based electronic library that collects organizes, indexes stores archives and shares electronic records

Agilent shipped an upgrade to its Spectrum Mill MS proteomics workbench for better performance and ease of use in a broad range of proteomics applications We also released new protein confirmation software for the TOF that allows researchers to easily and reliably check the identity and purity of proteins

In October 2004 we acquired Silicon Genetics, a leading provider of software solutions for life science discovery The acquisition adds several new products to Agilent's portfolio GeneSpring a genomics expression data visualization and analysis solution Varia high volume genetic variation analysis software and GeNet a scalable repository for expression data

We also announced an agreement to partner in an $11 7 million grant from the National Institute of Standards and Technology's Advanced Technology Program to develop informatics technologies for life science research

Consumables Reagents and Services

We also offer a broad range of consumable products, which support our LC GC and MS technology platforms These consumable products include chemical and biological reagents instrument replacement parts brand specific chromatography columns and consumable supplies to meet our customers analysis needs All of our products, which include generic and proprietary supplies, are designed to work together

Our support services include all of our chemical and bioinstrumentation analysis hardware and software maintenance, troubleshooting repair and training Special service bundles have also been designed to meet the specific analysis instrument needs of various industries

In 2004 we continued to expand our portfolio of consumables and services We introduced new versions of our multiple affinity removal system for protein research, including a new LC column that removes the three most abundant proteins from mouse serum and a new spin cartridge format

We introduced a Lys Tag 4H reagent kit for tagging lysine peptides during MS analysis We released Agilent Prep LC columns a line of preparative LC columns designed specifically for industrial scale purification of target compounds in the pharmaceutical industry We also introduced the HP-88 a long-lasting GC column designed specifically for efficient reliable analysis of trans fatty acid content in food.

Life Sciences and Chemical Analysis Customers

Our top 25 customers account for approximately 21 percent of revenue within our life sciences and chemical analysis businesses We have roughly 21 000 customers and as of the end of fiscal 2004, no single customer represented greater than 10% of the net revenue of the business

The life sciences and chemical analysis business is susceptible to seasonality in its orders and revenues primarily based on U S government and large pharmaceutical company budgets The result is that our first and fourth fiscal quarters tend to deliver the strongest profits for this group

However general economic trends new product introductions and competition might overshadow this trend in any given year

Life Sciences and Chemical Analysis Sales, Marketing and Support

Our sales and support delivery channels are aligned by key markets We market products to our customers through direct sales, electronic commerce resellers, manufacturers representatives and distributors Additionally we are optimizing our worldwide distribution capabilities to address high growth opportunities such as the environmental food safety and pharmaceutical markets in the Asia Pacific region.

We use direct sales to market our solutions to all of our pharmaceutical and biopharmaceutical accounts large and medium sized chemical customers and environmental accounts Sales agents supplement direct sales by providing broader geographic coverage and coverage of smaller accounts Our active reseller program augments our ability to provide more complete solutions to our customers We sell our consumable products through distributors telesales and electronic commerce

We offer a wide range of startup, operational, educational and compliance support services for our measurement and data handling systems We deliver our support services to customers in a variety of ways including on site assistance with repair or exchange of returned products telephone support and self-diagnostic services provided over the Internet We also offer special industry focused service bundles that are designed to meet the specific needs of hydrocarbon processing environmental pharmaceutical and biopharmaceutical customers to keep instruments fully operational and compliant with the respective industry requirements

Life Sciences and Chemical Analysis Manufacturing

Our manufacturing supports our diverse product range and customer-centric focus We assemble highly configurable products to individual customer orders and make standard products to stock We employ advanced manufacturing techniques and supply chain management systems to reduce costs and manufacturing cycle times We selectively use third parties to provide manufacturing capabilities outside our core competencies such as the manufacture of printed circuit assemblies and the delivery of shipment logistics We have manufacturing facilities in California and Delaware in the U S China, Germany and Japan We utilize just in-time manufacturing and so typically do not maintain a high level of inventory Our products typically come with standard warranties, and extended warranties are available for additional cost

Life Sciences and Chemical Analysis Competition

The markets for analytical instruments in which we compete are characterized by evolving industry standards and intense competition Our principal competitors in the life sciences arena include Affymetrix, Applied Biosystems, GE Healthcare Invitrogen, Thermo Electron and Waters Our principal competitors in the chemical analysis arena include Applied Biosystems, Perkin Elmer Corp , Shimadzu Corporation, Thermo Electron and Varian Agilent competes on the basis of product performance, reliability support quality applications expertise and global channel coverage

Life Sciences and Chemical Analysis Government Regulation

The analysis products and related consumables marketed by our chemical analysis business are subject to regulation in the U S by the Environmental Protection Agency (EPA') under the Toxic Substances Control Act and by government agencies in other countries under similar laws The Toxic Substances Control Act regulations govern among other things the testing manufacture processing and distribution of chemicals the testing of regulated chemicals for their effects on

human health and safety and import and export of chemicals The Toxic Substances Control Act prohibits persons from manufacturing any chemical in the U S that has not been reviewed by EPA for its effect on health and safety and placed on an EPA inventory of chemical substances Therefore we must continually adapt our chemical analysis products to changing regulations If we fail to comply with the notification record keeping and other requirements in the manufacture or distribution of our products, the EPA can obtain an order from a court that would prohibit the further distribution or marketing of a product that does not comply or we could face fines civil penalties or criminal prosecution

Agilent Technologies Laboratories ("Agilent Labs")

Agilent Labs based in Palo Alto California, with satellite offices in China Fort Collins Colorado and Scotland, is our central research organization Agilent Labs engages primarily in two types of research 1) applied research that leads to technology that can be transferred to our existing businesses in communications, life sciences and electronics and 2) research that creates new businesses that are outside of our current markets but within our fields of interest Agilent Labs also provides technology integration across our company

Agilent Labs employs approximately 300 people About 70 percent of Agilent Labs employees are members of the technical staff and about 70 percent of the technical staff have advanced degrees that cover a wide range of scientific fields, including biology bioinformatics chemistry, computer science electrical engineering image processing materials science mathematics, optoelectronics, photonics, physics physiology semiconductor technology and systems integration

The following discussions of Research and Development, Backlog, Intellectual Property, Materials, Environmental, International Operations and Acquisition and Disposal of Material Assets include information common to all four of our segments.

Research and Development

Research and development expenditures were $933 million in 2004 $1 051 million in 2003 and $1,250 million in 2002 the vast majority of which was company sponsored We anticipate that we will continue to have significant R&D expenditures in order to maintain our competitive position with a continuing flow of innovative, high quality products and services

Backlog

We believe that backlog orders are not a meaningful indicator of future business prospects Backlog, as we define it, generally only represents cumulative outstanding orders that are scheduled for delivery within a six month period Therefore backlog is not a material indicator of our future medium to long term business prospects We believe that our incoming orders in any given period are more indicative of short-term revenue trends for our businesses However for our Semiconductor Products business, neither backlog nor orders are indicative of future business prospects since the time between receipt of an order and revenue recognition has decreased significantly during 2004 See Results of Continuing Operations" in Item 7 of this report

Intellectual Property

Our general policy has been to seek patent and other intellectual property protection for those inventions and improvements likely to be incorporated into our products and services or to give us a competitive advantage While we believe that our licenses, patents and applications have value in general no single patent or license is in itself essential In addition, there can be no assurance that any of our proprietary rights will not be challenged, invalidated or circumvented, or that our rights will provide significant competitive advantages

Materials

Our manufacturing operations employ a wide variety of semiconductors, electromechanical components and assemblies and raw materials such as plastic resins and sheet metal Each of our segments purchases materials from thousands of suppliers on a global basis No single supplier is material, although some of the parts that require custom design work are not readily available from alternate suppliers due to their unique design or the length of time necessary for design work Our long term relationships with our suppliers allow us to proactively manage technology road maps and product discontinuance plans and monitor their financial health Even so some suppliers may still extend their lead times limit supplies, increase prices or cease to produce necessary parts for our products If these are unique components we may not be able to find a substitute quickly, or at all To address the potential disruption in our supply chain, we use a number of techniques, including qualifying multiple sources of supply, redesign of products for alternative components and purchase of incremental inventory for supply buffer

Environmental

Our R&D, manufacturing and distribution operations involve the use of hazardous substances and are regulated under international federal state and local laws governing health and safety and the environment We apply strict standards for protection of the environment and worker health and safety to sites inside and outside the U S even if not subject to regulation imposed by foreign governments We believe that our properties and operations at our facilities comply in all material respects with applicable environmental laws and worker health and safety laws, however, the risk of environmental liabilities cannot be completely eliminated and there can be no assurance that the application of environmental and health and safety laws to Agilent will not require us to incur significant expenditures We are also regulated under a number of international federal, state and local laws regarding recycling, product packaging and product content requirements These laws are gradually becoming more stringent and may in the future cause us to incur significant expenditures

Some of our operations are located on properties that are known to have subsurface contamination undergoing remediation by Hewlett-Packard Hewlett Packard has agreed to retain the liability for the contamination, perform the required remediation and indemnify us with respect to claims arising out of the contamination. The determination of the existence and cost of any additional contamination caused by us could involve costly and time-consuming negotiations and litigation While we expect that Hewlett Packard will meet its remediation and indemnification obligations in this regard, there can be no guarantee that it will do so Under our agreement with Hewlett Packard, Hewlett Packard will have access to these properties to perform the remediation Hewlett Packard has agreed to minimize interference with on-site operations at those properties during the course of the remediation, but there can be no guarantee that our operations will not be interrupted or that we will not be required to incur unreimbursed costs associated with the remediation Remediation could also harm on-site operations and the future use and value of the properties

In addition some of these properties are undergoing remediation by Hewlett Packard under an order of an agency of the state in which the property is located Although Hewlett-Packard has agreed to indemnify us with respect to that subsurface contamination, it is possible that one or more of the governmental agencies will require us to be named on any of these orders The naming of Agilent will not affect Hewlett Packard's obligation to indemnify us with regard to these matters

We are liable and are indemnifying Hewlett Packard for any contamination found at all facilities transferred to us by Hewlett Packard excluding the properties undergoing remediation In addition we are indemnifying Hewlett Packard for any liability associated with past non-compliance with environmental laws regulating ongoing operations at all properties transferred to us by Hewlett

Packard, as well as at sold or discontinued businesses that are related to our businesses While we are not aware of any material liabilities associated with such indemnified matters there is no guarantee that such contamination or regulatory non compliance does not exist, and will not expose us to material liability in the future

We are being indemnified by Hewlett Packard with respect to all environmental liabilities for which Hewlett Packard accrued a reserve and we are not aware of any material and probable environmental liabilities being assumed by us which are not subject to the indemnity

International Operations

Our net revenue originating outside the U S as a percentage of our total net revenue was approximately 69 percent in fiscal 2004 64 percent in fiscal 2003 and 61 percent in fiscal 2002 the majority of which was from customers other than foreign governments Approximately 11 percent of our revenue in the last three years was derived from Japan Revenues from external customers are generally attributed to countries based upon the location of the Agilent sales representative Long lived assets located outside of the U S as a percentage of our total long lived assets was approximately 53 percent in fiscal year 2004 47 percent in fiscal year 2003 and 43 percent in fiscal year 2002 Approximately 12 percent of our long lived assets were located in Japan in fiscal year 2004 approximately 14 percent were located in Japan in fiscal year 2003 and approximately 10 percent in fiscal year 2002

Most of our sales in international markets are made by foreign sales subsidiaries In countries with low sales volumes, sales are made through various representatives and distributors However we also sell into international markets directly from the U S

Our international business is subject to risks customarily encountered in foreign operations, including interruption to transportation flows for delivery of parts to us and finished goods to our customers changes in a specific country s or region s political or economic conditions trade protection measures import or export licensing requirements, unexpected changes in tax laws and regulatory requirements, difficulty in staffing and managing widespread operations differing labor regulations and differing protection of intellectual property We are also exposed to foreign currency exchange rate risk inherent in our sales commitments anticipated sales and assets and liabilities denominated in currencies other than the local functional currency and may also become subject to interest rate risk inherent in any debt we incur, or investment and finance receivable portfolios we hold The U S and international response to recent terrorist activities could exacerbate these risks For example, there may be an increased risk of political unrest in regions where we have significant manufacturing operations such as Southeast Asia However, we believe that our international diversification provides stability to our worldwide operations and reduces the impact on us of adverse economic changes in any single country Financial information about our international operations is contained in Note 19 Segment Information, of the consolidated financial statements included in Item 15 of this report

Acquisition and Disposal of Material Assets

On January 5, 2001, we acquired Objective Systems Integrators Inc ("OSI") for approximately $716 million OSI was a provider of next generation operations support system software for communications service providers and has become part of our test and measurement business In January 2000 April 2000 and January 2001 we acquired Yokogawa Electric Corporation s 25 percent equity interest in Agilent Technologies Japan, Ltd for approximately $521 million. In addition to the OSI and Yokogawa acquisitions, we acquired several other companies since our incorporation that were not material

In the fourth quarter of 2000 we entered into an asset purchase agreement with CIT Group Inc ("CIT " formerly Tyco Capital Corporation) to sell them substantially all of our leasing portfolio over the course of 2000 and 2001 We also entered into a vendor financing arrangement with CIT whereby CIT will provide equipment financing and leasing services to our customers on a global basis.

In February 2001 we sold a parcel of surplus land in San Jose California for $287 million in cash

Executive Officers of the Registrant

The names of our executive officers and their ages titles and biographies as of December 16 2004 appear below

Edward W Barnholt 61 Mr Barnholt has served as Agilent s President and Chief Executive Officer and as a director since May 1999 and also as Chairman of the Board since November 2002 Before being named Agilent s Chief Executive Officer Mr Barnholt served as Executive Vice President and General Manager of Hewlett Packard Company s Measurement Organization from 1998 to 1999 which included the business organizations that have become Agilent From 1990 to 1998 he served as General Manager of Hewlett Packard Company s Test and Measurement Organization. He was elected a Senior Vice President of Hewlett Packard Company in 1993 and an Executive Vice President in 1996 He is a director of KLA Tencor Corporation

Adrian T Dillon 50, has served as our Executive Vice President and Chief Financial Officer since December 2001 Prior to assuming this position Mr Dillon served as Executive Vice President and Chief Financial and Planning Officer of Eaton Corporation from April 1997 to December 2001 Mr Dillon held various management positions at Eaton Corporation from 1979 to 1997

Jean M Halloran 52 has served as our Senior Vice President, Human Resources since August 1999 From 1997 to 1999 Ms Halloran served as Director of Corporate Education and Development for Hewlett Packard Prior to assuming this position from 1993 to 1997 Ms Halloran acted as human resources manager for Hewlett Packard s Measurement Systems Organization Ms Halloran joined Hewlett Packard in 1980 in the Medical Products Group where she held a variety of positions in human resources, manufacturing and strategic planning

Didier Hirsch 53 has served as our Vice President and Corporate Controller since April 2003 Prior to assuming that position, Mr Hirsch served as Vice President and Treasurer from September 1999 to April 2003 In 1996 Mr Hirsch became Director of Finance and Administration of Hewlett Packard Europe, Middle East, and Africa In 1993, Mr Hirsch became Director of Finance and Administration of Hewlett Packard Asia Pacific Mr Hirsch joined Hewlett Packard Company in 1989 as Director of Finance and Administration of Hewlett Packard France

D Craig Nordlund 55 was named our Senior Vice President, General Counsel and Secretary in May 1999 and serves as an officer or director for a variety of Agilent subsidiaries He is also a director of the Addison Avenue Federal Credit Union Mr Nordlund served as Associate General Counsel and Secretary of Hewlett Packard Company from 1987 to 1999

Young K Sohn 48 has served as Senior Vice President of Agilent Technologies Inc and President of the Semiconductor Products Group since August 2003 He also has served as a Senior Vice President of Agilent Technologies Inc since August 2003 Prior to assuming that position, Mr Sohn was Chairman and Chief Executive Officer of Oak Technology from February 1999 to August 2003 Before joining Oak Technology from January 1993 to February 1999 Mr Sohn held a variety of management positions at Quantum Corporation including President of its Hard Drive Group, Vice

President of Marketing for the Desktop Division, and President of the Asia Pacific region From August 1983 to January 1993 Mr Sohn held a number of management positions at Intel Corporation Mr Sohn serves on the Boards of Directors of Cymer Corporation and Synnex Technology Inc

William P Sullivan 54 has served as our Executive Vice President and Chief Operating Officer since March 2002 In this capacity he shares the responsibilities of the president s office with Agilent President and Chief Executive Officer Edward W Barnholt Mr Sullivan also has overall responsibility for Agilent s Electronic Products and Solutions Group the company s largest business group Prior to assuming this position, Mr Sullivan served as our Senior Vice President Semiconductor Products Group from August 1999 to March 2002 Before that, Mr Sullivan held various management positions at Hewlett Packard Mr Sullivan serves on the Board of the Children s Discovery Museum in San Jose California.

Jack P Trautman 54 has served as Senior Vice President of Agilent Technologies, Inc and President of the Automated Test Group since May 2002 Prior to assuming that position, Mr Trautman served as Vice President and General Manager of Communications Management Solutions Business Unit from 2001 to 2002 He served as General Manager of the Data Protection Unit of Hewlett Packard from 2000 to 2001 Mr Trautman was the General Manager of Hewlett Packard s Computer Peripherals Bristol Division in Bristol, England from 1997 to 2000 Mr Trautman joined Hewlett Packard in 1974 and held a number of managerial positions over the years

Chris van Ingen 58, has served as Senior Vice President of Agilent Technologies Inc and President of the Life Sciences and Chemical Analysis Group since May 2001 Prior to assuming this position Mr Van Ingen held a number of positions at Hewlett Packard including Chemical Analysis Group Sales and Marketing Manager from 1996 to April 2001 the Americas Marketing Center Manager from 1989 to 1996 Product Marketing Manager at Little Falls Division from 1986 to 1989 and Sales Support Manager at Little Falls Division from 1984 to 1986

Thomas E. White, 47 has served as Senior Vice President of Agilent Technologies Inc and President of the Communications Solutions Group since August 1999 From 1997 to August 1999, Mr White served as Vice President and General Manager of the Communications Solutions Group of Hewlett Packard From 1996 to 1997 he served as General Manager of Hewlett Packard s Computer Peripherals Bristol Division and, beginning in 1994 he served as General Manager for Hewlett Packard's Telecommunications Systems Division, South Queensferry Scotland

Investor Information

We are subject to the informational requirements of the Securities Exchange Act of 1934 (the "Exchange Act") Therefore we file periodic reports, proxy statements and other information with the Securities and Exchange Commission (the SEC") Such reports proxy statements and other information may be obtained by visiting the Public Reference Room of the SEC at 450 Fifth Street NW Washington, DC 20549 or by calling the SEC at 1 800-SEC-0330 In addition, the SEC maintains an Internet site (http://www sec gov) that contains reports, proxy and information statements and other information regarding issuers that file electronically

You can access financial and other information at our Investor Relations website The address is www investor agilent com We make available free of charge copies of our annual report on Form10 K, quarterly reports on Form 10-Q, current reports on Form 8 K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after filing such material electronically or otherwise furnishing it to the SEC

Our Corporate Governance Standards the charters of our Audit and Finance Committee, our Compensation Committee our Executive Committee and our Nominating/Corporate Governance Committee as well as our Standards of Business Conduct (including code of ethics provisions that apply to our principal executive officer principal financial officer controller and senior financial officers) are available on our website at www investor agilent com under "Corporate Governance Policies " These items are also available in print to any stockholder who requests them by calling (877)942-4200 in the U S and Canada, and (402) 573 9919 outside the U S and Canada

Item 2. *Properties*

Our corporate headquarters and Agilent Technologies Laboratories are located in Palo Alto California In total we have 17 primary sites Of these primary sites, 10 are located in the U S and the remaining 7 are located in China, Germany Japan, Malaysia, Singapore and the United Kingdom Nearly all of our primary functions are conducted at multi building campuses

Site	Major Activity	Owned/Leased
Palo Alto, CA, U S — Corporate Headquarters	Corporate Administration	Owned
Palo Alto, CA, U S — Agilent Laboratories	R&D	PrimarilyOwned
Santa Clara, CA U S	Manufacturing, R&D Marketing and Sales and Administration	Owned
San Jose, CA U S	Manufacturing R&D	Owned
Santa Rosa, CA, U S	Manufacturing, R&D	Owned
Loveland, CO, U S	Manufacturing, R&D and Marketing	Owned
Fort Collins, CO, U S	Manufacturing R&D	Owned
Colorado Springs CO U S	Manufacturing, R&D, Marketing and Sales and Administration	Owned
Wilmington,DE,U S (LittleFallsArea)	Manufacturing, R&D and Administration	Owned
Spokane, WA U S	Manufacturing, R&D and Marketing	Owned
Shanghai China	Manufacturing R&D	Leased
Boeblingen, Germany	Manufacturing R&D and Marketing	Owned
Waldbronn, Germany	Manufacturing R&D	Owned
Hachioji, Japan	Manufacturing, R&D Marketing and Sales and Administration	Owned
Penang Malaysia	Manufacturing, R&D	Owned
Yishun, Singapore	Manufacturing R&D Marketing, Sales and Administration	Primarily Owned
South Queensferry, United Kingdom	Manufacturing R&D	Owned

As of October 31 2004, we owned or leased a total of approximately 16 0 million square feet of space worldwide Of that, we owned approximately 11 5 million square feet and leased the remaining 4 5 million square feet Our sales and support facilities occupied a total of approximately 2 0 million square feet Our manufacturing plants, R&D facilities and warehouse and administrative facilities occupied approximately 14 0 million square feet Information about each of our businesses appears below

Test and Measurement Our test and measurement business has manufacturing and R&D facilities in Australia, Canada, China Germany, Japan, Malaysia, Singapore the United Kingdom

and the U S Additionally we have marketing centers in Germany Hong Kong Japan the United Kingdom and the U S and sales offices throughout the world

Automated Test Our automated test business has manufacturing and R&D facilities in Germany Japan Singapore and the U S

Semiconductor Products Our semiconductor products business has manufacturing and R&D facilities in Italy Malaysia, Singapore the United Kingdom and the U S Additionally, we have marketing centers in Germany Malaysia Singapore and the U S and sales offices throughout the world

Life Sciences and Chemical Analysis Our life sciences and chemical analysis business has manufacturing facilities in China, Germany Japan and the U S Additionally we have marketing centers in Germany Japan, Singapore and the U S and sales offices throughout the world.

Item 3 ***Legal Proceedings***

In November 2001 a securities class action, Kassin v Agilent Technologies Inc , et al Civil Action No 01 CV 10639 was filed in United States District Court for the Southern District of New York (the "Southern District Court of New York") against certain investment bank underwriters for our initial public offering (IPO) Agilent and various of our officers and directors at the time of the IPO On February 19 2003 the Southern District Court of New York granted Agilent s motion to dismiss the claims against the Company based on Section 10 of the Securities Exchange Act of 1934 as amended, but denied Agilent s motion to dismiss the claims based on Section 11 of the Securities Act of 1933 as amended Agilent and more than 200 other issuer defendants have reached an agreement in principle for a settlement with plaintiffs Under the settlement plaintiffs claims against the Company and its directors and officers would be released, in exchange for a contingent payment (which, if made, would be paid by the Company's insurer) and an assignment of certain potential claims On June 14 2004 papers formalizing the settlement among the plaintiffs, issuer defendants and insurers were presented to the Southern District Court of New York The settlement remains subject to Court approval Plaintiffs continue to prosecute their claims against the underwriter defendants and discovery is now underway

We are involved in lawsuits claims investigations and proceedings including but not limited to, patent, commercial and environmental matters which arise in the ordinary course of business Other than the matter described above there are no matters pending that we expect to be material in relation to our business consolidated financial condition, results of operations or cash flows

Item 4 ***Submission of Matters to a Vote of Security Holders***

During the fourth quarter of fiscal 2004 there were no matters submitted to a vote of securities holders, through the solicitation of proxies or otherwise

PART II

Item 5 ***Market for the Registrant's Common Equity and Related Stockholder Matters***

Our common stock is listed on the New York Stock Exchange with the ticker symbol A For the 2004 and 2003 fiscal years, the New York Stock Exchange reported the high and low prices per quarter as follows

Fiscal 2004	High	Low
First Quarter (ended January 31 2004)	$ 38 80	$ 24 97
Second Quarter (ended April 30 2004)	$ 37 62	$ 26 91
Third Quarter (ended July 31 2004)	$ 29 68	$ 22 63
Fourth Quarter (ended October 31 2004)	$ 25 31	$ 19 51

Fiscal 2003	High	Low
First Quarter (ended January 31, 2003)	$ 20 30	$ 13 19
Second Quarter (ended April 30 2003)	$ 16 82	$ 11 30
Third Quarter (ended July 31 2003)	$ 22 64	$ 15 48
Fourth Quarter (ended October 31 2003)	$ 26 48	$ 20 31

As of October 29 2004 there were 62,831 stockholders of record of common stock The closing share price for our common stock on October 29 2004 as reported by the New York Stock Exchange was $25 06

We have not paid any dividends to date and we currently intend to retain any future income to fund the development and growth of our business We do not anticipate paying any cash dividends in the foreseeable future

On October 28 2004, we issued 771,573 shares of Agilent common stock in consideration of all the shares of Silicon Genetics The shares were issued in reliance on Section 3(a)(10) of the Securities Act of 1933, as amended

EQUITY COMPENSATION PLAN INFORMATION

The following table summarizes information about our equity compensation plans as of October 31, 2004 All outstanding awards relate to our common stock

Plan category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	71 149,209	$ 29	76,349,608 (1)(2)(3)
Equity compensation plans not approved by security holders	—	—	—
Total	71 149,209	$ 29	76,349,608

(1) Includes 23 026 610 of securities authorized and available for issuance in connection with the Agilent Technologies Inc Employee Stock Purchase Plan (the "423(b) Plan")

(2) Shares authorized for issuance in connection with the 423(b) Plan are subject to an automatic annual increase of the lesser of one percent of the outstanding common stock of Agilent or an amount determined by the Compensation Committee of our Board of Directors In no event shall the number of shares authorized for issuance in connection with the 423(b) Plan exceed 75 million shares

(3) We issue securities under our equity compensation plans in forms other than options warrants or rights Under the Agilent Technologies, Inc 1999 Stock Plan, (the "Stock Plan") we may issue Stock Awards including but not limited to restricted stock and restricted stock units, as that term is defined in the Stock Plan No more than 10 percent of the total shares available for issuance under the Stock Plan will constitute restricted stock awards Under the Agilent Technologies, Inc 1999 Non-Employee Director Stock Plan (the "1999 Non-Employee Director Stock Plan"), we may issue Special Compensation, as that term is defined in Section 7 of the 1999 Non Employee Director Stock Plan

CHANGES IN SECURITIES, USE OF PROCEEDS AND

ISSUER PURCHASES OF EQUITY SECURITIES

None

Item 6. ***Selected Financial Data***

SELECTED FINANCIAL DATA

(Unaudited)

	Years Ended October 31				
	2004	2003	2002	2001	2000
	(In millions, except per share data)				
Consolidated Statement of Operations Data (1, 2, 3)					
Net revenue	$ 7181	$ 6056	$ 6,010	$ 8,396	$ 9,361
Income (loss) from continuing operations before taxes	440	(690)	(1,547)	(477)	1,018
Income (loss) from continuing operations	349	(1 790)	(1 022)	(406)	672
Income from discontinued operations net of taxes	—	—	—	6	85
Gain (loss) from the sale of discontinued operations net of taxes	—	—	(10)	646	—
Income (loss) before cumulative effect of accounting changes	349	(1 790)	(1,032)	246	757
Cumulative effect of adopting SFAS No 133 net of taxes	—	—	—	(25)	—
Cumulative effect of adopting SAB 101 net of taxes	—	—	—	(47)	—
Cumulative effect of adopting SFAS No 142	—	(268)	—	—	—
Net income (loss)	$ 349	$ (2,058)	$ (1,032)	$ 174	$ 757
Net income (loss) per share — Basic					
Income (loss) from continuing operations	$ 0 72	$ (3 78)	$ (2.20)	$ (0 89)	$ 1 49
Income from discontinued operations net	—	—	—	0 01	0 19
Gain (loss) from the sale of discontinued operations, net	—	—	(0 02)	1 41	—
Cumulative effect of adopting SFAS No 133, net	—	—	—	(0 05)	—
Cumulative effect of adopting SAB 101 net	—	—	—	(0 10)	—
Cumulative effect of adopting SFAS No 142	—	(0 57)	—	—	—
Net income (loss)	$ 0 72	$ (4.35)	$ (2.22)	$ 0.38	$ 1.68
Net income (loss) per share — Diluted					
Income (loss) from continuing operations	$ 0 71	$ (3 78)	$ (2.20)	$ (0 89)	$ 1 48
Income from discontinued operations net	—	—	—	0 01	0 18
Gain (loss) from the sale of discontinued operations, net	—	—	(0 02)	1 41	—
Cumulative effect of adopting SFAS No 133 net	—	—	—	(0 05)	—
Cumulative effect of adopting SAB 101 net	—	—	—	(0 10)	—
Cumulative effect of adopting SFAS No 142	—	(0 57)	—	—	—
Net income (loss)	$ 0 71	$ (4.35)	$ (2.22)	$ 0.38	$ 1.66
Weighted average shares used in computing basic net income (loss) per share	483	473	465	458	449
Weighted average shares used in computing diluted net income (loss) per share	490	473	465	458	455

	October 31				
	2004	2003	2002	2001	2000
	(In millions)				
Consolidated Balance Sheet Data (1)					
Cash and cash equivalents	$ 2,315	$ 1 607	$ 1 844	$ 1 170	$ 996
Working capital	$ 2,706	$ 1 983	$ 2,899	$ 2,797	$ 2,476
Total assets	$ 7 056	$ 6,297	$ 8,203	$ 7 986	$ 8,330
Senior convertible debentures	$ 1 150	$ 1 150	$ 1 150	$ —	$ —
Stockholders equity	$ 3,569	$ 2,824	$ 4 627	$ 5 659	$ 5,265

(1) Consolidated financial data and notes for all periods present our healthcare solutions business as a discontinued operation

(2) Income from continuing operations for the year ended October 31 2004 includes a pre tax restructuring charge of $161 million including a pre-tax asset impairment charge of $25 million Loss from continuing operations for the year ended October 31 2003 includes a pre tax restructuring charge of $372 million, including a pre tax asset impairment charge of $15 million, and a non-cash charge recorded during the third quarter of 2003 to establish a tax valuation allowance of $1 4 billion The $1 4 billion included $0 4 billion of tax benefits recorded during the first six months of 2003 resulting in approximately $1 0 billion net tax provision recorded within provision for taxes for the year ended October 31 2003 the valuation allowance essentially eliminated our net deferred tax assets Loss from continuing operations for the year ended October 31 2002 includes a pre tax restructuring charge of $474 million including a pre tax asset impairment charge of $163 million Loss from continuing operations for the year ended October 31 2001 includes a pre tax gain of $269 million relating to the sale of surplus land in California, inventory charges of $460 million, a pre-tax restructuring charge of $154million primarily relating to severance expenses and a pre tax asset impairment charge of $74 million for our customer support software

(3) Consolidated statement of operations data for the year ended October 31 2001 and 2000 includes the impact of the sale of our portfolio of lease assets to CIT Group Inc (formerly known as Tyco Capital Corporation) In 2001 net proceeds from this sales transaction were $287million and we recognized $254 million in net revenue from continuing operations and $131 million in cost of products from continuing operations In 2000, net proceeds from this sales transaction were $234 million and we recognized $197 million in net revenue from continuing operations and $83 million in cost of products from continuing operations

Item 7 ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 10 K. This report contains forward looking statements including, without limitation, statements regarding trends cyclicality seasonality and growth in the markets we sell into our strategic direction, expenditures in research and development contracts remediation and indemnification our future effective tax rate new product introductions product pricing changes to our manufacturing processes our liquidity position our ability to generate cash from continuing operations our image sensor technology and the sale of our camera module business our expected growth the potential impact of our adopting new accounting pronouncements our financial results revenue generated from international sales our potential repatriation of earnings, the impact of our enterprise resource planning systems implementation, the impact of our variable cost structure our obligations under and assumptions about our retirement and post retirement benefit plans our lease payment obligations, savings from our restructuring programs and the existence or length of an economic recovery that involve risks and uncertainties Our actual results could differ from the results

contemplated by these forward looking statements due to certain factors including those discussed in Item 7 and elsewhere in this report

Overview

Agilent incorporated in Delaware in May 1999 is a global diversified technology organization that provides enabling solutions to markets within the communications, electronics, life sciences and chemical analysis industries. Prior to our initial public offering of 15 9 percent of our stock in November 1999 we were a wholly owned subsidiary of Hewlett Packard. Hewlett Packard distributed the remaining 84 1 percent of our stock to its stockholders on June 2, 2000 in the form of a stock dividend

Our fiscal year end is October 31 Unless otherwise stated, all years and dates refer to our fiscal year

Reclassifications

Amounts in the consolidated financial statements as of and for the years ended October 31 2003 and October 31 2002 have been reclassified to conform to the presentation used in 2004

Executive Summary

The sales of our products and services are dependent to a large degree on customers whose industries are subject to cyclical trends in the demand for their products Shifts in the semiconductor market, electronics industry computer industry and telecommunications markets, as well as rapidly shifting global economic conditions have had and will have significant impacts on our businesses

In those industry segments where we are a capital equipment provider our revenue is dependent on the capital expenditure budgets and spending patterns of our customers who often delay or accelerate purchases in reaction to changes in their businesses and in the economy We expect some portions of our businesses to remain cyclical in the foreseeable future Given these spending patterns we are moving towards a more variable cost structure in order to minimize any adverse impact to our profitability This includes the use of contract manufacturers and third party service providers

We generate revenue directly from sales of components incorporated in consumer electronics such as cell phones cameras, games, personal computers and printers or indirectly from sales of test and measurement equipment used to design, manufacture or test such components Sales of these components and test and measurement equipment are concentrated during the holiday season This seasonal pattern means that we typically experience higher revenues and orders during our fourth quarter as manufacturers ramp up production and then decline in our first quarter We also experience larger volumes of business in our fourth quarter for products that we sell to the aerospace and defense industry and the U S government and generally experience reduced volumes during our first quarter However in the fourth quarter of 2004 our usual seasonal increase in revenues and orders did not occur We experienced a decline in orders in the third and fourth quarter largely in the semiconductor and wireless handset manufacturing test markets

Orders in 2004 were up by 15 percent, with much of that growth in the first half of the year Test and measurement orders increased 18 percent year-over year related to a strong Aerospace and Defense industry growth in consumer electronics and expansion of the Asian handset manufacturing capacity Semiconductor products orders grew 20 percent over 2003 with strength in the personal systems market offset by a decline in the networking market Our automated test business saw a slight decline in orders over the prior year caused by a market decrease in the second half of the year Orders increased 13 percent over last year in the life sciences and chemical analysis markets This increase was driven by the demand for replacement systems over our large

installed base increased U S government spending for homeland security, spending related to environmental testing in Asia, and increased demand from generic drug manufacturers

Annual revenues were at their highest level since 2001 Net revenue for the year was $7,181 million, an increase of 19 percent over 2003 Our test and measurement and our life sciences and chemical analysis businesses experienced revenue growth throughout 2004 However our automated test and semiconductor products business experienced revenue declines in the second half of the year particularly in the fourth quarter These declines were in large part due to our customers excess capacity and excess inventory in the semiconductor industry

Cost of sales as a percentage of net revenue decreased 5 percentage points from 2003 to 2004 This is a reflection of our continued work on lowering our cost structure We will continue to see the benefits of a more variable cost structure, including the impact of using contract manufacturers and third-party service providers

Operating expenses as a percent of revenue have declined from 62 percent in 2002 and 50 percent in 2003 to 38 percent in 2004 In dollar terms, operating expenses have declined $720 million from 2002 to 2003 and $294 million from 2003 to 2004 Reduced restructuring and asset impairment charges coupled with increased savings from these efforts account for the majority of the expense reduction in both years In 2004 pension and post retirement benefits decreased by $45 million due to additional funding better investment results and a favorable interest rate environment Our efforts to reduce our infrastructure costs and to control discretionary spending also contributed to the decrease We completed the implementation of our Enterprise Resource Planning (ERP") and Customer Relationship Management ('CRM) projects and have now begun to see some of the benefits in cost savings and operational improvement

Total cash and cash equivalents increased $708 million to $2.3 billion at October 31 2004 Net cash provided from operating activities was $663 million for 2004 Cash on hand as of October 31 2004 was $2,315 million Days sales outstanding decreased to 52 days as of October 31, 2004 from 58 days a year ago We have improved our inventory days-on hand from 93 days as of October 31, 2003 to 89 days as of the end of the current period

Income from operations in 2004 was $386 million, an increase of approximately $1,111 million. The increase was due to an increase in revenue of $1 125 million, as well as the benefit of our restructuring plans As we increased our revenues we continued to keep spending under tight control allowing this revenue increase to fully impact our profit increase

Looking forward, we expect increases in the test and measurement and life sciences and chemical analysis markets in 2005 We expect the semiconductor and semiconductor capital equipment markets to be slightly down We intend to further reduce our costs and expenses to meet our operating cost structure goals The announced sale of our camera module business is not expected to have a material impact on operating profits in 2005 The revenues for 2004 associated with the camera module business were approximately $300 million.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the U S requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes Management bases its estimates on historical experience and various other assumptions believed to be reasonable Although these estimates are based on management s best knowledge of current events and actions that may impact the company in the future actual results may be different from the

estimates Our critical accounting policies are those that affect our financial statements materially and involve difficult, subjective or complex judgments by management Those policies are revenue recognition, restructuring and asset impairment charges inventory valuation, retirement and post retirement plan assumptions valuation of long lived assets and accounting for income taxes

Revenue recognition We enter into agreements to sell products (hardware or software) services, and other arrangements (multiple element arrangements) that include combinations of products and services Revenue from product sales, net of trade discounts and allowances is recognized provided that persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable and collectibility is reasonably assured Delivery is considered to have occurred when title and risk of loss have transferred to the customer Revenue is reduced for estimated product returns and distributor price protection, when appropriate For sales that include customer specified acceptance criteria revenue is recognized after the acceptance criteria have been met For products that include installation, if the installation meets the criteria to be considered a separate element, product revenue is recognized upon delivery and recognition of installation revenue occurs when the installation is complete Otherwise, neither the product nor the installation revenue is recognized until the installation is complete Revenue from services is deferred and recognized over the contractual period or as services are rendered and accepted by the customer When arrangements include multiple elements, we use objective evidence of fair value to allocate revenue to the elements and recognize revenue when the criteria for revenue recognition have been met for each element The amount of product revenue recognized is affected by our judgments as to whether an arrangement includes multiple elements and if so whether vendor specific objective evidence of fair value exists for those elements Changes to the elements in an arrangement and the ability to establish vendor-specific objective evidence for those elements could affect the timing of the revenue recognition Most of these conditions are subjective and actual results could vary from the estimated outcome requiring future adjustments to revenue

Restructuring and asset impairment charges We recognize a liability for restructuring costs at fair value only when the liability is incurred The three main components of our restructuring plans are related to workforce reductions, the consolidation of excess facilities and asset impairments Asset impairments primarily consist of property plant and equipment Workforce related charges are accrued when it is determined that a liability has been incurred, which is generally after individuals have been notified of their termination dates and expected severance payments Plans to consolidate excess facilities result in charges for lease termination fees and future commitments to pay lease charges net of estimated future sublease income We recognize charges for consolidation of excess facilities when we have vacated the premises Asset impairment charges are based on an estimate of the amounts and timing of future cash flows related to the expected future remaining use and ultimate sale or disposal of buildings and equipment These estimates were derived using the guidance of Statement of Financial Accounting Standards ('SFAS") No 144 "Accounting for the Impairment or Disposal of Long Lived Assets ("SFAS No 144 ') Staff Accounting Bulletin 100 Restructuring and Impairment Charges" (SAB 100") Emerging Issues Task Force 94 3, Liability Recognition for Costs to Exit an Activity (Including Certain Costs Incurred in a Restructuring) (EITF 94-3") and lastly, SFAS No 146 Accounting for Exit or Disposal Activities' ('SFAS No 146 ') which is effective for exit and disposal activities initiated after December 31 2002 If the amounts and timing of cash flows from restructuring activities are significantly different from what we have estimated, the actual amount of restructuring and asset impairment charges could be materially different, either higher or lower than those we have recorded

Inventory valuation We assess the valuation of our inventory on a quarterly basis and periodically write down the value for estimated excess and obsolete inventory based upon estimates about future demand and actual usage Such estimates are difficult to make under most economic

conditions The excess balance determined by this analysis becomes the basis for our excess inventory charge Our marketing department plays a key role in our excess inventory review process by providing updated sales forecasts managing product rollovers and working with manufacturing to maximize recovery of excess inventory If actual market conditions are less favorable than those projected by management, additional write downs may be required. If actual market conditions are more favorable than anticipated inventory previously written down may be sold resulting in lower cost of sales and higher income from operations than expected in that period

Retirement and post retirement plan assumptions Retirement and post retirement benefit plans are a significant cost of doing business and yet represent obligations that will be ultimately settled far in the future and therefore are subject to estimation Pension accounting is intended to reflect the recognition of future benefit costs over the employee's approximate service period based on the terms of the plans and the investment and funding decisions made by us We are required to make assumptions regarding such variables as the expected long term rate of return on assets and the discount rate which are used to determine service cost and interest cost to arrive at pension income or expense for the year As of October 31 2004 the expected long term rate of return in the U S was 8 5 percent, and ranged from 4 5 to 7 5 percent for our plans outside the U S We have analyzed the rates of return on assets used and determined that these rates are reasonable based on the plans historical performance relative to the overall markets in the countries where the plans are effective Management will continue to assess the assumptions on the expected long term rate of return on plan assets for each plan based on relevant market conditions as prescribed by accounting principles generally accepted in the U S and will make adjustments to the assumptions as appropriate Discount rate assumptions were based on the prevailing market long term interest rates at the measurement date We are also required to make assumptions for the long term health care cost trend rates for our post retirement benefit plans If any of our assumptions were to change our benefit plan expenses would also change A one percent decrease in the estimated return on plan assets would result in increased pension expense of $6 million for 2005 in the U S and $1 1million for 2005 for all plans outside the U S Retirement and post retirement benefit plan expense is allocated to cost of sales, research and development and selling general and administrative expenses in the consolidated statement of operations We incurred expenses of $142million in 2004 $187 million in 2003 and $122 million in 2002 for our retirement and post retirement plans. We expect expenses of approximately $117 million in 2005 for our retirement and post-retirement plans

Workforce-related events such as restructuring cause curtailment and settlement gains or losses when they have a material impact on the average future working lifeume or total number of participants in our retirement and postretirement plans Our restructuring programs have resulted in material changes to our plan demographics in the U S and several other countries in 2002 and 2003 The curtailment and settlement gains and losses related to each event are separately identified in Note 14, Retirement Plans and Post retirement Benefits" to the consolidated financial statements in Item 15 of this report

Valuation of long lived assets We performed our fiscal 2004 annual goodwill impairment analysis in the fourth quarter of 2004 Based on our estimates of forecasted discounted cash flows and our market capitalization at that time we concluded that we did not have any impairment We have also assessed the recoverability of our long lived assets, by determining whether the carrying value of such assets will be recovered through undiscounted future cash flows We incurred $25million of asset impairment charges in 2004 primarily relating to a manufacturing site in California

The process of evaluating the potential impairment of goodwill and other intangibles is highly subjective and requires significant judgment We estimate expected future cash flows of our various businesses which operate in a number of markets and geographical regions We then determine the carrying value of these businesses We exercise judgment in assigning and allocating certain assets

and liabilities to these businesses We then compare the carrying value including goodwill and other intangibles to the discounted future cash flows If the total of future cash flows is less than the carrying amount of the assets we recognize an impairment loss based on the excess of the carrying amount over the fair value of the assets Estimates of the future cash flows associated with the assets are critical to these assessments Changes in these estimates based on changed economic conditions or business strategies could result in material impairment charges in future periods We performed the required transitional impairment test upon our adoption of SFAS No 142 in the first quarter of 2003 and recorded a $268 million charge related to goodwill

The process of evaluating the potential impairment of long lived assets such as our property plant and equipment is also highly subjective and requires significant judgment In order to estimate the fair value of long lived assets, we typically make various assumptions about the future prospects for the business that the asset relates to, consider market factors specific to that business and estimate future cash flows to be generated by that business Based on these assumptions and estimates we determine whether we need to take an impairment charge to reduce the value of the asset stated on our balance sheet to reflect its estimated fair value Assumptions and estimates about future values and remaining useful lives are complex and often subjective They can be affected by a variety of factors including external factors such as the real estate market industry and economic trends and internal factors such as changes in our business strategy and our internal forecasts Although we believe the assumptions and estimates we have made in the past have been reasonable and appropriate changes in assumptions and estimates could materially impact our reported financial results

Accounting for income taxes Significant management judgment is required in determining our provision for income taxes and in determining whether deferred tax assets will be realized in full or in part When it is more likely than not that all or some portion of specific deferred tax assets such as net operating losses or foreign tax credit carryforwards will not be realized a valuation allowance must be established for the amount of the deferred tax assets that are determined not to be realizable Realization is based on our ability to generate sufficient future taxable income During the third quarter of 2003 we recorded a non-cash charge to establish a valuation allowance of $1 4 billion, which included approximately $0 4 billion of tax benefits recorded during the first six months of 2003 resulting in an approximately $1 0 billion net tax provision recorded within provision for taxes for 2003 The valuation allowance was determined in accordance with the provisions of SFAS No 109 Accounting for Income Taxes' (SFAS No 109") which requires an assessment of both positive and negative evidence when determining whether it is more likely than not that deferred tax assets are recoverable Such assessment is required on a jurisdiction by jurisdiction basis Cumulative losses incurred in the U S and in the U K jurisdictions in recent years represented sufficient negative evidence which made it difficult for positive evidence to overcome under SFAS No 109 Accordingly, a full valuation allowance was recorded We intend to maintain a full valuation allowance until sufficient positive evidence exists to support reversal of the valuation allowance Profits or losses incurred in the U S and the U K affect the ongoing amount of the valuation allowance We expect that pre tax income in fiscal 2005 will be recognized at a lower rate because future income taxes in the U S and the U K. will be offset against adjustments to the valuation allowance to effectively eliminate any tax expense or benefit in those jurisdictions Income taxes will continue to be recorded for various jurisdictions subject to the need for valuation allowances in those jurisdictions

We have not provided for U S federal income and foreign withholding taxes on a portion of our non U S subsidiaries' undistributed income as of October 31 2004 because we intend to reinvest such income indefinitely Should we decide to remit this income to the U S in a future period, our provision for income taxes may increase materially in that period.

On October 22 2004 the American Jobs Creation Act ("AJCA") was signed into law The AJCA includes a deduction of 85 percent for certain foreign earnings that are repatriated, as defined in the AJCA, at an effective tax cost of 5 25 percent on any such repatriated foreign earnings Agilent may elect to apply this provision to qualifying earnings repatriations in fiscal 2005 We have begun an evaluation of the effects of the repatriation provision However Agilent does not expect to be able to complete this evaluation until after Congress or the Treasury Department provides additional clarifying language on key elements of the provision We expect to complete our evaluation of the effects of the repatriation provision within a reasonable period of time following the publication of the additional clarifying language The range of possible amounts that Agilent is considering for repatriation under this provision is between zero and $970 million. The related potential range of income tax is between zero and $51 million

We are subject to ongoing tax examinations of our tax returns by the Internal Revenue Service and other tax authorities in various jurisdictions We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes

Restructuring and Asset Impairment

Summary

We currently have three restructuring plans – one initiated in the fourth quarter of 2001 (the "2001 Plan"), a second initiated in the fourth quarter of 2002 (the "2002 Plan"), and a third initiated in the first quarter of 2003 (the 2003 Plan") after it became clear that the actions taken in fiscal 2001 and fiscal 2002 would not be sufficient to return the company to profitability

All of our plans were designed to reduce costs and expenses in order to return the company to profitability As of the end of 2004 we have reduced our workforce by approximately 16 700 people (approximately 15 100 from involuntary terminations and approximately 1,600 from net attrition) to approximately 28 000 employees.

Our plans to consolidate excess facilities resulted in charges for lease termination fees and losses anticipated from sub lease agreements We have exited more than 115 production, support and sales facilities in the U S Korea, Japan, U K and other countries representing more than 4 6 million square feet or about 24 percent of our worldwide property We will continue to make lease payments on some of this space over the next five years We lease most of these buildings from third parties and the closures impacted all segments In most cases, we are exiting administrative office buildings which house sales and administrative employees However, a small number of production facilities were closed as a result of our plans to consolidate manufacturing into fewer sites

Actions for all plans have been focused on segments that were impacted most severely by the market downturn – primarily our test and measurement and semiconductor products businesses –but actions have also been taken to reduce the costs associated with support services such as finance, information technology workplace services and to a lesser extent our other business segments Cost reductions were initiated by moving manufacturing and some of our global shared services operations sites to lower cost regions, reducing the number of properties particularly sales and administrative sites, and by reducing our workforce through involuntary terminations and selected outsourcing of manufacturing and administrative functions Our strategy is to move towards a more variable operating cost structure

We have executed all key actions under our 2001 Plan, although there may be changes in estimates for the consolidation of excess facilities due to changes in market conditions from those originally expected at the time the charges were recorded. Our 2002 Plan is complete We are continuing to see the estimated savings of $350 million per quarter ($300 million from the 2001 Plan

and $50 million from the 2002 Plan) that was initially projected. The 2003 Plan is still being implemented, however, we have already realized the expected $125 million reduction in quarterly operational costs We expect to incur further restructuring costs and increase the savings related to the 2003 Plan in the first half of 2005

We recorded restructuring and asset impairment charges of $161 million, $372 million and $474 million for 2004, 2003 and 2002, respectively Our plans to consolidate excess facilities resulted in charges of $35 million in 2004 for lease termination fees and losses anticipated from sub-lease agreements related to our 2001 and 2003 Plans Similar charges in 2003 and 2002 were $37 million and $53 million, respectively We will continue to make lease payments on some of this excess facility space over the next five years Charges associated with workforce reductions and asset impairments related to our 2003 Plan were $101 million and $25 million, respectively, for 2004 Similar charges relating to all plans were $353 million for 2003 and $421 million for 2002

The restructuring accrual for all plans, representing future outlays, which totaled $87 million as of October 31 2004 and $89 million as of October 31 2003 is recorded in other accrued liabilities on the consolidated balance sheet For further details on our restructuring plans see Note 13 Restructuring and Asset Impairment" to the consolidated financial statements in Item 15 of this report

New Accounting Pronouncements

Adoption of New Pronouncements

In January 2003 the Financial Accounting Standards Board (' FASB") issued Interpretation No 46, 'Consolidation of Variable Interest Entities (FIN 46) which was amended by FIN 46R issued in December 2003 FIN 46 addresses consolidation by business enterprises of variable interest entities (VIE's") that either (1) do not have sufficient equity investment at risk to permit the entity to finance its activities without additional subordinated financial support or (2) for which the equity investors lack an essential characteristic of a controlling financial interest FIN 46 requires consolidation of VIE s for which Agilent is the primary beneficiary and disclosure of a significant interest in a VIE for which Agilent is not the primary beneficiary As a result of our review no entities were identified requiring disclosure or consolidation under FIN 46

In December 2003 the Securities and Exchange Commission issued Staff Accounting Bulletin ('SAB") No 104 Revenue Recognition" ("SAB No 104") SAB No 104 rescinds certain sections of SAB No 101, "Revenue Recognition in Financial Statements" ('SAB No 101"), related to multiple element revenue arrangements, superceded as a result of the issuance of EITF 00-21 "Accounting for Revenue Arrangements with Multiple Deliverables' ('EITF 00-21") The revenue recognition principles of SAB No 101 remain largely unchanged by the issuance of SAB No 104 The adoption of this standard did not affect our financial condition, results of operations or cash flows

In December 2003 the FASB issued a revision SFAS No 132 (the 'revision"), "Employers Disclosures about Pensions and Other Postretirement Benefits" The revision requires additional disclosures relating to the description of the types of plan assets, investment strategy measurement date(s) plan obligations, cash flows and components of net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans recognized during interim periods. We adopted the disclosure requirements beginning with the first quarter of 2004 and the standard is effective for all future quarterly and annual reports see Note 14 for such disclosures

In March 2004 the FASB issued EITF No 03 01, "The Meaning of Other Than Temporary Impairment and its Application to Certain Investments " which provides new guidance for assessing impairment losses on debt and equity investments The new impairment model applies to investments

accounted for under the cost or equity method and investments accounted for under FAS 115 Accounting for Certain Investments in Debt and Equity Securities' EITF No 03 01 also includes new disclosure requirements for cost method investments and for all investments that are in an unrealized loss position In September 2004, the FASB delayed the accounting provisions of EITF No 03-01 however the disclosure requirements remain effective and the applicable ones have been adopted for our year-end 2004 We will evaluate the effect if any of EITF 03 01 when final guidance is issued

In March 2004 the EITF reached a consensus on EITF Issue No 03 16 "Accounting for Investments in Limited Liability Companies (EITF 03 16 ') The EITF concluded that if investors in a limited liability company have specific ownership accounts, they should follow the guidance prescribed in Statement of Position 78 9 Accounting for Investments in Real Estate Ventures, and EITF Topic No D-46 Accounting for Limited Partnership Investments Otherwise investors should follow the significant influence model prescribed in Accounting Principles Board Opinion No 18 "The Equity Method of Accounting for Investments in Common Stock The adoption of this Issue did not have a material impact on the company s financial condition, results of operations or cash flows.

In December 2004 the FASB issued SFAS No 123 (Revised 2004) "Share Based Payment" ("SFAS No 123R ') SFAS No 123R addresses all forms of share based payment (' SBP") awards, including shares issued under employee stock purchase plans stock options, restricted stock and stock appreciation rights SFAS No 123R will require Agilent to expense SBP awards with compensation cost for SBP transactions measured at fair value The FASB originally stated a preference for a lattice model because it believed that a lattice model more fully captures the unique characteristics of employee stock options in the estimate of fair value as compared to the Black Scholes model which Agilent currently uses for its footnote disclosure The FASB decided to remove its explicit preference for a lattice model and not require a single valuation methodology SFAS No 123R requires Agilent to adopt the new accounting provisions beginning in our fourth quarter of 2005 Agilent has not yet determined the impact of applying the various provisions of SFAS No 123R.

In May 2004 the FASB issued a FASB Staff Position (FSP") regarding SFAS No 106, "Employers Accounting for Postretirement Benefits Other Than Pensions FSP No 106 2, Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003' discusses the effect of the Medicare Prescription Drug, Improvement and Modernization Act (the Act") enacted in December 2003 and supersedes FSP No 106-1, which was issued in January 2004 FSP No 106 2 considers the effect of the two new features introduced in the Act in determining our accumulated postretirement benefit obligation (APBO ') and net periodic postretirement benefit cost The effect on the APBO will be accounted for as an actuarial experience gain to be amortized into income over the average remaining service period of plan participants Companies may elect to defer accounting for this benefit or may attempt to reflect the best estimate of the impact of the Act on their net periodic costs currently The adoption of FSP No 106 2 in the fourth quarter of 2004 did not have a material impact on our consolidated financial position, results of operations or cash flows

In November 2004 the FASB issued FASB Statement No 151 Inventory Costs – an amendment of ARB No 43" (FAS 151") which is the result of its efforts to converge U S accounting standards for inventories with International Accounting Standards FAS No 151 requires idle facility expenses freight handling costs and wasted material (spoilage) costs to be recognized as current period charges It also requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities FAS No 151 will be effective for inventory costs incurred during fiscal years beginning after June 15 2005 We are evaluating the impact of this standard on our consolidated financial statements

In December 2004 the FASB issued an FSP regarding Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the AJCA FSP 109-b FSP 109 b allows Agilent time beyond the fourth quarter of 2004 the period of enactment to evaluate the effect of the AJCA on our plan for reinvestment or repatriation of foreign earnings for purposes of applying SFAS No 109 Accounting of Income Taxes' See the discussion of the potential impact on Agilent in Critical Accounting Policies and Estimates — Accounting for Income Taxes " above

Acquisitions

We made one acquisition during 2003 and three during 2004 which were not significant to our consolidated financial position, results of operations or cash flows These acquisitions were accounted for either under the purchase method of accounting as defined in SFAS No 141 or as a purchase of assets For the acquisitions accounted for under SFAS No 141 the results of operations of the acquired companies were included prospectively from the date of acquisition and the acquisition cost was allocated to the acquired tangible assets and liabilities and identifiable intangible assets based on fair values at the date of acquisition Residual amounts were recorded as goodwill In process research and development write offs were insignificant

Unaudited pro forma statement of operations information has not been presented because the effects of the purchase method acquisitions were not material on either an individual or an aggregated basis

Foreign Currency

Our revenues costs and expenses and monetary assets and liabilities are exposed to changes in foreign currency exchange rates as a result of our global operating and financing activities We hedge net cash flow and balance sheet exposures that are not denominated in the functional currencies of our subsidiaries on a short term and anticipated basis We do experience some fluctuations within individual lines of the consolidated statement of operations and balance sheet as our hedging program is not designed to offset the currency movements in each category of revenues, expenses, monetary assets and liabilities However, movements in exchange rates net of our hedging activities had no material effect on our net income (loss) in the periods presented For example the weakening of the U S dollar throughout 2004 led to an increase in revenue of approximately $150million, which primarily affected Europe and Japan However this was offset by an increase to cost of sales of approximately $65 million and an increase to operating expenses of approximately $80 million relating to those foreign currency movements Our hedging activities resulted in an increase of cost of sales of approximately $3 million for the fiscal year end October 31, 2004 The effect of exchange rate movements on our consolidated statement of cash flows was $14 million in 2004 compared to $20 million and $6 million in 2003 and 2002 respectively

Indemnifications

Indemnifications to Hewlett-Packard Company

We have given multiple indemnities to Hewlett Packard Company in connection with our activities prior to our spin-off from Hewlett-Packard for the businesses that constituted Agilent prior to the spin-off These indemnifications cover a variety of aspects of our business including but not limited to employee, tax, intellectual property and environmental matters The agreements containing these indemnifications have been previously disclosed as exhibits to our registration statement on Form S-1 filed on August 16, 1999 In our opinion the fair value of these indemnifications is not material

Indemnifications to Koninklijke Philips Electronics, N V ("Philips")

In connection with the sale of our healthcare solutions business to Philips on August 1, 2001 we indemnified Philips for various matters including product liability issues arising within two years of the sale agreement In our opinion the fair value of these indemnifications is not material

Indemnifications to Officers and Directors

Our corporate by laws require that we indemnify our officers and directors, as well as those who act as directors and officers of other entities at our request against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceedings arising out of their services to Agilent In addition, we have entered into separate indemnification agreements with each director and each board appointed officer of Agilent which provide for indemnification of these directors and officers under similar circumstances and under additional circumstances The indemnification obligations are more fully described in the by laws and the indemnification agreements See Exhibits 3 2 and 10 6 of this document We purchase standard insurance to cover claims or a portion of the claims made against our directors and officers Since a maximum obligation is not explicitly stated in our by laws or in our indemnification agreements and will depend on the facts and circumstances that arise out of any future claims, the overall maximum amount of the obligations cannot be reasonably estimated. Historically we have not made payments related to these obligations and the fair value for these obligations is zero on the consolidated balance sheet as of October 31, 2004

Other Indemnifications

As is customary in our industry and as provided for in local law in the U S and other jurisdictions, many of our standard contracts provide remedies to our customers and others with whom we enter into contracts, such as defense, settlement, or payment of judgment for intellectual property claims related to the use of our products From time to time we indemnify customers, as well as our suppliers, contractors lessors lessees companies that purchase our businesses or assets and others with whom we enter into contracts, against combinations of loss, expense, or liability arising from various triggering events related to the sale and the use of our products and services the use of their goods and services the use of facilities and state of our owned facilities the state of the assets and businesses that we sell and other matters covered by such contracts usually up to a specified maximum amount In addition, from time to time we also provide protection to these parties against claims related to undiscovered liabilities additional product liability or environmental obligations. In our experience claims made under such indemnifications are rare and the associated estimated fair value of the liability is not material

Results of Continuing Operations

Income from continuing operations increased to $349 million in 2004 from losses of $1,790million in 2003 and $1,022 million in 2002 The increase in income from 2003 to 2004 of approximately $2,139 million was primarily due to revenues increasing by $1,125 million, gross margins improving by 5 percentage points, while operating expenses were down $294 million year-over year The provision for taxes also decreased by $1 009 million year over year due to the $1 022million valuation allowance charge in 2003 The increase in loss from 2002 to 2003 of approximately $768 million was also primarily due to this tax provision of $1 022 million, offset by a reduction of $326 million of goodwill amortization charges Fiscal year 2004 was an improved year for Agilent Agilent had strong profitability in all four quarters of 2004 due to tight controls on our operating structure and 19 percent revenue growth This is despite a weakening in our semiconductor related businesses markets, which we began to experience in the third quarter after a strong first half We have accomplished cost reductions via streamlining our IT systems environment and the number of IT applications This was brought about by the completion of the implementation

of our ERP and CRM projects Direct IT costs incurred for the implementation of our ERP and CRM projects were $162 million in 2004 $180 million in 2003 and $146 million in 2002 We have also reduced our workforce to 28,000 employees from a peak of 44 000 in April 2001 The final step of our restructuring was the consolidation of excess manufacturing facilities and moving global shared services to lower cost regions and outsourcing services where it made economic sense Our gross margins improved in 2004 We have reduced our indirect spending by approximately $82 million This reduction was accomplished by focusing our spending with preferred suppliers and by continuing to reduce spending on IT consulting services We have also continued to monitor our professional service agreements for savings and value provided to the business Indirect spending has been reduced through a combination of stronger sourcing negotiations demand management and compliance with our policy of using preferred suppliers

We have continued to maintain our research and development expenditures in order to prepare for our future We introduced several new products including new proteomic tools and the industry's first fully automated lab-on a-clip system for basic research and drug discovery in our life sciences and chemical analysis business In our automated test business we introduced a new memory test system as well as strengthened the systems on a chip platform with enhancements and new products We have also entered into the flat panel display test market with our acquisition of IBM s flat panel display business In our test and measurement segment we introduced the world s first 13 gigahertz oscilloscope

Orders and Net Revenue

	Years Ended October 31			2004over2003 % Change	2003over2002 % Change
	2004	2003	2002		
	(In millions)				
Orders	$ 6,997	$ 6,084	$ 6,013	15 %	1 %
Net Revenue					
Products	$ 6,302	$ 5,240	$ 5,234	20 %	—
Services and other	879	816	776	8 %	5 %
Total net revenue	$ 7,181	$ 6,056	$ 6,010	19 %	1 %

	Years Ended October 31			2004over2003 Ppts Change	2003over2002 Ppts Change
	2004	2003	2002		
% of Total Net Revenue					
Products	88 %	87 %	87 %	1 %	—
Services and other	12 %	13 %	13 %	(1) %	—
Total	100 %	100 %	100 %	—	—

	Years Ended October 31,			2004over2003 % Change	2003over2002 % Change
	2004	2003	2002		
	(In millions)				
Americas	$ 2,424	$ 2,347	$ 2,553	3 %	(8)%
Europe	1 474	1,214	1 154	21 %	5 %
Asia Pacific	3,283	2,495	2,303	32 %	8 %

Total net revenue	$ 7 181	$ 6 056	$ 6,010	19 %	1 %

Orders in 2004 were up by 15 percent, with much of that growth in the first half of the year Orders were up year over year in all businesses except automated test, which saw a 2 percent decrease over the prior year primarily caused by our customers' excess capacity and excess inventory that had built up over the second half We started experiencing a weakening in orders in the third and fourth quarters largely in the semiconductor related and wireless handset manufacturing test markets The order demand remained strong in aerospace defense personal systems life sciences and chemical analysis markets Orders in 2003 were flat compared to 2002 although during the fourth quarter of 2003, we saw a marked increase from earlier in the year Orders in 2003 were driven by an increase in orders from cell phone manufacturers and demand for components that are included in consumer electronics such as cell phones cameras games personal computers printers and test and measurement solutions used in the design and manufacturing of consumer electronics

Net revenue in 2004 increased by 19 percent over 2003 including the impact of foreign currency exchange rates All of our businesses experienced this increase in revenue The semiconductor products market was very strong in the first half but we have seen a decline as our customers work off inventory We experienced a similar decline in the second half of the year in our automated test business which is also highly dependent on the semiconductor market Geographically net revenue significantly increased in Europe and especially in Asia Pacific while having a modest increase in the U S Canada, Latin America (collectively referred to as the Americas ') This modest improvement in the Americas was as expected as the economy in the U S recovered and the excess supply of used equipment was depleted The strong growth in Asia Pacific was due to continued growth in the contract manufacturing and outsourcing markets in that region. Net revenue in 2003 was flat compared to 2002 although during fiscal year 2003 we saw an increase at the end of the year during our seasonally high fourth quarter

Services and other includes revenue generated from servicing our installed base of products warranty extensions and consulting in all years In 2004 and 2003 services and other revenue increased as our installed base of products increased

Costs and Expenses

As a % of Net Revenue	Years Ended October 31			2004over2003 Ppts Change	2003over2002 Ppts Change
	2004	2003	2002		
Cost of products as a percentage of product revenue	55 %	61 %	64 %	(6)	(3)
Cost of services and other as a percentage of services and other revenue	65 %	70 %	65 %	(5)	5
Total costs as a percentage of total net revenue	57 %	62 %	64 %	(5)	(2)
Research and development	13 %	17 %	21 %	(4)	(4)
Selling, general and administrative	25 %	32 %	41 %	(7)	(9)

Total cost of sales as a percentage of net revenue decreased 5 percentage points from 2003 to 2004 Cost of services and other as a percentage of services and other revenue decreased by 5 percentage points and cost of products as a percentage of product revenue decreased 6 percentage points from 2003 This is a reflection of our continued work on lowering our cost structure principally through our restructuring programs that contributed incremental savings of $248 million in 2004 as compared to 2003 We will continue to see the benefits of a more variable cost structure through use of selective outsourcing and our variable pay programs for our employees

Total cost of sales as a percentage of net revenue was relatively flat from 2002 to 2003 Cost of services and other as a percentage of services and other revenue increased by 5 percentage points

while cost of products as a percentage of product revenue decreased slightly from 2002 The increase in cost of services and other was driven by increased materials consumption for our service and support businesses Cost of products decreased primarily due to net incremental restructuring savings of $310 million, and a reduction of inventory charges This decrease was offset by unfavorable mix and volume impacts and the unfavorable currency impact due to the weakening of the U S dollar

Inventory charges totaled $45 million in 2004, $11 million in 2003 and $74 million in 2002 Inventory charges in 2004 included a $20 million charge relating to our camera module business Inventory charges in 2002 reflected continuing weakness in some of our largest markets particularly in the telecommunications market We experienced a significant decline in inventory charges in 2003 compared to 2002 primarily due to our efforts to effectively manage our inventory levels Sales of previously reserved inventory were $24 million in 2004 compared to $17 million in 2003 and $34 million in 2002

Research and development expenses as a percentage of net revenue decreased by 4 percentage points in 2004 as a result of net incremental savings from our restructuring efforts of approximately $89 million The actual decrease from 2003 to 2004 was $118 million Research and development expenses as a percentage of net revenue decreased in 2003 from 2002 as a result of savings from our restructuring efforts of approximately $220 million and decreased indirect spending of approximately $95 million in 2003 These savings were offset by increased costs due to the weakening of the U S dollar of approximately $30 million. Our research and development efforts focus on potential new products and product improvements covering a wide variety of technologies in communications electronics life sciences and chemical analysis none of which is individually significant to our operations At our central research facility Agilent Laboratories we conduct five types of research and development basic research which contributes to the fundamental understanding of areas anticipated to be important in the very long term foundation technologies research, which enables fundamental advances across all businesses communications research, which creates technologies to enable pervasive access to information life sciences research, which enables new measurement solutions to facilitate the development of next generation pharmaceuticals and molecular diagnostics and measurement research which provides critical advances in test and measurement electronics and systems The research at Agilent Laboratories represents less than 10 percent of Agilent's consolidated spending on research and development and is intended to be relatively high in technical risk and to be the foundation for future products over a longer time horizon, generally five to ten years out The majority of our research and development is nearer term and occurs in Agilent's four business segments This research and development is aimed at improving the more than 20 000 products already in production and on new product releases Because of the large number of new and existing products and research and development projects across all of our businesses and at Agilent Laboratories, it is difficult to quantify the impact of any specific products or projects We are committed to bringing new products to the market and have focused our development efforts on key strategic opportunities in order to align our business with available markets and position ourselves to capture market share

Selling general and administrative expenses as a percentage of net revenue decreased 8 percentage points in 2004 compared to 2003 Of the $176 million decline approximately $137 million related to our ongoing restructuring cost savings The decline was also driven in part by the decrease in indirect spending The remainder of the decrease reflects our efforts in reducing our infrastructure costs and initiatives to control discretionary spending Selling general and administrative expenses as a percentage of net revenue decreased 9 percentage points in 2003 compared to 2002 Selling and general and administrative expenses declined primarily due to a decrease in goodwill amortization and impairments of $326 million. The decline was also driven in part by a decline in indirect spending of $55 million, and incremental net restructuring savings of

approximately $170 million, which were partially offset by increased costs due to the weakening of the U S dollar

At October 31 2004 our headcount was approximately 28 000 compared to 29 000 in 2003 and 36 000 in 2002

Income (Loss) from Operations

	Years Ended October 31			2004over2003 Change	2003over2002 Change
	2004	2003	2002		
		(In millions)			
Income (loss) from operations	$ 386	$ (725)	$ (1,607)	153%	55%
Operating profit (deficit) margin	5 %	(12) %	(27) %	17ppts	15ppts

Income from operations in 2004 was $386 million, an increase of approximately $1,111 million. The increase was primarily due to a revenue increase of $1 125 million, combined with $211 million less restructuring charges in 2004 compared to 2003 and approximately $474 million of incremental savings that the restructuring produced

Our decrease in loss from operations in 2003 to 2002 of $882 million was primarily due to a decrease in goodwill amortization and impairments of $326 million, decreased spending on indirect expenses of approximately $160 million, decreased inventory charges of $63 million and net incremental savings from our restructuring plans

Other Income (Expense), Net

	Years Ended October 31			2004over2003 % Change	2003over2002 % Change
	2004	2003	2002		
		(In millions)			
Interest income	$ 27	$ 26	$ 44	4 %	(41) %
Interest expense	(36)	(36)	(36)	—	—
Other income (expense) net	63	45	52	40 %	(13) %
Total other income (expense), net	$ 54	$ 35	$ 60	54 %	(42) %

Other income (expense) net generally includes interest income, interest expense, rental income currency gain (loss) on balance sheet remeasurement, our share of income from joint ventures and equity investments and other miscellaneous items Other income (expense) net increased by $19 million in 2004 compared to 2003 due primarily to an increase in equity income from a joint venture of $22 million. Other income (expense) net decreased $25 million in 2003 over 2002 This decrease was driven primarily by a decrease in net interest income of $17 million as interest rates and cash decreased

Tax Valuation Allowance and Provision (Benefit) for Taxes

	Years Ended October 31		
	2004	2003	2002
		(in millions)	
Provision (benefit) for taxes	$ 91	$ 1 100	$ (525)

For the year ended October 31 2004 we recorded an income tax provision of $91 million as compared with an income tax provision of $1,100 million, for the year ended October 31, 2003 The current year to date provision was recorded for taxes on income generated in certain jurisdictions

other than the U S and the U K During the third quarter of 2003 we recorded a non-cash charge to establish a valuation allowance of $1 4 billion which included approximately $0 4 billion of tax benefits recorded during the first six months of 2003 resulting in an approximately $1 0 billion net deferred tax provision recorded within provision for taxes for 2003 The valuation allowance was determined in accordance with the provisions of SFAS No 109 which requires an assessment of both positive and negative evidence when determining whether it is more likely than not that deferred tax assets are recoverable such assessment is required on a jurisdiction by jurisdiction basis Cumulative losses incurred in the U S and the U K in recent years represented sufficient negative evidence under SFAS No 109 to require a full valuation allowance in these jurisdictions We intend to maintain a full valuation allowance in these jurisdictions until sufficient positive evidence exists to support the reversal of the valuation allowance

For 2004 the annual effective tax rate was 20 7 percent With the exception of other comprehensive income (OCI") this tax rate reflects taxes in jurisdictions other than the U S and the U K , in which income tax or benefit continues to be offset by adjustments to the valuation allowance From time to time the company undertakes certain employment capital and other investment actions that subjects the company s income to reduce tax rates This tax rate may change over time as the amount or mix of income and taxes changes Our effective tax rate is calculated using our projected annual pre tax income or loss and is affected by research and development tax credits the expected level of other tax benefits the effects of business acquisitions and dispositions the impact of changes to the valuation allowance changes in OCI as well as changes in the mix of income and losses outside the U S and the U K jurisdictions having varying statutory rates The income tax provision of $91 million includes a $53 million (12 percent) benefit for valuation allowance adjustments based on changes in OCI items during 2004, which is comprised of $16 million due to increases in currency translation adjustments and $37 million due to the elimination of the minimum pension liability in the U K. Under SFAS No 109 adjustments to the valuation allowance may be required to be recorded to the provision for income taxes line item, even though the tax effects arose from changes in items in other comprehensive income

For 2003 the effective tax rate was affected by the charge for the valuation allowance For 2002, the effective tax rate was 34 percent In 2004 compared to 2003 the lower tax rate in 2004 results principally from the company recording a net $1 billion deferred tax expense related to the valuation allowance charge in 2003 combined with the mix of income and losses outside the U S and U K jurisdictions having varying statutory rates

As a result of cumulative actions we have undertaken such as restructuring geographic location of activities and other actions our tax rate is lower than in the past and we expect it to continue to be lower in the future For 2005 we expect an effective tax rate of roughly 20 percent plus or minus 5 percentage points

General Infrastructure and Shared Services

Overall, we have decreased our infrastructure costs primarily through our restructuring programs and cost controls We have reduced the number of employees in our workforce that provide support services such as finance information technology and workplace services decreased the space that we occupy in our sales and administrative buildings and moved some of our global shared services operations sites to lower cost regions Compared to the same time last year, incremental savings for infrastructure costs for the twelve months ended October 31 2004 associated with restructuring plans and cost controls were approximately $230 million We allocated these savings to all businesses according to usage of related services The general infrastructure and shared services ended 2004 with approximately 4 000 employees, a decrease of approximately 200 employees from one year ago and approximately 1 700 employees from two years ago

Segment Overview

Agilent is a global diversified technology company that provides enabling solutions to markets within the communications electronics life sciences and chemical analysis industries We have four primary businesses test and measurement automated test, semiconductor products and life sciences and chemical analysis In addition to the discussion below, also see Note 19 "Segment Information" in Notes to Consolidated Financial Statements

Test and Measurement

Our test and measurement business provides standard and customized solutions that are used in the design, development manufacture installation, deployment and operation of electronic equipment and systems and communications networks and services Our communications test solutions generated approximately 70 percent of test and measurement revenues in 2004 while our general purpose test solutions generated approximately 30 percent Overall order activity over the last 3 years demonstrates the cyclical nature of the markets for our test and measurement products Orders dropped dramatically during 2002 (29 percent) and 2003 (5 percent) and grew 18 percent year over year in 2004

Orders and Net Revenue

	Years Ended October 31			2004over2003 Change	2003over2002 Change
	2004	2003	2002		
		(in millions)			
Orders	$ 2,856	$ 2,413	$ 2,549	18%	(5)%
Net revenue from products	$ 2,498	$ 2,135	$ 2,219	17%	(4)%
Net revenue from services and other	405	394	393	3%	—
Total net revenue	$ 2,903	$ 2,529	$ 2,612	15%	(3)%
Income (loss) from operations	219	(315)	(710)	170%	56%
Operating margin (deficit)	8 %	(12) %	(27) %	20 ppts	15ppts
Return on invested capital (ROIC")	8 %	(9) %	(17) %	17ppts	8ppts

The increase in orders in 2004 compared to 2003, was related to strong aerospace defense business, growth in consumer electronics (DVD players, LCD TVs, cell phones) and expansion of the Asian handset manufacturing capacity Compared to 2003 test and measurement has experienced an 18 percent increase in orders While our wireline test orders grew slightly from last year we experienced significant growth in our wireless communications test (primarily one box testers, network analyzers and wireless systems) and general purpose test (mainly driven by integrated circuit (IC") lithography and basic instruments like multi meters oscilloscopes and counters) businesses The decrease in orders in 2003 compared to 2002 was driven by the deterioration of the wireline communications market, pricing pressures, the competitive pressures of the used equipment market and reduction in capital expenditure spending by telecommunications providers

Test and measurement revenues were up 15 percent year-over year Leading this trend in the communications test markets wireless test revenues were up 22 percent while wireline test was down 11 percent year over year The good results in wireless test was in large part due to the expansion of cell phone handset production in Asia Pricing pressure and the used equipment market impacted wireline revenues Communications test makes up approximately 70 percent of the test and measurement revenues and wireless test makes up approximately 80 percent of communications test General purpose test revenues were up 13 percent year-over year mainly as a result of growth in aerospace defense as well as in our logic analyzers, oscilloscopes and design software

We saw a reduction in orders from wireless handset manufacturers in the fourth quarter of 2004 as they began to absorb the excess capacity that they put in place earlier in the year This was partially offset by growth in our wireless handset R&D products as customers began to focus on new cellular formats investments in 3 5G technologies and the development of converged cellular and wireless network devices In the fourth quarter of 2004 we saw growth in our wireless infrastructure test as top base station manufacturers continued to expand capacity of existing formats to upgrade or improve the quality of service In some regions the expansion of 3G capacity has increased the need for additional test equipment We expect our wireless test business to remain soft through most of the first half 2005 as handset manufacturers rebalance their manufacturing capacity versus the demand In our general purpose test market, we expect to see continued demand from the U S government and prime military contractors as recapitalization and modernization continues

Net revenue for 2003 declined 3 percent compared to 2002 following the same trends as orders. The decline in net revenue was primarily the result of the slowdown in the telecommunications industry partially offset by favorable currency impacts

Costs and Expenses

The following table shows the percentage point decrease in our test and measurement business s costs and expenses as a percentage of net revenue for 2004 versus 2003 and 2003 versus 2002

Decrease as a % of Net Revenue	2004over2003 Ppts Change	2003over2002 Ppts Change
Cost of products and services	(8)	(4)
Research and development	(5)	(5)
Selling general and administrative	(8)	(5)

Over the past three years we have implemented cost reduction and restructuring plans to help the company lower it s cost structure Our test and measurement segment ended 2004 with approximately 11,200 employees, a decrease of approximately 660 employees from one year ago and 4 600 employees from two years ago Inventory charges were not material for 2004 or 2003 and were $69 million in 2002 The impact of sales of inventory previously reserved was $7 million in 2004, was not material for 2003 and was $7 million for 2002

Cost of products and services as a percentage of net revenue decreased by 8 percent year over year in 2004 The reduction in 2004 was attributable to incremental restructuring savings of approximately $90 million from consolidation of manufacturing sites transfer of some manufacturing lines from Sonoma California to Penang, Malaysia and savings in people related expenses due to headcount reductions benefit of higher volumes and improvements in discount levels By the end of 2003 the restructuring plans had provided cumulative savings to cost of products and services of $140 million Cost of products and services as a percentage of net revenue decreased in 2003 over 2002 by 4 percent year-over year

Research and development expenses as a percentage of net revenue decreased 5 percent year-over year On a dollar basis expenses were down 15 percent mainly due to $35 million of restructuring savings and an $11 million reduction in indirect expenses We have reduced our research and development headcount to match the size and focus of the business We have focused our development efforts on strategic opportunities that align our business with available markets and have cancelled new product introductions that would not result in an adequate return on investment Research and development expenses as a percentage of net revenue decreased 5 percent in 2003 from 2002 due to restructuring savings and reduction in indirect expense savings

Selling general and administrative expenses as a percentage of net revenue decreased 8 percent in 2004 compared to 2003 due to increased revenue $42 million in restructuring savings, efficiencies gained from our ERP implementation and a $2 million reduction in indirect expenses These reductions were partially offset by an unfavorable currency impact of $26 million Selling general and administrative expenses as a percentage of net revenue decreased 5 percent in 2003 compared to 2002 due to restructuring savings, efficiencies gained from our ERP implementation and reduction in indirect expenses

Income (Loss) from Operations

Operating profit increased by $534 million compared to 2003 on a revenue increase of only $374 million. Aggressive restructuring through workforce reductions, reduction in our cost structure and strict discretionary spending controls helped comparative operating results Thus resulted in restructuring savings of $167 million for the test and measurement business This segment s return on invested capital (ROIC") was 8 percent, negative 9 percent and negative 17 percent for 2004 2003 and 2002 respectively

Automated Test

Our automated test business provides test system solutions that are used in the manufacture of semiconductor devices electronics (primarily printed circuit board assemblies) and flat panel displays Our test solutions enable electronics designers and manufacturers to shorten the design to-production cycle, lower manufacturing cost of test confirm the functional quality of their devices and of their manufacturing processes and accelerate the high volume delivery of their products The main driver of our customers' business (IT networking, and internet infrastructure) are the consumers who drive the market for PC s, cell phones electronic games and similar consumer electronics Our automated test segment experienced a difficult last quarter in 2004 as the business environment was much weaker than expected This segment is undergoing major product transitions in several of its product lines

Orders and Net Revenue

	Years Ended October 31			2004over2003 Change	2003over2002 Change
	2004	2003	2002		
		(in millions)			
Orders	$ 831	$ 845	$ 745	(2)%	13%
Net revenue from products	$ 749	$ 604	$ 572	24%	6%
Net revenue from services and other	175	151	134	16%	13%
Total net revenue	$ 924	$ 755	$ 706	22%	7%
Income (loss) from operations	66	(34)	(70)	294%	51%
Operating margin (deficit)	7 %	(5)%	(10)%	12ppts	5 ppts
ROIC	6 %	(3)%	(6)%	9ppts	3ppts

Orders in 2004 decreased 2 percent compared to 2003, primarily due to a weak second half caused by our customers excess inventory Our customers also delayed purchases in anticipation of our recently released next generation flash memory and system on-a chip ("SOC") test systems Semiconductor test orders were down 6 percent while electronic manufacturing test orders were up 18 percent compared to last year In the fourth quarter of 2004, our automated test segment reached its lowest level of quarterly orders since the first quarter of 2003 This downturn could continue through the first half of next year

Orders in 2003 increased 13 percent compared to 2002 primarily due to increasing strength in the semiconductor test market as customers started to build increased production capacity for next generation devices This increase was mainly driven by demand for consumer products in computation such as PC chip sets graphics, and networking digital consumer products and wireless products In the fourth quarter of 2003 our automated test segment reached its highest level of quarterly orders since the fourth quarter of 2000 and continued to achieve market growth through design wins

Net revenue in 2004 increased 22 percent compared to 2003 primarily due to an improved marketplace Semiconductor test revenue growth was mixed, with strong parametric test revenue from our investments in 300-millimeter fabrication and wafer production test and solid SOC test revenue Revenue for our flash memory business declined 13 percent Services and other revenue increased 16 percent Services and other includes the sale of support for hardware and software and the sale of services such as training application development and test consulting for new installations and our installed base We expect the downturn in orders we experienced in the second half of 2004 to impact revenues in the first half of 2005

Net revenue in 2003 increased 7 percent compared to 2002 primarily due to increased sales of our products across the board in semiconductor test such as flash memory and SOC, and electronic manufacturing test markets Semiconductor test grew 7 percent and electronic manufacturing test also grew 7 percent Support and services revenue increased 13 percent

Costs and Expenses

The following table shows the percentage point increase/(decrease) in our automated test segment s costs and expenses as a percentage of net revenue for 2004, 2003 and 2002

Increase/(Decrease) as a % of Net Revenue	2004over2003 Ppts Change	2003over2002 Ppts Change
Cost of products and services	(2)	2
Research and development	(3)	(2)
Selling general and administrative	(7)	(6)

As a part of the effort to lower our company s cost structure, our automated test segment ended this fiscal year with approximately 2,200 employees, a decrease of approximately 60 employees from one year ago and 600 employees from two years ago

Cost of products and services as a percentage of net revenue decreased in 2004 compared to 2003 Our automated test segment continued to control costs through outsourcing to contract manufacturers, and monitoring indirect and direct material costs The decreases were driven primarily by higher revenue savings from costs controls lower infrastructure costs and efficiencies from outsourcing to contract manufacturers The pricing environment remains highly competitive

Cost of products and services as a percentage of net revenue increased in 2003 compared to 2002 Savings from cost controls and efficiencies from outsourcing to contract manufacturers were offset by competitive pricing pressures In 2002 integrated device manufacturers (IDMs") design houses, and contract manufacturers focused on buying technology capability through high margin testers However in 2003, as we saw signs of economic recovery, our customers added capacity and bought more focused cost effective systems Pricing pressures affected the majority of our products

We sold $3 million of inventory in 2004 that was previously reserved compared to $8 million in 2003 and $4 million in 2002

Research and development expenses in 2004 as a percentage of net revenue decreased 3 percentage points from 2003 On a dollar basis, expenses increased 7 percent compared to last year The increase is related to the company s plan to aggressively expand the breadth of its offerings in flash and SOC test systems The 2 percentage point decrease in research and development expenses as a percentage of net revenue in 2003 compared to 2002 was due to aggressive cost controls put in place, which focused our efforts on more strategic opportunities to align our business with available markets On a dollar basis, research and development expenses in 2003 decreased 4 percent from 2002

Selling general and administrative expenses as a percentage of net revenue decreased 7 percentage points in 2004 compared to 2003, while on a dollar basis, expenses were down 7 percent The decreases reflect our efforts in reducing our infrastructure costs and initiatives to control discretionary spending In 2003 selling general, and administrative expenses as a percentage of net revenue were down 6 percentage points compared to 2002 while on a dollar basis expenses were down 9 percent The decrease reflects our success in controlling discretionary spending

Income (Loss) from Operations

In 2004 our automated test segment achieved an operating profit of $66 million a rebound from an operating loss of $34 million from 2003 This $100 million profit improvement was the result of $169 million in revenue growth, gross margin improvement and expense controls In 2003 our automated test segment reduced operating losses by 51 percent compared to 2002 while revenue increased 7 percent Automated test returned to profitability in the second half of 2003 The reduction in loss from operations in 2003 compared to 2002 was primarily due to higher net revenue and reduced spending resulting from our cost reduction measures In addition operational efficiencies arising from outsourcing to contract manufacturers contributed to the return to profitability in the second half and improvement in 2003 This segment achieved a ROIC of 6 percent in 2004 compared to a ROIC of negative 3 percent in 2003 and negative 6 percent in 2002

Semiconductor Products

Our semiconductor products business is a leading supplier of semicouductor components modules and assemblies for consumer and commercial electronics applications We design, develop and manufacture products for the networking and personal systems markets Our personal systems products which accounted for 72 percent of our 2004 revenue are used in mobile phones, optical mice flat panel displays, printers and plasma televisions Our networking products include fiber optic transceivers for sending and receiving data over high speed networks and ICs for enterprise storage and networking

Overall 2004 marked the semiconductor products business's return to healthy financial performance with orders and revenue growing over 2003 by 20 percent and 27 percent respectively A small operating loss in 2003 was replaced by solid profit in 2004 After a strong first half of 2004 this business along with most of our industry experienced a decline in the second half due to our customers working off excess inventory The decline is expected to extend into 2005 but we do anticipate growth opportunities for some of our new products such as E pHEMT based front-end modules and laser mouse navigation devices

Orders and Net Revenue

	Years Ended October 31,			2004 over 2003 Change	2003 over 2002 Change
	2004	2003	2002		
		(In millions)			
Orders	$ 1978	$ 1652	$ 1,568	20%	5%
Net revenue	$ 2,021	$ 1,586	$ 1,559	27%	2%
Income (loss) from operations	166	(59)	(115)	381%	49%
Operating margin (deficit)	8 %	(4) %	(7)%	12ppts	3ppts
ROIC	17 %	(2) %	(3)%	19 ppts	1 ppt

Total orders grew 20 percent in 2004, up from 5 percent growth experienced in 2003 Our personal systems market achieved 32 percent growth in 2004 orders but our networking market suffered a 4 percent decline There is a continuing geographic shift of our business with orders from Asia increasing 5 percent in 2003 and 40 percent in 2004 and accounting for 62 percent of total orders in 2004 Orders from the Americas declined 1 percent in 2003 and 11 percent in 2004

Robust 2004 order growth in the personal systems market was driven by strength in physical layer networking components, FBAR duplexers E pHEMT power modules optocouplers and camera modules Within our networking segment despite being down as a whole there were a number of product lines that had marked increases For example, application specific integrated circuits (ASICs") grew 18 percent and physical layer networking components grew 74 percent over 2003 Fiber optics and storage area network products, however suffered double-digit declines compared to 2003

Revenue grew 27 percent overall in 2004 compared to a 2 percent increase in 2003 Growth continued in the personal systems segment, as revenue increased 37 percent in 2004 following 3 percent growth in 2003 Optocouplers and wireless communication components led the increase in 2004 The Networking segment grew 7 percent in 2004 after declining 1 percent in 2003 Revenues from sales to Hewlett Packard primarily for ASICs storage area networking and motion-control products were 14 percent of the business's net revenue in 2004 compared to 20 percent in 2003 and 33 percent in 2002

Costs and Expenses

The following table shows the percentage point increase/(decrease) in our semiconductor products business s costs and expenses as a percentage of its net revenue for 2004 versus 2003 and 2003 versus 2002

Increase/(Decrease) as a % of Net Revenue	2004 over 2003 Ppts Change	2003 over 2002 Ppts Change
Cost of products	(4)	2
Research and development	(4)	(4)
Selling general and administrative	(3)	(2)

Though gross margins suffered in the final quarter of 2004 as revenue fell 2004 as a whole still showed a four percentage point improvement in cost of sales compared to 2003 Despite typical erosion of average selling prices within the semiconductor industry most notably in our fiber optics and camera module businesses significant gross margin improvement was achieved as a result of the incremental margins on $435 million in additional revenue over 2003 as well as approximately $100 million of incremental restructuring savings and ERP implementation efforts that took place largely in 2002 and 2003

The erosion of average selling prices of established products is typical of the industry and new products typically yield larger gross margins Consistent with trends in the semiconductor markets we anticipate that average-selling prices will continue to deteriorate in 2005 However as part of our normal course of business we plan to offset this deterioration with ongoing cost reduction activities and new product introductions

The sale of previously reserved inventory due to unanticipated demand for products previously considered to be unmarketable had a small impact on year over year cost of sales comparisons In 2004 we sold $11 million worth of inventory that we had previously written down, compared to $5 million in 2003 and $18 million in 2002 Inventory charges were not material in any of the periods presented

Research and development expenses dropped 4 percentage points expressed as a percentage of revenue from 2003 to 2004 Selling general and administrative expenses dropped 3 percentage points as a percentage of revenue from 2003 to 2004 This improvement resulted from the increase in revenue from 2003 to 2004 in combination with expenses being held slightly under 2003 s level in absolute dollar terms Total semiconductor products headcount was flat from 2003 to 2004

Income (Loss) from Operations

Operating profit in 2004 of $166 million represents a $225 million improvement over the operating loss of $59 million in 2003 and a 12 percentage point improvement in operation margins The segment s ROIC was 17 percent negative 2 percent and negative 3 percent for 2004 2003 and 2002 respectively The improvement achieved in 2004 drew from a variety of previously mentioned sources such as higher revenue ERP efficiencies restructuring efforts from early 2003 and the continual release of new products Restructuring efforts played a proportionally larger role in the improvement seen in 2003 compared to 2002

In the fourth quarter of 2004 we agreed to sell inventory and fixed assets relating to our camera module business We will continue to sell the image sensors that are a component part of the camera modules, but after the sale we will no longer produce the assembled modules We will retain intellectual property and research and development activities associated with the image sensor technology This announced sale is not expected to have a material impact on operating profits in 2005 The revenues for 2004 associated with the camera module business were approximately $300 million

Life Sciences and Chemical Analysis

Our life sciences and chemical analysis business provides application focused solutions that include instruments software consumables and services that enable customers to identify quantify and analyze the physical and biological properties of substances and products Our seven key product categories include microarrays, microfluidics gas chromatography liquid chromatography mass spectrometry software and informatics and related consumables reagents and services The business achieved solid growth in 2004 with orders and revenue growing by 13 percent and 12 percent, respectively compared to 2003 and operating income up 30 percent Growth was relatively even between our businesses serving the life sciences and chemical analysis markets

Orders and Net Revenue

	Years Ended October 31			2004 over 2003 Change	2003 over 2002 Change
	2004	2003	2002		
		(In millions)			
Orders	$ 1,332	$ 1174	$ 1151	13%	2 %
Net revenue from products	$ 1,034	$ 915	$ 884	13%	4 %
Net revenue from services and other	299	271	249	10%	9 %
Total net revenue	$ 1,333	$ 1186	$ 1133	12%	5 %
Income from operations	192	148	140	30%	6 %
Operating margin	14 %	12 %	12 %	2ppts	—
ROIC	22 %	21 %	21 %	1 ppt	—

Current year growth rates for orders and revenue were the highest seen for several years, causing 2004 revenues and orders to exceed levels achieved in prior years Growth was achieved in all geographies with the highest rates achieved in Asia and Europe In 2004, growth over 2003 was driven by demand for replacement systems in our large installed base in the U S and Europe, increased U S government spending for homeland security spending related to environmental testing in Asia, and increased demand from generic drug manufacturers

Looking forward to 2005 we anticipate order and revenue levels to grow from 2004's level, with strength across both our life science and chemical analysis businesses We anticipate growth to be driven by new products such as the XCT Plus Ion Trap and other proteomics solutions, microfluidic products software and informatics solutions and new offerings in consumables and services

Costs and Expenses

The following table shows the percentage point decrease in our life sciences and chemical analysis business s costs and expenses as a percentage of its net revenue for 2004 versus 2003, and 2003 versus 2002

Decrease as a % of Net Revenue	2004 over 2003 Ppts Change	2003 over 2002 Ppts Change
Cost of products and services	—	—
Research and development	—	—
Selling, general and administrative	(1)	—

Cost of products and services as a percentage of net revenue has been flat for the past two years The benefits of higher revenue levels and savings from restructuring programs have largely been offset by increases in wages restoration of full pay in 2003 and information technology expenses associated with our ERP implementation Looking forward to 2005 we expect to make progress in improving our cost of products and services as revenue grows and ERP efficiencies are realized

Inventory charges have not had a material impact on life sciences and chemical analysis results for several years at $3 million in 2004 and 2003 down from $5 million in 2002

Research and development expenses, as well as selling general and administrative expenses, rose slightly in absolute dollar terms in 2004 as we continued to invest to accommodate growth Expressed as a percentage of net revenue however selling general and administrative expenses declined 1 percentage point and research and development expenses remained flat compared to 2003 due to strong revenue growth outweighing increased expenses

Income from Operations

Our life science and chemical analysis business s 30 percent increase in income from operations in 2004 compared to 2003 was accomplished by strong broad based revenue growth combined with prudent expense management Operating profit as a percentage of revenue increased 2 percentage points in 2004 compared to 2003 reaching 14 percent of revenue The segment s ROIC was 22 percent, 21 percent and 21 percent for 2004 2003 and 2002 respectively

Financial Condition

Liquidity and Capital Resources

Our financial position remained strong at October 31 2004 with cash and cash equivalents of $2,315 million

Net Cash Used in Operating Activities

We generated cash from continuing operations of $663 million in 2004 compared to $164 million used in 2003 We spent $138 million on restructuring activities in 2004, primarily in the form of severance payments, compared to $379 million in fiscal 2003 We generated cash from continuing operations of $409 million in the last quarter of 2004

In 2004 accounts receivable generated cash of $80 million versus cash generated of $52 million in 2003 In 2004 accounts payable generated cash of $43 million versus cash generated of $69 million in 2003 Cash used from inventory was $79 million in 2004 compared to cash generation of $157 million in 2003 Inventory days on hand were slightly improved as of the end of 2004 at 89 days compared to 93 days in 2003

We used $63 million of cash in 2004 to fund our U S defined benefit plan and contributed $83 million to our international defined benefits plans Cash contributions in 2004 were approximately $72 million or 33 percent less than in 2003 In 2005, we expect funding requirements for our various benefit plans to continue to decrease Our annual contributions are highly dependent on the relative performance of our assets versus our projected liabilities, among other factors As the value of our assets increases relative to our future projected obligations we will make smaller contributions to maintain our funded status

In 2004 as in 2003 we recorded no goodwill amortization in accordance with SFAS No 142 Depreciation and amortization decreased from $362 million in 2003 to $292 million in 2004 reflecting the reduced acquisitions of property plant and equipment over the past few years and the full amortization of other intangibles relating to business combinations We had a non-cash charge of $268 million related to the adoption of SFAS No 142 in the first quarter of 2003

We paid income taxes amounting to $149 million in 2004 as compared to $122 million in 2003

Net Cash Used in Investing Activities

Net cash used in investing activities for 2004 was $114 million compared to $203 million in 2003 Investments in property, plant and equipment continue to decrease to $118 million, a decrease of $87 million from 2003 Over half of the property plant and equipment purchases were related to our investments in information technology programs such as the ERP and CRM systems and the development of our website We also have been making investments in some of our facilities The total cash outlays for these initiatives were $102 million in 2004 compared to $209 million in 2003 Cash used for investments in property, plant and equipment has decreased driven by our overall

strategy of tight spending controls and cash conservation However we are making appropriate investments in our IT and facility infrastructure with our improved cash position

Net Cash Provided by Financing Activities

Net cash generated by financing activities for 2004 was $145 million compared to $110 million in 2003 In the first quarter of 2002 we borrowed $1 123 million, net of issuance costs, under a private offering of three percent senior convertible debenture due 2021 Beginning in December 2004 we have an option to redeem the debt in whole or in part in cash If we choose to redeem the debt, the holders may elect to receive common stock at the initial conversion price of $32 22 per share in place of cash Holders of the debentures have an option to require us to repurchase debentures in whole or in part, on December 1 in each of 2006, 2011 and 2016

Other

We have contractual commitments for non-cancelable operating leases and vendor financing arrangements with CIT and others We provide lease guarantees on these financing arrangements and we have no other material guarantees or commitments See Note 17, Commitments in Item 15 of this report for further information on our non-cancelable operating leases.

Our liquidity is affected by many factors, some of which are based on normal ongoing operations of our business and some of which arise from fluctuations related to global economics and markets Our cash balances are generated and held in many locations throughout the world Local government regulations may restrict our ability to move cash balances to meet cash needs under certain circumstances We do not currently expect such regulations and restrictions to impact our ability to pay vendors and conduct operations throughout our global organization

On February 7 2003 Standard and Poor s Rating Services lowered its corporate credit and senior note ratings for Agilent to "speculative grade" status, from BBB minus to BB On May 22 2003 Moody's Investors Service downgraded its senior unsecured rating of Agilent from Baa2 to Ba2 Moody's also assigned the company a first time senior implied rating of Ba2 Both Moody s and S&P attached a "negative outlook" to their ratings at the time of the downgrades The downgrades did not have any material impact on our liquidity On May 25 2004 S&P revised its outlook to "positive from "negative On December 20, 2004 Moody s revised its outlook to "stable" from "negative". There are no financial covenants related to our senior unsecured convertible notes We believe that our current cash and cash equivalents and other financing capabilities will be sufficient to satisfy our working capital capital expenditure and other liquidity needs for 2005

Contractual Commitments

Our cash flows from operations are dependent on a number of factors including fluctuations in our operating results accounts receivable collections, inventory management, and the timing of tax and other payments As a result, the impact of contractual obligations on our liquidity and capital resources in future periods should be analyzed in conjunction with such factors

The following table summarizes our contractual obligations at October 31 2004 and excludes amounts recorded in our Consolidated Balance Sheet with the exception of long term debt obligations (in millions)

	Less than one year	One to three years	Three to five years	More than five years
Operating leases	$ 108	$ 154	$ 101	$ 81
Long term debt obligations (Senior Convertible Debentures)	—	1 150	—	—
Commitments to contract manufacturers and suppliers	380	—	—	—
Other purchase commitments	131	216	77	34
Retirement plans	84	—	—	—
Total	$ 703	$ 1,520	$ 178	$ 115

Operating leases Commitments under operating leases relate primarily to leasehold property

Long term debt obligations Our Senior Convertible Debentures bear interest of 3 percent per annum, or approximately $34 million See Note 16 "Senior Convertible Debentures and Lines of Credit" in Notes to Consolidated Financial Statements

Commitments to contract manufacturers and suppliers We purchase components from a variety of suppliers and use several contract manufacturers to provide manufacturing services for our products During the normal course of business we issue purchase orders with estimates of our requirements several months ahead of the delivery dates However our agreements with these suppliers usually allow us the option to cancel reschedule and adjust our requirements based on our business needs prior to firm orders being placed Typically purchase orders outstanding with delivery dates within 30 days are non-cancelable Therefore only approximately 40 percent of our reported purchase commitments arising from these agreements are firm, non-cancelable and unconditional commitments We expect to fulfill the purchase commitments for inventory within one year

In addition to the above we record a liability for firm, non-cancelable and unconditional purchase commitments for quantities in excess of our future demand forecasts consistent with our allowance for inventory As of October 31 2004 the liability for our firm, non-cancelable, and unconditional purchase commitments was $16 million, compared with $11 million as of October 31 2003 These amounts are included in other accrued liabilities in our Consolidated Balance Sheets at October 31, 2004 and 2003, and are not included in the preceding table

Other purchase commitments Relate primarily to contracts with professional services suppliers Purchase commitments are typically cancelable within a 90-day period without significant penalties

Retirement plans Retirement plan funding includes the expected tax-deductible contribution planned for 2005 Funding projections beyond the current year are not practical to estimate due to the rules affecting tax deductible contributions and the impact from asset performance and interest rates

We had no material off balance sheet arrangements as of October 31 2004 or October 31 2003

Non-GAAP Financial Information

ROIC is a tool by which we track how much value we are creating for our shareholders ROIC is calculated by dividing the annualized segment return by the average of the last five quarter-end balances of segment invested capital as shown below We utilize ROIC as a performance measure for our businesses and our senior managers compensation is linked to ROIC improvements as well as other performance criteria. We believe that ROIC provides our management with a means to analyze and improve their business measuring segment profitability in relation to net asset investments

Reconciliation of Segment ROIC

(in millions, except ROIC)

(Unaudited)

	FY04 Test and Measurement	FY04 Automated Test	FY04 Semiconductor Products	FY04 Life Sciences and Chemical Analysis
Numerator				
Segment income from operations	$ 219	$ 66	$ 166	$ 192
Less				
Other (income) expense and taxes	68	23	(34)	75
Segment return	$ 151	$ 43	$ 200	$ 117
Denominator				
Segment assets (1)	$ 2,148	$ 718	$ 1 434	$ 725
Less				
Net current liabilities (2)	414	117	241	181
Invested capital (4)	$ 1,734	$ 601	$ 1,193	$ 544
Average invested capital	$ 1,816	$ 666	$ 1 158	$ 525
ROIC	8 %	6 %	17 %	22 %
	FY03	**FY03**	**FY03**	**FY03**
Numerator				
Segment income (loss) from operations	$ (315)	$ (34)	$ (59)	$ 148
Less				
Other (income) expense and taxes	(140)	(12)	(29)	55
Segment return	$ (175)	$ (22)	$ (30)	$ 93
Denominator (3)				
Segment assets (1)	$ 2,268	$ 804	$ 1 420	$ 680
Less				
Net current liabilities (2)	470	115	289	181
Invested capital (4)	$ 1 798	$ 689	$ 1 131	$ 499
Average invested capital	$ 1,869	$ 655	$ 1,256	$ 449
ROIC	(9) %	(3) %	(2)%	21 %
	FY02	**FY02**	**FY02**	**FY02**
Numerator				
Segment income (loss) from operations	$ (710)	$ (70)	$ (115)	$ 140
Less				
Other (income) expense and taxes	(348)	(31)	(67)	48
Segment return	$ (362)	$ (39)	$ (48)	$ 92

Denominator (3)				
Segment assets (1)	$ 2,717	$ 852	$ 1 797	$ 643
Less				
Net current liabilities (2)	696	148	296	205
Invested capital (4)	$ 2,021	$ 704	$ 1,501	$ 438
Average invested capital	$ 2,162	$ 708	$ 1,402	$ 437
ROIC	(17) %	(6) %	(3)%	21 %

(1) Segment assets consist of inventory accounts receivable property plant and equipment, allocated corporate assets gross goodwill and other intangibles less impairments Allocated corporate assets include estimated net deferred tax assets as if the valuation allowance had not been recorded

(2) Includes accounts payable employee compensation and benefits and other accrued liabilities

(3) Segment assets, net current liabilities invested capital and average invested capital were all changed in 2004 Amounts for 2003 and 2002 have been restated to conform to the current period s presentation

(4) Average invested capital was computed using an average of the last five quarters

We provide non GAAP financial information in order to provide meaningful supplemental information regarding our operational performance and to enhance our investors overall understanding of our core current financial performance and our prospects for the future We believe that our investors benefit from seeing our results "through the eyes" of management in addition to the GAAP presentation Management measures segment and enterprise performance including employee performance, using measures such as those that are disclosed in this report This information facilitates management s internal comparisons to the company s historical operating results and comparisons to competitors operating results

Non GAAP information allows for greater transparency to supplemental information used by management in its financial and operational decision making Historically we have reported similar non GAAP information to our investors in our press releases and in items furnished to the SEC We believe that the inclusion of comparative numbers provides consistency in our financial reporting

This information is not in accordance with, or an alternative for generally accepted accounting principles in the United States The non-GAAP information we provide may be different from the non GAAP information provided by other companies

Risks, Uncertainties and Other Factors That May Affect Future Results

Our operating results and financial condition could be harmed if the markets into which we sell our products decline.

We recently experienced reduced demand for our products and services in many of the markets that we serve worldwide as was the case in semiconductor test and semiconductor products Revenues in the semiconductor test and semiconductor products businesses fluctuated significantly over the past three years However other markets we serve have stabilized or demonstrated growth such as life sciences and chemical analysis Agilent consists of several diverse businesses and demand in our markets remains cyclical and volatile Pricing pressures and competition remain especially intense in semiconductor related industries which could prevent achievement of our long term gross margin goals and could require us to implement additional cost cutting measures to sustain profitability

Visibility into our markets is limited Any decline in our customers markets or in general economic conditions would likely result in a reduction in demand for our products and services. For example if the Asia Pacific market does not grow as anticipated, or if the semiconductor market continues to slow our results could suffer As the broader semiconductor market is one of the drivers for our test and measurement business, a continued slowdown in the semiconductor market could result in a slowdown in our Test and Measurement business Also if our customers markets decline we may not be able to collect on outstanding amounts due to us Such decline could harm our consolidated financial position results of operations cash flows and stock price and could limit our ability to sustain profitability Also in such an environment pricing pressures could intensify and if we were unable to respond quickly enough this could further reduce our gross margins

Finally we may be required to secure additional debt or equity financing at some time in the future and we cannot assure you that such financing will be available on acceptable terms when required If our senior unsecured convertible notes rating is downgraded, we could be required to pay a higher interest rate for future borrowing needs and we may have stricter terms

We may not be successful in our efforts to maintain a reduced cost structure, and the actions that we take in order to accomplish this transition could have long-term adverse effects on our business.

We have taken and continue to take various actions to transition our company to a reduced cost structure In response to declining revenues beginning in 2001 we scaled back our operations reduced our expenses, decreased our workforce by approximately one third, froze hiring cut back significantly on our use of temporary workers and reduced discretionary spending We also initiated facility closures to reduce production levels Although our revenues are no longer declining we continue to take steps to reach or maintain our quarterly operating cost structure goal

There are several risks inherent in our efforts to maintain a reduced cost structure These include the risk that we will not be able to reduce expenditures quickly enough and hold them at a level necessary to sustain or increase profitability, and that we may have to undertake further restructuring initiatives that would entail additional charges and cause us to take additional actions Our expenses were higher than anticipated during the second quarter of 2004 which adversely affected our performance As we grow we expect to face ongoing pressure to control expenses If we are not able to hold down expenses we may have to further reduce our workforce There is also the risk that cost-cutting initiatives will impair our ability to effectively develop and market products, to remain competitive in the industries in which we compete and to operate effectively Each of the above measures could have long term effects on our business by reducing our pool of technical talent decreasing or slowing improvements in our products making it more difficult for us to respond to customers, limiting our ability to increase production quickly if and when the demand for our products increases and limiting our ability to hire and retain key personnel These circumstances could cause our income to be lower than it otherwise might be which would adversely affect our stock price

If we do not introduce successful new products and services in a timely manner, our products and services will become obsolete and our operating results will suffer

We generally sell our products in industries that are characterized by rapid technological changes frequent new product and service introductions and changing industry standards In addition, many of the markets in which we operate are seasonal and cyclical Without the timely introduction of new products, services and enhancements, our products and services will become technologically obsolete over time, in which case our revenue and operating results would suffer The success of our new products and services will depend on several factors, including our ability to

- properly identify customer needs
- innovate and develop new technologies services and applications
- successfully commercialize new technologies in a timely manner
- manufacture and deliver our products in sufficient volumes on time
- differentiate our offerings from our competitors offerings,

price our products competitively

- anticipate our competitors development of new products, services or technological innovations and
- control product quality in our manufacturing process

Dependence on contract manufacturing and outsourcing other portions of our supply chain may adversely affect our ability to bring products to market and damage our reputation. Dependence on outsourced information technology function may impair our ability to operate effectively

As part of our efforts to streamline operations and to cut costs, we have been outsourcing and will continue to evaluate additional outsourcing If our contract manufacturers or other outsourcers fail to perform their obligations in a timely manner or at satisfactory quality levels our ability to bring products to market and our reputation could suffer For example during a market upturn, our contract manufacturers may be unable to meet our demand requirements, which may preclude us from fulfilling our customers orders on a timely basis The ability of these manufacturers to perform is largely outside of our control In addition, we outsourced significant portions of our information technology function Since information technology is critical to our operations any failure to perform on the part of the contract manufacturers could impair our ability to operate effectively In addition to the risks outlined above problems with manufacturing or IT outsourcing could result in lower revenues and impact our results of operations and our stock price Much of our outsourcing takes place in developing countries and as a result may be subject to geopolitical uncertainty

Future changes in financial accounting standards or taxation rules may adversely affect our reported results of operations.

A change in accounting standards or a change in existing taxation rules can have a significant effect on our reported results New accounting pronouncements and taxation rules and varying interpretations of accounting pronouncements have occurred and may occur in the future These new accounting pronouncements and taxation rules may adversely affect our reported financial results or the way we conduct our business

For example under the newly issued SFAS No 123R we will be required to account for equity under our stock plans as a compensation expense and our net income and net income per share will be significantly reduced Currently we record compensation expense only in connection with option grants that have an exercise price below fair market value For option grants that have an exercise price at fair market value we calculate compensation expense and disclose their impact on net income (loss) and net income (loss) per share as well as the impact of all stock based compensation expense in a footnote to the consolidated financial statements SFAS No 123R requires Agilent to adopt the new accounting provisions beginning in our fourth quarter of 2005 and will require Agilent to expense SBP awards including shares issued under employee stock purchase plans, stock options, restricted stock and stock appreciation rights, as compensation cost

Fluctuations in our quarterly operating results may cause volatility in the price of our common stock and the senior convertible debentures.

Given the nature of the markets in which we participate we cannot reliably predict future revenue and profitability Our quarterly sales and operating results have become highly dependent on the volume and timing of orders received during the quarter, which are difficult to forecast These results are also dependent on the seasonal and cyclical nature of our end markets such as consumer electronics, including cell phones In addition, a significant portion of our operating expenses is relatively fixed in nature due to our significant sales research and development and manufacturing costs If we cannot adjust spending quickly enough to compensate for a revenue shortfall this may magnify the adverse impact of such revenue shortfall on our results of operations Fluctuations in our operating results may cause volatility in the price of our common stock and the debentures

Our income may suffer if our manufacturing capacity does not match our demand.

Because we cannot immediately adapt our production capacity and related cost structures to rapidly changing market conditions, when demand does not meet our expectations our manufacturing capacity will likely exceed our production requirements If during a general market upturn or an upturn in one of our segments, we cannot increase our manufacturing capacity to meet product demand we will not be able to fulfill orders in a timely manner This inability could materially and adversely affect our results By contrast during the economic downturn we had excess manufacturing capacity as a result of the decrease in purchasing and capital spending in the communications electronics and semiconductor industries The fixed costs associated with excess manufacturing capacity adversely affected, and could in the future affect our income

Failure to adjust our purchases due to changing market conditions or failure to estimate our customers' demand could adversely affect our income

Our income could be harmed if we are unable to adjust our purchases to market fluctuations including those caused by the seasonal or cyclical nature of the markets in which we operate The sale of our products and services are dependent, to a large degree on customers whose industries are subject to seasonal or cyclical trends in the demand for their products For example the consumer electronics market is particularly volatile, making demand difficult to anticipate During a market upturn, we may not be able to purchase sufficient supplies or components to meet increasing product demand, which could materially affect our results In addition, some of the parts that require custom design are not readily available from alternate suppliers due to their unique design or the length of time necessary for design work Should a supplier cease manufacturing such a component we would be forced to reengineer our product In addition to discontinuing parts suppliers may also extend lead times, limit supplies or increase prices due to capacity constraints or other factors By contrast, in order to secure components for the production of products we may continue to enter into non-cancelable purchase commitments with vendors or at times make advance payments to suppliers which could impact our ability to adjust our inventory to declining market demands Prior commitments of this type have resulted in an excess of parts when demand for our communications semiconductor and electronics products has decreased If demand for our products is less than we expect we may experience additional excess and obsolete inventories and be forced to incur additional charges

Economic, political and other risks associated with international sales and operations could adversely affect our results of operations.

Because we sell our products worldwide our business is subject to risks associated with doing business internationally We anticipate that revenue from international operations will continue to represent a majority of our total revenue In addition, many of our employees, contract manufacturers, suppliers job functions and manufacturing facilities are increasingly located outside the U S Accordingly, our future results could be harmed by a variety of factors, including

- interruption to transportation flows for delivery of parts to us and finished goods to our customers,
- changes in foreign currency exchange rates
- changes in a specific country's or region s political economic or other conditions
- trade protection measures and import or export licensing requirements,

negative consequences from changes in tax laws

difficulty in staffing and managing widespread operations

differing labor regulations

differing protection of intellectual property

unexpected changes in regulatory requirements and

geopolitical turmoil, including terrorism and war

We centralized most of our accounting processes to two locations Malaysia and India These processes include general accounting accounts payable and accounts receivables functions If conditions change in those countries it may adversely affect operations including impairing our ability to pay our suppliers and collect our receivables Our results of operations, as well as our liquidity may be adversely affected and possible delays may occur in reporting financial results

Our business will suffer if we are not able to retain and hire key personnel.

Our future success depends partly on the continued service of our key research engineering sales marketing, manufacturing executive and administrative personnel If we fail to retain and hire a sufficient number of these personnel we will not be able to maintain or expand our business Since 2001, we have experienced temporary pay reductions workforce reductions and limited pay increases which may harm our long term ability to hire and retain key personnel As the market continues its recovery there is intense competition for certain highly technical specialties in geographic areas where we continue to recruit, and it may become more difficult to retain our key employees

Our acquisitions, strategic alliances, joint ventures and divestitures may result in financial results that are different than expected.

In the normal course of business, we frequently engage in discussions with third parties relating to possible acquisitions strategic alliances joint ventures and divestitures As a result of such transactions, our financial results may differ from the investment community s expectations in a given quarter In addition acquisitions and strategic alliances may require us to integrate a different company culture management team and business infrastructure We may have difficulty developing, manufacturing and marketing the products of a newly acquired company in a way that enhances the performance of our combined businesses or product lines to realize the value from expected synergies Depending on the size and complexity of an acquisition, our successful integration of the entity depends on a variety of factors, including

the retention of key employees,

the management of facilities and employees in different geographic areas

the retention of key customers and

the integration or coordination of different research and development product manufacturing and sales programs and facilities

A successful divestiture depends on various factors including our ability to

effectively transfer liabilities contracts facilities and employees to the purchaser;

identify and separate the intellectual property to be divested from the intellectual property that we wish to keep and

reduce fixed costs previously associated with the divested assets or business

Any additional impairment of the value of purchased assets and goodwill could have a significant negative impact on our future operating results

In addition, if customers of the divested business do not receive the same level of service from the new owners this may adversely affect our other businesses to the extent that these customers

also purchase other Agilent products All of these efforts require varying levels of management resources, which may divert our attention from other business operations Further if market conditions or other factors lead us to change our strategic direction we may not realize the expected value from such transactions If we do not realize the expected benefits or synergies of such transactions our consolidated financial position, results of operations, cash flows and stock price could be negatively impacted

Unforeseen problems with the stability and maintenance of our new information systems have interfered and could further interfere with our operations.

As a part of the effort to replace our current information systems we implemented new enterprise resource planning software and other software applications to manage our business operations Our profit projections could be inaccurate if we misjudged the potential savings from the implementation of the new systems, or if we are unable to adequately maintain or adjust the systems In addition, if our new systems fail to provide accurate and increased visibility into pricing and cost structures we may be unable to improve or maximize our profit margins. Following the first phase of our enterprise resource planning software implementation, we experienced difficulties in providing customer quotes and in acknowledging and shipping customer orders Although we believe that these systems are stable as we add additional functionality new problems could arise that we have not foreseen Such problems could adversely impact our ability to do the following in a timely manner provide quotes take customer orders, ship products provide services and support to our customers bill and track our customers, fulfill contractual obligations and otherwise run our business As a result, our financial position, results of operations cash flows and stock price could be adversely affected

Environmental contamination from past operations could subject us to unreimbursed costs and could harm on-site operations and the future use and value of the properties involved and environmental contamination caused by ongoing operations could subject us to substantial liabilities in the future.

Some of our properties are undergoing remediation by Hewlett Packard for subsurface contaminations that were known at the time of our separation from Hewlett Packard Hewlett Packard has agreed to retain the liability for this subsurface contamination perform the required remediation and indemnify us with respect to claims arising out of that contamination The determination of the existence and cost of any additional contamination caused by us could involve costly and time consuming negotiations and litigation In addition Hewlett Packard will have access to our properties to perform remediation While Hewlett Packard has agreed to minimize interference with on site operations at those properties remediation activities and subsurface contamination may require us to incur unreimbursed costs and could harm on site operations and the future use and value of the properties We cannot be sure that Hewlett Packard will continue to fulfill its indemnification or remediation obligations

We have agreed to indemnify Hewlett Packard for any liability associated with contamination from past operations at all other properties transferred from Hewlett Packard to us other than those properties currently undergoing remediation by Hewlett Packard While we are not aware of any material liabilities associated with any potential subsurface contamination at any of those properties, subsurface contamination may exist and we may be exposed to material liability as a result of the existence of that contamination

Our semiconductor and other manufacturing processes involve the use of substances regulated under various international federal state and local laws governing the environment We may be subject to liabilities for environmental contamination and these liabilities may be substantial Although our policy is to apply strict standards for environmental protection at our sites inside and

outside the U S even if the sites outside the U S are not subject to regulations imposed by foreign governments, we may not be aware of all conditions that could subject us to liability

Our customers and we are subject to various governmental regulations, compliance with which may cause us to incur significant expenses, and if we fail to maintain satisfactory compliance with certain regulations, we may be forced to recall products and cease their manufacture and distribution, and we could be subject to civil or criminal penalties.

Our businesses are subject to various significant international federal state and local regulations including but not limited to health and safety packaging product content, labor and import/export regulations These regulations are complex change frequently and have tended to become more stringent over time We may be required to incur significant expenses to comply with these regulations or to remedy violations of these regulations Any failure by us to comply with applicable government regulations could also result in cessation of our operations or portions of our operations product recalls or impositions of fines and restrictions on our ability to carry on or expand our operations In addition because many of our products are regulated or sold into regulated industries we must comply with additional regulations in marketing our products

Our products and operations are also often subject to the rules of industrial standards bodies, like the International Standards Organization as well as regulation by other agencies such as the U S Federal Communications Commission We also must comply with work safety rules If we fail to adequately address any of these regulations our businesses could be harmed

Some of our chemical analysis products are used in conjunction with chemicals whose manufacture processing distribution and notification requirements are regulated by the U S Environmental Protection Agency under the Toxic Substances Control Act, and by regulatory bodies in other countries with laws similar to the Toxic Substances Control Act We must conform the manufacture processing distribution of and notification about these chemicals to these laws and adapt to regulatory requirements in all countries as these requirements change If we fail to comply with these requirements in the manufacture or distribution of our products then we could be made to pay civil penalties, face criminal prosecution and, in some cases be prohibited from distributing our products in commerce until the products or component substances are brought into compliance

We are subject to laws and regulations governing government contracts, and failure to address these laws and regulations or comply with government contracts could harm our business by leading to a reduction in revenue associated with these customers.

We have agreements relating to the sale of our products to government entities and, as a result we are subject to various statutes and regulations that apply to companies doing business with the government The laws governing government contracts differ from the laws governing private contracts For example many government contracts contain pricing terms and conditions that are not applicable to private contracts We are also subject to investigation for compliance with the regulations governing government contracts A failure to comply with these regulations might result in suspension of these contracts or administrative penalties

Third parties may claim that we are infringing their intellectual property, and we could suffer significant litigation or licensing expenses or be prevented from selling products.

While we do not believe that any of our products infringe the valid intellectual property rights of third parties, we may be unaware of intellectual property rights of others that may cover some of our technology products or services Any litigation regarding patents or other intellectual property could be costly and time consuming and could divert our management and key personnel from our business operations The complexity of the technology involved and the uncertainty of intellectual property litigation increase these risks Claims of intellectual property infringement might also

require us to enter into costly license agreements However we may not be able to obtain license agreements on terms acceptable to us or at all We also may be subject to significant damages or injunctions against development and sale of certain of our products

We often rely on licenses of intellectual property useful for our businesses We cannot ensure that these licenses will be available in the future on favorable terms or at all

Third parties may infringe our intellectual property, and we may expend significant resources enforcing our rights or suffer competitive injury

Our success depends in large part on our proprietary technology We rely on a combination of patents copyrights trademarks trade secrets confidentiality provisions and licensing arrangements to establish and protect our proprietary rights If we fail to successfully enforce our intellectual property rights our competitive position could suffer which could harm our operating results

Our pending patent and trademark registration applications may not be allowed, or competitors may challenge the validity or scope of our patents, copyrights or trademarks In addition, our patents may not provide us a significant competitive advantage

We may be required to spend significant resources to monitor and police our intellectual property rights We may not be able to detect infringement and our competitive position may be harmed before we do so In addition, competitors may design around our technology or develop competing technologies Intellectual property rights and our ability to enforce them may also be unavailable or limited in some foreign countries, which could make it easier for competitors to capture market share and result in lost revenues Furthermore, some intellectual property rights are licensed to other companies, allowing them to compete with us using that intellectual property

If we suffer loss to our factories, facilities or distribution system due to catastrophe, our operations could be seriously harmed.

Our factories, facilities and distribution system are subject to catastrophic loss due to fire flood, terrorism or other natural or man made disasters In particular several of our facilities could be subject to a catastrophic loss caused by earthquake due to their locations Our production facilities, headquarters and Agilent Technologies Laboratories in California and our production facilities in Washington and Japan are all located in areas with above average seismic activity If any of these facilities were to experience a catastrophic loss, it could disrupt our operations delay production, shipments and revenue and result in large expenses to repair or replace the facility In addition, since we have recently consolidated our manufacturing facilities, we are more likely to experience an interruption to our operations in the event of a catastrophe in any one location Although we carry insurance for property damage and business interruption, we do not carry insurance or financial reserves for interruptions or potential losses arising from earthquakes or terrorism

Item 7A. ***Quantitative and Qualitative Disclosures About Market Risk***

We are exposed to foreign currency exchange rate risks inherent in our sales commitments, anticipated sales, and assets and liabilities denominated in currencies other than the functional currency of our subsidiaries We hedge future cash flows denominated in currencies other than the functional currency using sales forecasts up to twelve months in advance Our exposure to exchange rate risks is managed on an enterprise wide basis This strategy utilizes derivative financial instruments including option and forward contracts to hedge foreign currency exposures with the intent of offsetting gains and losses that occur on the underlying exposures with gains and losses on the derivative contracts hedging them We do not currently and do not intend to utilize derivative financial instruments for trading purposes

Our operations generate non functional currency cash flows such as revenues, third party vendor payments and inter-company payments In anticipation of these foreign currency cash flows and in view of volatility of the currency market we enter into such foreign exchange contracts as are described above to manage our currency risk Approximately 75 percent of our revenues in 2004 74 percent of our revenues in 2003 and 75 percent of our revenues in 2002 were generated in U S dollars

We performed a sensitivity analysis assuming a hypothetical 10 percent adverse movement in foreign exchange rates to the hedging contracts and the underlying exposures described above As of October 31, 2004 and October 31 2003 the analysis indicated that these hypothetical market movements would not have a material effect on our consolidated financial position, results of operations or cash flows

Item 8. ***Financial Statements and Supplementary Data***

The Financial Statements appear in Item 15 of this report

Item 9 ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None

Item 9A. ***Controls and Procedures***

We carried out an evaluation required by Rule 13a 15(b) of the Securities Exchange Act of 1934 under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer of the effectiveness of the design and operation of Agilent s disclosure controls and procedures" and "internal control over financial reporting as of the end of the period covered by this report

Disclosure controls and procedures are designed with the objective of ensuring that (i)information required to be disclosed in the company s reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms and (ii) information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer as appropriate to allow timely decisions regarding required disclosures Internal controls over financial reporting are procedures designed with the objective of providing reasonable assurance that our (a) transactions are properly authorized, (b) assets are safeguarded against unauthorized or improper use and (c) transactions are properly recorded and reported all to permit the preparation of our financial statements in conformity with generally accepted accounting principles

The evaluation of Agilent s disclosure controls and procedures and internal control over financial reporting included a review of our objectives and processes implementation by the company and the effect on the information generated for use in this Annual Report on Form 10-K. In the course of this evaluation and in accordance with Section 302 of the Sarbanes Oxley Act of 2002 (but not in accordance with Section 404 of the Sarbanes Oxley Act of 2002) we sought to identify any significant deficiencies or material weaknesses in our controls, to determine whether we had identified any acts of fraud involving personnel who have a significant role in our internal controls over financial reporting, and to confirm that any necessary corrective action, including process improvements, were being undertaken This type of evaluation will be done quarterly so that the conclusions concerning the effectiveness of these controls can be reported in our periodic reports filed with the SEC Our internal control over financial reporting are also evaluated on an ongoing basis by Agilent's internal auditors and by other personnel in Agilent s finance organization The

overall goals of these evaluation activities are to monitor our disclosure and internal controls over financial reporting and to make modifications as necessary We intend to maintain these controls as processes that may be appropriately modified as circumstances warrant

Based on their evaluation, Agilent s Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective in timely alerting them to material information relating to the company (including our consolidated subsidiaries) required to be included in our periodic reports filed with the SEC as of the end of the period covered by this report There were no changes in our internal control over financial reporting that occurred during Agilent s last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting However a control system no matter how well conceived and operated, can provide only reasonable not absolute assurance that the objectives of the control system are met Management necessarily applied its judgment in assessing the benefits of controls relative to their costs Because of the inherent limitations in all control systems no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any within the company have been detected The design of any system of controls is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions regardless of how remote Because of the inherent limitations in a control system misstatements due to error or fraud may occur and may not be detected

Items 308(a) and (b) of Regulations S K and S B will require management to include in their annual reports a report of management on the company s internal controls over financial reporting and to evaluate as of the end of each fiscal period, any change in the company's internal control over financial reporting that occurred during the period that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting On February 24 2004 the Securities and Exchange Commission issued a release extending the deadline for certain issuers to comply with the management report on internal control over financial reporting requirement Accordingly Agilent will begin reporting this information in fiscal 2005 its first fiscal year ending after November 15, 2004 In addition the release extended, until the first fiscal year ending after November 15 2004 compliance dates for amendments to certain representations that must be included in the certifications required by Exchange Act Rules 13a 14 and 15d 14 and Investment Company Act of 1940 Rule 30a 2, regarding the company s internal control over financial reporting

Item 9B. ***Other Information.***

None

PART III

Item 10. ***Directors and Executive Officers of the Registrant***

Information regarding our directors appears under Proposal No 1—Election of Directors in our Proxy Statement for the Annual Meeting of Stockholders (the "Proxy Statement") to be held March 1 2005 That portion of the Proxy Statement is incorporated by reference into this report Information regarding our executive officers appears in Item 1 of this report under Executive Officers of the Registrant " Information regarding our Audit and Finance Committee and our Audit and Finance Committee s financial expert appears under Audit and Finance Committee Report" in our Proxy Statement That portion of the Proxy Statement is incorporated by reference into this report There were no material changes to the procedures by which security holders may recommend nominees to our Board of Directors Information regarding our code of ethics (the company s Standards of Business Conduct) applicable to our principal executive officer our principal financial officer our controller and other senior financial officers appears in Item 1 of this report under Investor Information " We will post amendments to or waivers from a provision of the Standards of Business Conduct on our website at www investor agilent com

Compliance with Section 16(a) of the Exchange Act

Information about compliance with Section 16(a) of the Exchange Act appears under 'Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement That portion of the Proxy Statement is incorporated by reference into this report

Item 11 ***Executive Compensation***

Information about compensation of our named executive officers appears under Executive Compensation" and under 'Compensation Committee Interlocks and Insider Participation in the Proxy Statement Information about compensation of our directors appears under "Director Compensation Arrangements and Stock Ownership Guidelines' in the Proxy Statement Those portions of the Proxy Statement are incorporated by reference into this report

Item 12 ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

Information about security ownership of certain beneficial owners and management appears under 'Common Stock Ownership of Certain Beneficial Owners and Management' in the Proxy Statement That portion of the Proxy Statement is incorporated by reference into this report Information regarding securities authorized for issuance under equity compensation plans appears in Item 5 of this report

Item 13 ***Certain Relationships and Related Transactions***

Information about certain relationships and related transactions appears under 'Certain Relationships and Related Transactions in the Proxy Statement That portion of the Proxy Statement is incorporated by reference into this report

Item 14 ***Principal Accountant Fees and Services***

Information about principal accountant fees and services as well as related pre approval policies appears under Fees Paid to PricewaterhouseCoopers LLP' and Policy on Audit and Finance Committee Pre-Approval of Audit and Permissible Non Audit Services of Independent Registered Public Accounting Firm in the Proxy Statement Those portions of the Proxy Statement are incorporated by reference into this report

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a) The following documents are filed as part of this report

1 **Financial Statements**

	Page
Report of Independent Registered Public Accounting Firm	73
Consolidated Statement of Operations for each of the three years ended October 31 2004	74
Consolidated Balance Sheet at October 31 2004 and 2003	75
Consolidated Statement of Cash Flows for each of the three years ended October 31, 2004	76
Consolidated Statement of Stockholders' Equity for each of the three years ended October 31, 2004	77
Notes to Consolidated Financial Statements	78
Quarterly Summary (unaudited)	112

2 **Financial Statement Schedules**

None

3 **Exhibits**

See Index to Exhibits The Exhibits listed in the accompanying Index to Exhibits are filed as part of this report

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of Agilent Technologies, Inc

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of operations cash flows and stockholders equity present fairly in all material respects, the financial position of Agilent Technologies Inc and its subsidiaries at October 31, 2004 and 2003 and the results of their operations and their cash flows for each of the three years in the period ended October 31, 2004 in conformity with accounting principles generally accepted in the United States of America These financial statements are the responsibility of the Company s management Our responsibility is to express an opinion on these financial statements based on our audits We conducted our audits of these statements in accordance with 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 An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

As discussed in the notes to the consolidated financial statements the Company adopted Statement of Financial Accounting Standards ("SFAS ") No 142, "Goodwill and Other Intangible Assets" as of November 1 2002

PRICEWATERHOUSE COOPERS LLP

San Jose, California

December 17, 2004

AGILENT TECHNOLOGIES, INC.

CONSOLIDATED STATEMENT OF OPERATIONS

	Years Ended October 31		
	2004	2003	2002
	(In millions, except per share data)		
Net revenue			
Products	$ 6,302	$ 5,240	$ 5,234
Services and other	879	816	776
Total net revenue	7 181	6,056	6,010
Costs and expenses			
Cost of products	3 487	3 182	3,360
Cost of services and other	571	568	506
Total costs	4 058	3 750	3,866
Research and development	933	1 051	1,250
Selling, general and administrative	1,804	1 980	2,501
Total costs and expenses	6,795	6,781	7,617
Income (loss) from operations	386	(725)	(1,607)
Other income (expense) net	54	35	60
Income (loss) from continuing operations before taxes	440	(690)	(1,547)
Provision (benefit) for taxes	91	1,100	(525)
Income (loss) from continuing operations	349	(1 790)	(1 022)
(Loss) from sale of discontinued operations (net of tax benefit of $6million)	—	—	(10)
Income (loss) before cumulative effect of accounting changes	349	(1 790)	(1 032)
Cumulative effect of adopting SFAS No 142	—	(268)	—
Net income (loss)	$ 349	$ (2,058)	$ (1 032)
Net income (loss) per share — Basic			
Income (loss) from continuing operations	$ 0 72	$ (3 78)	$ (2.20)
Loss from sale of discontinued operations net	—	—	(0 02)
Cumulative effect of adopting SFAS No 142	—	(0 57)	—
Net income (loss) per share – Basic	$ 0 72	$ (4 35)	$ (2.22)
Net income (loss) per share — Diluted			
Income (loss) from continuing operations	$ 0 71	$ (3 78)	$ (2.20)
Loss from sale of discontinued operations net	—	—	(0 02)
Cumulative effect of adopting SFAS No 142	—	(0 57)	—
Net income (loss) per share – Diluted	$ 0 71	$ (4 35)	$ (2.22)
Weighted average shares used in computing net income (loss) per share			
Basic	483	473	465

Diluted	50	473	465

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

AGILENT TECHNOLOGIES, INC.

CONSOLIDATED BALANCE SHEET

	October 31	
	2004	2003
	(In millions, except par value and share data)	
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,315	$ 1,607
Accounts receivable net	1,044	1,086
Inventory	1,026	995
Other current assets	192	201
Total current assets	4,577	3,889
Property plant and equipment, net	1,258	1 447
Goodwill and other intangible assets net	443	402
Other assets	778	559
Total assets	$ 7,056	$ 6,297
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 441	$ 441
Employee compensation and benefits	545	566
Deferred revenue	284	262
Income and other taxes payable	340	326
Other accrued liabilities	261	311
Total current liabilities	1,871	1 906
Senior convertible debentures	1 150	1 150
Other liabilities	466	417
Total liabilities	3,487	3 473
Commitments and contingencies		
Stockholders' equity		
Preferred stock $0 01 par value 125 million shares authorized, none issued and outstanding	—	—
Common stock $0 01 par value, 2 billion shares authorized 487 million shares at October 31 2004 and 476 million shares at October 31 2003 issued and outstanding	5	5
Additional paid in-capital	5,195	4 984
Accumulated deficit	(1,810)	(2,159)
Accumulated comprehensive income (loss)	179	(6)
Total stockholders equity	3,569	2,824
Total liabilities and stockholders equity	$ 7,056	$ 6,297

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

AGILENT TECHNOLOGIES, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Years Ended October 31		
	2004	2003	2002
	(In millions)		
Cash flows from operating activities			
Net income (loss)	$ 349	$ (2,058)	$ (1 022)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities			
Depreciation and amortization	292	362	735
Deferred taxes	(33)	1,071	(664)
Excess and obsolete inventory-related charges	45	11	74
Non-cash restructuring and asset impairment charges	41	91	204
Retirement plans curtailment (gain) loss	—	5	(19)
Net (gain) loss on divestitures and sale of assets	1	(5)	(18)
Adoption of SFAS No 142	—	268	—
Changes in assets and liabilities			
Accounts receivable	80	52	(141)
Inventory	(79)	157	241
Accounts payable	43	69	(90)
Employee compensation and benefits	29	(21)	83
Income taxes and other taxes payable	(50)	(63)	137
Other current assets and liabilities	(9)	(6)	16
Other long term assets and liabilities	(46)	(97)	(127)
Net cash provided by (used in) operating activities	663	(164)	(591)
Cash flows from investing activities			
Investments in property plant and equipment	(118)	(205)	(301)
Dispositions of property plant and equipment	36	6	—
Proceeds from (net investment in) lease receivable	—	—	237
Purchases of intangibles and investments	(14)	(4)	(23)
Acquisitions net of cash acquired	(18)	—	(15)
Proceeds from dispositions	—	—	31
Net cash used in investing activities	(114)	(203)	(71)
Cash flows from financing activities			
Issuance of senior convertible debentures, net of issuance costs	—	—	1 123
Issuance of common stock under employee stock plans	144	112	121
Net borrowings to notes payable and short term borrowings	1	(2)	(1)
Net cash provided by financing activities	145	110	1,243
Effect of exchange rate movements	14	20	6
Net proceeds and cash provided by discontinued operations	—	—	87
Net increase (decrease) in cash and cash equivalents	708	(237)	674
Cash and cash equivalents at beginning of year	1 607	1,844	1 170
Cash and cash equivalents at end of year	$ 2,315	$ 1 607	$ 1,844

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

AGILENT TECHNOLOGIES, INC.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	Number of Shares	Common Stock Par Value	Common Stock Additional Paid-in Capital	Retained Income/ (Accumulated Deficit)	Accumulated Comprehensive Income/(Loss)	Total
			(in millions, except number of shares in thousands)			
Balance as of October 31 2001	461 031	$ 5	$ 4 723	$ 931	$ —	$ 5 659
Components of comprehensive loss						
Net loss	—	—	—	(1 032)	—	(1,032)
Reclassification adjustment relating to derivatives (net of tax benefit of $4 million)	—	—	—	—	(7)	(7)
SFAS No 133 cumulative transition adjustment (net of tax benefit of $3 million)	—	—	—	—	(6)	(6)
Foreign currency translation (net of tax of $4 million)	—	—	—	—	7	7
Change in unrealized gain (loss) on investment (net of tax benefit of $1 million)	—	—	—	—	(1)	(1)
Unrealized gain on derivatives (net of tax expense of $2 million)	—	—	—	—	4	4
Change in minimum pension liability adjustment (net of tax benefit of $78 million)	—	—	—	—	(146)	(146)
Total comprehensive loss						(1 181)
Shares issued for employee benefit plans and other	5 993	—	145	—	—	145
Other additional paid-in-capital	—	—	4	—	—	4
Balance as of October 31 2002	467 024	5	4 872	(101)	(149)	4 627
Components of comprehensive loss						
Net loss	—	—	—	(2,058)	—	(2,058)
Reclassification adjustment relating to derivatives (net of tax expense of $2 million)	—	—	—	—	4	4
Reclassification adjustment relating to investments (net of tax expense of $1 million)	—	—	—	—	2	2
Foreign currency translation (net of tax benefit of $46 million)	—	—	—	—	96	96
Unrealized gain (loss) on derivatives (net of tax expense of $7 million)	—	—	—	—	(13)	(13)
Change in minimum pension liability adjustment (net of tax expense of $38 million)	—	—	—	—	54	54
Total comprehensive loss						(1 915)
Shares issued for employee benefit plans and other	9 125	—	112	—	—	112
Balance as of October 31 2003	476 149	5	4 984	(2,159)	(6)	2 824
Components of comprehensive income						
Net income	—	—	—	349	—	349
Reclassification adjustment relating to derivatives (net of tax expense of $3 million)	—	—	—	—	5	5
Reclassification adjustment relating to investments (net of tax expense of $2 million)	—	—	—	—	3	3
Foreign currency translation (net of tax expense of $14 million)	—	—	—	—	89	89
Unrealized gain (loss) on derivatives (net of tax benefit of $2 million)	—	—	—	—	(4)	(4)
Change in minimum pension liability adjustment (net of tax expense of $40 million)	—	—	—	—	92	92
Total comprehensive income						534
Shares issued for employee benefit plans and other	9 920	—	193	—	—	193
Issuance of common stock for an acquisition	772	—	18	—	—	18
Balance as of October 31 2004	486 841	$ 5	$ 5 195	$ (1 810)	$ 179	$ 3 569

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

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 Overview

Agilent Technologies, Inc ('we,' Agilent' or 'the company"), incorporated in Delaware in May1999, is a global diversified technology organization that provides enabling solutions to technology markets within the communications, electronics, life sciences and chemical analysis industries Prior to our initial public offering of 16 percent of our stock in November 1999 we were a wholly-owned subsidiary of Hewlett Packard Company (Hewlett Packard") Hewlett Packard distributed the remaining 84 percent of our stock to its stockholders on June 2 2000 in the form of a stock dividend

Our fiscal year end is October 31 Unless otherwise stated, all years and dates refer to our fiscal year

2.Summary of Significant Accounting Policies

Basis of presentation The accompanying financial data has been prepared by us pursuant to the rules and regulations of the U S Securities and Exchange Commission ('SEC') Amounts in the consolidated financial statements as of and for the years ended October 31 2003 and October 31, 2002 were reclassified to conform to the presentation in 2004

Principles of consolidation The consolidated financial statements include the accounts of the company and our wholly- and majority-owned subsidiaries All significant intercompany accounts and transactions have been eliminated. Partially owned, non-controlled equity affiliates are accounted for under the equity method

Use of estimates The preparation of financial statements in accordance with accounting principles generally accepted in the U S requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes Management bases its estimates on historical experience and various other assumptions believed to be reasonable Although these estimates are based on management s best knowledge of current events and actions that may impact the company in the future actual results may be different from the estimates Our critical accounting policies are those that affect our financial statements materially and involve difficult, subjective or complex judgments by management Those policies are revenue recognition, restructuring and asset impairment charges inventory valuation, retirement and post retirement plan assumptions valuation of long lived assets and accounting for income taxes

Revenue recognition We enter into agreements to sell products (hardware and/or software), services and other arrangements (multiple element arrangements) that include combinations of products and services

We recognize revenue net of trade discounts and allowances, provided that (1) persuasive evidence of an arrangement exists, (2) delivery has occurred, (3) the price is fixed or determinable and (4) collectibility is reasonably assured Delivery is considered to have occurred when title and risk of loss have transferred to the customer for products, or when the service has been provided. We consider the price to be fixed or determinable when the price is not subject to refund or adjustments We consider arrangements with extended payment terms not to be fixed or determinable and accordingly we defer revenue until amounts become due At the time of the transaction we evaluate the creditworthiness of our customers to determine the appropriate timing of revenue recognition

Product revenue Our product revenue is generated predominantly from the sales of various types of test equipment and semiconductor components Software is embedded in many of our test

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

equipment products but the software component is generally considered to be incidental Product revenue, including sales to resellers and distributors is reduced for estimated returns and distributor price protection when appropriate For sales or arrangements that include customer specified acceptance criteria, including those where acceptance is required upon achievement of performance milestones, revenue is recognized after the acceptance criteria have been met For products that include installation if the installation meets the criteria to be considered a separate element product revenue is recognized upon delivery and recognition of installation revenue is delayed until the installation is complete Otherwise neither the product nor the installation revenue is recognized until the installation is complete

Where software is licensed separately revenue is recognized when the software is delivered and title and risk of loss have been transferred to the customer or in the case of electronic delivery of software when the customer is given access to the licensed software programs We also evaluate whether collection of the receivable is probable the fee is fixed or determinable and whether any other undelivered elements of the arrangement exist, on which a portion of the total fee would be allocated based on vendor specific objective evidence Revenue from software licensing was not material for all periods presented

Service revenue Revenue from services includes extended warranty customer support consulting training and education Service revenue is deferred and recognized over the contractual period or as services are rendered and accepted by the customer For example customer support contracts are recognized ratably over the contractual period, while training revenue is recognized as the training is provided to the customer In addition the four revenue recognition criteria described above must be met before service revenue is recognized.

Multiple element arrangements We use objective evidence of fair value to allocate revenue to elements in multiple element arrangements and recognize revenue when the criteria for revenue recognition have been met for each element If the criteria are not met, then revenue is deferred until such criteria are met or until the period(s) over which the last undelivered element is delivered In the absence of objective evidence of fair value of a delivered element we allocate revenue to the fair value of the undelivered elements and the residual revenue to the delivered elements The price charged when an element is sold separately generally determines fair value

Deferred revenue. Deferred revenue is primarily comprised of advanced billing and customer deposits for service support and maintenance agreements

Accounts receivable and allowance for doubtful accounts Trade accounts receivable are recorded at the invoiced amount and do not bear interest Such accounts receivable has been reduced by an allowance for doubtful accounts which is our best estimate of the amount of probable credit losses in our existing accounts receivable We determine the allowance based on our historical write-off experience and the aging of such receivables among other factors The allowance has not been material for any periods presented We do not have any off-balance sheet credit exposure related to our customers

Warranty Our warranty terms typically extend 90 days after delivery for on site repairs and one to three years for products returned to Agilent for repair Our warranty is accounted for in accordance with Statement of Financial Standards No 5 "Accounting for Contingencies (SFASNo 5') such that an accrual is made when it is estimable and probable based on historical experience We accrue for warranty costs based on historical trends in warranty charges as a percentage of gross product shipments A provision for estimated future warranty costs is recorded

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

as cost of products when revenue is recognized and the resulting accrual is reviewed regularly and periodically adjusted to reflect changes in warranty cost estimates See Note 12 'Guarantees

Stock-based compensation We account for stock based awards to employees and directors using the intrinsic value method of accounting in accordance with Accounting Principles Board Opinion No 25 Accounting for Stock Issued to Employees (APB 25 ') Under the intrinsic value method, we record compensation expense related to stock options in our consolidated statement of operations when the exercise price of our employee stock based award is less than the market price of the underlying stock on the date of the grant See Note 5 Stock Based Compensation' for the impact on net income (loss) and net income (loss) per share if we had applied the fair value recognition provisions of Statement of Financial Accounting Standards ('SFAS ') No 123 Accounting for Stock-Based Compensation," (SFAS No 123') to stock-based incentives

Pro forma information Pro forma net income (loss) and net income (loss) per share information, as required by SFAS No 123 have been determined as if we had accounted for all employee stock options granted including shares issuable to employees under the Agilent Technologies Inc Employee Stock Purchase Plan (the 423(b) Plan "), the Agilent Technologies Inc Long Term Performance Program (the LTPP") and the Option Exchange Program described below under SFAS No 123 s fair value method The pro forma effect of recognizing compensation expense in accordance with SFAS No 123 is as follows

	2004	2003	2002
		(in millions, except per share data)	
Net income (loss) — as reported	$ 349	$ (2,058)	$ (1 032)
SFAS No 123 based compensation (1)	(249)	(328)	(471)
Tax impact (2)	17	(613)	160
Net income (loss) — pro forma	$ 117	$ (2,999)	$ (1,343)
Basic net income (loss) per share — as reported	$ 0 72	$ (4.35)	$ (2.22)
Basic net income (loss) per share — pro forma	$ 0.24	$ (6.34)	$ (2 89)
Diluted net income (loss) per share — as reported	$ 0 71	$ (4.35)	$ (2.22)
Diluted net income (loss) per share — Pro forma	$ 0.24	$ (6.34)	$ (2.89)
Weighted average shares used in computing net income (loss) and pro forma net income (loss) per share			
Basic shares	483	473	465
Diluted shares (3)	490	473	465

(1) The pro forma results for 2004 include approximately $70 million of compensation expense relating to our Option Exchange Program The remainder of the expense for those periods related to options granted over the past four years

(2) Due to the valuation allowance provided on our net deferred tax assets as described in Note 4 'Tax Valuation Allowance and Provision (Benefit) for Taxes we have not recorded any tax benefits attributable to pro forma stock option expenses for employees in the U S and the U K jurisdictions in 2004 In addition to not recording such benefits in 2003 we also eliminated $613million of accumulated tax benefits recognized between 1996 and 2002 for pro forma reporting purposes

(3) Approximately 41 million outstanding options were considered antidilutive for the purposes of this pro-forma calculation for fiscal year 2004

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The fair value of options granted was estimated at grant date using a Black Scholes option pricing model with the following weighted average assumptions

	2004	2003	2002
Risk free interest rate for options	2 75 3 95%	1 15 3.31%	2 90%
Risk free interest rate for the 423(b) Plan	1 04-1 31%	1 10-1 77%	1 89 5 87%
Dividend yield	0%	0%	0%
Volatility for options	53-64%	60-80%	63%
Volatility for the 423(b) Plan	36-61%	63-80%	47 77%
Expected option life	5 5 years	3.5 5 5 years	5.5 years
Expected life for the 423(b) Plan	6months 1year	6months 2years	6months-1year

For purposes of pro forma disclosures the estimated fair value of the options is amortized to expense over the vesting period of the options and amortized over six months to two years for the 423(b) Plan

Shipping and handling costs Our shipping and handling costs charged to customers are included in net revenue and the associated expense is recorded in total costs for all periods presented

Goodwill and purchased intangible assets On November 1 2002 we adopted SFAS No 142 "Goodwill and Other Intangible Assets" ("SFAS No 142"), which requires that goodwill no longer be amortized but reviewed annually (or more frequently if impairment indicators arise) for impairment Subsequently, we were required to evaluate our existing goodwill and intangible assets and make any necessary reclassification in order to comply with the new criteria in SFAS No 142

As part of our initial assessment of goodwill impairment, we used the fair value measurement requirement, rather than the previously required undiscounted cash flows approach As a result of that assessment we recorded a transitional impairment loss from the implementation of SFAS No 142 as a change in accounting principle in the first quarter of 2003 The fair value of the reporting units was determined primarily by the income approach which estimates the fair value based on the future discounted cash flows The first step evaluation of reporting units on a fair value basis, as required by SFAS No 142, indicated that an impairment existed in the communications solutions reporting unit within our test and measurement business The revenue forecasts of the communications solutions reporting unit have been impacted by the prolonged economic downturn in the communications test markets As such, we were required to perform the second step analysis to determine the amount of the impairment loss for the reporting unit that failed the first step test The second step analysis consisted of comparing the implied fair value of the reporting unit s goodwill with the carrying amount of the reporting unit s goodwill with an impairment charge resulting from any excess of the carrying value of the reporting unit's goodwill over the implied fair value of the reporting unit s goodwill Based upon this evaluation we recorded an impairment charge of $268 million representing 100 percent of the reporting unit s goodwill and approximately 44 percent of total consolidated goodwill recorded as of November 1 2002 We also reclassified approximately $6 million of intangible assets associated with workforce-in place to goodwill on November 1 2002 The adoption of SFAS No 142 had a material impact on our results of operations because goodwill is no longer being amortized Amortization of goodwill was $326 million for the year ended October 31 2002

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Net loss and basic and diluted net loss per share for the year ended October 31 2002 is disclosed below adjusted to remove goodwill amortization certain intangibles amortization and its related tax impact as if SFAS No 142 had applied to the period

	For the Year Ended October 31 2002
Reported loss before cumulative effect of accounting changes	$ (1,032)
Add back Goodwill and workforce in place amortization, net	320
Adjusted loss before cumulative effect of accounting changes	(712)
Per share data — Basic and diluted reported loss before cumulative effect of accounting changes per share	$ (2.22)
Adjustment for goodwill and workforce in-place amortization, net	0 69
Adjusted loss before cumulative effect of accounting changes per share	$ (1 53)
Reported net loss	$ (1,032)
Add back Goodwill and workforce in-place amortization net	320
Adjusted net loss	$ (712)
Per share data — Basic and diluted reported net loss per share	$ (2.22)
Adjustment for goodwill and workforce in place amortization net	0 69
Adjusted net loss per share	$ (1 53)
Weighted average shares used in per share computations above — Basic and diluted	465

Purchased intangible assets are carried at cost less accumulated amortization Amortization is computed using the straight line method over the economic lives of the respective assets generally three to five years

Advertising Advertising costs are expensed as incurred and amounted to $48 million in 2004 $44 million in 2003 and $81 million in 2002

Research and Development Costs related to research design and development of our products are charged to research and development expense as they are incurred

Taxes on income Income tax expense or benefit is based on income or loss before taxes Deferred tax assets and liabilities are recognized principally for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts Tax expense is also affected by any valuation allowance against deferred tax assets and changes in other comprehensive income ("OCI")

Net income (loss) per share Basic net income (loss) per share is computed by dividing net income (loss) — the numerator — by the weighted average number of common shares outstanding — the denominator — during the period excluding the dilutive effect of stock options, other employee stock plans and our senior convertible debentures Diluted net income (loss) per share gives effect to all potentially dilutive common stock equivalents outstanding during the period In computing diluted net income (loss) per share the average stock price for the period is used in determining the

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

number of shares assumed to be purchased from the proceeds of stock option exercises Diluted net income per share for 2004 excluded the potentially dilutive effect of 41 million common stock equivalents as their effect was antidilutive Diluted net loss per share for 2003 and 2002 excluded the potentially dilutive effect of all common stock equivalents as the effect was antidilutive

Cash and cash equivalents We classify investments as cash equivalents if their original maturity is three months or less at the date of purchase Cash equivalents are stated at cost, which approximates fair value

Approximately 30 percent of our cash and cash equivalents is held in the U S and 50 percent is held in a centrally managed global cash pool outside the U S The remainder is diversified among various major financial institutions throughout the world Approximately 10 percent of our overall cash and cash equivalents is maintained in demand deposit accounts with global financial institutions of high credit quality and is available to be used in paying and receiving activities The remainder is invested in institutional money market funds, short term bank time deposits and similar short-duration instruments with fixed maturities from overnight to 90 days Agilent monitors the credit worthiness of these financial institutions and institutional money market funds on a continuous basis We have not experienced any credit losses from cash investments placed with these institutions

Fair value of financial instruments The carrying values of certain of our financial instruments including cash and cash equivalents accrued compensation and other accrued liabilities approximate fair value because of their short maturities The fair values of investments are determined using quoted market prices for those securities or similar financial instruments

Concentration of credit risk. We sell the majority of our products through our direct sales force No single customer accounted for 10 percent or more of the combined accounts receivable balance at October 31 2004 and 2003 Credit risk with respect to accounts receivable is generally diversified due to the large number of entities comprising our customer base and their dispersion across many different industries and geographies We perform ongoing credit evaluations of our customers financial conditions, and require collateral such as letters of credit and bank guarantees, in certain circumstances

Derivative instruments For derivative instruments that are designated and qualify as a fair value hedge, changes in value of the derivative are recognized in income in the current period, along with the offsetting gain or loss on the hedged item attributable to the hedged risk For derivative instruments that are designated and qualify as a cash flow hedge changes in the value of the effective portion of the derivative instrument are recognized in other comprehensive loss a component of stockholders' equity These amounts are reclassified and recognized in income when either the forecasted transaction occurs or it becomes probable the forecasted transaction will not occur Changes in the fair value of the ineffective portion of derivative instruments are recognized in income in the current period Ineffectiveness in 2004 2003 and 2002 was not significant

We enter into foreign exchange contracts, primarily forward contracts and purchased options to hedge exposures to changes in foreign currency exchange rates These contracts are designated at inception as hedges of the related foreign currency exposures which include committed and anticipated intercompany transactions and assets and liabilities that are denominated in currencies other than the functional currency of the subsidiary, which has the exposure To achieve hedge accounting, contracts must reduce the foreign currency exchange rate risk otherwise inherent in the amount and duration of the hedged exposures and comply with established risk management

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

policies hedging contracts generally mature within twelve months We do not use derivative financial instruments for speculative or trading purposes

When hedging anticipated cash flow exposure foreign exchange contract expirations are set so as to occur in the same period that the goods are expected to be sold to third parties allowing realized gains and losses on the contracts to be recognized into total costs When hedging balance sheet exposure gains and losses on foreign exchange contracts are recognized in other income (expense) net in the same period as the occurrence of gains and losses on remeasurement of the non-functional currency denominated assets and liabilities The gains and losses which have not been material are included in cash flows from operating activities in the consolidated statement of cash flows

We may also from time to time acquire warrants to purchase securities of other companies as part of strategic relationships

Inventory Inventory is valued at standard cost which approximates actual cost computed on a first in, first-out basis, not in excess of market value We assess the valuation of our inventory on a quarterly basis and periodically write down the value for estimated excess and obsolete inventory based on estimates about future demand and actual usage

Property plant and equipment Property plant and equipment are stated at cost less accumulated depreciation Additions improvements and major renewals are capitalized maintenance repairs and minor renewals are expensed as incurred When assets are retired or disposed of the assets and related accumulated depreciation and amortization are removed from our general ledger and the resulting gain or loss is reflected in the consolidated statement of operations Buildings and improvements are depreciated over fifteen to forty years and machinery and equipment over three to ten years The straight line method of depreciation is used for all property plant and equipment

Capitalized software We capitalize certain internal and external costs incurred to acquire or create internal use software in accordance with AICPA Statement of Position 98 1, 'Accounting for the Costs of Computer Software Developed or Obtained for Internal Use" Capitalized software is included in property, plant and equipment and is depreciated over three to five years when development is complete

Impairment of long-lived assets We continually monitor events and changes in circumstances that could indicate carrying amounts of long lived assets including intangible assets may not be recoverable When such events or changes in circumstances occur we assess the recoverability of long lived assets by determining whether the carrying value of such assets will be recovered through undiscounted expected future cash flows If the total of the undiscounted future cash flows is less than the carrying amount of those assets we recognize an impairment loss based on the excess of the carrying amount over the fair value of the assets

Foreign currency translation The functional currency for many of our subsidiaries outside the U S is local currency based on the criteria of SFAS No 52 "Foreign Currency Translation" For those subsidiaries that operate in a local currency functional environment, all assets and liabilities are translated into U S dollars using current exchange rates, revenue and expenses are translated using average exchange rates in effect during each period Resulting translation adjustments are reported as a separate component of accumulated comprehensive income (loss) in stockholders' equity

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

For those subsidiaries that operate in a U S dollar functional environment, foreign currency assets and liabilities are remeasured into U S dollars at current exchange rates except for inventory property, plant and equipment other assets and deferred revenue which are remeasured at historical exchange rates Revenue and expenses are generally translated at average exchange rates in effect during each period, except for those expenses related to balance sheet amounts that are remeasured at historical exchange rates Gains or losses from foreign currency remeasurement are included in consolidated net income (loss)

3 New Accounting Pronouncements

Adoption of New Pronouncements.

In January 2003 the Financial Accounting Standards Board (FASB") issued Interpretation No 46, "Consolidation of Variable Interest Entities" (FIN 46") which was amended by FIN 46R issued in December 2003 FIN 46 addresses consolidation by business enterprises of variable interest entities (VIE s") that either (1) do not have sufficient equity investment at risk to permit the entity to finance its activities without additional subordinated financial support or (2) for which the equity investors lack an essential characteristic of a controlling financial interest FIN 46 requires consolidation of VIE s for which Agilent is the primary beneficiary and disclosure of a significant interest in a VIE for which Agilent is not the primary beneficiary As a result of our review, no entities were identified requiring disclosure or consolidation under FIN 46

In December 2003, the Securities and Exchange Commission issued Staff Accounting Bulletin ("SAB ") No 104 Revenue Recognition ("SAB No 104 ") SAB No 104 rescinds certain sections of SAB No 101 Revenue Recognition in Financial Statements" ("SAB No 101 "), related to multiple element revenue arrangements superceded as a result of the issuance of EITF 00 21 "Accounting for Revenue Arrangements with Multiple Deliverables' ("EITF 00-21 ") The revenue recognition principles of SAB No 101 remain largely unchanged by the issuance of SAB No 104 The adoption of this standard did not affect our financial condition results of operations or cash flows

In December 2003 the FASB issued a revision SFAS No 132 (the 'revision"), ' Employers' Disclosures about Pensions and Other Postretirement Benefits' The revision requires additional disclosures relating to the description of the types of plan assets investment strategy measurement date(s) plan obligations cash flows and components of net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans recognized during interim periods We adopted the disclosure requirements beginning with the first quarter of 2004 and the standard is effective for all future quarterly and annual reports see Note 14 for such disclosures

In March 2004 the FASB issued EITF No 03 01 'The Meaning of Other Than Temporary Impairment and its Application to Certain Investments which provides new guidance for assessing impairment losses on debt and equity investments The new impairment model applies to investments accounted for under the cost or equity method and investments accounted for under FAS 115 Accounting for Certain Investments in Debt and Equity Securities " EITF No 03-01 also includes new disclosure requirements for cost method investments and for all investments that are in an unrealized loss position In September 2004 the FASB delayed the accounting provisions of EITF No 03-01 however the disclosure requirements remain effective and the applicable ones have been adopted for our year-end 2004 We will evaluate the effect, if any of EITF 03-01 when final guidance is issued.

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

In March 2004, the EITF reached a consensus on EITF Issue No 03 16 "Accounting for Investments in Limited Liability Companies" (EITF 03 16 ") The EITF concluded that if investors in a limited liability company have specific ownership accounts they should follow the guidance prescribed in Statement of Position 78 9 Accounting for Investments in Real Estate Ventures and EITF Topic No D-46 Accounting for Limited Partnership Investments ' Otherwise investors should follow the significant influence model prescribed in Accounting Principles Board Opinion No 18 "The Equity Method of Accounting for Investments in Common Stock " The adoption of this Issue did not have a material impact on the company s financial condition results of operations or cash flows.

In December 2004 the FASB issued SFAS No 123 (Revised 2004) 'Share-Based Payment ("SFAS No 123R") SFAS No 123R addresses all forms of share based payment (SBP") awards, including shares issued under employee stock purchase plans stock options, restricted stock and stock appreciation rights SFAS No 123R will require Agilent to expense SBP awards with compensation cost for SBP transactions measured at fair value The FASB originally stated a preference for a lattice model because it believed that a lathee model more fully captures the unique characteristics of employee stock options in the estimate of fair value as compared to the Black Scholes model which Agilent currently uses for its footnote disclosure The FASB decided to remove its explicit preference for a lattice model and not require a single valuation methodology SFAS No 123R requires Agilent to adopt the new accounting provisions beginning in our fourth quarter of 2005 Agilent has not yet determined the impact of applying the various provisions of SFAS No 123R.

In May 2004 the FASB issued a FASB Staff Position ("FSP") regarding SFAS No 106 Employers Accounting for Postretirement Benefits Other Than Pensions' FSP No 106 2 Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003" discusses the effect of the Medicare Prescription Drug, Improvement and Modernization Act (the Act') enacted in December 2003 and supersedes FSP No 106-1 which was issued in January 2004 FSP No 106 2 considers the effect of the two new features introduced in the Act in determining our accumulated postreurement benefit obligation ("APBO) and net periodic postretirement benefit cost The effect on the APBO will be accounted for as an actuarial experience gain to be amortized into income over the average remaining service period of plan participants Companies may elect to defer accounting for this benefit or may attempt to reflect the best estimate of the impact of the Act on their net periodic costs currently The adoption of FSP No 106-2 in the fourth quarter of 2004 did not have a material impact on our consolidated financial position, results of operations or cash flows

In November 2004, the FASB issued FASB Statement No 151, Inventory Costs — an amendment of ARB No 43" ("FAS 151") which is the result of its efforts to converge U S accounting standards for inventories with International Accounting Standards FAS No 151 requires idle facility expenses freight handling costs, and wasted material (spoilage) costs to be recognized as current period charges It also requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities FAS No 151 will be effective for inventory costs incurred during fiscal years beginning after June 15 2005 We are evaluating the impact of this standard on our consolidated financial statements

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

In December 2004 the FASB issued an FSP regarding Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004 (AJCA") FSP 109 b FSP 109 b allows Agilent time beyond the fourth quarter of 2004 the period of enactment, to evaluate the effect of the AJCA on our plan for reinvestment or repatriation of foreign earnings for purposes of applying SFAS No 109 Accounting of Income Taxes See the discussion of the potential impact on Agilent in Note 4 below

4 Tax Valuation Allowance and Provision (Benefit) for Taxes

The provision (benefit) for income taxes is comprised of

	Years Ended October 31		
	2004	2003	2002
	(In millions)		
U S federal taxes from continuing operations			
Current	$ —	$ —	$ —
Deferred	(16)	876	(501)
Non U S taxes from continuing operations			
Current	122	84	142
Deferred	(17)	64	(113)
State taxes from continuing operations net of federal benefit	2	76	(53)
Total from continuing operations	$ 91	$ 1 100	$ (525)

The significant components of deferred tax assets and deferred tax liabilities included on the consolidated balance sheet are

	October 31			
	2004		2003	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
	(In millions)			
Inventory	$ 191	$ —	$ 192	$ —
Property plant and equipment	25	122	55	76
Warranty reserves	25	—	26	—
Retiree medical benefits	52	—	33	—
Other retirement benefits	—	75	40	45
Employee benefits, other than retirement	221	1	132	15
Net operating losses and credit carryforwards	1 151	—	1,236	—
Unremitted earnings of foreign subsidiaries	—	273	—	200
Convertible interest	—	76	—	48
Other	89	95	140	—
Subtotal	1 754	642	1,854	384
Tax valuation allowance	(1,121)	—	(1,456)	—
	$ 633	$ 642	$ 398	$ 384

AGILENT TECHNOLOGIES, INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

During the third quarter of 2003 we recorded a non cash charge to establish a valuation allowance of $1 4 billion, which included approximately $0 4 billion of tax benefits recorded during the first six months of 2003 resulting in an approximately $1 0 billion net tax provision recorded within provision for taxes for 2003 The valuation allowance was determined in accordance with the provisions of SFAS No 109 Accounting for Income Taxes' ('SFAS No 109 ') which requires an assessment of both positive and negative evidence when determining whether it is more likely than not that deferred tax assets are recoverable Such assessment is required on a jurisdiction by jurisdiction basis Cumulative losses incurred in the U S and the U K jurisdictions in recent years represented sufficient negative evidence under SFAS No 109 to require a full valuation allowance in these jurisdictions Accordingly a full valuation allowance was recorded We intend to maintain a full valuation allowance until sufficient positive evidence exists to support reversal of the valuation allowance

At October 31 2004 we had federal net operating loss carryforwards of approximately $2 037 million and tax credit carryforwards of approximately $316 million An immaterial amount of net operating losses will expire in 2005 with the remainder expiring in tax years through 2024 if not utilized The tax credit carryforwards will expire beginning in 2007 through 2024 if not utilized. In addition, the company has California net operating loss carryforwards of approximately $395 million An immaterial amount of California net operating losses will expire in 2005 with the remainder expiring in tax years through 2013 if not utilized Included in the total net operating loss carryforwards are net operating losses of $50 million related to employee stock option exercises the benefits of which will increase additional paid in capital when realized

The differences between the U S federal statutory income tax rate and our effective tax rate are

	Years Ended October 31		
	2004	2003	2002
U S federal statutory income tax rate	35 0 %	(35 0)%	(35 0)%
State income taxes net of federal benefit	5	(3 1)	(3 5)
Non U S income taxed at different rates	(3 9)	(3 6)	(2)
Nondeductible goodwill	1 8	2 7	9 1
R&D credits	(2 8)	(2 2)	(4 1)
Extraterritorial income exclusion	(5 7)	(4 3)	(8)
Other net	1 7	(2)	5
Valuation allowance	(5 9)	205 2	—
	20 7 %	159 5 %	(34 0)%

The domestic and foreign components of income (loss) earnings from continuing operations before taxes are

	Years Ended October 31		
	2004	2003	2002
		(In millions)	
U S continuing operations	$ (178)	$ (522)	$ (1,804)
Non U S continuing operations	618	(168)	257

$ 440 $ (690) $ (1,547)

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

We consider the operating income of non United States subsidiaries to be indefinitely invested outside the United States No provision has been made for United States federal and state or foreign taxes that may result from future remittances of undistributed earnings of foreign subsidiaries the cumulative amount of which is approximately $1 179 million as of October 31 2004 If management decides to remit this income to the U S in a future period, our provision for income taxes may increase materially in that period

On October 22 2004 the AJCA was signed into law The AJCA includes a deduction for 85percent of certain foreign earnings that are repatriated as defined in the AJCA at an effective tax cost of 5 25 percent on any such repatriated foreign earnings Agilent may elect to apply this provision to qualifying earnings repatriations in fiscal 2005 Agilent has begun an evaluation of the effects of the repatriation provision however we do not expect to be able to complete this evaluation until after Congress or the Treasury Department provide additional clarifying language on key elements of the provision We expect to complete our evaluation of the effects of the repatriation provision within a reasonable period of time following the publication of the additional clarifying language The range of possible amounts that Agilent is considering for repatriation under this provision is between zero and $970 million The related potential range of income tax is between zero and $51 million

We are subject to ongoing tax examinations of our tax returns by the Internal Revenue Service and other tax authorities in various jurisdictions We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes

5.Stock-Based Compensation

We follow the accounting provisions of Accounting Principles Board Opinion No 25 Accounting for Stock Issued to Employees" ("APB No 25 ") for stock based compensation granted to employees Accordingly compensation expense is recognized in our consolidated statement of operations only when options are granted at an exercise price that is less than the market price of the underlying stock on the date of the grant Any compensation expense is recognized ratably over the associated service period, which is generally the option vesting term

Employee stock purchase plans In February 2000 we implemented the Agilent Technologies Inc Employee Stock Purchase Plan (the "Legacy Plan") that allowed eligible employees to contribute up to ten percent of their base compensation to the purchase of our common stock Under the provisions of the Legacy Plan, employee contributions were partially matched with shares contributed by us These matching shares also generally vested over two years. Compensation expense for the matching provision for the Legacy Plan was measured using the fair value of shares on the date of purchase by Agilent for the Legacy Plan and was recognized over the two-year vesting period

Effective October 31 2000 purchases and contributions under the Legacy Plan ceased All unvested matching shares under the Legacy Plan maintained their original vesting terms based on the employee s continued employment Vesting of these matching shares was completed by October31 2002 Compensation expense under the Legacy Plan was nil in 2004 and 2003 and $16million in 2002 At October 31, 2004, 9 802 100 shares of our common stock had been authorized for issuance under the Legacy Plan and 3,426,716 of these shares had been issued The remainder of the authorized shares are not expected to be issued, as the Legacy Plan is no longer functioning

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Effective November 1 2000 we adopted a new plan, the 423(b) Plan. Under the provisions of the 423(b) Plan, eligible employees may contribute up to ten percent of their base compensation to purchase shares of our common stock at 85 percent of the lower of the fair market value at the entry date or the purchase date as defined by the 423(b) Plan As of October 31 2004, 39 868,411 shares of our common stock were authorized for issuance under the 423(b) Plan and 20,595 128 of these shares have been issued

Incentive compensation plans On September 17 1999 we adopted the Agilent Technologies, Inc 1999 Stock Plan (the Stock Plan") and subsequently reserved 67,800 000 shares of our common stock for issuance under the Stock Plan In addition on May 31 2000 19 000 000 shares of our common stock were registered pursuant to converted stock options previously granted by Hewlett Packard Company In February 2001 our stockholders approved an additional 45 000 000 shares of our common stock for issuance under the Stock Plan These shares were subsequently registered in May 2002 Stock options, stock appreciation rights stock awards and cash awards may be granted under the Stock Plan Options granted under the Stock Plan may be either "incentive stock options " as defined in section 422 of the Internal Revenue Code or non statutory Options generally vest at a rate of 25 percent per year over a period of four years from the date of grant and have a maximum term of ten years The exercise price for incentive stock options is generally not less than 100 percent of the fair market value of our common stock on the date the stock award is granted

On March 4 2003 our stockholders approved an amendment to the Stock Plan The amendment permits the company to offer a one time exchange of options issued under the Stock Plan having an exercise price greater than $25 for a lesser number of options to be granted at least six months and one day from the cancellation of surrendered options (the "Option Exchange Program") On May 20 2003 we implemented the Option Exchange Program by filing a Tender Offer Statement with the SEC which allowed eligible employees a one time opportunity to exchange options to purchase shares of the company's common stock, whether vested or unvested which were granted under our Stock Plan, with exercise prices greater than $25 per share The Option Exchange Program was offered from May 20 2003 to June 18 2003 and options to purchase approximately 26 million shares were exchanged, with an average exercise price of $51 As a result the company issued options to purchase approximately 13 8 million shares at a weighted-average exercise price of $28 per share during the first quarter of 2004 Under the provisions of APB 25 no compensation expense has been, or will be recognized in our consolidated statement of operations for the issuance of the replacement options

Effective November 1 2003 the Compensation Committee of the Board of Directors approved the LTPP for the company s executive officers Participants in this program are entitled to receive unrestricted shares of the company s stock after the end of a three year period, if specified performance targets are met On November 18, 2003 the Compensation Committee approved approximately 322,000 shares to be issued to the company s executive officers We include the dilutive impact of this program in our diluted net income per share calculation The amount of compensation expense using the variable accounting method pursuant to APB No 25, was not material for the year ended October 31, 2004 The stock will be awarded in fiscal 2007 and the final award may vary as it is based on certain performance metrics On November 16, 2004 the Compensation Committee approved approximately 419 000 shares to be issued for the company s executive officers in connection with the LTPP The shares will be awarded in fiscal year 2008 and the final award may vary as it is based on certain performance metrics

At October 31 2004 shares registered and available for option and restricted stock grants were 61 945 186 Compensation expense for discounted options, stock appreciation rights and restricted

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

stock is recognized based on the intrinsic value method defined by APB Opinion No 25 "Accounting for Stock Issued to Employees (APB No 25') Any compensation expense is recognized ratably over the associated service period which is generally the vesting period The compensation expense related to discounted options stock appreciation rights and restricted stock was $4 million in 2004 $6 million in 2003 and $7 million in 2002

The following table summarizes option activity for the years ended October 31 2004 2003 and 2002

	Shares	Weighted Average Exercise Price
	(In thousands)	
Outstanding as of October 31 2001	63 955	$ 46
Granted	20,152	$ 25
Exercised	(1 128)	$ 12
Cancelled	(9 140)	$ 51
Outstanding as of October 31, 2002	73 839	$ 40
Granted	13,152	$ 16
Exercised	(1 768)	$ 12
Cancelled under Option Exchange Program	(25,882)	$ 51
Other Cancellations	(7 975)	$ 41
Outstanding as of October 31, 2003	51,366	$ 29
Granted	12,136	$ 32
Exercised	(2,859)	$ 19
Granted under Option Exchange Program	13 797	$ 28
Other Cancellations	(3 464)	$ 38
Outstanding as of October 31 2004	70,976	$ 29

The following table summarizes options exercisable and the fair value of options granted

	Shares	Weighted Average Exercise Price	Value using Black-Scholes model
	(In thousands)		
Options exercisable as of October 31 2002	31,501	$ 41	
Black Scholes value of options granted during 2002			$ 15
Options exercisable as of October 31 2003	26,141	$ 35	
Black Scholes value of options granted during 2003			$ 9
Options exercisable as of October 31 2004	31 023	$ 32	
Black Scholes value of options granted during 2004			$ 14

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table summarizes information about all options outstanding at October 31 2004

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
	(In thousands)			(In thousands)	
$0 – 15	2,093	6 0years	$ 13	1 772	$ 13
$15 01 – 25	14,382	8 0 years	$ 18	4 611	$ 19
$25 01 – 30	31,564	7 5 years	$ 27	12,418	$ 27
$30 01 – 40	16,509	7 4 years	$ 34	6,084	$ 35
$40 01 – 50	3,586	4 5 years	$ 44	3,574	$ 44
$50andover	2,842	5 6 years	$ 68	2,564	$ 69
	70 976		$ 29	31 023	$ 32

6.Net Income (Loss) Per Share

The following is a reconciliation of the numerators and denominators of the basic and diluted net income (loss) per share computations for the periods presented below

	For the Years Ended October 31		
	2004	2003	2002
	(In millions)		
Numerator			
Income (loss) from continuing operations	$ 349	$ (1 790)	$ (1 022)
Loss from the sale of discontinued operations net of taxes	—	—	(10)
Income (loss) before cumulative effect of accounting changes	349	(1 790)	(1,032)
Cumulative effect of adopting SFAS No 142	—	(268)	—
Net income (loss)	$ 349	$ (2,058)	$ (1 032)
Denominators			
Basic weighted average shares	483	473	465
Diluted weighted average shares	490	473	465

Options to purchase 41 million shares of common stock at a weighted average exercise price of $35 per share were outstanding in 2004, but were not included in the computation of diluted net income per share because the options were antidilutive for 2004 Options to purchase 51 million shares of common stock at a weighted average exercise price of $29 per share were outstanding in 2003 but were not included in the computation of diluted net loss per share because the options were antidilutive for 2003 The options, which expire no later than 2014 were still outstanding at the end of 2004 Options to purchase 74 million shares of common stock at a weighted average exercise price of $40 per share were outstanding in 2002 but were not included in the computation of diluted net loss per share because the options were antidilutive in that year

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AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Our senior convertible debentures were also antidilutive during 2004 2003 and 2002 Income from continuing operations for 2004, 2003 and 2002 included approximately $35 million in interest expense associated with the senior convertible debentures If the shares had been dilutive then this amount would have been added back to income from operations, and approximately 36 million of shares would have been added to the weighted average number of shares for the purposes of calculating diluted income per share See Note 16 "Senior Convertible Debentures and Lines of Credit "

7.Supplemental Cash Flow Information

Cash paid for income taxes was $149 million in 2004 $122 million in 2003 and $160 million in 2002 Cash paid for interest was approximately $36 million in 2004 $36 million in 2003 and $36 million in 2002

Non-cash transactions in 2004 related primarily to an acquisition in October 2004 We issued approximately 772 thousand shares with an approximate value of $18 million We issued the final block of common stock under The Legacy Plan in the amount of $23 million in 2002

8.Inventory

	October 31	
	2004	2003
	(In millions)	
Finished goods	$ 293	$ 356
Work in progress	113	85
Raw materials	620	554
	$ 1 026	$ 995

Inventory related charges of $45 million, $11 million and $74 million were recorded in total cost of products in 2004 2003 and 2002 respectively We record excess and obsolete inventory charges for both inventory on our site as well as inventory at our contract manufacturers and suppliers where we have non-cancelable purchase commitments

9.Property, Plant and Equipment, Net

	October 31	
	2004	2003
	(In millions)	
Land	$ 97	$ 106
Buildings and leasehold improvements	1 684	1,838
Software	430	404
Machinery and equipment	1,804	1 923
Total property plant and equipment	4,015	4,271

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Accumulated depreciation and amortization	(2,757)	(2,824)
	$ 1,258	$ 1,447

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

We have sold substantially all of our portfolio of operating leases to CIT. Equipment under operating leases was $7 million at October 31, 2004 and $10 million at October 31, 2003 and was included in machinery and equipment. Accumulated depreciation related to equipment under operating leases was $5 million at October 31, 2004 and $8 million at October 31, 2003.

We sold assets related to portions of our businesses to third parties during 2004, 2003 and 2002. Gross proceeds from these dispositions were zero in 2004 and 2003 and $31 million in 2002. (Loss) gains from the dispositions, included in other income (expense), net in the consolidated statement of operations were ($1 million) in 2004, $5 million in 2003 and $18 million in 2002.

10 Investments

Investments in cost basis and equity method investments and securities classified as trading securities or available for sale were as follows at October 31, 2004 and 2003 (net book value):

	October 31	
	2004	2003
	(In millions)	
Investments in and advances to equity method investees	$ 99	$ 69
Cost method investments	64	67
Trading securities	45	36
Available for sale investments (original cost was $16 million)	8	8
Total	$ 216	$ 180

Cost method investments consist of non-marketable equity securities and are accounted for at historical cost. For investments where we have significant influence over the investee, the equity method of accounting is used. Agilent's proportionate share of income or loss for equity method investments is recorded currently in earnings. Trading securities are reported at fair value, with gains or losses resulting from changes in fair value recognized currently in earnings. Investments designated as available for sale are reported at fair value, with unrealized gains and losses, net of tax, included in stockholders' equity.

All of our investments (excluding trading securities) are subject to periodic impairment review. However, the impairment analysis requires significant judgment to identify events or circumstances that would likely have significant adverse effect on the future use of the investment.

Charges related to other than temporary impairments were $15 million for 2004, $15 million in 2003 and $9 million in 2002. These impairment charges were recorded in other income (expense), net in the consolidated statement of operations.

Agilent's share of income (loss) from equity investments was $29 million in 2004, $5 million in 2003, and ($11 million) in 2002. Realized gains and losses on Agilent's trading securities portfolio were $5 million gain in 2004 and 2003 and $5 million loss in 2002. These amounts have been included in other income (expense), net in the consolidated statement of operations.

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

11 Goodwill and Other Intangible Assets

The goodwill balances as of October 31, 2004 and 2003 and the movements in the year ended October 31, 2004 for each of our reportable segments are shown in the table below:

	Test and Measurement	Automated Test	Semiconductor Products	LifeSciences and Chemical Analysis	Total
	(In millions)				
Goodwill at October 31, 2002	$ 434	$ 74	$ 85	$ 23	$ 616
Adoption of SFAS No. 142 goodwill impairment	(268)	—	—	—	(268)
Foreign currency translation impact	17	11	10	1	39
Goodwill arising from acquisitions	—	—	1	—	1
Goodwill at October 31, 2003	183	85	96	24	388
Foreign currency translation impact	8	3	2	—	13
Goodwill arising from acquisitions	—	5	—	16	21
Goodwill at October 31, 2004	$ 191	$ 93	$ 98	$ 40	$ 422

The component parts of other intangibles as of October 31, 2004 and October 31, 2003 are shown in the table below:

	Other Intangible Assets		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value
	(In millions)		
As of October 31, 2004			
Purchased technology	$ 143	$ 128	$ 15
Customer relationships	29	23	6
Total	$ 172	$ 151	$ 21
As of October 31, 2003			
Purchased technology	$ 122	$ 110	$ 12
Customer relationships	23	21	2
Total	$ 145	$ 131	$ 14

The net book value of other intangibles includes a $5 million favorable impact related to currency during 2004. We purchased $22

million of other intangibles during 2004, which was primarily related to two acquisitions. These acquisitions also resulted in additional goodwill of $21 million. Pro forma disclosures are not required for these acquisitions as they were immaterial.

Amortization for intangible assets was $20 million in 2004, $45 million in 2003 and $52 million in 2002. Future amortization expense related to existing intangible assets is estimated to be $8 million for 2005, $5 million for 2006, $3 million for 2007 and $5 million thereafter.

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

During 2003 we recognized an impairment charge pursuant to SFAS No 144 of approximately $10 million for intangible assets (representing developed technology and customer relationships) in our test and measurement business as a result of a decline in the projected future cash flows The impairment charge was recorded in cost of sales ($8 million) and selling general and administrative ($2 million) in the consolidated statement of operations

12 Guarantees

Standard Warranty

A summary of the standard warranty accrual activity for October 31 2004 and 2003 is shown in the table below

	For the Years Ended October 31	
	2004	2003
	(In millions)	
Balance at October 31 2003 and 2002	$ 71	$ 72
Accruals for warranties issued during the period	68	70
Accruals related to pre-existing warranties (including changes in estimates)	(2)	5
Settlements made during the period	(78)	(76)
Balance at October 31 2004 and 2003	$ 59	$ 71

Extended Warranty

Revenue for our extended warranty contracts with terms beyond one year is deferred and recognized on a straight-line basis over the contract period Related costs are expensed as incurred Amounts recorded for extended warranty contracts are included in deferred revenue on the consolidated balance sheet

	For the Year Ended October 31
	2004 (In millions)
Balance at October 31 2003	$ 33
Recognition of revenue	(19)
Deferral of revenue for new contracts	38
Balance at October 31 2004	$ 52

Lease Guarantees

As of October 31 2004 we have issued credit guarantees to CIT Group Inc with an aggregate maximum exposure of $13 million that has been fully accrued as a component of other accrued liabilities In addition to the credit guarantees we gave CIT Group Inc guarantees that could require us to repurchase individual leases if for example the documentation we provided to support the lease was not materially accurate In our opinion, the fair value of these additional guarantees is not material

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

We have evaluated our relationship with the CIT Group Inc and have determined that CIT is not a variable interest entity under FIN 46

Indemnifications to Hewlett-Packard Company

We have given multiple indemnities to Hewlett-Packard Company in connection with our activities prior to our spin-off from Hewlett Packard for the businesses that constituted Agilent prior to the spin-off These indemnifications cover a variety of aspects of our business including, but not limited to employee tax intellectual property and environmental matters The agreements containing these indemnifications have been previously disclosed as exhibits to our registration statement on Form S 1 filed on August 16 1999 In our opinion, the fair value of these indemnifications is not material

Indemnifications to Koninklyke Philips Electronics, N V ("Philips")

In connection with the sale of our healthcare solutions business to Philips on August 1 2001, we indemnified Philips for various matters including product liability issues arising within two years of the sale agreement In our opinion, the fair value of these indemnifications is not material

Indemnifications to Officers and Directors

Our corporate by laws require that we indemnify our officers and directors, as well as those who act as directors and officers of other entities at our request against expenses judgments fines settlements and other amounts actually and reasonably incurred in connection with any proceedings arising out of their services to Agilent In addition, we have entered into separate indemnification agreements with each director and each board-appointed officer of Agilent, which provides for indemnification of these directors and officers under similar circumstances and under additional circumstances The indemnification obligations are more fully described in the by laws and the indemnification agreements See Exhibits 3 2 and 10 6 of this document We purchase standard insurance to cover claims or a portion of the claims made against our directors and officers Since a maximum obligation is not explicitly stated in our by laws or in our indemnification agreements and will depend on the facts and circumstances that arise out of any future claims, the overall maximum amount of the obligations cannot be reasonably estimated. Historically we have not made payments related to these obligations and the fair value for these obligations is zero on the consolidated balance sheet as of October 31 2004

Other Indemnifications

As is customary in our industry and as provided for in local law in the U S and other jurisdictions many of our standard contracts provide remedies to our customers and others with whom we enter into contracts such as defense settlement or payment of judgment for intellectual property claims related to the use of our products From time to time, we indemnify customers, as well as our suppliers, contractors lessors, lessees companies that purchase our businesses or assets and others with whom we enter into contracts against combinations of loss, expense or liability arising from various triggering events related to the sale and the use of our products and services the use of their goods and services the use of facilities and state of our owned facilities, the state of the assets and businesses that we sell and other matters covered by such contracts usually up to a specified maximum amount In addition, from time to time we also provide protection to these parties against claims related to undiscovered liabilities additional product liability or environmental obligations In our experience, claims made under such indemnifications are rare and the associated estimated fair value of the liability is not material

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

13 Restructuring and Asset Impairment

Summary

We currently have three restructuring plans — one initiated in the fourth quarter of 2001 (the "2001 Plan"), a second initiated in the fourth quarter of 2002 (the "2002 Plan") and a third initiated in the first quarter of 2003 (the "2003 Plan") after it became clear that the actions taken in fiscal 2001 and fiscal 2002 would not be sufficient to return the company to profitability

All of our plans were designed to reduce costs and expenses in order to return the company to profitability As of the end of 2004 we have reduced our workforce by approximately 16,700 people (approximately 15,100 from involuntary terminations and approximately 1,600 from net attrition) to 28 000 employees

Our plans to consolidate excess facilities resulted in charges for lease termination fees and losses anticipated from sub-lease agreements We have exited more than 115 production, support and sales facilities in the U S , Korea, Japan, U K and other countries representing more than 4 6 million square feet or about 24 percent of our worldwide property We will continue to make lease payments on some of this space over the next five years We lease most of these buildings from third parties and the closures impacted all segments In most cases we are exiting administrative office buildings, which house sales and administrative employees However a small number of production facilities were closed as a result of our plans to consolidate manufacturing into fewer sites

Actions for all plans have been focused on segments that were impacted most severely by the market downturn – primarily our test and measurement and semiconductor products businesses – but actions have also been taken to reduce the costs associated with support services such as finance, information technology workplace services and to a lesser extent our other business segments Cost reductions were initiated by moving manufacturing and some of our global shared services operations sites to lower cost regions, reducing the number of properties particularly sales and administrative sites, and by reducing our workforce through involuntary terminations and selected outsourcing of manufacturing and administrative functions Our strategy is to move towards a more variable operating cost structure

We have executed all key actions under our 2001 Plan, although there may be changes in estimates for the consolidation of excess facilities due to changes in market conditions from those originally expected at the time the charges were recorded. Our 2002 Plan is complete Our 2003 Plan is substantially complete, although we anticipate some charges in the first half of 2005 as we complete the Plan.

The 2001 Plan

The 2001 plan impacted the test and measurement business and the semiconductor products business and had little direct impact on the automated test and life sciences and chemical analysis businesses except as the plan related to support services reductions across all of our businesses

We have executed all key actions under this plan however we will continue to make lease payments over the next five years

We continue to carry out our plan to consolidate excess facilities During 2004 we recorded an additional $7 million in net charges and adjustments due primarily to reductions in our estimate of

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

expected sublease income Due to the length of some of the lease terms and the uncertainty of the real estate market we expect to make periodic adjustments to the accrual balance to reflect changes in our estimates and to reflect actual events as they occur

The cost of the 2001 Plan through October 31 2004 was $533 million. $154 million in 2001 $357 million in 2002 $15 million in 2003 and $7 million in 2004

A summary of restructuring activity for the 2001 Plan through October 31, 2004 is shown in the table below

	Workforce Reduction	Consolidation of Excess Facilities	Impairment of Assets, Property, Plant and Equipment	Total
		(in millions)		
Balance at October 31 2001	$ 52	$ 20	$ 17	$ 89
Total charge	175	53	129	357
Asset impairment	—	—	(146)	(146)
Cash payments	(210)	(10)	—	(220)
Balance at October 31 2002	17	63	—	80
Total charge and adjustment (a)	—	24	(9)	15
Asset impairment	—	—	9	9
Cash payments	(17)	(25)	—	(42)
Balance at October 31 2003	—	62	—	62
Total charge	—	7	—	7
Cash payments	—	(26)	—	(26)
Balance at October 31 2004	$ —	$ 43	$ —	$ 43

(a) Represents primarily changes in estimates relating to consolidation of excess facilities arising from a decline in real estate market conditions and an adjustment recorded within property plant and equipment net

The 2002 Plan

On August 19 2002 we announced our intention to further reduce our workforce by 2 500 to achieve a quarterly operating cost structure of approximately $1 6 billion Thus plan primarily affected the manufacturing and field operations serving the wireline markets that are components of our test and measurement business as well as information technology support services

Our workforce reductions impacted all regions all expense categories and most of our segments particularly our test and measurement and semiconductor products segments We reduced the number of employees at production facilities that experienced declining demand outsourced selective operations and also reduced the number of employees that provided information technology support services as we streamlined our operations with the implementation of our new information systems

Our 2002 Plan is complete The cost of the 2002 Plan through October 31 2004 totaled $166 million $117 million in 2002, $49 million in

2003 and zero in 2004

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

A summary of restructuring activity for the 2002 Plan through October 31 2004 is shown in the table below

	Workforce Reduction	Impairment of Assets, Property, Plant and Equipment	Total
	(in millions)		
Balance at July 31 2002	$ —	$ —	$ —
Total charge	83	34	117
Asset impairment	—	(34)	(34)
Cash payments	(15)	—	(15)
Balance at October 31 2002	68	—	68
Total charge	44	5	49
Asset impairment	—	(5)	(5)
Cash payments	(98)	—	(98)
Balance at October 31, 2003	14	—	14
Cash payments	(14)	—	(14)
Balance at October 31 2004	$ —	$ —	$ —

The 2003 Plan

On February 21 2003, we announced our intention to further reduce our quarterly operational costs to a level of $1 45 billion as part of the 2003 Plan. In order to accomplish this we announced a workforce reduction of approximately 4,000 jobs in addition to previously announced cuts

In order to achieve the goals of the 2003 Plan we have reduced our workforce by approximately 5 800 as of October 31, 2004, primarily in our U S operations Reductions were made across all businesses with significant reductions in our test and measurement and semiconductor products businesses We continued to reduce the number of employees at production facilities and employees that provide support services across all businesses We have also reduced the number of research and development employees as we continue to look for opportunities to align our business with available markets

With respect to the 2003 plan, we have continued to consolidate excess facilities We have exited administrative office buildings, research and development facilities and moved manufacturing to lower cost regions Our plan to consolidate excess facilities resulted in increased charges of $28 million in 2004 and $13 million in 2003 for lease termination fees and losses estimated from sub-lease agreements

During 2004 we incurred asset impairment charges of $25 million, primarily related to a manufacturing site in California. We announced our plans to exit this site used primarily by the test and measurement business during the second quarter of 2004 We may incur some additional asset impairment charges upon the sale of this site In 2003 we incurred asset impairment charges of $57 million for fixed assets primarily owned by our semiconductor products segment

As of October 31 2004 the cost of the 2003 Plan totaled $462 million $308 million in 2003 and $154 million in 2004

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

A summary of restructuring activity for the 2003 Plan through October 31 2004 is shown in the table below

	Workforce Reduction	Consolidation of Excess Facilities	Impairment of Assets, Property, Plant and Equipment	Total
		(in millions)		
Balance at October 31 2002	$ —	$ —	$ —	$ —
Total charge	238	13	57	308
Asset impairments	—	—	(57)	(57)
Cash payments	(234)	(4)	—	(238)
Balance at October 31, 2003	4	9	—	13
Total charge	101	28	25	154
Asset impairments	—	—	(25)	(25)
Cash payments	(84)	(14)	—	(98)
Balance at October 31 2004	$ 21	$ 23	$ —	$ 44

Summary information for combined plans

The restructuring accrual for all plans, which totaled $87 million as of October 31 2004 and $89 million as of October 31, 2003 is recorded in other accrued liabilities on the consolidated balance sheet and represents estimated future cash outlays Lease payments are expected over the next five years Other payments, primarily severance are expected within a one year period

A summary of the statement of operations impact of the charges resulting from all restructuring plans is shown below

	Years Ended October 31		
	2004	2003	2002
		(in millions)	
Cost of products and services	$ 54	$ 111	$ 210
Research and development	16	66	56
Selling general and administrative	91	195	208
Total restructuring and asset impairment charges	$ 161	$ 372	$ 474

14 Retirement Plans and Post-retirement Benefits

General Substantially all of our employees are covered under various defined benefit and/or contribution plans Additionally we sponsor post retirement health care benefits and a death benefit under the Agilent Survivor Protection Plan for our eligible U S employees

Retirement deferred profit sharing and post-retirement plans Worldwide costs included in net income (loss) from continuing operations were $142 million in 2004 $187 million in 2003 and $122 million in 2002

Agilent provides U S employees who meet eligibility criteria under the retirement and deferred profit sharing plans defined benefits which are generally based on an employee s highest five

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

consecutive years average pay during the years of employment and on length of service For eligible service through October 31 1993, the benefit payable under the Agilent Retirement Plan is reduced by any amounts due to the eligible employee under our fixed and frozen defined contribution Deferred Profit-Sharing Plan (DPSP ") which was closed to new participants in November 1993

As of October 31 2004 and 2003 the status of the Agilent Retirement Plan and DPSP for U S Agilent Employees follows

	Agilent Retirement Plan		DPSP	
	2004	2003	2004	2003
	(in millions)			
Fair value of plan assets	$ 564	$ 488	$ 847	$ 863
Retirement benefit obligation	$ 718	$ 660	$ 847	$ 863

Eligible employees outside the U S generally receive retirement benefits under various retirement plans based upon factors such as years of service and employee compensation levels Eligibility is generally determined in accordance with local statutory requirements

401(k) defined contribution plan Our U S eligible employees may participate in the Agilent Technologies Inc 401(k) Plan ("the 401(k) Plan") Enrollment in the 401(k) Plan is automatic for employees who meet eligibility requirements unless they decline participation Under the 401(k) Plan, we provide matching contributions to employees up to a maximum of 4 percent of an employee's annual eligible compensation The maximum contribution to the 401(k) Plan is 50 percent of an employee s annual eligible compensation subject to regulatory and plan limitations The 401(k) Plan expense included in income (loss) from continuing operations was $36 million in 2004 $41 million in 2003 and $48 million in 2002

Post-retirement benefit plans In addition to receiving pension benefits, our U S employees who meet retirement eligibility requirements as of their termination dates may participate in our Continued Group Medical or SeniorMed Plans (the Post retirement Medical Plans ") Our current U S employees could become eligible for these benefits, and the existing benefit obligation relates primarily to those employees Once participating in a medical plan retirees may choose from managed-care and indemnity options with their contributions dependent on the options chosen and length of service Our U S retirees are also covered by a lump sum death benefit that is part of the Agilent Survivor Protection Plan

Plan amendments In July 2004, the Compensation Committee of the Board of Directors approved design changes to Agilent s Post retirement Medical Plans and the Survivor Protection Plan In addition, the Compensation Committee delegated certain authority to the Benefits Committee to amend plans as necessary to effectuate these design changes The existing post 65 retirees are expected to be covered by a new Medicare Supplement Plan in 2005 The Medicare Supplement Plan will supplement Medicare coverage by reimbursing Medicare Parts A and B deductibles at 100 percent after Medicare pays its portion of the retiree s expenses. No changes were made to the Post retirement Medical Plans for current pre 65 retirees The Post retirement Medical Plans for certain future pre 65 retirees will be revised to establish retiree medical accounts for the benefit of such retirees and will be funded with amounts as determined by Agilent in lieu of the managed care and indemnity options currently offered under the Post retirement Medical Plans

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Finally the Agilent Survivor Protection Plan was revised to eliminate the $5 000 Retiree Survivor Benefit for all U S retirees who retire on or after January 1 2005 None of these design changes had a material impact on the financial statements as of and for the year ended October 31 2004

Components of net periodic cost For the years ended October 31 2004 2003 and 2002 our net pension and post-retirement benefit costs were comprised of

	Pensions						U.S. Post Retirement Benefit Plans		
	U.S. Plans			Non-U.S. Plans					
	2004	2003	2002	2004	2003	2002	2004	2003	2002
	(in millions)								
Service cost — benefits earned during the period	$ 63	$ 70	$ 83	$ 41	$ 44	$ 42	$ 12	$ 13	$ 13
Interest cost on benefit obligation	39	44	46	52	46	41	32	30	27
Expected return on plan assets	(45)	(39)	(41)	(65)	(53)	(59)	(25)	(22)	(28)
Amortization and deferrals									
Actuarial loss (gain)	3	14	10	33	33	13	6	1	(8)
Prior service cost	1	1	1	—	—	—	(5)	—	—
Net plan costs	61	90	99	61	70	37	20	22	4
Curtailment loss (gain)	—	—	1	—	—	(1)	—	—	(41)
Settlement loss	—	—	5	—	4	7	—	—	—
Special termination benefits	—	—	—	—	1	1	—	—	—
Total net plan costs (income)	$ 61	$ 90	$ 105	$ 61	$ 75	$ 44	$ 20	$ 22	$ (37)
Distribution of net plan costs (income)									
Continuing operations	$ 61	$ 90	$ 105	$ 61	$ 75	$ 44	$ 20	$ 22	$ (27)
Discontinued operations	—	—	—	—	—	—	—	—	(10)
Total net plan costs (income)	$ 61	$ 90	$ 105	$ 61	$ 75	$ 44	$ 20	$ 22	$ (37)

Measurement date Agilent uses an October 31 measurement date for the U S plans and a September 30 measurement date for non U S plans

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Funded status As of October 31 2004 and 2003 the funded status of the defined benefit and post-retirement benefit plans was

	U.S. Defined Benefit Plans		Non-U.S. Defined Benefit Plans		U.S. Post Retirement Benefit Plans	
	2004	2003	2004	2003	2004	2003
	(in millions)					
Change in fair value of plan assets						
Fair value — beginning of year	$ 488	$ 407	$ 928	$ 657	$ 290	$ 256
Actual return on plan assets	49	89	72	95	26	49
Employer contributions	63	91	83	127	—	—
Participants' contributions	—	—	6	8	—	—
Benefits paid	(40)	(100)	(36)	(35)	(16)	(15)
Transfer from DPSP	4	1	—	—	—	—
Special termination benefits	—	—	—	1	—	—
Currency impact	—	—	56	83	—	—
Curtailment/settlement impact — restructuring	—	—	—	(8)	—	—
Fair value — end of year	$ 564	$ 488	$ 1 109	$ 928	$ 300	$ 290
Change in benefit obligation						
Benefit obligation — beginning of year	$ 660	$ 761	$ 1,095	$ 957	$ 539	$ 437
Service cost	63	70	41	44	12	13
Interest cost	39	44	52	46	32	30
Participants contributions	—	—	6	8	—	—
Plan amendment	—	—	—	—	(123)	(25)
Actuarial (gain) loss	(9)	(88)	(37)	(8)	59	122
Benefits paid	(39)	(100)	(36)	(35)	(16)	(14)
Transfer from DPSP	4	1	—	—	—	—
Special termination benefits	—	—	—	1	—	—
Currency impact	—	—	68	102	—	—
Curtailment/settlement impact — restructuring	—	(28)	—	(20)	—	(24)
Benefit obligation — end of year	$ 718	$ 660	$ 1 189	$ 1 095	$ 503	$ 539
Plan assets less than benefit obligation	$ (154)	$ (172)	$ (80)	$ (167)	$ (203)	$ (249)
Unrecognized net actuarial loss	19	34	374	425	172	120
Unrecognized prior service cost (benefit) related to plan changes	2	3	(5)	(5)	(141)	(23)
Net (accrued) prepaid costs	$ (133)	$ (135)	$ 289	$ 253	$ (172)	$ (152)

Amounts recognized in the consolidated balance sheet consist of						
Prepaid defined benefit plan costs	$ —	$ —	$ 290	$ 253	$ —	$ —
Accrued defined benefit plan costs	(133)	(135)	(1)	(136)	—	—
Intangible assets	—	—	—	4	—	—
Additional minimum pension liability	—	—	—	132	—	—
Accrued post retirement benefits costs	—	—	—	—	(172)	(152)
Net (accrued) prepaid costs	$ (133)	$ (135)	$ 289	$ 253	$ (172)	$ (152)

Investment policies and strategies Plan assets consist primarily of listed stocks and bonds In the U S our Agilent Retirement Plan and post-retirement benefit assets are allocated approximately 80 percent to equities and approximately 20 percent to fixed income investments Our DPSP assets are allocated approximately 60 percent to equities and approximately 40 percent to fixed income investments Approximately 10 percent of our U S equity portfolio consists of alternative investments consisting largely of private equity partnerships We desire to obtain the optimum rate of investment return on the total investment portfolio consistent with the assumption of a reasonable level of risk The safety and protection of principal is a primary concern and we believe that a well-diversified investment portfolio will result in the highest attainable investment return (income plus capital appreciation) with the lowest overall risk Specific investment objectives for the plans are maintain and enhance the purchasing power of the plans assets achieve investment returns consistent with the level of risk being taken and earn performance rates of return in accordance with the benchmarks adopted for each asset class Outside the U S our assets are allocated between 50 75 percent to equities and 25 50 percent to fixed income investments depending on the plan All plans assets are broadly diversified

As of October 31 2004 and October 31 2003 our defined benefit plans in aggregate had projected benefit obligations (PBO") that were in excess of the fair value of the plan assets The amounts of the obligations and assets for the plans were

	U.S. Defined Benefit Plans October 31		Non-U.S. Defined Benefit Plans October 31	
	2004	2003	2004	2003
		(in millions)		
Aggregate projected benefit obligation (PBO")	$ (718)	$ (660)	$ (1 189)	$ (1,095)
Aggregate accumulated benefit obligation (ABO")	$ (481)	$ (422)	$ (1 009)	$ (924)
Aggregate fair value of plan assets	$ 564	$ 488	$ 1,109	$ 928

Contributions and estimated future benefit payments During fiscal year 2005 we expect to contribute $40 million to the Agilent Retirement Plan, $44 million to plans outside the U S and zero to the Post retirement Medical Plans We expect to pay the following benefit payments which include expected future service

	U.S.Defined Benefit Plans	Non-U.S. Defined Benefit Plans	U.S. Post Retirement Benefit Plans
		(in millions)	
2005	$ 37	$ 23	$ 18
2006	$ 54	$ 26	$ 20
2007	$ 54	$ 29	$ 22
2008	$ 59	$ 33	$ 24
2009	$ 65	$ 37	$ 26
2010-2014	$ 368	$ 257	$ 158

No additional minimum pension liability was required for 2004 due to improved investment performance and employer contributions For 2003 an additional minimum pension liability adjustment was required for our pension plans in Germany Japan and the United Kingdom as the

accumulated benefit obligation of $439 million for those plans exceeded the $408 million of pension plan assets for those plans as of the measurement date The $31 million difference was increased by $105 million for net prepaid pension costs for all of the affected plans and reduced by $4 million for intangible assets in the United Kingdom's plan and one of the Japanese plans, resulting in a gross additional minimum pension liability of $132 million Of this amount $92 million impacted accumulated comprehensive loss in 2003 offset by $40 million applied to deferred tax assets For 2002, an additional minimum pension liability adjustment was required for our pension plans in Germany Japan and the United Kingdom as the accumulated benefit obligation of $529 million for those plans exceeded the $441 million of pension plan assets for those plans as of the measurement date The $88 million difference was increased by $142 million for net prepaid pension costs for all of the affected plans and reduced by $6 million for intangible assets in the United Kingdom s plan and one of the Japanese plans, resulting in a gross additional minimum pension liability of $224 million Of this amount, $146 million impacted accumulated comprehensive loss in 2002, offset by $78 million applied to deferred tax assets

Assumptions The assumptions used to determine the benefit obligations and expense for our defined benefit and post retirement benefit plans are presented in the table below The impacts of the assumptions listed for the years 2004, 2003 and 2002 have already been recognized in our consolidated statement of operations The assumptions for the year 2005 were used to determine the obligations presented as of October 31 2004 in the funded status table above and their impacts will be recognized in our consolidated statements of operations during 2005 The expected long term return on assets of 8 50 percent is based on the historical rate of return for our chosen asset mix of equities and fixed income investments adjusted for anticipated future movements

	Years Ended October 31			
	2005	2004	2003	2002
U S defined benefit plans				
Discount rate	5 75%	6.25%	6 75%	7.0%
Average increase in compensation levels	4 25%	4.25%	5.25%	5.5%
Expected long term return on assets	8 50%	8 75%	8 75%	9 0%
Non U S defined benefit plans				
Discount rate	2.25-5 75%	2 0-5.5%	2.25-6 0%	2.5-6 5%
Average increase in compensation levels	2.5-4.25%	2.5-4 0%	3.5-4.25%	3.5-5 5%
Expected long term return on assets	4 5-7 5%	5 0-7 5%	5.5 7 75%	6 5 8.5%
U S post retirement benefits plans				
Discount rate	5 75%	6.25%	6 75%	7.0%
Expected long term return on assets	8.50%	8 75%	8 75%	9.0%
Current medical cost trend rate	10 0%	10 0%	9 0%	7 75%
Ultimate medical cost trend rate	5 0%	5 0%	5 5%	5.5%
Medical cost trend rate decreases to ultimate rate in year	2010	2009	2007	2007

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Assumed health care trend rates could have a significant effect on the amounts reported for Post retirement Medical Plans A one percentage point change in the assumed health care cost trend rates for the year ended October 31 2005 would have the following effects

	One Percentage Point Increase	One Percentage Point Decrease
	(in millions)	
Effect on total service and interest cost components	$ 8	$ (8)
Effect on post retirement benefit obligations	$ 74	$ (53)

15.Other Accrued Liabilities and Other Long-Term Liabilities

Other accrued liabilities and other long term liabilities at October 31 2004 and 2003 were as follows

	October 31	
	2004	2003
	(in millions)	
Other accrued liabilities		
Accrued expenses	$ 77	$ 114
Restructuring	87	89
Warranty accruals	49	57
Lease guarantees	13	31
Other	35	20
Total other accrued liabilities	$ 261	$ 311
Other long term liabilities		
Retirement plans	$ 303	$ 285
Deferred compensation	46	37
Minority interest	28	25
Warranty accruals	10	14
Other	79	56
Total other long-term liabilities	$ 466	$ 417

Our accrued vacation balance totaled $201 million and $193 million at October 31 2004 and 2003 respectively and is recorded in employee compensation and benefits in the consolidated balance sheet

16.Senior Convertible Debentures and Lines of Credit

Senior convertible debentures On November 27 2001 we completed a private offering of $1 15 billion aggregate principal amount of

three percent senior convertible debentures (the debentures") due 2021 and generated net proceeds of $1 12 billion after deducting fees and expenses The debentures are convertible at any time into our common stock at an initial conversion price of $32 22 per share (approximately 36 million shares) subject to adjustment (as defined in the related Indenture dated November 27 2001) They are redeemable for cash at the company s option

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

beginning at any time on or after December 6 2004 at a price equal to 100 percent of the principal amount plus interest Holders of the debentures have the ability to require us to repurchase the debentures in whole or in part, on December 1 in each of 2006, 2011 and 2016 Holders also have the right to require us to repurchase all or a portion of the outstanding debentures if the company undergoes a Fundamental Change (as defined in the Indenture) The debentures bear interest at an annual rate of three percent, which is payable on June 1 and December 1 of each year beginning June 1, 2002 The interest rate will reset (as defined in the Indenture) in June 2006 June 2011 and June 2016 but in no event will it be reset below three percent or above five percent per annum To date there have been no adjustments to the conversion price of the debentures

Lines of credit Effective November 1 2002 we terminated our $250 million five-year revolving credit facility that was due to expire on November 5 2005 and did not extend the $250 million 364-day revolving credit facility that expired on November 1 2002 There were no balances outstanding under either facility at October 31 2004

17 Commitments

Operating Lease Commitments Agilent Technologies leases certain real and personal property from unrelated third parties under non-cancelable operating leases Future minimum lease payments under leases at October 31 2004 were $108 million for 2005 $87 million for 2006 $67 million for 2007, $55 million for 2008 $46 million for 2009 and $ 81 million thereafter Certain leases require Agilent Technologies to pay property taxes insurance and routine maintenance and include escalation clauses Rent expense was $116 million in 2004 $126 million in 2003 and $177 million in 2002

18.Contingencies

We are involved in lawsuits, claims investigations and proceedings, including patent, commercial and environmental matters that arise in the ordinary course of business There are no such matters pending that we expect to be material in relation to our business, consolidated financial condition, results of operations or cash flows

19.Segment Information

Description of segments We are a diversified technology company that provides enabling solutions to customers in markets within the communications, electronics, life sciences and chemical analysis industries

We organize our business operations into four major businesses — test and measurement, automated test semiconductor products and life sciences and chemical analysis — each of which comprises a reportable segment The segments were determined based primarily on how the chief operating decision maker views and evaluates our operations Other factors including customer base homogeneity of products, technology and delivery channels were also considered in determining our reportable segments

Our four reportable segments are as follows

- test and measurement business provides standard and customized solutions that are used in the design development manufacture installation, deployment and operation of electronic equipment and systems and communications networks and services These solutions include test and measurement instruments and systems communications service and network monitoring management and optimization tools and software design tools and associated services

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

- automated test business provides test system solutions that are used in the manufacture of semiconductor devices electronics (primarily printed circuit board assemblies) and flat panel displays Our test solutions enable electronics designers and manufacturers to shorten the design to-production cycle lower manufacturing cost of test, confirm the functional quality of their devices and of their manufacturing processes, and accelerate the high-volume delivery of their products

- semiconductor products business is a leading supplier of semiconductor components, modules and assemblies for consumer and commercial electronics applications We design, develop and manufacture products for the networking and personal systems markets Our networking products include fiber optic transceivers for sending and receiving data over high speed networks and ICs for enterprise storage and networking and

- life sciences and chemical analysis business provides application focused solutions that include instruments, software consumables and services that enable customers to identify quantify and analyze the physical and biological properties of substances and products Our seven key product categories include microarrays microfluidics gas chromatography liquid chromatography mass spectrometry software and informatics and related consumables reagents and services

Segment revenue and profit The accounting policies used to derive reportable segment results are generally the same as those described in Note 2, "Summary of Significant Accounting Policies "

A significant portion of the segments expenses arise from shared services and infrastructure that we have historically provided to the segments in order to realize economies of scale and to efficiently use resources These expenses collectively called corporate charges include costs of centralized research and development legal accounting, employee benefits real estate insurance services, information technology services, treasury and other corporate infrastructure expenses Charges are allocated to the segments and the allocations have been determined on a basis that we considered to be a reasonable reflection of the utilization of services provided to or benefits received by the segments

The following tables reflect the results of our reportable segments under our management reporting system These results are not necessarily a depiction that is in conformity with accounting principles generally accepted in the U S The performance of each segment is measured based on several metrics including income (loss) from operations These results are used, in part, by the chief operating decision maker in evaluating the performance of and in allocating resources to each of the segments

AGILENT TECHNOLOGIES, INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The profitability of each of the segments is measured after excluding amortization of goodwill amortization and impairment of other intangibles, restructuring and asset impairment charges and other items as noted in the reconciliation below

	Test and Measurement	Automated Test	Semiconductor Products	Life Sciences and Chemical Analysis	Total Segments
			(in millions)		
Year Ended October 31, 2004					
Total net revenue	$ 2,903	$ 924	$ 2,021	$ 1,333	$ 7 181
Income from operations	$ 219	$ 66	$ 166	$ 192	$ 643
Depreciation Expense	$ 103	$ 30	$ 94	$ 39	$ 266
Year Ended October 31, 2003					
Total net revenue	$ 2,529	$ 755	$ 1,586	$ 1 186	$ 6,056
(Loss) income from operations	$ (315)	$ (34)	$ (59)	$ 148	$ (260)
Depreciation Expense	$ 128	$ 30	$ 118	$ 35	$ 311
Year Ended October 31, 2002					
Total net revenue	$ 2,612	$ 706	$ 1,559	$ 1,133	$ 6 010
(Loss) income from operations	$ (710)	$ (70)	$ (115)	$ 140	$ (755)
Depreciation Expense	$ 121	$ 30	$ 176	$ 30	$ 357

The following table reconciles segment results to Agilent s total enterprise results from continuing operations before taxes

	Years Ended October 31		
	2004	2003	2002
		(in millions)	
Total reportable segments income (loss) from operations	$ 643	$ (260)	$ (755)
Amortization of goodwill	—	—	(326)
Amortization and impairment of intangibles	(20)	(55)	(52)
Restructuring and asset impairment	(161)	(372)	(474)
Other asset impairment	(15)	(15)	(13)
Retirement plans net curtailment and settlement (loss) gain	—	(5)	19
Unallocated corporate charges and other	(7)	17	54
Income (loss) from continuing operations before taxes as reported	$ 440	$ (690)	$ (1,547)
Depreciation and amortization expense			
Total reportable segments depreciation	$ 266	$ 311	$ 357
Corporate amortization expense	26	51	378
Total depreciation and amortization expense as reported	$ 292	$ 362	$ 735

Major customers No customer represented 10 percent or more of our total net revenue in 2004 2003 or 2002

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

During 2004, we changed the basis by which segment assets are measured and reported to the chief operating decision maker to include allocated corporate assets, the largest component of which relates to deferred tax assets before the valuation adjustment Unallocated assets primarily consist of cash and cash equivalents, accumulated amortization of goodwill and other intangibles the valuation allowance relating to deferred tax assets and other assets The following table reflects the updated measure of segment assets, capital expenditures and investments in equity method investees and capital expenditures directly managed by each segment All amounts have been reclassified to conform to the current period presentation

	Test and Measurement	Automated Test	Semiconductor Products	Life Sciences and Chemical Analysis	Total Segments
			(in millions)		
As of October 31, 2004					
Assets	$ 2,148	$ 718	$ 1,434	$ 725	$ 5 025
Capital expenditures	$ 43	$ 14	$ 47	$ 14	$ 118
Investments in and advances to equity method investees	$ 23	$ —	$ 103	$ —	$ 126
As of October 31, 2003					
Assets	$ 2,268	$ 804	$ 1 420	$ 680	$ 5 172
Capital expenditures	$ 85	$ 23	$ 70	$ 27	$ 205
Investments in and advances to equity method investees	$ 25	$ —	$ 75	$ —	$ 100

The following table reconciles segment assets to Agilent s total assets

	October 31	
	2004	2003
	(in millions)	
Total reportable segments assets	$ 5 025	$ 5 172
Cash and cash equivalents	2,315	1,607
Other	(284)	(482)
Total assets	$ 7 056	$ 6,297

Geographic Information

	United States	Japan	Rest of the World	Total
		(in millions)		
Net revenue				
Year ended October 31 2004	$ 2,213	$ 834	$ 4 134	$ 7 181
Year ended October 31 2003	$ 2,203	$ 657	$ 3 196	$ 6,056
Year ended October 31, 2002	$ 2,355	$ 597	$ 3 058	$ 6,010
Long lived assets				
October 31 2004	$ 936	$ 240	$ 830	$ 2,006
October 31 2003	$ 1,030	$ 270	$ 654	$ 1 954

QUARTERLY SUMMARY

(Unaudited)

	Three Months Ended			
	January 31	April 30	July 31	October 31
	(In millions, except per share data)			
2004	(1)	(2)	(3)	(4)
Net revenue	$ 1 643	$ 1,831	$ 1,885	$ 1,822
Cost of products and services and other	904	1 023	1 089	1 042
Income from operations	79	111	107	89
Net income	$ 71	$ 104	$ 100	$ 74
Net income per share				
Basic	$ 0 15	$ 0.22	$ 0.21	$ 0 15
Diluted	$ 0 14	$ 0.21	$ 0.20	$ 0 15
Weighted average shares used in computing net income per share				
Basic	480	481	485	486
Diluted	490	495	491	490
Range of stock prices on NYSE	$ 24 97 38.80	$ 26 91-37 62	$ 22 63-29.68	$ 19.51 25.31
2003	(5)	(6)	(7)	(8)
Net revenue	$ 1,412	$ 1 467	$ 1,502	$ 1,675
Cost of products and services and other	880	958	951	961
Income (loss) from operations	(256)	(335)	(190)	56
Income (loss) from continuing operations	(112)	(146)	(1,545)	13
Cumulative effect of adopting SFAS No 142	(257)	—	(11)	—
Net income (loss)	$ (369)	$ (146)	$ (1,556)	$ 13
Net income (loss) per share — Basic and Diluted.				
Net income (loss) from continuing operations	$ (0.24)	$ (0.31)	$ (3.25)	$ 0 03
Cumulative effect of adopting SFAS No 142	(0 54)	—	(0 03)	—
Net income (loss)	$ (0 78)	$ (0 31)	$ (3.28)	$ 0 03
Weighted average shares used in computing net income (loss) per share				
Basic	471	471	475	476
Diluted	471	471	475	481
Range of stock prices on NYSE	$ 13 19-20.30	$ 11.30-16 82	$ 15 48-22.64	$ 20.31 26 48

NOTES

(1) Includes pre tax restructuring and asset impairment charges of $45 million primarily relating to severance expenses

(2) Includes pre tax restructuring and asset impairment charges of $20 million primarily relating to severance expenses

(3) Includes pre tax restructuring and asset impairment charges of $42 million primarily relating to severance expenses

(4) Includes pre tax restructuring and asset impairment charges of $54 million primarily relating to severance expenses

(5) Includes pre tax restructuring and asset impairment charges of $42 million primarily relating to severance expenses

(6) Includes pre tax restructuring and asset impairment charges of $131 million primarily relating to severance expenses

(7) Includes pre tax restructuring and asset impairment charges of $141 million primarily relating to severance expenses and a non-cash charge to establish a tax valuation allowance of $1 4 billion

(8) Includes pre tax restructuring and asset impairment charges of $58 million primarily relating to severance expenses

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized

AGILENT TECHNOLOGIES, INC
BY /s/D C RAIG N ORDLUND
D Craig Nordlund

Senior Vice President

General Counsel and Secretary

Date December 21 2004

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS that each person whose signature appears below constitutes and appoints D Craig Nordlund and Marie Oh Huber or either of them his or her attorneys-in fact, for such person in any and all capacities to sign any amendments to this report and to file the same with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that either of said attorneys in fact, or substitute or substitutes, may do or cause to be done by virtue hereof Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated

Signature	Title	Date
/s/E DWARD W B ARNHOLT	Chairman, President and Chief Executive Officer (Principal Executive Officer)	December 21 2004
Edward W Barnholt /s/A DRIAN T D ILLON	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	December 21, 2004
Adrian T Dillon /s/D IDER H IRSCH	Vice President and Corporate Controller (Principal Accounting Officer)	December 21 2004
Didier Hirsch /s/K OH B OON H WEE	Director	December 21, 2004
Kah Boon Hwee /s/J AMES G. C ULLEN	Director	December 21 2004
James G. Cullen /s/R OBERT J H ERBOLD	Director	December 21 2004
Robert J. Herbold /s/W ALTER B H EWLETT	Director	December 21, 2004
Walter B. Hewlett /s/R OBERT L. J OSS	Director	December 21, 2004
Robert L. Joss /s/H EDI K UNZ	Director	December 21 2004
Heidi Kunz /s/D AVID M L AWRENCE M D	Director	December 21 2004
David M. Lawrence, M.D. /s/A B ARRY R AND	Director	December 21 2004
A. Barry Rand		

AGILENT TECHNOLOGIES, INC.

EXHIBIT INDEX

Exhibit Number	Description
1	Not applicable
2.1	Master Separation and Distribution Agreement between Hewlett Packard and the Company effective as of August 12 1999 Incorporated by reference from Exhibit 2 1 of the Company s Registration Statement on Form S 1 Registration No 333-85249 ("S-1")
2.2	General Assignment and Assumption Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2.2 of the Company s S 1
2.3	Master Technology Ownership and License Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 3 of the Company's S 1
2.4	Master Patent Ownership and License Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 4 of the Company's S 1
2 5	Master Trademark Ownership and License Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 5 of the Company s S 1
2.6	ICBD Technology Ownership and License Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 6 of the Company s S 1
2.7	Employee Matters Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 7 of the Company s S 1
2 8	Tax Sharing Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 8 of the Company s S-1
2.9	Master IT Service Level Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 9 of the Company's S 1
2 10	Real Estate Matters Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 10 of the Company s S 1
2.11	Environmental Matters Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 11 of the Company s S 1
2 12	Master Confidential Disclosure Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 12 of the Company s S 1
2.13	Indemnification and Insurance Matters Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 13 of the Company s S-1
2 14	Non U S Plan Incorporated by reference from Exhibit 2 14 of the Company s S 1
2 15	Agreement and Plan of Merger dated as of November 24 2000, by and among Agilent Technologies Inc Tahoe Acquisition Corp and Objective Systems Integrators Inc Incorporated by reference from Exhibit 99 1(A) of the Schedule 13D filed by Agilent Technologies, Inc on December 4 2000
2.16	Tender and Voting Agreement dated as of November 24 2000 by and among Agilent Technologies, Inc Tahoe Acquisition Corp and Objective Systems Integrators, Inc Incorporated by reference from Exhibit 99 1(B) of the Schedule 13D filed by Agilent Technologies, Inc on December 4 2000
2.17	Asset Purchase Agreement between the Company and Philips dated as of November 17 2000 Incorporated by reference from Exhibit 2 17 of the Company's 10-Q filed on March19 2001

Exhibit Number	Description
2.18	Amendment and Supplemental Agreement dated as of August 1 2001 between Agilent Technologies, Inc and Koninklijke Philips Electronics N V Incorporated by reference from Exhibit 2.2 of the Company s Form 8 K filed August 15 2001
2 19	Master Service Level Agreement dated as of August 1 2001 between Agilent Technologies, Inc and Koninklijke Philips Electronics N V Incorporated by reference from Exhibit 2 3 of the Company s Form 8 K filed August 15, 2001
3 1	Amended and Restated Certificate of Incorporation Incorporated by reference from Exhibit 3 1 of the Company s S 1
3.2	Amended and Restated Bylaws Incorporated by reference from Exhibit 4 2 of the Company's S 3/A filed April 10 2002
4 1	Preferred Stock Rights Agreement between the Company and Harris Trust and Savings Bank dated as of May 12, 2000 Incorporated by reference from Exhibit 1 of the Company s Form 8 A, filed on May 17 2000
4.2	Indenture between the Company and Citibank, N A , dated November 27 2001 Incorporated by reference from Exhibit 99 2 of the Company's Form 8 K filed on November 27, 2001
4 3	Registration Rights Agreement between the Company and Credit Suisse First Boston Corporation, J P Morgan Securities Inc and Salomon Smith Barney Inc dated November 27 2001 Incorporated by reference from Exhibit 99 3 of the Company s Form 8 K filed on November 27 2001
5-8	Not applicable
9	None
10 1	Agilent Technologies Inc 1999 Stock Plan Incorporated by reference from Exhibit 10 2 of the Company's S 1 *
10 2	Agilent Technologies, Inc 1999 Stock Plan (restatement, effective September 17 2001) Incorporated by reference from Exhibit 10 13 of the Company s Form 10-K/A filed on February 1 2002 *
10.3	Agilent Technologies Inc 1999 Stock Plan (Amended and Restated Effective May 21, 2002) Incorporated by reference from the Company s Form S-8 filed May 23 2002 *
10 4	Agilent Technologies Inc Employee Stock Purchase Plan Incorporated by reference from Exhibit 4 1 of the Company s Form S 8 filed September 29 2000 *
10 5	1999 Non Employee Director Stock Plan Incorporated by reference from Exhibit 10 3 of the Company s S 1 *
10 6	Form of Indemnification Agreement entered into by the Company with each of its directors and board appointed officers Incorporated by reference from Exhibit 10 5 of the Company's S 1 *
10 7	Agilent Technologies, Inc Excess Benefit Retirement Plan Incorporated by reference from Exhibit 10 7 of the Company s Form 10 K filed January 22 2002 Amendment to the Agilent Technologies, Inc Excess Benefit Retirement Plan adopted effective May 1 2000 *
10 8	Agilent Technologies Inc Deferred Compensation Plan (amended and restated as of March 19, 2002) Incorporated by reference from the Company s Form 10-K filed December 20 2002 *

Exhibit Number	Description
10 9	Asset Purchase Agreement dated September 29 2000 between Agilent Technologies, Inc and CIT Group/Equipment Financing Inc Incorporated by reference from Exhibit 10 10 of the Company s 10-Q filed on March 19 2001
10 10	Purchase and Sale Agreement dated February 1, 2001 between Agilent Technologies, Inc and BEA Systems Inc Incorporated by reference from Exhibit 10 11 of the Company's Form 10-Q filed on June 14, 2001
10 11	Offer letter from the Company to Adrian T Dillon as incoming Executive Vice President and Chief Financial Officer dated November 6, 2001 Incorporated by reference from Exhibit 10 15 of the Company s Form 10-Q filed on March 6 2002
10 12	Letter Agreement between Alain Couder and Ned Barnholt, dated February 26, 2002 Incorporated by reference from Exhibit 10 17 of the Company's Form 10-Q filed June 5, 2002
10 13	Form of Change of Control Severance Agreement entered into by the Company with Byron J Anderson, Dick M Chang Adrian T Dillon, Jean M Halloran, D Craig Nordlund, Young K. Sohn, William P Sullivan, Jack P Trautman, Chris van Ingen and Thomas E White Incorporated by reference from Exhibit 10 15 of the Company s Form 10-Q filed March 12, 2003 *
10 14	Change of Control Severance Agreement dated November 27 2002 entered into by the Company with its Chief Executive Officer Incorporated by reference from Exhibit 10 16 of the Company s Form 10-Q filed March 12 2003 *
10 15	Agilent Technologies Inc 1999 Stock Plan, as amended and restated, and Amendment No 1 thereto dated March 5 2003 Incorporated by reference from Exhibit (d)(1) of the Company s Schedule TO filed on May 20, 2003 *
10 16	Amendment No 2 to Agilent Technologies, Inc 1999 Stock Plan dated May 20, 2003 Incorporated by reference from Exhibit 10 18 of the Company's Form 10-Q filed June 4 2003 *
10 17	English summary of lease between Shanghai WaiGaoQiao Free Trade Zone Dev Co Ltd. and Agilent dated June 29 2001 Incorporated by reference from Exhibit 10 19 of the Company s Form 10-K filed December 22, 2003
10 18	Agilent Technologies, Inc Long Term Performance Program Description for Section 16 Officers effective November 1 2003 Incorporated by reference from Exhibit 10 18 of the Company's Form 10-Q filed March 4 2004 *
10 19	Agilent Technologies, Inc 1999 Stock Plan (Amendment and Restatement, Effective November 18, 2003) Incorporated by reference from Exhibit 10 19 of the Company's Form 10-Q filed March 4 2004 *
10.20	1999 Non Employee Director Stock Plan (Amended and Restated Effective January 20 2004) Incorporated by reference from Exhibit 10 19 of the Company s Form 10-Q filed June 3 2004 *
10.21	Form of Amendment #1 to Change of Control Severance Agreement dated April 2, 2004 entered into by the Company with Adrian T Dillon Jean M Halloran, D Craig Nordlund, Young K. Sohn, William P Sullivan Jack P Trautman, Chris van Ingen, Thomas E White and with its Chief Executive Officer Incorporated by reference from Exhibit 10 20 of the Company s Form 10-Q filed June 3 2004 *

Exhibit Number	Description
10.22	Agilent Technologies, Inc Deferred Compensation Plan for Non Employee Directors (Effective as of March 1, 2004) Incorporated by reference from Exhibit 10 21 of the Company's Form 10-Q filed June 3, 2004 *
10.23	Agilent Technologies, Inc Deferred Compensation Plan (Amended and Restated as of March 1 2004) Incorporated by reference from Exhibit 10 22 of the Company s Form 10-Q filed June 3 2004 *
10.24	Agilent Technologies, Inc Employee Stock Purchase Plan (Amended and Restated, Effective November 1 2004) Incorporated by reference from Exhibit 10.23 of the Company s Form 10-Q filed September 2 2004 *
10.25	Agilent Technologies, Inc Non Employee Director Stock Plan (Amended and Restated, Effective July 20, 2004) Incorporated by reference from Exhibit 10 24 of the Company s 10-Q filed September 2, 2004 *
10.26	Form of Award Agreement (U S) for grants under the Agilent Technologies, Inc 1999 Stock Plan Incorporated by reference from Exhibit 10 1 of the Company s 8-K filed November 12 2004 *
10.27	Form of Award Agreement (Non-U S) for grants under the Agilent Technologies Inc 1999 Stock Plan Incorporated by reference from Exhibit 10 2 of the Company's 8 K filed November 12, 2004 *
10.28	Form of Stock Option Agreement for grants under the Agilent Technologies, Inc 1999 Non Employee Director Stock Plan Incorporated by reference from Exhibit 10.3 of the Company s 8 K filed November 12 2004 *
10.29	Form of Award Agreement (Belgium) for grants under the Agilent Technologies, Inc 1999 Stock Plan.*
10.30	Form of Award Agreement (Brazil) for grants under the Agilent Technologies, Inc 1999 Stock Plan *
10.31	Form of Award Agreement (China) for grants under the Agilent Technologies Inc 1999 Stock Plan *
10.32	Form of Award Agreement (France) for grants under the Agilent Technologies, Inc 1999 Stock Plan *
10.33	Form of Award Agreement (Germany) for grants under the Agilent Technologies, Inc 1999 Stock Plan *
10.34	Form of Award Agreement (India) for grants under the Agilent Technologies Inc 1999 Stock Plan *
10.35	Form of Award Agreement (Italy) for grants under the Agilent Technologies, Inc 1999 Stock Plan *
10.36	Form of Award Agreement (Japan) for grants under the Agilent Technologies Inc 1999 Stock Plan *
10.37	Form of Award Agreement (SAR) for grants under the Agilent Technologies Inc 1999 Stock Plan *
10.38	Form of Award Agreement (Switzerland) for grants under the Agilent Technologies, Inc 1999 Stock Plan *
10.39	Form of Award Agreement (restricted stock) for grants under the Agilent Technologies, Inc 1999 Stock Plan *

Exhibit Number	Description
10 40	Asset Purchase Agreement dated October 27 2004 between Flextronics Sales and Marketing (A P) Ltd and Agilent Technologies Inc
10 42	Agilent Technologies Inc 2005 Deferred Compensation Plan Incorporated by reference from Exhibit 10 1 of the Company's 8 K filed November 19, 2004 *
10 43	Agilent Technologies Inc 2005 Deferred Compensation Plan for Non-Employee Directors Incorporated by reference from Exhibit 10 2 of the Company s 8 K filed November 19 2004 *
11 1	See Note 6 "Net Income (Loss) Per Share in Notes to Consolidated Financial Statements on page 92
12.1	Statement of ratio of earnings to fixed charges
13	None
14 1	See Investor Information in Item 1 Business p 26 of this Annual Report on Form 10-K
15	Not applicable
16	None
17	Not applicable
18	None
19-20	Not applicable
21 1	Significant subsidiaries of Agilent Technologies, Inc as of October 31, 2004
22.	None
23 1	Consent of Independent Registered Public Accounting Firm
24 1	Powers of Attorney Contained in the signature page of this Annual Report on Form 10 K
25 30	Not applicable
31 1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002
32 1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes Oxley Act of 2002
33 98	Not applicable
99	None

* Indicates management contract or compensatory plan, contract or arrangement

Exhibit 10 29

AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT FOR BELGIUM

THIS AGREEMENT dated (Grant Date") between Agilent Technologies, Inc a Delaware corporation (the Company") and _, (the "Awardee "), is entered into as follows

WITNESSETH

WHEREAS the Company has established the Agilent Technologies Inc 1999 Stock Plan as amended and restated effective November 18 2003 (the Plan ") and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the Prospectus ") A copy of the Prospectus Grant Notification and the Belgian Tax Undertaking Agreement is available at http //stockoptions corporate agilent com A copy of the Plan document can be viewed at http //stockoptions corporate.agilent com and will also be made available upon request, and

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the "Committee ") or its authorized delegate(s) determined that the Awardee shall be granted an option under the Plan as hereinafter set forth

NOW THEREFORE, the parties hereby agree that the Company grants the Awardee an option (Option') to purchase shares of the Company's $0 01 par value voting Common Stock upon the terms and conditions set forth herein

1 This Option is granted under and pursuant to the Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan shall prevail

2. The Option price shall be equal to the Fair Market Value (as defined in the Plan document) of the underlying shares on the Grant Date The Option price shall be _per share

3 This Option is not transferable by the Awardee except by will or the laws of descent and distribution During the Awardee's lifetime only the Awardee can exercise this Option This Option may not be transferred assigned, pledged or hypothecated by the Awardee during his or her lifetime whether by operation of law or otherwise and is not subject to execution attachment or similar process

4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan, and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan, this Option will vest in whole or in part in accordance with the following vesting schedule

An Awardee loses status as an Awardee Eligible to Vest when certain events occur including but not limited to, termination of employment with the Company or transfer of employment from the Company

5 This Option will expire ten (10) years from the Grant Date unless sooner terminated forfeited, or canceled in accordance with the provisions of the Plan This means that the Option must be exercised if at all on or before

The Awardee is responsible for keeping track of this date and will not receive any prior notification of the expiration date from the Company

6 As set forth in the Prospectus, this Option may be accepted by signing this Award Agreement and returning it to the Company The Awardee s shares will not be exercisable until the Company receives this signed Award Agreement

In addition, Smith Barney must receive an executed authorization form accompanied by payment of the full Option price for the underlying shares, including applicable taxes Payment may be in cash or shares of the Company's Common Stock or a combination thereof provided, however that any payment in shares shall be in strict compliance with all procedural rules established by the Committee or its authorized delegate(s) In some instances the Committee or its authorized delegate(s) may also permit payment using a cashless method of exercise The Company reserves the right to limit availability of certain methods of exercise as it deems necessary

7 All rights of the Awardee in this Option to the extent that it has not vested, shall terminate when Awardee loses status as an Awardee Eligible to Vest, except where such status is lost due to the occurrence of certain events as set forth in the Plan For example if status as an Awardee Eligible to Vest is lost because of death, retirement due to age or permanent and total disability the vesting of unvested Awards will accelerate

All rights of the Awardee in this Option, to the extent that it has vested but has not been exercised, shall terminate on the earlier of the expiration date or three (3) months after the Awardee loses status as an Awardee Eligible to Vest except where the Awardee loses such status because of death, retirement due to age or permanent and total disability In the event of the Awardee s death, his or her legal representative or designated beneficiary shall have the right to exercise all or a portion of the Awardee's right under this Option. The representative or designee must exercise the Option before the earlier of the expiration date or one (1) year after the death of the Awardee, and shall be bound by the provisions of the Plan. In case of retirement due to age or permanent and total disability, the Awardee retains rights in this Option until the earlier of the expiration date or three (3) years from the date thereof

GRANT Belgium (he)

8 The Awardee shall remit to the Company payment for all applicable withholding taxes and required social security contributions at the time the Awardee exercises any portion of this Option.

9 By accepting the grant of this Option, Awardee acknowledges and agrees that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of an option is a one-time benefit which does not create any contractual or other right to receive future grants of options or benefits in lieu of options (iii) all determinations with respect to any such future grants including, but not limited to the times when options shall be granted, the maximum number of shares subject to each option and the option price will be at the sole discretion of the Company (iv) participation in the Plan is voluntary, (v) the value of the option is outside the scope of Awardee's employment contract if any (vi) the value of the option is not part of normal or expected compensation for purposes of calculating any severance resignation redundancy end of service payments, bonuses long service awards pension or retirement benefits or similar payments, (vii) the vesting of any Option ceases upon termination of employment with the Company or transfer of employment from the Company, or other cessation of eligibility to vest for any reason, except as may otherwise be explicitly provided in the Plan document or this Agreement (viii) if the underlying stock does not increase in value this Option will have no value nor does the Company guarantee any future value (ix) no claim or entitlement to compensation or damages arises if the Option does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

10 For the exclusive purpose of implementing administering and managing Awardee s stock options, Awardee consents to the collection receipt, use retention and transfer, in electronic or other form, of his or her personal data by and among the Company its subsidiaries affiliates and third party vendors Awardee understands that personal data, including but not limited to name, home address telephone number employee number employment status social security number tax identification number job and payroll location, data for tax withholding purposes and shares of stocks awarded, cancelled, exercised, vested and unvested) may be transferred to third parties assisting in the implementation administration and management of Awardee s stock options and Awardee expressly authorizes such transfer as well as the retention use and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee's country or elsewhere, and that the recipient's country may have different data privacy laws and protections than Awardee's country Awardee understands that data will be held only as long as is necessary to implement, administer and manage Awardee's stock option Awardee understands that he or she may at any time, request a list with the names and addresses of any potential recipients of the personal data, view data request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein in any case without cost by contacting in writing the Company's legal department representative Awardee understands, however that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee s refusal to consent or withdrawal of consent, Awardee may contact the Company s local legal department representative

11 The Plan is incorporated herein by reference The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof, and may not be modified adversely to the Awardee s interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws but not the choice of law rules of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California.

12 Neither the Plan nor this Award Agreement nor any provision under either shall be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries and it is expressly agreed and understood that employment is terminable at the will of either party

13 By accepting the grant of this Option evidenced hereby the Awardee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Award Agreement Awardee has reviewed the Prospectus and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to accepting the Option and fully understands all provisions of the Prospectus and Award Agreement Awardee agrees to accept as binding conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement

14 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company and that the Awardee s local employer is not a party to this Award Agreement

15 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

16 The Awardee acknowledges that he or she must sign and return this Award Agreement in order for it to be effective

Awardee
FIRST_NM
LAST_NM
EMPL_NR

Agilent Technologies, Inc.
By
Edward W Barnholt
Chairman President and Chief Executive Officer
By
D Craig Nordlund
Senior Vice President, General Counsel and Secretary

Please fax all pages to Shareholder Records, fax number (650) 752-5741

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT Belgium (hc)

Award Rejection

(Sign and send this only if you wish to reject your Award)

I do not want to receive this Award and hereby reject it

Awardee
FIRST_NM LAST_NM
EMPL_NR

Please fax all pages to Shareholder Records, fax number (650) 752-5741

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT Belgium (hc)

Exhibit 10.30

AGILENT TECHNOLOGIES, INC

1999 STOCK PLAN

AWARD AGREEMENT FOR BRAZIL

THIS AGREEMENT dated ("Grant Date ") between Agilent Technologies, Inc a Delaware corporation (the "Company ") and (the Awardee"), is entered into as follows

WITNESSETH

WHEREAS the Company has established the Agilent Technologies Inc 1999 Stock Plan as amended and restated effective November 18, 2003, (the "Plan) and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the Prospectus) A copy of the Prospectus is available at http //stockoptions corporate agilent com and also on your Smith Barney website A copy of the Plan document can be viewed at http //stockoptions corporate agilent com and will also be made available upon request and

WHEREAS the Compensation Committee of the Board of Directors of the Company (the "Committee") or its authorized delegate(s) determined that the Awardee shall be granted an option under the Plan as hereinafter set forth

NOW THEREFORE the parties hereby agree that the Company grants the Awardee an option (Option ") to purchase shares of the Company s $0 01 par value voting Common Stock upon the terms and conditions set forth herein

1 This Option is granted under and pursuant to the Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan shall prevail

2 The Option price shall be equal to the Fair Market Value (as defined in the Plan document) of the underlying shares on the Grant Date The Option price shall be _per share

3 This Option is not transferable by the Awardee except by will or the laws of descent and distribution During the Awardee s lifetime only the Awardee can exercise this Option This Option may not be transferred assigned, pledged or hypothecated by the Awardee during his or her lifetime whether by operation of law or otherwise and is not subject to execution, attachment or similar process

4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan this Option will vest in whole or in part, in accordance with the following vesting schedule

An Awardee loses status as an Awardee Eligible to Vest when certain events occur including but not limited to, termination of employment with the Company or transfer of employment from the Company

5 This Option will expire ten (10) years from the Grant Date unless sooner terminated forfeited, or canceled in accordance with the provisions of the Plan This means that the Option must be exercised if at all on or before

The Awardee is responsible for keeping track of this date and will not receive any prior notificanon of the expiration date from the Company

6 As set forth in the Prospectus, this Option may be accepted by signing this Award Agreement and returning it to the Company The Awardee's shares will not be exercisable until the Company receives this signed Award Agreement

Notwithstanding the information on the exercise methods set forth in the Prospectus the cash exercise method is not available in Brazil The Awardee must contact Smith Barney and request a cashless method of exercise The Awardee will receive his or her proceeds in cash only

7 All rights of the Awardee in this Option to the extent that it has not vested shall terminate when Awardee loses status as an Awardee Eligible to Vest, except where such status is lost due to the occurrence of certain events as set forth in the Plan For example, if status as an Awardee Eligible to Vest is lost because of death, retirement due to age or permanent and total disability the vesting of unvested Awards will accelerate

All rights of the Awardee in this Option, to the extent that it has vested but has not been exercised shall terminate on the earlier of the expiration date or three (3) months after the Awardee loses status as an Awardee Eligible to Vest except where the Awardee loses such status because of death, retirement due to age or permanent and total disability In the event of the Awardee s death, his or her legal representative or designated beneficiary shall have the right to exercise all or a portion of the Awardee s right under this Option. The representative or designee must exercise the Option before the earlier of the expiration date or one (1) year after the death of the Awardee and shall be bound by the provisions of the Plan In case of retirement due to age or permanent and total disability, the Awardee retains rights in this Option until the earlier of the expiration date or three (3) years from the date thereof

8. The Awardee shall remit to the Company payment for all applicable withholding taxes and required social security contributions at the time the Awardee exercises any portion of this Option.

GRANT Brazil (hc)

9 By accepting the grant of this Option Awardee acknowledges and agrees that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of an option is a one-time benefit which does not create any contractual or other right to receive future grants of options or benefits in lieu of options (iii) all determinations with respect to any such future grants including, but not limited to the times when options shall be granted, the maximum number of shares subject to each option and the option price will be at the sole discretion of the Company (iv) participation in the Plan is voluntary (v) the value of the option is outside the scope of Awardee s employment contract if any (vi) the value of the option is not part of normal or expected compensation for purposes of calculating any severance resignation redundancy end of service payments, bonuses long service awards pension or retirement benefits or similar payments (vii) the vesting of any Option ceases upon termination of employment with the Company or transfer of employment from the Company or other cessation of eligibility to vest for any reason, except as may otherwise be explicitly provided in the Plan document or this Agreement, (viii) if the underlying stock does not increase in value this Option will have no value, nor does the Company guarantee any future value (ix) no claim or entitlement to compensation or damages arises if the Option does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

10 For the exclusive purpose of implementing administering and managing Awardee s stock options, Awardee consents to the collection, receipt, use retention and transfer in electronic or other form, of his or her personal data by and among the Company its subsidiaries affiliates and third party vendors Awardee understands that personal data, including but not limited to name home address, telephone number employee number employment status social security number tax identification number job and payroll location data for tax withholding purposes and shares of stocks awarded, cancelled, exercised, vested and unvested) may be transferred to third parties assisting in the implementation administration and management of Awardee s stock options and Awardee expressly authorizes such transfer as well as the retention use, and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee s country or elsewhere and that the recipient's country may have different data privacy laws and protections than Awardee s country Awardee understands that data will be held only as long as is necessary to implement, administer and manage Awardee s stock option Awardee understands that he or she may, at any time request a list with the names and addresses of any potential recipients of the personal data, view data request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's legal department representative Awardee understands however that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee s refusal to consent or withdrawal of consent, Awardee may contact the Company s local legal department representative

11 The Plan is incorporated herein by reference The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof, and may not be modified adversely to the Awardee's interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws, but not the choice of law rules of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California.

12 Neither the Plan nor this Award Agreement nor any provision under either shall be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries and it is expressly agreed and understood that employment is terminable at the will of either party

13 By accepting the grant of this Option evidenced hereby the Awardee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Award Agreement Awardee has reviewed the Prospectus and this Award Agreement in their entirety has had an opportunity to obtain the advice of counsel prior to accepting the Option and fully understands all provisions of the Prospectus and Award Agreement Awardee agrees to accept as binding conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement

14 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company and that the Awardee s local employer is not a party to this Award Agreement

15 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

16 The Awardee acknowledges that he or she must sign and return this Award Agreement in order for it to be effective

Awardee

FIRST_NM LAST_NM

EMPL_NR

Agilent Technologies, Inc.

By

Edward W Barnholt

Chairman, President and Chief Executive Officer

By

D Craig Nordlund

Senior Vice President General Counsel and Secretary

Please fax all pages to Shareholder Records, fax number (650) 752-5734 or (650) 752-5741

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT Brazil (hc)

4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan, and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan, this Option will vest in whole or in part in accordance with the following vesting schedule

An Awardee loses status as an Awardee Eligible to Vest when certain events occur, including but not limited to termination of employment with the Company or transfer of employment from the Company

5 This Option will expire ten (10) years from the Grant Date unless sooner terminated, forfeited, or canceled in accordance with the provisions of the Plan This means that the Option must be exercised, if at all, on or before the expiration date This expiration date is indicated in the Awardee s Smith Barney account The Awardee is responsible for keeping track of this date and will not receive any prior notification of the expiration date from the Company

6. Notwithstanding the information on the exercise methods set forth in the Prospectus the cash exercise method is not available in China This Option may only be exercised using the cashless method The Option may be exercised by contacting Smith Barney and following the procedures established by Smith Barney The Awardee will receive his or her proceeds in cash only

7 All rights of the Awardee in this Option, to the extent that it has not vested, shall terminate when Awardee loses status as an Awardee Eligible to Vest except where such status is lost due to the occurrence of certain events as set forth in the Plan For example if status as an Awardee Eligible to Vest is lost because of death, retirement due to age or permanent and total disability the vesting of unvested Awards will accelerate

All rights of the Awardee in this Option, to the extent that it has vested but has not been exercised, shall terminate on the earlier of the expiration date or three (3) months after the Awardee loses status as an Awardee Eligible to Vest, except where the Awardee loses such status because of death, retirement due to age or permanent and total disability In the event of the Awardee s death, his or her legal representative or designated beneficiary shall have the right to exercise all or a portion of the Awardee's right under this Option The representative or designee must exercise the Option before the earlier of the expiration date or one (1) year after the death of the Awardee and shall be bound by the provisions of the Plan In case of retirement due to age or permanent and total disability, the Awardee retains rights in this Option until the earlier of the expiration date or three (3) years from the date thereof

8 The Awardee shall remit to the Company payment for all applicable withholding taxes and required social security contributions at the time the Awardee exercises any portion of this Option

9 By accepting the grant of this Option Awardee acknowledges and agrees that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of an option is a one-time benefit which does not create any contractual or other right to receive future grants of options or benefits in lieu of options, (iii) all determinations with respect to any

GRANT CHINA

Award Rejection

(Sign and send this only if you wish to reject your Award)

I do not want to receive this Award and hereby reject it

Awardee
FIRST_NM LAST_NM
EMPL_NR

Please fax all pages to Shareholder Records, fax number (650) 752-5734 or (650) 752-5741

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT Brazil (hc)

Exhibit 10.31

AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT FOR CHINA

THIS AGREEMENT, dated as of the date of grant indicated in your Smith Barney account the ("Grant Date") between Agilent Technologies Inc , a Delaware corporation (the 'Company") and you as an individual who has been granted a stock option pursuant to the Agilent Technologies Inc 1999 Stock Plan (the Awardee") is entered into as follows

WITNESSETH

WHEREAS, the Company has established the Agilent Technologies Inc 1999 Stock Plan as amended and restated effective November 18 2003 (the Plan"), and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the Prospectus ') A copy of the Prospectus is available at http //stockoptions corporate agilent com and also on your Smith Barney website A copy of the Plan document can be viewed at http //stockoptions corporate agilent com and will also be made available upon request and

WHEREAS the Compensation Committee of the Board of Directors of the Company (the Committee ') or its authorized delegate(s) determined that the Awardee shall be granted an option under the Plan as hereinafter set forth,

NOW THEREFORE the parties hereby agree that the Company grants the Awardee an option (Option") relating to the number of shares of the Company's $0 01 par value voting common stock indicated in the Awardee s Smith Barney account

1 This Option is granted under and pursuant to the Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan shall prevail

2. The Option price shall be equal to the Fair Market Value (as defined in the Plan document) of the underlying shares on the Grant Date The Option price for this grant is indicated in the Awardee s Smith Barney account

3 This Option is not transferable by the Awardee except by will or the laws of descent and distribution During the Awardee s lifetime, only the Awardee can exercise this Option This Option may not be transferred assigned, pledged or hypothecated by the Awardee during his or her lifetime whether by operation of law or otherwise, and is not subject to execution, attachment or similar process

such future grants including but not limited to the times when options shall be granted the maximum number of shares subject to each option and the option price will be at the sole discretion of the Company (iv) participation in the Plan is voluntary, (v) the value of the option is outside the scope of Awardee s employment contract, if any (vi) the value of the option is not part of normal or expected compensation for purposes of calculating any severance resignation, redundancy end of service payments, bonuses long service awards, pension or retirement benefits or similar payments (vii) the vesting of any Option ceases upon termination of employment with the Company or transfer of employment from the Company or other cessation of eligibility to vest for any reason, except as may otherwise be explicitly provided in the Plan document or this Agreement (viii) if the underlying stock does not increase in value this Option will have no value nor does the Company guarantee any future value (ix) no claim or entitlement to compensation or damages arises if the Option does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

10 For the exclusive purpose of implementing administering and managing Awardee s stock options, Awardee consents to the collection, receipt, use, retention and transfer in electronic or other form, of his or her personal data by and among the Company its subsidiaries, affiliates and third party vendors Awardee understands that personal data, including but not limited to name home address telephone number employee number employment status social security number tax identification number job and payroll location, data for tax withholding purposes and shares of stocks awarded, cancelled, exercised, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of Awardee s stock options and Awardee expressly authorizes such transfer as well as the retention, use and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee s country or elsewhere and that the recipient s country may have different data privacy laws and protections than Awardee s country Awardee understands that data will be held only as long as is necessary to implement, administer and manage Awardee s stock option Awardee understands that he or she may at any time, request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company s legal department representative Awardee understands however that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee s refusal to consent or withdrawal of consent Awardee may contact the Company s local legal department representative

11 The Plan is incorporated herein by reference The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof, and may not be modified adversely to the Awardee s interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws but not the choice of law rules of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California

12 Neither the Plan nor this Award Agreement nor any provision under either shall be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries and it is expressly agreed and understood that employment is terminable at the will of either party

13 By accepting the grant of this Option evidenced hereby the Awardee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Award Agreement Awardee has reviewed the Prospectus and this Award Agreement in their entirety has had an opportunity to obtain the advice of counsel prior to accepting the Option and fully understands all provisions of the Prospectus and Award Agreement Awardee agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement

14 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company and that the Awardee s local employer is not a party to this Award Agreement

15 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

16 The Awardee acknowledges that by clicking on the Accept button on the screen titled Step 3 Confirm the Review/Acceptance of your Award, the Awardee agrees to be bound by the electronic execution of this Award Agreement

Agilent Technologies, Inc.
By

Edward W Barnholt
Chairman, President and Chief
Executive Officer

By

D Craig Nordlund
Senior Vice President General Counsel
and Secretary

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT CHINA

Exhibit 10 32

AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT FOR FRANCE

THIS AGREEMENT dated (Grant Date ') between Agilent Technologies Inc a Delaware corporation (the "Company") and , (the Awardee'), is entered into as follows

WITNESSETH

WHEREAS the Company has established the Agilent Technologies Inc 1999 Stock Plan as amended and restated effective November 18, 2003 (the Plan"), and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the Prospectus) A copy of the Prospectus is available at http //stockoptions corporate agilent com and also on your Smith Barney website A copy of the Plan document can be viewed at http //stockoptions corporate agilent com and will also be made available upon request, and

WHEREAS the Compensation Committee of the Board of Directors of the Company (the "Committee") or its authorized delegate(s) adopted the Agilent Technologies Inc 1999 Stock Option Plan for French Employees (the Sub-Plan") as amended and restated September 2001 for the purpose of granting options to employees in France A copy of the Sub-Plan is available at http //stockoptions corporate agilent com and also on your Smith Barney website and

WHEREAS the Committee determined that the Awardee shall be granted an option under the Plan and Sub Plan as hereinafter set forth

NOW THEREFORE the parties hereby agree that the Company grants the Awardee an option (Option") to purchase shares of the Company s $0 01 par value voting Common Stock upon the terms and conditions set forth herein

1 This Option is granted under and pursuant to the Plan and Sub-Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and Sub Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan and Sub-Plan shall prevail

2. The Option price shall be _per share

3 This Option is not transferable by the Awardee except by will or the laws of descent and distribution During the Awardee s lifetime only the Awardee can exercise this Option This Option may not be transferred assigned pledged or hypothecated by the Awardee during his or her lifetime whether by operation of law or otherwise and is not subject to execution attachment or similar process

4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan and the Sub-Plan and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan, this Option will vest in whole or in part in accordance with the following vesting schedule **100% per year after 4 years**

The Committee may in its sole discretion reduce the vesting period in accordance with future changes in French tax law if any An Awardee loses status as an Awardee Eligible to Vest when certain events occur including but not limited to termination of employment with the Company or transfer of employment from the Company

5 This Option will expire ten (10) years from the Grant Date unless sooner terminated forfeited or canceled in accordance with the provisions of the Plan and the Sub Plan This means that the Option must be exercised, if at all on or before

The Awardee is responsible for keeping track of this date and will not receive any prior notification of the expiration date from the Company

6 As set forth in the Prospectus, this Option may be accepted by signing this Award Agreement and returning it to the Company The Awardee s shares will not be exercisable until the Company receives this signed Award Agreement

In addition, Smith Barney must receive an executed authorization form accompanied by payment of the full Option price for the underlying shares including applicable taxes Payment may be in cash or shares of the Company s Common Stock or a combination thereof provided however that any payment in shares shall be in strict compliance with all procedural rules established by the Committee or its authorized delegate(s) In some instances the Committee or its authorized delegate(s) may also permit payment using a cashless method of exercise The Company reserves the right to limit availability of certain methods of exercise as it deems necessary

7 All rights of the Awardee in this Option to the extent that it has not vested, shall terminate when Awardee loses status as an Awardee Eligible to Vest, except where such status is lost due to the occurrence of certain events as set forth in the Plan For example if status as an Awardee Eligible to Vest is lost because of death, retirement due to age or permanent and total disability the vesting of unvested Awards will accelerate

All rights of the Awardee in this Option to the extent that it has vested but has not been exercised shall terminate on the earlier of the expiration date or three (3) months after the Awardee loses status as an Awardee Eligible to Vest except where the Awardee loses such status because of death retirement due to age or permanent and total disability In the event of the Awardee s death his or her legal representative or designated beneficiary shall have the right to exercise all or a portion of the Awardee s right under this Option The representative or designee must exercise the Option before the earlier of the expiration date or one (1) year after the death of the Awardee and shall be bound by the provisions of the Plan In case of retirement due to age or

permanent and total disability the Awardee retains rights in this Option until the earlier of the expiration date or three (3) years from the date thereof

8 The Awardee shall remit to the Company payment for all applicable withholding taxes and required social security contributions at the time the Awardee exercises any portion of this Option

9 By accepting the grant of this Option Awardee acknowledges and agrees that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time, (ii) the grant of an option is a one time benefit which does not create any contractual or other right to receive future grants of options or benefits in lieu of options (iii) all determinations with respect to any such future grants, including, but not limited to, the times when options shall be granted, the maximum number of shares subject to each option and the option price will be at the sole discretion of the Company (iv) participation in the Plan is voluntary (v) the value of the option is outside the scope of Awardee's employment contract if any (vi) the value of the option is not part of normal or expected compensation for purposes of calculating any severance resignation, redundancy, end of service payments bonuses, long service awards pension or retirement benefits or similar payments (vii) the vesting of any Option ceases upon termination of employment with the Company or transfer of employment from the Company or other cessation of eligibility to vest for any reason except as may otherwise be explicitly provided in the Plan document or this Agreement (viii) if the underlying stock does not increase in value, this Option will have no value nor does the Company guarantee any future value (ix) no claim or entitlement to compensation or damages arises if the Option does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

10 For the exclusive purpose of implementing administering and managing Awardee s stock options, Awardee consents to the collection, receipt, use retention and transfer, in electronic or other form of his or her personal data by and among the Company, its subsidiaries affiliates and third party vendors Awardee understands that personal data, including but not limited to name home address telephone number employee number employment status social security number tax identification number job and payroll location, data for tax withholding purposes and shares of stocks awarded, cancelled, exercised, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of Awardee s stock options and Awardee expressly authorizes such transfer as well as the retention, use and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee s country or elsewhere and that the recipient s country may have different data privacy laws and protections than Awardee s country Awardee understands that data will be held only as long as is necessary to implement, administer and manage Awardee s stock option Awardee understands that he or she may, at any time request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost by contacting in writing the Company's legal department representative Awardee understands however, that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee s refusal to consent or withdrawal of consent, Awardee may contact the Company s local legal department representative

11 The Plan and Sub-Plan are incorporated herein by reference The Plan Sub-Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof and may not be modified adversely to the Awardee s interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws, but not the choice of law rules of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California

12 Neither the Plan the Sub-Plan nor this Award Agreement nor any provision under these documents, shall be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries, and it is expressly agreed and understood that employment is terminable at the will of either party

13 By accepting the grant of this Option evidenced hereby the Awardee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan Sub Plan and this Award Agreement Awardee has reviewed the Prospectus and this Award Agreement in their entirety has had an opportunity to obtain the advice of counsel prior to accepting the Option and fully understands all provisions of the Prospectus and Award Agreement Awardee agrees to accept as binding conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan, Sub Plan and Award Agreement

14 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company and that the Awardee's local employer is not a party to this Award Agreement

15 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

16 The Awardee acknowledges that he or she must sign and return this Award Agreement in order for it to be effective

Awardee
FIRST_NM LAST_NM
EMPL_NR

Agilent Technologies, Inc.
By

Edward W Barnholt
Chairman, President and Chief Executive Officer

Please fax all pages to Shareholder Records,
fax number (650) 752-5734 or (650) 752-5741

By

D Craig Nordlund
Senior Vice President General Counsel and Secretary

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

Award Rejection

(Sign and send this only if you wish to reject your Award)

I do not want to receive this Award and hereby reject it

Awardee
FIRST_NM LAST_NM
EMPL_NR

Please fax all pages to Shareholder Records, fax number (650) 752-5734 or (650) 752-5741

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT France (hc)

Exhibit 10 33

AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT FOR GERMANY

THIS AGREEMENT, dated ("Grant Date") between Agilent Technologies, Inc., a Delaware corporation (the "Company"), and (the Awardee") is entered into as follows

WITNESSETH

WHEREAS the Company has established the Agilent Technologies Inc 1999 Stock Plan, as amended and restated effective November 18 2003 (the Plan") and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the Prospectus") A copy of the Prospectus is available at http //stockoptions corporate agilent com and also on your Smith Barney website A copy of the Plan document can be viewed at http //stockoptions corporate agilent com and will also be made available upon request and

WHEREAS the Compensation Committee of the Board of Directors of the Company (the "Committee") or its authorized delegate(s) determined that the Awardee shall be granted an option under the Plan as hereinafter set forth,

NOW THEREFORE, the parties hereby agree that the Company grants the Awardee an option (Option") to purchase _shares of the Company's $0 01 par value voting Common Stock upon the terms and conditions set forth herein

1 This Option is granted under and pursuant to the Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan shall prevail

2. The Option price shall be equal to the Fair Market Value (as defined in the Plan document) of the underlying shares on the Grant Date The Option price shall be per share

3 This Option is not transferable by the Awardee except by will or the laws of descent and distribution During the Awardee s lifetime only the Awardee can exercise this Option This Option may not be transferred assigned pledged or hypothecated by the Awardee during his or her lifetime whether by operation of law or otherwise and is not subject to execution, attachment or similar process

4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan this Option will vest in whole or in part in accordance with the following vesting schedule

An Awardee loses status as an Awardee Eligible to Vest when certain events occur including but not limited to termination of employment with the Company or transfer of employment from the Company

5. This Option will expire ten (10) years from the Grant Date unless sooner terminated forfeited, or canceled in accordance with the provisions of the Plan This means that the Option must be exercised, if at all on or before _____

The Awardee is responsible for keeping track of this date and will not receive any prior notification of the expiration date from the Company

6 As set forth in the Prospectus, this Option may be accepted by signing this Award Agreement and returning it to the Company The Awardee s shares will not be exercisable until the Company receives this signed Award Agreement

In addition, Smith Barney must receive an executed authorization form accompanied by payment of the full Option price for the underlying shares, including applicable taxes Payment may be in cash or shares of the Company s Common Stock or a combination thereof, provided, however, that any payment in shares shall be in strict compliance with all procedural rules established by the Committee or its authorized delegate(s) In some instances, the Committee or its authorized delegate(s) may also permit payment using a cashless method of exercise The Company reserves the right to limit availability of certain methods of exercise as it deems necessary

7 All rights of the Awardee in this Option to the extent that it has not vested, shall terminate when Awardee loses status as an Awardee Eligible to Vest, except where such status is lost due to the occurrence of certain events as set forth in the Plan For example if status as an Awardee Eligible to Vest is lost because of death, retirement due to age or permanent and total disability the vesting of unvested Awards will accelerate

All rights of the Awardee in this Option, to the extent that it has vested but has not been exercised, shall terminate on the earlier of the expiration date or three (3) months after the Awardee loses status as an Awardee Eligible to Vest, except where the Awardee loses such status because of death, retirement due to age or permanent and total disability In the event of the Awardee s death his or her legal representative or designated beneficiary shall have the right to exercise all or a portion of the Awardee's right under this Option The representative or designee must exercise the Option before the earlier of the expiration date or one (1) year after the death of the Awardee and shall be bound by the provisions of the Plan In case of retirement due to age or permanent and total disability the Awardee retains rights in this Option until the earlier of the expiration date or three (3) years from the date thereof

8 The Awardee shall remit to the Company payment for all applicable withholding taxes and required social security contributions at the time the Awardee exercises any portion of this Option.

GRANT Germany (hc)

9 By accepting the grant of this Option Awardee acknowledges and agrees that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of an option is a one-time benefit which does not create any contractual or other right to receive future grants of options, or benefits in lieu of options (iii) all determinations with respect to any such future grants, including, but not limited to the times when options shall be granted, the maximum number of shares subject to each option and the option price will be at the sole discretion of the Company (iv) participation in the Plan is voluntary, (v) the value of the option is outside the scope of Awardee s employment contract if any (vi) the value of the option is not part of normal or expected compensation for purposes of calculating any severance resignation, redundancy end of service payments bonuses long service awards pension or retirement benefits or similar payments (vii) the vesting of any Option ceases upon termination of employment with the Company or transfer of employment from the Company or other cessation of eligibility to vest for any reason, except as may otherwise be explicitly provided in the Plan document or this Agreement, (viii) if the underlying stock does not increase in value this Option will have no value nor does the Company guarantee any future value (ix) no claim or entitlement to compensation or damages arises if the Option does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

10 For the exclusive purpose of implementing administering and managing Awardee s stock options, Awardee consents to the collection, receipt, use retention and transfer in electronic or other form, of his or her personal data by and among the Company its subsidiaries affiliates and third party vendors Awardee understands that personal data, including but not limited to name, home address, telephone number, employee number, employment status social security number, tax identification number job and payroll location, data for tax withholding purposes and shares of stocks awarded, cancelled, exercised, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of Awardee s stock options and Awardee expressly authorizes such transfer as well as the retention, use and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee s country or elsewhere and that the recipient s country may have different data privacy laws and protections than Awardee s country Awardee understands that data will be held only as long as is necessary to implement administer and manage Awardee s stock option Awardee understands that he or she may at any time request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company s legal department representative Awardee understands, however that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee s refusal to consent or withdrawal of consent, Awardee may contact the Company's local legal department representative

11 The Plan is incorporated herein by reference The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof and may not be modified adversely to the Awardee s interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws, but not the choice of law rules of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California.

12 Neither the Plan nor this Award Agreement nor any provision under either shall be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries, and it is expressly agreed and understood that employment is terminable at the will of either party

13 By accepting the grant of this Option evidenced hereby the Awardee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Award Agreement Awardee has reviewed the Prospectus and this Award Agreement in their entirety has had an opportunity to obtain the advice of counsel prior to accepting the Option and fully understands all provisions of the Prospectus and Award Agreement Awardee agrees to accept as binding conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement

14 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company and that the Awardee s local employer is not a party to this Award Agreement

15 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

16 The Awardee acknowledges that he or she must sign and return this Award Agreement in order for it to be effective

Awardee	**Agilent Technologies, Inc.**
	B
	y
FIRST_NM LAST_NM	Edward W Barnholt
EMPL_NR	Chairman, President and Chief Executive Officer
	B
	y
	D Craig Nordlund
	Senior Vice President General Counsel and Secretary

Cross-border payments in excess of EUR 12,500 must be reported monthly to a State Central Bank ("Deutsche Bundesbank") If you use a German commercial bank to effect a cross-border payment in excess of EUR 12,500 in connection with the purchase or sale of securities, the bank will make the report for you

Please fax all pages to Shareholder Records, fax number (650) 752-5734 or (650) 752-5741

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT Germany (hc)

Award Rejection

(Sign and send this only if you wish to reject your Award)

I do not want to receive this Award and hereby reject it

Awardee
FIRST_NM LAST_NM
EMPL_NR

Please fax all pages to Shareholder Records, fax number (650) 752-5734 or (650) 752-5741

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT Germany (hc)

Exhibit 10 34

AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT FOR INDIA

THIS AGREEMENT dated as of the date of grant indicated in your Smith Barney account the ("Grant Date ") between Agilent Technologies Inc a Delaware corporation (the "Company") and you as an individual who has been granted a stock option pursuant to the Agilent Technologies Inc 1999 Stock Plan (the Awardee") is entered into as follows

WITNESSETH.

WHEREAS the Company has established the Agilent Technologies Inc 1999 Stock Plan, as amended and restated effective November 18 2003 (the "Plan) and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the Prospectus') A copy of the Prospectus is available at http //stockoptions corporate agilent com and also on your Smith Barney website A copy of the Plan document can be viewed at http //stockoptions corporate agilent com and will also be made available upon request and

WHEREAS the Compensation Committee of the Board of Directors of the Company (the "Committee") adopted the Agilent Technologies Inc India Cashless Stock Option Sub Plan (the Sub-Plan") for the purpose of granting options in India, and

WHEREAS the Committee or its authorized delegate(s) determined that the Awardee shall be granted an option under the Plan and Sub-Plan as hereinafter set forth

NOW THEREFORE, the parties hereby agree that the Company grants the Awardee an option ("Option") to purchase the number of shares of the Company s $0 01 par value voting common stock indicated in the Awardee s Smith Barney account

1 This Option is granted under and pursuant to the Plan and Sub-Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and Sub-Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan and Sub-Plan shall prevail

2. The Option price shall be equal to the Fair Market Value (as defined in the Plan document) of the underlying shares on the Grant Date The Option price for this grant is indicated in the Awardee s Smith Barney account

3 This Option is not transferable by the Awardee except by will or the laws of descent and distribution During the Awardee s lifetime only the Awardee can exercise this Option This Option may not be transferred assigned, pledged or hypothecated by the Awardee during his or her lifetime whether by operation of law or otherwise and is not subject to execution attachment or similar process

4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan this Option will vest in whole or in part in accordance with the following vesting schedule

An Awardee loses status as an Awardee Eligible to Vest when certain events occur including but not limited to termination of employment with the Company or transfer of employment from the Company

5 This Option will expire ten (10) years from the Grant Date, unless sooner terminated forfeited, or canceled in accordance with the provisions of the Plan This means that the Option must be exercised if at all, on or before the expiration date This expiration date is indicated in the Awardee's Smith Barney account The Awardee is responsible for keeping track of this date and will not receive any prior notification of the expiration date from the Company

6 Notwithstanding the information on the exercise methods set forth in the Prospectus the cash exercise method is not available in India This Option may only be exercised using the cashless method The Option may be exercised by contacting Smith Barney and following the procedures established by Smith Barney The Awardee will receive his or her proceeds in cash only

7 All rights of the Awardee in this Option to the extent that it has not vested, shall terminate when Awardee loses status as an Awardee Eligible to Vest, except where such status is lost due to the occurrence of certain events as set forth in the Plan For example, if status as an Awardee Eligible to Vest is lost because of death retirement due to age or permanent and total disability the vesting of unvested Awards will accelerate

All rights of the Awardee in this Option, to the extent that it has vested but has not been exercised, shall terminate on the earlier of the expiration date or three (3) months after the Awardee loses status as an Awardee Eligible to Vest, except where the Awardee loses such status because of death, retirement due to age or permanent and total disability In the event of the Awardee's death his or her legal representative or designated beneficiary shall have the right to exercise all or a portion of the Awardee's right under this Option The representative or designee must exercise the Option before the earlier of the expiration date or one (1) year after the death of the Awardee, and shall be bound by the provisions of the Plan In case of retirement due to age or permanent and total disability the Awardee retains rights in this Option until the earlier of the expiration date or three (3) years from the date thereof

8 The Awardee shall remit to the Company payment for all applicable withholding taxes and required social security contributions at the time the Awardee exercises any portion of this Option.

(GRANT INDIA)

9 By accepting the grant of this Option Awardee acknowledges and agrees that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of an option is a one time benefit which does not create any contractual or other right to receive future grants of options or benefits in lieu of options (iii) all determinations with respect to any such future grants, including, but not limited to the times when options shall be granted, the maximum number of shares subject to each option and the option price, will be at the sole discretion of the Company (iv) participation in the Plan is voluntary (v) the value of the option is outside the scope of Awardee s employment contract if any (vi) the value of the option is not part of normal or expected compensation for purposes of calculating any severance, resignation redundancy end of service payments bonuses long service awards pension or retirement benefits or similar payments (vii) the vesting of any Option ceases upon termination of employment with the Company or transfer of employment from the Company, or other cessation of eligibility to vest for any reason except as may otherwise be explicitly provided in the Plan document or this Agreement (viii) if the underlying stock does not increase in value this Option will have no value, nor does the Company guarantee any future value (ix) no claim or entitlement to compensation or damages arises if the Option does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

10 For the exclusive purpose of implementing administering and managing Awardee s stock options, Awardee consents to the collection, receipt, use retention and transfer in electronic or other form, of his or her personal data by and among the Company its subsidiaries affiliates and third party vendors Awardee understands that personal data, including but not limited to name home address telephone number employee number employment status social security number tax identification number job and payroll location, data for tax withholding purposes and shares of stocks awarded, cancelled, exercised vested and unvested) may be transferred to third parties assisting in the implementation administration and management of Awardee s stock options and Awardee expressly authorizes such transfer as well as the retention use, and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee s country or elsewhere and that the recipient s country may have different data privacy laws and protections than Awardee's country Awardee understands that data will be held only as long as is necessary to implement, administer and manage Awardee s stock option Awardee understands that he or she may, at any time, request a list with the names and addresses of any potential recipients of the personal data, view data request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost by contacting in writing the Company's legal department representative Awardee understands however that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee's refusal to consent or withdrawal of consent, Awardee may contact the Company s local legal department representative

11 The Plan and Sub-Plan are incorporated herein by reference The Plan, the Sub-Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof, and may not be modified adversely to the Awardee s interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws, but not the choice of law rules of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California

12 The Plan the Sub-Plan or this Award Agreement or any provision under any of these documents, shall not be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries, and it is expressly agreed and understood that employment is terminable at the will of either party

13 By accepting the grant of this Option evidenced hereby the Awardee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan, the Sub-Plan and this Award Agreement Awardee has reviewed the Prospectus and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to accepting the Option and fully understands all provisions of the Prospectus and Award Agreement Awardee agrees to accept as binding conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan the Sub-Plan and the Award Agreement

14 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company, and that the Awardee s local employer is not a party to this Award Agreement

15 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

16 The Awardee acknowledges that by clicking on the "Accept button on the screen titled 'Step 3 Confirm the Review/Acceptance of your Award," the Awardee agrees to be bound by the electronic execution of this Award Agreement

Agilent Technologies, Inc.
By
Edward W Barnholt
Chairman, President and Chief
Executive Officer
By
D Craig Nordlund
Senior Vice President, General Counsel
and Secretary

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT INDIA

Exhibit 10 35

AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT FOR ITALY

THIS AGREEMENT, dated ('Grant Date") between Agilent Technologies, Inc , a Delaware corporation (the 'Company") and the "Awardee") is entered into as follows

WITNESSETH

WHEREAS, the Company has established the Agilent Technologies, Inc 1999 Stock Plan, as amended and restated effective November 18 2003 (the Plan"), and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the Prospectus ') A copy of the Prospectus is available at http //stockoptions corporate agilent com and also on your Smith Barney website A copy of the Plan document can be viewed at http //stockoptions corporate agilent com and will also be made available upon request and

WHEREAS the Compensation Committee of the Board of Directors of the Company (the Committee ') or its authorized delegate(s) determined that the Awardee shall be granted an option under the Plan as hereinafter set forth

NOW THEREFORE the parties hereby agree that the Company grants the Awardee an option ("Option") to purchase shares of the Company's $0 01 par value voting Common Stock upon the terms and conditions set forth herein.

1 This Option is granted under and pursuant to the Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan shall prevail

2. The Option price shall be equal to the higher of (i) the average of the official stock exchange price over the month preceding the grant date (i e the average price during the period ending on the day of the grant of the options to the employees and starting on the same day of the preceding calendar month) or (ii) the _per share

3 This Option is not transferable by the Awardee except by will or the laws of descent and distribution During the Awardee's lifetime only the Awardee can exercise this Option This Option may not be transferred assigned pledged or hypothecated by the Awardee during his or her lifetime, whether by operation of law or otherwise and is not subject to execution, attachment or similar process

4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan this Option will vest in whole or in part in accordance with the following vesting schedule

An Awardee loses status as an Awardee Eligible to Vest when certain events occur, including but not limited to termination of employment with the Company or transfer of employment from the Company

5 This Option will expire ten (10) years from the Grant Date unless sooner terminated, forfeited, or canceled in accordance with the provisions of the Plan This means that the Option must be exercised, if at all on or before

The Awardee is responsible for keeping track of this date and will not receive any prior notification of the expiration date from the Company

6 As set forth in the Prospectus, this Option may be accepted by signing this Award Agreement and returning it to the Company The Awardee's shares will not be exercisable until the Company receives this signed Award Agreement

Notwithstanding the information on the exercise methods set forth in the Prospectus the cash exercise method is not available in Italy The Awardee must contact Smith Barney and request a cashless method of exercise The Awardee will receive his or her proceeds in cash only

7 All rights of the Awardee in this Option to the extent that it has not vested, shall terminate when Awardee loses status as an Awardee Eligible to Vest, except where such status is lost due to the occurrence of certain events as set forth in the Plan For example, if status as an Awardee Eligible to Vest is lost because of death, retirement due to age or permanent and total disability the vesting of unvested Awards will accelerate

All rights of the Awardee in this Option to the extent that it has vested but has not been exercised shall terminate on the earlier of the expiration date or three (3) months after the Awardee loses status as an Awardee Eligible to Vest except where the Awardee loses such status because of death, retirement due to age or permanent and total disability In the event of the Awardee s death his or her legal representative or designated beneficiary shall have the right to exercise all or a portion of the Awardee s right under this Option The representative or designee must exercise the Option before the earlier of the expiration date or one (1) year after the death of the Awardee, and shall be bound by the provisions of the Plan In case of retirement due to age or permanent and total disability the Awardee retains rights in this Option until the earlier of the expiration date or three (3) years from the date thereof

8 The Awardee shall remit to the Company payment for all applicable withholding taxes and required social security contributions at the time the Awardee exercises any portion of this Option

9 By accepting the grant of this Option Awardee acknowledges and agrees that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of an option is a one-time benefit which does not create any contractual or other right to receive future grants of options or benefits in lieu of options (iii) all determinations with respect to any such future grants, including, but not limited to the times when options shall be granted, the maximum number of shares subject to each option and the option price, will be at the sole discretion of the Company, (iv) participation in the Plan is voluntary (v) the value of the option is outside the scope of Awardee s employment contract if any (vi) the value of the option is not part of normal or expected compensation for purposes of calculating any severance resignation redundancy end of service payments bonuses long service awards pension or retirement benefits or similar payments (vii) the vesting of any Option ceases upon termination of employment with the Company or transfer of employment from the Company or other cessation of eligibility to vest for any reason, except as may otherwise be explicitly provided in the Plan document or this Agreement (viii) if the underlying stock does not increase in value this Option will have no value nor does the Company guarantee any future value, (ix) no claim or entitlement to compensation or damages arises if the Option does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

10 For the exclusive purpose of implementing administering and managing Awardee's stock options, Awardee consents to the collection receipt, use, retention and transfer in electronic or other form, of his or her personal data by and among the Company, its subsidiaries, affiliates and third party vendors Awardee understands that personal data, including but not limited to, name home address, telephone number, employee number employment status social security number tax identification number, job and payroll location, data for tax withholding purposes and shares of stocks awarded, cancelled, exercised, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of Awardee s stock options and Awardee expressly authorizes such transfer as well as the retention, use and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee s country or elsewhere and that the recipient s country may have different data privacy laws and protections than Awardee s country Awardee understands that data will be held only as long as is necessary to implement, administer and manage Awardee s stock option Awardee understands that he or she may at any time request a list with the names and addresses of any potential recipients of the personal data, view data request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company s legal department representative Awardee understands, however that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee's refusal to consent or withdrawal of consent, Awardee may contact the Company s local legal department representative

11 The Plan is incorporated herein by reference The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof and may not be modified adversely to the Awardee s interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws but not the choice of law rules of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California.

12 Neither the Plan nor this Award Agreement nor any provision under either shall be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries, and it is expressly agreed and understood that employment is terminable at the will of either party

13 By accepting the grant of this Option evidenced hereby, the Awardee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Award Agreement Awardee has reviewed the Prospectus and this Award Agreement in their entirety has had an opportunity to obtain the advice of counsel prior to accepting the Option and fully understands all provisions of the Prospectus and Award Agreement Awardee agrees to accept as binding conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement

14 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company, and that the Awardee s local employer is not a party to this Award Agreement

15 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

16 The Awardee acknowledges that he or she must sign and return this Award Agreement in order for it to be effective

Awardee

FIRST _ NM LAST_NM
EMPL _ NR

Agilent Technologies, Inc.

By

Edward W Barnholt
Chairman, President and Chief Executive Officer

By

D Craig Nordlund
Senior Vice President, General Counsel and Secretary

Please fax all pages to Shareholder Records, fax number (650) 752-5734 or (650) 752-5741

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

Award Rejection

(Sign and send this only if you wish to reject your Award)

I do not want to receive this Award and hereby reject it

Awardee
FIRST_NM LAST_NM
EMPL_NR

Please fax all pages to Shareholder Records, fax number (650) 752-5734 or (650) 752-5741

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT Italy (hc)

Exhibit 10 36

AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT FOR JAPAN

THIS AGREEMENT, dated as of the date of grant indicated in your Smith Barney account the ('Grant Date) between Agilent Technologies Inc a Delaware corporation (the 'Company ') and you as an individual who has been granted a stock option pursuant to the Agilent Technologies Inc 1999 Stock Plan (the Awardee") is entered into as follows

WITNESSETH

WHEREAS, the Company has established the Agilent Technologies Inc 1999 Stock Plan, as amended and restated effective November 18, 2003 (the "Plan"), and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the Prospectus") In addition country specific information is provided to you in the form of a Japanese Prospectus A copy of the Prospectus and the Japanese Prospectus is available at http //stockoptions corporate agilent com and also on your Smith Barney website A copy of the Plan document can be viewed at http://stockoptions corporate agilent com and will also be made available upon request and

WHEREAS the Japanese effective date is and

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the Committee) or its authorized delegate(s) determined that the Awardee shall be granted an option under the Plan as hereinafter set forth

NOW THEREFORE the parties hereby agree that the Company grants the Awardee an option ('Option") to purchase the number of shares of the Company s $0 01 par value voting common stock indicated in the Awardee s Smith Barney account

1 This Option is granted under and pursuant to the Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan shall prevail

2 The Option price shall be equal to the Fair Market Value (as defined in the Plan document) of the underlying shares on the Grant Date The Option price for this grant is indicated in the Awardee s Smith Barney account

3 This Option is not transferable by the Awardee except by will or the laws of descent and distribution During the Awardee s lifetime only the Awardee can exercise this Option This Option may not be transferred assigned, pledged or hypothecated by the Awardee during his or her lifetime whether by operation of law or otherwise and is not subject to execution attachment or similar process

4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan, this Option will vest in whole or in part in accordance with the following vesting schedule

An Awardee loses status as an Awardee Eligible to Vest when certain events occur including but not limited to termination of employment with the Company or transfer of employment from the Company

5 This Option will expire ten (10) years from the Grant Date unless sooner terminated forfeited, or canceled in accordance with the provisions of the Plan This means that the Option must be exercised if at all on or before the expiration date This expiration date is indicated in the Awardee s Smith Barney account The Awardee is responsible for keeping track of this date and will not receive any prior notification of the expiration date from the Company

6 As set forth in the Prospectus this Option may be exercised by following the steps indicated in the Awardee s Smith Barney account In addition, Smith Barney must receive an executed authorization form accompanied by payment of the full Option price for the underlying shares, including applicable taxes Payment may be in cash or shares of the Company's Common Stock or a combination thereof provided, however, that any payment in shares shall be in strict compliance with all procedural rules established by the Committee or its authorized delegate(s) In some instances, the Committee or its authorized delegate(s) may also permit payment using a cashless method of exercise The Company reserves the right to limit availability of certain methods of exercise as it deems necessary

7 All rights of the Awardee in this Option to the extent that it has not vested, shall terminate when Awardee loses status as an Awardee Eligible to Vest, except where such status is lost due to the occurrence of certain events as set forth in the Plan For example if status as an Awardee Eligible to Vest is lost because of death, retirement due to age or permanent and total disability the vesting of unvested Awards will accelerate

All rights of the Awardee in this Option, to the extent that it has vested but has not been exercised shall terminate on the earlier of the expiration date or three (3) months after the Awardee loses status as an Awardee Eligible to Vest except where the Awardee loses such status because of death, retirement due to age or permanent and total disability In the event of the Awardee s death, his or her legal representative or designated beneficiary shall have the right to exercise all or a portion of the Awardee s right under this Option The representative or designee must exercise the Option before the earlier of the expiration date or one (1) year after the death of the Awardee and shall be bound by the provisions of the Plan In case of retirement due to age or permanent and total disability, the Awardee retains rights in this Option until the earlier of the expiration date or three (3) years from the date thereof

GRANT JAPAN

8 The Awardee shall remit to the Company payment for all applicable withholding taxes and required social security contributions at the time the Awardee exercises any portion of this Option.

9 By accepting the grant of this Option, Awardee acknowledges and agrees that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of an option is a one-time benefit which does not create any contractual or other right to receive future grants of options, or benefits in lieu of options (iii) all determinations with respect to any such future grants including, but not limited to the times when options shall be granted, the maximum number of shares subject to each option and the option price will be at the sole discretion of the Company (iv) participation in the Plan is voluntary (v) the value of the option is outside the scope of Awardee's employment contract, if any, (vi) the value of the option is not part of normal or expected compensation for purposes of calculating any severance resignation, redundancy end of service payments bonuses, long-service awards pension or retirement benefits or similar payments (vii) the vesting of any Option ceases upon termination of employment with the Company or transfer of employment from the Company or other cessation of eligibility to vest for any reason, except as may otherwise be explicitly provided in the Plan document or this Agreement, (viii) if the underlying stock does not increase in value this Option will have no value nor does the Company guarantee any future value (ix) no claim or entitlement to compensation or damages arises if the Option does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

10 For the exclusive purpose of implementing administering and managing Awardee's stock options, Awardee consents to the collection, receipt, use retention and transfer in electronic or other form, of his or her personal data by and among the Company its subsidiaries affiliates and third party vendors Awardee understands that personal data, including but not limited to, name home address telephone number, employee number, employment status, social security number, tax identification number, job and payroll location, data for tax withholding purposes and shares of stocks awarded, cancelled, exercised, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of Awardee s stock options and Awardee expressly authorizes such transfer as well as the retention, use and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee s country or elsewhere and that the recipient's country may have different data privacy laws and protections than Awardee s country Awardee understands that data will be held only as long as is necessary to implement, administer and manage Awardee s stock option Awardee understands that he or she may at any time request a list with the names and addresses of any potential recipients of the personal data, view data request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company s legal department representative Awardee understands, however, that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee's refusal to consent or withdrawal of consent, Awardee may contact the Company's local legal department representative

11 The Plan is incorporated herein by reference The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof and may not be modified adversely to the Awardee s interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws, but not the choice of law rules, of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California

12 Neither the Plan nor this Award Agreement nor any provision under either shall be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries and it is expressly agreed and understood that employment is terminable at the will of either party

13 By accepting the grant of this Option evidenced hereby the Awardee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Award Agreement Awardee has reviewed the Prospectus and this Award Agreement in their entirety has had an opportunity to obtain the advice of counsel prior to accepting the Option and fully understands all provisions of the Prospectus and Award Agreement Awardee agrees to accept as binding conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement

14 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company and that the Awardee s local employer is not a party to this Award Agreement

15 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

16 The Awardee acknowledges that by clicking on the 'Accept' button on the screen titled 'Step 3 Confirm the Review/Acceptance of your Award," the Awardee agrees to be bound by the electronic execution of this Award Agreement

Agilent Technologies, Inc.
By
Edward W Barnholt
Chairman, President and Chief
Executive Officer
By
D Craig Nordlund
Senior Vice President, General Counsel
and Secretary

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT JAPAN

Exhibit 10.37

AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT FOR STOCK APPRECIATION RIGHTS

THIS AGREEMENT dated (Grant Date") between Agilent Technologies, Inc a Delaware corporation (the 'Company") and , (the "Awardee "), is entered into as follows

WITNESSETH

WHEREAS the Company has established the Agilent Technologies Inc 1999 Stock Plan, as amended and restated effective

November 18 2003 (the "Plan"), and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the Prospectus ') A copy of the Prospectus is available at http //stockoptions corporate agilent com and also on your Smith Barney website A copy of the Plan document can be viewed at http //stockoptions corporate agilent com and will also be made available upon request, and

WHEREAS the Compensation Committee of the Board of Directors of the Company (the Committee") or its authorized delegate(s) determined that the Awardee shall be granted a stock appreciation right ("SAR") under the Plan as hereinafter set forth

NOW THEREFORE the parties hereby agree that the Company grants the Awardee SAR(s) upon the terms and conditions set forth herein.

1 This SAR is granted under and pursuant to the Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement the terms and conditions of the Plan shall prevail

2 The exercise price shall be equal to the Fair Market Value (as defined in the Plan document) of the underlying shares on the Grant Date The exercise price shall be _per SAR.

3 This SAR is not transferable by the Awardee except by will or the laws of descent and distribution During the Awardee s lifetime only the Awardee can exercise this SAR This SAR may not be transferred, assigned, pledged or hypothecated by the Awardee during his or her lifetime whether by operation of law or otherwise and is not subject to execution, attachment or similar process.

4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan, and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan, this SAR will vest in whole or in part, in accordance with the following vesting schedule

An Awardee loses status as an Awardee Eligible to Vest when certain events occur including but not limited to termination of employment with the Company or transfer of employment from the Company

5 This SAR will expire ten (10) years from the Grant Date unless sooner terminated forfeited, or canceled in accordance with the provisions of the Plan. This means that the SAR must be exercised, if at all on or before

The Awardee is responsible for keeping track of this date and will not receive any prior notification of the expiration date from the Company

6 As set forth in the Prospectus this SAR may be accepted by signing this Award Agreement and returning it to the Company The Awardee s SAR will not be exercisable until the Company receives this signed Award Agreement

In addition, Smith Barney must receive an executed authorization form accompanied by payment of the full SAR price for the underlying shares including applicable taxes Upon exercise the Awardee will receive a cash payment equivalent to the appreciation in value if any of a fixed number of shares of Company common stock

7 All rights of the Awardee in this SAR to the extent that it has not vested, shall terminate when Awardee loses status as an Awardee Eligible to Vest, except where such status is lost due to the occurrence of certain events as set forth in the Plan For example if status as an Awardee Eligible to Vest is lost because of death, retirement due to age or permanent and total disability the vesting of unvested Awards will accelerate

All rights of the Awardee in this SAR, to the extent that it has vested but has not been exercised, shall terminate on the earlier of the expiration date or three (3) months after the Awardee loses status as an Awardee Eligible to Vest, except where the Awardee loses such status because of death retirement due to age or permanent and total disability In the event of the Awardee s death his or her legal representative or designated beneficiary shall have the right to exercise all or a portion of the Awardee s right under this SAR The representative or designee must exercise the SAR before the earlier of the expiration date or one (1) year after the death of the Awardee and shall be bound by the provisions of the Plan In case of retirement due to age or permanent and total disability the Awardee retains rights in this SAR until the earlier of the expiration date or three (3) years from the date thereof

8 The Awardee shall remit to the Company payment for all applicable withholding taxes and required social security contributions at the time the Awardee exercises any portion of this SAR.

9 By accepting the grant of this SAR, Awardee acknowledges and agrees that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of a SAR is a one time benefit which does not create any

contractual or other right to receive future grants of SARs, or benefits in lieu of SARs (iii) all determinations with respect to any such future grants, including, but not limited to the times when SARs shall be granted, the number of SARs and the exercise price will be at the sole discretion of the Company (iv) participation in the Plan is voluntary (v) the value of the SAR is outside the scope of Awardee's employment contract if any (vi) the SAR is not part of normal or expected compensation for purposes of calculating any severance resignation redundancy end of service payments bonuses, long service awards, pension or retirement benefits or similar payments (vii) the vesting of any SAR ceases upon termination of employment with the Company or transfer of employment from the Company or other cessation of eligibility to vest for any reason, except as may otherwise be explicitly provided in the Plan document or this Agreement (viii) if the underlying stock does not increase in value this SAR will have no value nor does the Company guarantee any future value, (ix) no claim or entitlement to compensation or damages arises if the SAR does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

10 For the exclusive purpose of implementing administering and managing Awardee's SARs, Awardee consents to the collection receipt use, retention and transfer in electronic or other form, of his or her personal data by and among the Company its subsidiaries affiliates and third party vendors Awardee understands that personal data, including but not limited to name home address, telephone number employee number employment status, social security number tax identification number job and payroll location data for tax withholding purposes and shares of stocks awarded, cancelled, exercised, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of Awardee s SARs and Awardee expressly authorizes such transfer as well as the retention, use, and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee s country or elsewhere and that the recipient s country may have different data privacy laws and protections than Awardee s country Awardee understands that data will be held only as long as is necessary to implement administer and manage Awardee s SAR. Awardee understands that he or she may at any time request a list with the names and addresses of any potential recipients of the personal data view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's legal department representative Awardee understands, however, that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee's refusal to consent or withdrawal of consent Awardee may contact the Company's local legal department representative

11 The Plan is incorporated herein by reference The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof, and may not be modified adversely to the Awardee s interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws but not the choice of law rules, of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California.

12. Neither the Plan nor this Award Agreement nor any provision under either shall be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries and it is expressly agreed and understood that employment is terminable at the will of either party

13 By accepting the grant of this SAR evidenced hereby the Awardee and the Company agree that this SAR is granted under and governed by the terms and conditions of the Plan and this Award Agreement Awardee has reviewed the Prospectus and this Award Agreement in their entirety has had an opportunity to obtain the advice of counsel prior to accepting the SAR and fully understands all provisions of the Prospectus and Award Agreement Awardee agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement

14 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company and that the Awardee s local employer is not a party to this Award Agreement

15 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

16 The Awardee acknowledges that he or she must sign and return this Award Agreement in order for it to be effective

Awardee

FIRST_NM LAST_NM
EMPL_NR

Agilent Technologies, Inc.

By

Edward W Barnholt
Chairman, President and Chief Executive Officer

By

D Craig Nordlund
Senior Vice President General Counsel and Secretary

Please fax all pages to Shareholder Records, fax number (650) 752-5734 or (650) 752-5741

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

Award Rejection

(Sign and send this only if you wish to reject your Award)

I do not want to receive this Award and hereby reject it

Awardee
FIRST_NM LAST_NM
EMPL_NR

Please fax all pages to Shareholder Records, fax number (650) 752-5734 or (650) 752-5741

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT SAR (hc)

Exhibit 10.38

AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT FOR SWITZERLAND

THIS AGREEMENT dated ("Grant Date") between Agilent Technologies, Inc a Delaware corporation (the "Company") and _____ (the Awardee "), is entered into as follows

WITNESSETH

WHEREAS, the Company has established the Agilent Technologies Inc 1999 Stock Plan as amended and restated effective November 18, 2003, (the Plan ") and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the Prospectus) A copy of the Prospectus is available at http //stockoptions corporate agilent com and also on your Smith Barney website A copy of the Plan document can be viewed at http //stockoptions corporate agilent com and will also be made available upon request and

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the Committee") or its authorized delegate(s) determined that the Awardee shall be granted an option under the Plan as hereinafter set forth

NOW THEREFORE the parties hereby agree that the Company grants the Awardee an option (Option ") to purchase shares of the Company's $0 01 par value voting Common Stock upon the terms and conditions set forth herein

1 This Option is granted under and pursuant to the Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement the terms and conditions of the Plan shall prevail

2 The Option price shall be equal to the Fair Market Value (as defined in the Plan document) of the underlying shares on the Grant Date The Option price shall be _per share

3 This Option is not transferable by the Awardee except by will or the laws of descent and distribution During the Awardee s lifetime only the Awardee can exercise this Option This Option may not be transferred assigned, pledged or hypothecated by the Awardee during his or her lifetime whether by operation of law or otherwise and is not subject to execution attachment or similar process

4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan, this Option will vest in whole or in part in accordance with the following vesting schedule

An Awardee loses status as an Awardee Eligible to Vest when certain events occur including but not limited to termination of employment with the Company or transfer of employment from the Company

5 This Option will expire ten (10) years and six (6) months from the Grant Date unless sooner terminated, forfeited or canceled in accordance with the provisions of the Plan This means that the Option must be exercised, if at all, on or before

The Awardee is responsible for keeping track of this date and will not receive any prior notification of the expiration date from the Company

6 As set forth in the Prospectus, this Option may be accepted by signing this Award Agreement and returning it to the Company The Awardee s shares will not be exercisable until the Company receives this signed Award Agreement

In addition, Smith Barney must receive an executed authorization form accompanied by payment of the full Option price for the underlying shares including applicable taxes Payment may be in cash or shares of the Company's Common Stock or a combination thereof provided however that any payment in shares shall be in strict compliance with all procedural rules established by the Committee or its authorized delegate(s) In some instances, the Committee or its authorized delegate(s) may also permit payment using a cashless method of exercise The Company reserves the right to limit availability of certain methods of exercise as it deems necessary

7 All rights of the Awardee in this Option, to the extent that it has not vested, shall terminate when Awardee loses status as an Awardee Eligible to Vest except where such status is lost due to the occurrence of certain events as set forth in the Plan For example if status as an Awardee Eligible to Vest is lost because of death retirement due to age or permanent and total disability, the vesting of unvested Awards will accelerate

All rights of the Awardee in this Option, to the extent that it has vested but has not been exercised, shall terminate on the earlier of the expiration date or three (3) months after the Awardee loses status as an Awardee Eligible to Vest, except where the Awardee loses such status because of death, retirement due to age or permanent and total disability In the event of the Awardee's death, his or her legal representative or designated beneficiary shall have the right to exercise all or a portion of the Awardee s right under this Option The representative or designee must exercise the Option before the earlier of the expiration date or one (1) year after the death of the Awardee and shall be bound by the provisions of the Plan In case of retirement due to age or permanent and total disability the Awardee retains rights in this Option until the earlier of the expiration date or three (3) years from the date thereof

GRANT SWITZERLAND (hc)

8 The Awardee shall remit to the Company payment for all applicable withholding taxes and required social security contributions at the time the Awardee exercises any portion of this Option

9 By accepting the grant of this Option, Awardee acknowledges and agrees that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of an option is a one time benefit which does not create any contractual or other right to receive future grants of options or benefits in lieu of options (iii) all determinations with respect to any such future grants including, but not limited to the times when options shall be granted, the maximum number of shares subject to each option and the option price will be at the sole discretion of the Company (iv) participation in the Plan is voluntary (v) the value of the option is outside the scope of Awardee's employment contract, if any, (vi) the value of the option is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments bonuses long-service awards pension or retirement benefits or similar payments (vii) the vesting of any Option ceases upon termination of employment with the Company or transfer of employment from the Company, or other cessation of eligibility to vest for any reason except as may otherwise be explicitly provided in the Plan document or this Agreement, (viii) if the underlying stock does not increase in value this Option will have no value nor does the Company guarantee any future value (ix) no claim or entitlement to compensation or damages arises if the Option does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

10 For the exclusive purpose of implementing administering and managing Awardee s stock options, Awardee consents to the collection receipt, use retention and transfer in electronic or other form of his or her personal data by and among the Company, its subsidiaries, affiliates and third party vendors Awardee understands that personal data, including but not limited to name home address telephone number employee number employment status social security number tax identification number job and payroll location, data for tax withholding purposes and shares of stocks awarded, cancelled, exercised, vested and unvested) may be transferred to third parties assisting in the implementation administration and management of Awardee s stock options and Awardee expressly authorizes such transfer as well as the retention, use, and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee s country or elsewhere and that the recipient s country may have different data privacy laws and protections than Awardee's country Awardee understands that data will be held only as long as is necessary to implement, administer and manage Awardee's stock option Awardee understands that he or she may at any time, request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost by contacting in writing the Company s legal department representative Awardee understands, however that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee s refusal to consent or withdrawal of consent, Awardee may contact the Company s local legal department representative

11 The Plan is incorporated herein by reference The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof and may not be modified adversely to the Awardee's interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws but not the choice of law rules of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California

12 Neither the Plan nor this Award Agreement nor any provision under either shall be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries and it is expressly agreed and understood that employment is terminable at the will of either party

13 By accepting the grant of this Option evidenced hereby, the Awardee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Award Agreement Awardee has reviewed the Prospectus and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to accepting the Option and fully understands all provisions of the Prospectus and Award Agreement Awardee agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement

14 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company and that the Awardee s local employer is not a party to this Award Agreement

15 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

16 The Awardee acknowledges that he or she must sign and return this Award Agreement in order for it to be effective

Awardee	**Agilent Technologies, Inc.**	
	By	
FIRST_NM LAST_NM		Edward W Barnholt
EMPL_NR		Chairman President and Chief Executive Officer
	By	
		D Craig Nordlund
		Senior Vice President General Counsel and Secretary

Please fax all pages to Shareholder Records, fax number (650) 752-5734 or (650) 752-5741

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT SWITZERLAND (hc)

Award Rejection

(Sign and send this only if you wish to reject your Award)

I do not want to receive this Award and hereby reject it

Awardee
FIRST_NM LAST_NM
EMPL_NR

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GRANT SWITZERLAND (he)

Exhibit 10 39

AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT (RESTRICTED STOCK)

THIS AGREEMENT dated , the ('Grant Date") between Agilent Technologies, Inc , a Delaware corporation (the "Company") and , employee number (the "Awardee") is entered into as follows

WITNESSETH

WHEREAS, the Company has established the Agilent Technologies, Inc 1999 Stock Plan, as amended and restated effective November 18, 2003 (the Plan') and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the 'Prospectus") A copy of the Prospectus is attached and is also available at http //stockoptions corporate agilent com A copy of the Plan document can be viewed at http //stockoptions corporate agilent com Both the Plan and the Plan prospectus will also be available upon request and

WHEREAS the Compensation Committee of the Board of Directors of the Company (the Committee) or its authorized delegate(s) determined that the Awardee shall be granted restricted stock under the Plan as hereinafter set forth

NOW THEREFORE the parties hereby agree that the Company grants the Awardee shares of the Company s $0 01 par value voting common stock (the 'Stock") subject to the restrictions stated below and in accordance with the terms and conditions of the Plan

1 This Stock is granted under and pursuant to the Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan shall prevail

2. The Stock or rights awarded hereunder may not be be transferred, assigned, pledged or hypothecated, whether by operation of law or otherwise and is not subject to execution attachment or similar process until the Stock becomes vested in accordance with the vesting schedule set forth below

3 The period of time between the date hereof and the date that the Stock becomes vested is referred to herein as the Restriction Period." If the Awardee s employment with the Company is terminated for any reason other than retirement due to age or permanent and total disability prior to the lapse of the Restriction Period, all unvested Stock granted hereunder shall be forfeited by the Awardee, and ownership transferred back to the Company

4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan the Stock will vest in whole or in part, and accordingly the Restriction Period will lapse in accordance with the following vesting schedule

An Awardee loses status as an Awardee Eligible to Vest when certain events occur including but not limited to termination of employment with the Company or transfer of employment from the Company

5 All rights of the Awardee in the Stock, to the extent that it has not vested and the Restriction Period has not lapsed, shall terminate when the Awardee loses status as an Awardee Eligible to Vest except where such status is lost due to retirement due to age or permanent and total disability

6 If the Awardee ceases to be an Awardee Eligible to Vest as a result of his retirement due to age in accordance with the Company's U S retirement policy or total and permanent disability the Stock shall continue to vest provided the following conditions are met

(Awardee shall not render services for any organization or engage directly or indirectly in any business, which in the opinion of the Plan Administrator, competes with or is in conflict with the interest of the Company
)

(Awardee shall not, without prior written authorization from the Company use in other than the Company's business, any i confidential information or material relating to the business of the Company either during or after employment with the i Company
)

(m Awardee shall disclose promptly and assign to the Company all right title and interest in any invention or idea, patentable or) not made or conceived by Awardee during employment by the Company relating in any manner to the actual or anticipated business research or development work of the Company and shall do anything reasonably necessary to enable the Company to secure a patent where appropriate in the United States and in foreign countries and

(Awardee shall render, as an independent contractor and not as an employee such advisory or consultative services to the i Company as shall be reasonably requested by the Company, consistent with the Awardee s health and any employment or other vactivities in which the Awardee may be engaged
)

GRANT (RESTRICTED STOCK)

7 All certificates representing any shares of Stock of the Company subject to the provisions of Award Agreement shall have endorsed thereon the following legend "The shares represented by this certificate are subject to an agreement between the Corporation and the registered holder a copy of which is on file at the principal office of the Corporation."

8. The certificates representing any shares of Stock of the Company subject to the provisions of this Award Agreement shall be held by the Company as Escrow Agent in this transaction Alternatively the Stock may be held in a restricted book entry account in the name of the Awardee Such certificate or such book entry shares are to be held by the Escrow Agent until the expiration of the Restriction Period

9 During the Restriction Period, the Awardee shall have all the rights of a shareholder with respect to the Stock except for the right to transfer the Stock as set forth in paragraph 2 herein Accordingly, the Awardee shall have the right to vote the Stock and to receive any cash dividends paid to or made with respect to the Stock

10 Awardee shall be liable for any and all taxes, including withholding taxes, arising out of this grant or the vesting of Stock hereunder

11 By accepting the grant of Stock, Awardee acknowledges and agrees that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of the Stock is a one-time benefit which does not create any contractual or other right to receive future grants of stock, stock options or benefits in lieu thereof (iii) all determinations with respect to any such future grants, including but not limited to, the times when stock or stock options shall be granted, the maximum number of shares subject to each grant the option price and the time or times when each Award shall vest or be exercisesable will be at the sole discretion of the Company (iv) participation in the Plan is voluntary, (v) the value of the Stock is outside the scope of Awardee s employment contract, if any (vi) the value of the Stock is not part of normal or expected compensation for purposes of calculating any severance resignation, redundancy end of service payments, bonuses, long service awards, pension or retirement benefits or similar payments (vii) the vesting of Stock ceases upon termination of employment with the Company or transfer of employment from the Company or other cessation of eligibility to vest for any reason, except as may otherwise be explicitly provided in the Plan document or this Agreement, (viii) if the underlying stock does not increase in value the Stock will have no value, nor does the Company guarantee any future value (ix) no claim or entitlement to compensation or damages arises if the Stock does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

12. For the exclusive purpose of implementing, administering and managing Awardee's Stock, Awardee consents to the collection receipt, use, retention and transfer, in electronic or other form, of his or her personal data by and among the Company its subsidiaries affiliates and third party vendors Awardee understands that personal data, including but not limited to name, home address telephone number, employee number employment status, social security number, tax identification number job and payroll location, data for tax withholding purposes and shares of stocks awarded cancelled exercised, vested and unvested) may be transferred to third parties assisting in the implementation administration and management of Awardee s stock options and Awardee expressly authorizes such transfer as well as the retention use and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee s country or elsewhere and that the recipient s country may have different data privacy laws and protections than Awardee s country Awardee understands that data will be held only as long as is necessary to implement, administer and manage Awardee s Stock Awardee understands that he or she may at any time request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's legal department representative Awardee understands however, that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan. For more information on the consequences of Awardee s refusal to consent or withdrawal of consent, Awardee may contact the Company's local legal department representative

13 The Plan is incorporated herein by reference The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof and may not be modified adversely to the Awardee s interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws but not the choice of law rules, of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California.

14 Neither the Plan nor this Award Agreement nor any provision under either shall be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries and it is expressly agreed and understood that employment is terminable at the will of either party

15 By accepting the grant of Stock evidenced hereby the Awardee and the Company agree that the Stock is granted under and governed by the terms and conditions of the Plan and this Award Agreement Awardee has reviewed the Prospectus and this Award Agreement in their entirety has had an opportunity to obtain the advice of counsel prior to accepting the Stock and fully understands all provisions of the Prospectus and Award Agreement Awardee agrees to accept as binding conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement

16 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company and that the Awardee's local employer is not a party to this Award Agreement

17 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

GRANT (RESTRICTED STOCK)

Agilent Technologies, Inc
By

Awardee
FIRST_NM LAST_NM
EMPL NUM

Edward W Barnholt
Chairman, President and Chief Executive Officer

By

D Craig Nordlund
Senior Vice President General Counsel and Secretary

Please fax all pages to Shareholder Records, fax number (650) 752-5734 or (650) 752-5741

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT (RESTRICTED STOCK)

Award Rejection

(Sign and send this only if you wish to reject your Award)

I do not want to receive this Award and hereby reject it

Awardee
FIRST_NM LAST_NM
EMPL_NR

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GRANT (RESTRICTED STOCK)

Exhibit 10.40

Confidential Treatment Requested

Under 17 C F R. 200.80(b)(4),

200.83 and 240 24b-2

ASSET PURCHASE AGREEMENT

among

FLEXTRONICS SALES AND MARKETING (A P) LTD

and

AGILENT TECHNOLOGIES INC.

Dated October 27 2004

Omitted portions of this document are marked with a [*]

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Confidential Treatment Requested

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT ("Agreement") is entered into as of October 27 2004 by and among Flextronics Sales and Marketing (A P) Ltd. a Mauritius corporation (" Buyer ") and Agilent Technologies, Inc a Delaware corporation (" Seller ") The Buyer and the Seller may be referred to herein individually as a Party and collectively as the Parties

RECITALS

WHEREAS the Seller and its subsidiaries own and operate a business which develops manufactures and markets camera module products within its Sensor Solutions Division of its Semiconductor Products Group and

WHEREAS the Seller and certain of its subsidiaries (collectively the Selling Entities ") wish to sell to the Buyer and/or certain of its Affiliates (such entities to be collectively referred to as the " Buying Entities "), and the Buying Entities wish to purchase from the Selling Entities, certain assets of such business and in connection therewith the Buying Entities are willing to assume certain specified liabilities of the Selling Entities relating thereto, all upon the terms and subject to the conditions set forth herein

NOW THEREFORE in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows

AGREEMENT

1 DEFINITIONS

Capitalized terms in this Agreement are used as defined in this Article 1 or elsewhere in this Agreement (such terms to be equally applicable to the singular and plural forms thereof)

'Affiliate" means with respect to any Person, a Person that directly or indirectly through one or more intermediaries controls, or is controlled by or is under common control with such Person

"Agilent Intellectual Property" means the Intellectual Property licensed to the Buying Entity designated in the License Agreement by the Selling Entities designated under the License Agreement

"[*] Agreement" means the Manufacturing Agreement between [*] and Agilent Technologies (M) Sdn Bhd dated as of February 1 2004

Assumed Contracts" has the meaning set forth in Section 2 1(a)(iii)

'Assumed Liabilities" has the meaning set forth in Section 2 2(a)

"Books and Records" shall mean (i) current equipment manuals technical bulletins application notes, project history files and decision point check in presentations, (ii) current sales and promotional literature used by Seller or its Subsidiaries within the 12 month period prior to the date of this Agreement and (iii) written customer service records related to open escalations received or sent by Seller or its Subsidiaries within the 12 month period prior to the date of this Agreement, in each case of clauses (i) through (iii) to the extent such items relate exclusively to the Products the Purchased Assets or the Assumed Liabilities and to the extent each of such items are in the possession of Seller or its Subsidiaries.

Benefit Plan' means any bonus, incentive compensation, deferred compensation material consulting or other personal services arrangement, any flexible time off arrangement, pension, profit sharing, retirement stock purchase stock option, stock ownership stock appreciation rights, leave of absence layoff vacation, day or dependent care cafeteria, life, health, accident, disability workmen's compensation or other insurance, severance separation, employment agreement (other than employment agreements in non U S countries entered into in the Ordinary Course of Business), or other employee benefit plan, of any kind, or policies establishing plans described above whether written or oral, in each case (i) which has been established by a Selling Entity or Affiliate thereof, or any predecessor of any Selling Entity or Affiliate thereof and exists at the Closing Date, and (ii) to which any Selling Entity or any Affiliate thereof contributes or has contributed on behalf of any employee, under which any employee or any beneficiary thereof is covered, is eligible for coverage or has benefit rights

"Business means the Camera Module business which develops manufactures and markets the Products as conducted within the Mobile Imaging Business of the Sensor Solutions Division of the Seller and its Subsidiaries' Semiconductor Products Group excluding the Image Sensor Business

Business Day" means every day except Saturday Sunday and any United States federal holiday

Buyer Parent' means Flextronics International Ltd a corporation incorporated under the laws of Singapore

"Buying Indemnitee(s)" has the meaning set forth in Section 9.2(a)

'Camera Module' means a module for capturing images primarily for human viewing A Camera Module includes an Image Sensor, a lens and an aperture and may include an IR filter and other additional components For the avoidance of doubt the combination of an Image Sensor and a lens and aperture is defined as a Camera Module regardless of the method of integration or combination

"Cause" means only the following (1) an employee's failure to perform his/her duties and responsibilities at an acceptable level and such failure continues without improvement as required by and set forth in a probation notice addressed to the employee by his/her management (2) an employee's acts of misconduct that involve or affect his/her employer or occur on the employer s property which include (a) involvement with illegal drugs or controlled substances

(b) unauthorized use or possession of alcohol or being under the influence of alcohol (c) physical violence threats intimidation harassment or coercion or (d) other circumstances constituting cause under an employer s employment policies

Closing" has the meaning set forth in Section 3 6

'Closing Date has the meaning set forth in Section 3 6

Closing Statement has the meaning set forth in Section 3 2

'Code" means the Internal Revenue Code of 1986, as amended

Consent means any approval consent ratification, permission waiver or authorization (including any Governmental Authorization)

Contract" means with respect to any Person any written or oral agreement contract lease license understanding arrangement instrument note guaranty deed, assignment power of attorney certificate purchase order work order commitment covenant, assurance or undertaking of any nature to which such Person is a party or by which its properties or assets are bound

Damages shall include any loss damage injury Liability, claim demand, settlement judgment, award fine penalty Tax fee (including any reasonable legal fee expert fee accounting fee or advisory fee), charge cost (including any reasonable cost of investigation) or expense of any nature

Disclosure Schedule means the schedule (dated as of the date of this Agreement), and as defined in Article 4, delivered to the Seller a copy of which is attached to this Agreement and incorporated in this Agreement by reference

Disputes has the meaning set forth in Section 11 4(a)

Encumbrance" means any lien pledge hypothecation charge mortgage, security interest encumbrance, equity trust equitable interest claim preference right of possession lease, tenancy, license encroachment covenant, Order, proxy, option right of first refusal community property interest, legend, defect impediment exception, impairment imperfection of title condition or restriction of any nature (including any restriction on the voting of any security any restriction on the transfer of any security or other asset any restriction on the receipt of any income derived from any asset any restriction on the use of any asset and any restriction on the possession exercise or transfer of any other attribute of ownership of any asset)

Entity' means any corporation (including any non profit corporation) general partnership limited partnership limited liability partnership limited liability limited partnership joint venture estate trust cooperative foundation, company (including any limited liability company or joint stock company) firm or other enterprise association, organization or other entity

Excluded Assets has the meaning set forth in Section 2 1(c)

Fixed Assets" has the meaning set forth in Section 2 1(a)(ii)

GAAP" means United States generally accepted accounting principles consistently applied.

"Governmental Authorization" means any (a) Permit, license certificate franchise concession approval Consent ratification, permission, clearance confirmation endorsement waiver certification, designation rating registration qualification or authorization that is or has been issued, granted given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Law or (b) right under any Contract with any Governmental Body

"Governmental Body' shall mean any (a) nation, principality state commonwealth, province territory county municipality district or other jurisdiction of any nature, (b) federal, state local municipal foreign or other government (c) governmental or quasi governmental authority of any nature (including any governmental division subdivision department agency bureau branch office commission, council board, instrumentality officer official representative organization, unit, body or Entity and any court or other tribunal) (d) international multi national organization or body or (e) individual Entity or body exercising, or entitled to exercise any executive legislative judicial administrative regulatory police military or taxing authority or power of any nature

Image Processor' means a processor for correcting the output signal from an Image Sensor such as for example to demosaic color balance gamma correct or otherwise compensate the signal

Image Sensor' means a photosensitive silicon array having an analog or digital output An Image Sensor may also include an on board A/D converter and an Image Processor that is either on board or separate

'Image Sensor Business" shall mean the business of developing manufacturing and marketing of Image Sensors as conducted within the Mobile Imaging Business of the Sensor Solutions Division of the Seller and its Subsidiaries' Semiconductor Products Group

Intellectual Property' means all patents and invention registrations of any type trademarks, trade names brand names logos slogans, inventions, processes, formulae copyrights trade dress product names trade secrets mask works industrial models processes designs plans proposals, methodologies invention proposals computer programs (including all source codes) and related documentation technical data and information manufacturing engineering and technical drawings, know how all pending applications for and registrations of patents trademarks service marks and copyrights and all other intellectual property licenses and proprietary rights with respect to any of the foregoing whether or not subject to statutory registration or protection For the avoidance of doubt Intellectual Property does not include and Internet domain names, web sites or meta tags

Indemnified Party" has the meaning set forth in Section 9 3(a)

Indemnifying Party has the meaning set forth in Section 9 3(a)

Inventory" shall mean inventories raw materials work in process, parts packaging materials and other accessories finished goods and products related thereto

Knowledge of the Seller' or 'Seller s Knowledge' shall mean those facts and circumstances actually known by Young Sohn Jason Hartlove Jeff Henderson, Jack Wenstrand, Doug Kundrat Floyd Anderson, Kathie Lee Roger Katz, Linda Luckay and Nadine Melanson and facts and circumstances of which such person in his or her reasonably prudent exercise of his or her duties in the ordinary course of business, should be aware without any obligation to make investigation or inquiry beyond the prudent exercise of his or her duties in the ordinary course of business

Law means any federal state, local municipal, foreign or other law statute legislation, constitution principle of common law resolution, ordinance code edict, decree proclamation, treaty convention rule regulation, ruling directive pronouncement requirement specification determination, decision, opinion or interpretation that is or has been issued, enacted, adopted passed, approved, promulgated, made implemented or otherwise put into effect by or under the authority of any Governmental Body

Liability ' means any debt obligation, duty or liability of any nature (including any unknown undisclosed, unmatured, unaccrued, unasserted, contingent, indirect, conditional, implied, vicarious, derivative, joint, several or secondary liability)

"License Agreement means that certain License Agreement substantially in the form attached hereto as Exhibit A

Material Adverse Effect on Buyer' shall be deemed to occur if any event change or effect, individually or in the aggregate with such other events changes or effects, has occurred which has had, or would reasonably be expected to have a material adverse effect on the ability of any Buying Entities to consummate the Transactions

Material Adverse Effect on Seller" shall be deemed to occur if any event, change or effect, individually or in the aggregate with such other events changes or effects, has occurred which has had, or would reasonably be expected to have, a material adverse effect (i) on the Purchased Assets (ii) on the Business, or (iii) on the ability of any Selling Entities to consummate the Transactions

Net Book Value" as of any given time means the book value of the asset minus the book value of any related Liability as of such time determined in accordance with GAAP consistently applied by the Seller in accordance with Seller s accounting policies For avoidance of doubt obsolete Inventory and Fixed Assets as determined in accordance with GAAP consistently applied by the Seller shall be attributed no Net Book Value

'Order" means any (a) order judgment, injunction edict, decree ruling pronouncement determination, decision, opinion, verdict, sentence subpoena writ or award that is or has been issued, made entered rendered or otherwise put into effect by or under the authority of any court administrative agency or other Governmental Body or any arbitrator or arbitration panel or (b) Contract with any Governmental Body that is or has been entered into in connection with any Proceeding

'Ordinary Course Of Business' means an action taken by or on behalf of a Person that (a) is consistent with such Person's past practices and is taken in the ordinary course of such Person's normal day to day operations, and (b) is not required to be authorized by such Person's owners or board of directors or any committee thereof

"Patents" has the meaning set forth in Section 4.5(c)

"Permits" mean any permits issued by a Governmental Body or other Governmental Authorization relating to the conduct of business or ownership possession, occupation or use of assets or properties

"Permitted Encumbrance means (i) Encumbrances for Taxes not yet due and payable or being contested in good faith by appropriate proceedings and for which there are adequate reserves on the books and (ii) mechanic s materialman s supplier's, vendor's or similar Encumbrances arising in the Ordinary Course of Business securing amounts that are not delinquent

"Person" means any individual, Entity or Governmental Body

Pre Closing Period" means the period commencing as of the date of this Agreement and ending on the Closing Date

Proceeding' means any action, suit litigation, arbitration proceeding (including any civil criminal, administrative investigative or appellate proceeding and any informal proceeding) prosecution, contest, hearing inquiry inquest, audit examination or investigation that is or has been commenced, brought conducted or heard by or before or that otherwise has involved or may involve any Governmental Body or any arbitrator or arbitration panel

Products means those set forth on Schedule 1.1(a) of this Agreement

Purchase Price' has the meaning set forth in Section 3 1

"Purchased Assets" has the meaning set forth in Section 2 1(a)

Purchased Inventory ' has the meaning set forth in Section 2.1(a)(i)

"Representatives' means as to any particular party the officers directors, employees, attorneys accountants advisors and representatives of such party

"Required Consents" has the meaning set forth in Section 7 2

"Retained Liabilities has the meaning set forth in Section 2 2(b)

Selling Indemnitee(s) has the meaning set forth in Section 9 2(b)

"Subsidiary" of any Person means any Entity of which such Person owns, directly or indirectly more than 50% of the stock or other equity interests the holder of which is generally entitled to vote for the election of the board of directors or other governing body of such Entity

"Tax means any tax (including any income tax franchise tax capital gains tax, estimated tax gross receipts tax, value added tax, surtax excise tax ad valorem tax, transfer tax stamp tax sales tax use tax, property tax, business tax, occupation tax inventory tax, occupancy tax withholding tax or payroll tax), levy assessment tariff impost imposition, toll duty (including any customs duty), deficiency or fee and any related charge or amount (including any fine penalty additional tax or interest)

"Tax Return means any return (including any information return) report statement declaration estimate schedule notice notification form, election, certificate or other document or information that is or has been filed with or submitted to or required to be filed with or submitted to any Governmental Body in connection with the determination, assessment collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Legal Requirement relating to any Tax.

"Third Party Claims has the meaning set forth in Section 9 3(b)

"Threshold" has the meaning set forth in Section 9 2(c)

"Trade Secret" has the meaning set forth in Section 4 5(e).

"Transaction Agreements" means, collectively this Agreement, the License Agreement Transition Services Agreement the Local Asset Transfer Agreements and the Supply Agreement in a form reasonably satisfactory to Buyer and Seller

"Transactions" means all of the transactions contemplated by the Transaction Agreements

"Transferred Employees" has the meaning set forth in Section 6 8(a)

"Transition Services Agreement means a Transition Services Agreement in a form reasonably satisfactory to Buyer and Seller which will provide for agreed upon transition services to be provided to Buyer and/or certain of its Subsidiaries by Seller and/or certain of its Subsidiaries at cost

[illegible]

2 SALE OF ASSETS, RELATED TRANSACTIONS

2 1 Sale of Assets

(a) On the terms and subject to the conditions set forth in this Agreement at the Closing the Seller hereby agrees to and shall cause the Selling Entities to, sell, transfer convey assign and deliver to the Buying Entities designated by Buyer free and clear of all Encumbrances and the Buyer hereby agrees to cause the Buying Entities designated by Buyer to purchase the following and only the following properties and assets (collectively the Purchased Assets ")

(i) The Inventory that is initially set forth on Schedule 2 1(a)(i) , as the same may be augmented or depleted in the Ordinary Course of Business prior to the Closing Date and as will be amended in accordance with Section 2 1(d) and all warranties and licenses issued to the Seller and its Subsidiaries in connection with the foregoing (collectively the Purchased Inventory ")

(ii) The computer hardware, equipment supplies, machinery, tools prototypes, and other tangible personal property set forth on Schedule 2 1(a)(ii) , as the same will be amended in accordance with Section 2 1(e) (collectively the " Fixed Assets "),

(iii) All rights of the Seller and its Subsidiaries under the Contracts set forth on Schedule 2 1(a)(iii) (collectively the Assumed Contracts ")

(iv) A copy of the Books and Records

(v) All rights under the [*] Agreement related exclusively to the Business as such will be reflected in the agreement to be negotiated in accordance with Section 6 14 of this Agreement between the Buying Entities and [*] and

(vi) All warranty rights and associated claims of the Seller and its Subsidiaries with respect to all manufacturers' warranties covering the applicable Fixed Assets

(b) Licensed Assets At the Closing, the Seller shall, and/or shall cause the relevant Selling Entities to, and the Buyer shall, and/or shall cause the relevant Buying Entities to, enter into the License Agreement

(c) Excluded Assets Notwithstanding anything in this Agreement to the contrary all of the assets not specifically identified in Section 2.1(a) shall be retained by the Seller and its Subsidiaries and shall be excluded from and shall not constitute Purchased Assets (all such assets being referred to collectively as the Excluded Assets ") For avoidance of doubt all assets related to or used by the Image Sensor Business or any other business of the Seller and its Subsidiaries not specifically identified in Section 2 1(a) shall be retained by the Seller and its Subsidiaries and shall be excluded from and shall not constitute Purchased Assets

(d) Section 2 1 Schedules Update Between the date hereof and November 9 2004 pursuant to Section 6 1 , at Buyer s request Buyer and Seller shall conduct meetings with Seller's customers and Buyer shall review Schedule 2 1(a)(i) delivered as of the date hereof (the " Original Schedule 2 1(a)(i) ") and shall make reasonable determinations of whether any

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Inventory on Schedule 2 1(a)(i) is not saleable solely based on the customer's feedback from such meetings No later than noon PST on November 9 2004 the Buyer shall deliver proposed edits to the Original Schedule 2 1(a)(i) based on such feedback All of the Inventory set forth on Schedule 2 1(a)(i) as agreed upon by the Parties as of November 9 2004 (the " Updated Schedule 2 1(a)(i) ") shall be deemed saleable At the close of four (4) business days prior to the Closing the Seller shall propose and deliver updates to the Section 2 1 Schedules as of the Closing Date provided, however that Schedule 2 1(a)(i) shall only be updated from the Updated Schedule 2 1(a)(i) to the extent depleted in the Ordinary Course of Business and shall not be augmented except for the Inventory acquired after the date of the Original Schedule 2 1(a)(i) and specifically designated for the Products or the Business The Parties shall agree on the amended Section 2 1 Schedules, and such amended Section 2 1 Schedules agreed upon by Seller and Buyer shall constitute the definitive Section 2 1 Schedules for purposes of Section 2 1 Buyer agrees that its approval shall not be unreasonably withheld with respect to any Inventory that have been acquired after the date of such schedules and specifically designated for the Products or the Business in compliance with Section 6 2 including all Inventory acquired in accordance with Section 6 2 after the date set forth on the Original Schedule specifically designated for the Products or the Business that are saleable as supported, in Buyer s reasonable discretion, by purchase orders or demand forecasts

(e) Based on Buyer s review of Fixed Assets during the pre-Closing Period, following delivery of the Section 2 1 Schedules the Parties shall mutually agree on an amended and restated Schedule 2 1(a)(ii) which shall constitute the definitive Schedule 2 1(a)(ii) for purposes of Section 2 1

(f) Between the date hereof and November 9 2004 the Buyer shall have the opportunity to review and edit Schedule 2 1(a)(iii) as delivered on the date hereof provided, however the Buyer may not delete the following Assumed Contracts set forth on such Schedule 2 1(a)(iii) (i) the Assumed Contracts set forth on Schedule 7.2 and the [*] Contract and (ii) Assumed Contracts related exclusively to the Business, unless the obligations the Buying Entities would be required to assume under such Assumed Contract would, in Buyer's good faith determination, likely result in a material breach of performance by or other material penalty assessed against, the Buying Entities

2.2 Assumption of and Retention of Liabilities

(a) In connection with the sale of the Purchased Assets pursuant to this Agreement, at Closing the Buyer shall cause certain designated Buying Entities to assume and agree to pay perform and discharge when due, the following and only the following Liabilities of the Seller and its Subsidiaries, as the same shall exist on the Closing Date (the " Assumed Liabilities "):

(i) all Liabilities to the extent they accrue and arise out of ownership, use and operation of the Purchased Assets or the sale or manufacture of the Products by the Buyer Parent and its Subsidiaries after the Closing Date and for avoidance of doubt, accrual for Tax Liabilities shall be accrual under GAAP,

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(ii) the limited Employee Assumed Liabilities as defined and set forth in Section 6 8 and all Liabilities relating to the employment of the Transferred Employees by the Buyer Parent and its Subsidiaries

(iii) (x) except as set forth in Section 6 15 the warranty support, repair return and upgrade Liabilities of the Products sold prior to or on the Closing Date and (y) the warranty, support repair return and upgrade Liabilities of the Products sold after the Closing Date

(iv) the Liabilities of the Seller and its Subsidiaries under the Assumed Contracts, but only to the extent such Liabilities (A) do not arise from or relate to any pre-Closing breach, violation or default by the Seller and its Subsidiaries of any provision of any of the Assumed Contracts, (B) do not arise from or relate to any event circumstance or condition occurring or existing on or prior to the Closing Date that, with notice or lapse of time, would constitute or result in a breach, violation or default of Assumed Contracts and (C) are ascertainable (in nature and form) solely by reference to the express terms of the Assumed Contracts,

(v) except for Liabilities that are not assumed under Assumed Contracts in (iv) above, the Liabilities under the [*] Agreement to the extent they relate exclusively to the Business, including amortization per unit for the [*] clean room while Buying Entities use such clean room and are reflected in the agreement to be negotiated in accordance with Section 6 14 of this Agreement between the Buying Entities and [*] and

(vi) any replacement costs for warranty support, repair return and upgrade obligations (a " Warranty Obligation ") of Products sold prior to or on the Closing Date, up to $150 000 00

(b) Notwithstanding the foregoing and notwithstanding anything to the contrary contained in this Agreement, the Assumed Liabilities shall not include and the Buyer and its Subsidiaries shall not be required to assume or to perform or discharge any Liabilities of the Seller and its Subsidiaries not included as an Assumed Liability, including, but not limited to the following all of which shall be retained by the Seller and its Subsidiaries following the Closing (" Retained Liabilities "):

(i) other than as specifically set forth in Sections 2.2(a)(iii) and 2 2(a)(iv), all Liabilities to the extent they accrue and arise out of ownership use and operation of the Purchased Assets or the manufacture or sale of Products on or prior to the Closing Date and for avoidance of doubt accrual for Tax Liabilities shall be accrual under GAAP

(ii) any Liability of any stockholders of the Seller

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(iii) any pre payment penalties premiums on debt and any other Liability of the Seller and its Subsidiaries arising out of or relating to the execution delivery or performance of any of the Transaction Agreements

(iv) any Liability of the Seller and its Subsidiaries for any fees costs or expenses of the type referred to in Section 11 1 of this Agreement

(v) any Liability of the Seller and its Subsidiaries arising from or relating to any action taken by the Seller and its Subsidiaries at any time after the Closing Date

(vi) any Liability of the Seller and its Subsidiaries arising from or relating to any claim or Proceeding against the Seller and its Subsidiaries (other than claims or Proceedings arising and accruing post Closing out of the Assumed Liabilities)

(vii) other than as set forth in Section 3 3 , any Liability of the Seller and its Subsidiaries for the payment of any Tax (other than Taxes accruing and related to the ownership use or operation of the Purchased Assets by the Buyer Parent and its Subsidiaries solely after the Closing Date)

(viii) other than as set forth in Section 2 2(a)(ii) any Liability of the Seller and its Subsidiaries (a) to any employee or former employee of the Seller and its Subsidiaries under or with respect to any Benefit Plan or for severance pay (b) under any Benefit Plan including without limitation, all contributions and insurance premiums relating thereto and any Liability under Title IV of ERISA or foreign equivalent, or (c) arising from any employee s employment with the Seller and its Subsidiaries prior to the Closing Date

(ix) all Warranty Obligations of Products sold prior to or on the Closing Date in excess of $150,000 00

(x) the Liabilities under the [*] Agreement except Liabilities to the extent they relate exclusively to the Business including amortization per unit for the [*] clean room while Buying Entities use such clean room and are reflected in the agreement to be negotiated in accordance with Section 6 14 of this Agreement between the Buying Entities and [*] provided, in any event Seller retains all Liability for amortization per unit for the [*] clean room upon and after Buying Entities discontinued use of such clean room and

(xi) any other Liability that is not referred to specifically in Section 2.2(a)

3 PURCHASE PRICE, CLOSING, DELIVERY

3 1 Purchase Price As consideration for the Purchased Assets the Buyer shall and/or shall cause the relevant Buying Entities to (a) assume the Assumed Liabilities, and (b) pay to the Seller the aggregate purchase price of (i) $12,000 000 00 plus (ii) the Net Book Value of the

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Purchased Inventory and Fixed Assets at the Closing Date subject to adjustments set forth in Section 3 2 (the Purchase Price ") The Purchase Price shall be allocated among the Purchased Assets in accordance with Section 3 5 and shall be payable as follows

(a) Within fifteen (15) calendar days following the end of each of the twelve (12) fiscal quarters of the Buyer Parent following the Closing Date the Buying Entities designated by Buyer will pay to the Seller in cash or by wire transfer, $1 000 000 00 as may be adjusted pursuant to Section 3 2(d)

(b) At the Closing the Buyer shall pay, or shall cause its designated Buying Entities to pay to Seller (where it is acting as Seller) and otherwise as agent for each of the relevant other Selling Entities, in cash or by wire transfer a total of the estimated Net Book Value of the Fixed Assets as of the last day of the month immediately preceding the Closing Date as provided by the Seller to the Buyer four (4) business days prior to the Closing and as calculated in accordance with Section 3 2(a) (Estimated Fixed Assets Value ")

(c) Within fifteen (15) calendar days following the end of each fiscal quarter following the Closing the Buying Entities designated by Buyer shall pay to the Seller or the Selling Entities designated by Seller in cash or by wire transfer an amount equal to the Net Book Value of the Purchased Inventory measured as of the Closing Date in accordance with Section 3 2(a) (" Closing Date Inventory Amount ") that is sold by the Buying Entities to its customers or otherwise used by the Buying Entities during such fiscal quarter as may be adjusted pursuant to Section 3 2(d) , provided, however any portion of the Closing Date Inventory Amount that has not been paid by the Buying Entities prior to December 31 2005 shall be fully payable on December 31 2005 Until the Closing Statement is finally determined in accordance with Section 3 2(a) any payments due hereunder shall be made based on the estimated Net Book Value of Purchased Inventory as of the last day of the month immediately preceding the Closing Date as provided by the Seller to the Buyer four (4) business days prior to the Closing and as calculated in accordance with Section 3 2(a) and any resulting adjustments shall be made in the next quarter payment after the final determination of the Net Book Value of Purchased Inventory in accordance with Section 3 2(a)

3.2 Adjustment Based on Closing Date Audit

(a) Within thirty (30) days following Closing a Representative of the Buyer and a Representative of the Seller shall calculate the amount of the Net Book Value of the Purchased Inventory and the Fixed Assets as of the Closing which shall be prepared in accordance with GAAP and on a basis consistent with the Net Book Value of Purchased Inventory and Fixed Assets as of the last day of the month immediately preceding the Closing Date (the ' Closing Statement ") Promptly after completing the Closing Statement the Representatives shall deliver the Closing Statement to the Parties for their review and approval within seven (7) days of delivery If either Party does not provide written notice of any objection to the Closing Statement within such 7-day period such Party shall be deemed to accept the Closing Statement If the Representatives (during their 30-day period) or Parties (within their 7-day period) have provided a written objection or otherwise do not agree on the Closing Statement the Parties shall attempt to resolve their differences with respect thereto within thirty

(30) days after either Party provides written notice of their disagreement Any disputes not resolved within such thirty (30) day period regarding the Closing Statement shall be resolved by a major accounting firm jointly selected by Seller and Buyer and with no prior or current service to either Buyer or Seller (the " Firm ") The Firm shall make a determination in accordance with this Agreement on the disputes so submitted as well as such modifications if any to the Closing Statement as reflect such determination, and the same shall be conclusive and binding upon the Parties The determination of the Firm for any item in dispute cannot however be in excess of nor less than, the greatest or lowest value respectively claimed by the Parties for that particular item in the Closing Statement The Seller shall bear and pay 50% of the fees and other amounts payable in connection with the foregoing and the Buyer shall bear and pay the remaining 50% of such fees and other amounts Notwithstanding anything in the foregoing, the Net Book Value of the Inventory set forth on the Updated Schedule 2 1(a)(i) as set forth on such schedule shall be binding and shall not be subject to adjustment

(b) If the Net Book Value of the Fixed Assets on the Closing Statement (Actual Fixed Assets Value") is less than the Estimated Fixed Assets Value then within ten (10) days after the final determination of the Closing Statement, the Seller shall pay to the Buying Entities designated by Buyer in cash or by wire transfer the amount by which the Estimated Fixed Assets Value exceeds the Actual Fixed Assets Value If the Actual Fixed Assets Value is greater than the Estimated Fixed Assets Value then, within ten (10) days after the final determination of the Closing Statement, the Buying Entities designated by Buyer shall pay to the Seller in cash or by wire transfer the amount by which the Actual Fixed Assets Value exceeds the Estimated Actual Fixed Assets Value

(c) The Net Book Value of the Purchased Inventory on the Closing Statement shall be the Closing Date Inventory Amount

(d) Notwithstanding anything to the contrary herein, in the event that the aggregate cost of the Purchased Inventory as reflected on the definitive Schedule 2 1(a)(i) exceeds the aggregate market value of such Purchased Inventory as of the Closing Date by $2 000 000 or more Seller shall pay to Buyer such excess amount or at the Buying Entities election, the Buying Entities may make deduction of such excess amount against the amount payable by Buying Entities under pursuant Section 3 1(a) and Section 3 1(c) Within thirty (30) days after the Closing the Buyer shall provide the Seller a statement setting forth the market value of each item of the Inventory on the definitive Schedule 2 1(a)(i) (Market Value Statement ") If the Seller does not provide written notice of any objection to the Market Value Statement within ten (10) days Seller shall be deemed to accept the Market Value Statement If the Seller provides a written objection to the Market Value Statement, the Parties shall attempt to resolve their differences with respect thereto within thirty (30) days after Seller provides written notice of its disagreement Any disputes not resolved within such thirty (30) day period regarding the Market Value Statement shall be determined in accordance with Section 11 4

3.3 Contingent Consideration In addition to the Purchase Price the Selling Entities shall be eligible for and if certain thresholds are satisfied, the Buyer shall cause the applicable Buying Entities to pay contingent consideration ("Contingent Consideration") up to a maximum of $13 000 000 00 as follows.

(a) For purposes of the Contingent Consideration calculations revenue shall be based on GAAP and shall include the revenue of Buyer's Parent and its consolidated Affiliates from its camera module business which shall include revenue attributable to the Purchased Assets following Closing as calculated on GAAP (" Combined CM Business Revenue ") The Combined CM Business Revenue shall be calculated each year over a three year period following Closing Year 1" shall be the Closing Date through October 31 2005 with any Year 1 payment earned being due and payable by within 15 days of the final determination of the Year 1 Contingent Consideration pursuant to Section 3 3(e) "Year 2 shall be November 1 2005 through October 31 2006 with any Year 2 payment earned being due and payable within 15 days of the final determination of the Year 2 Contingent Consideration pursuant to Section 3 3(e) Year 3 shall be November 1 2006 through October 31 2007 with any Year 3 payment earned being due and payable within 15 days of the final determination of the Year 3 Contingent Consideration pursuant to Section 3 3(e)

(b) The 'Year 1 Contingent Consideration' shall be determined in the following manner

(i) If the Combined CM Business Revenue for Year 1 is greater than [*] (' Year 1 Base Threshold") then the Buying Entities designated by Buyer shall pay three percent (3%) of the Combined CM Business Revenue that exceeds [*] but only up to a maximum payment of $3 million (Maximum Year 1 Base Contingent Consideration")

(ii) In year 1 if the Combined CM Business Revenue is greater than [*] (Year 1 Stretch Threshold") then in addition to the payment in (i) above the Buying Entities designated by Buyer shall pay two percent (2%) of the Combined CM Business Revenue that exceeds [*] but only up to a maximum payment of $2 million (Maximum Year 1 Stretch Contingent Consideration")

(iii) If the Year 1 Base Threshold is not met in Year 1 no Contingent Consideration will be earned in Year 1 The amount by which the actual Year 1 revenue is less than the Year 1 Base Threshold shall be referred to as the Year 1 Deficit Amount

(c) The Year 2 Contingent Consideration" shall be determined in the following manner

(i) If the Combined CM Business Revenue for Year 2 is equal to or greater than [*] ("Year 2 Base Threshold") then the Buying Entities shall pay $3 million (Maximum Year 2 Base Contingent Consideration")

(ii) If the Year 1 Base Threshold is met in Year 1 and the Year 2 Base Threshold was met, then the Buying Entities designated by Buyer shall pay 1 43% of the Combined CM Business Revenue that exceeds [*] but only up to a maximum payment of $2 million (Maximum Year 2 Stretch Contingent Consideration")

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(iii) If the Year 1 Base Threshold is not met in Year 1 then 50% of the Year 1 Deficit Amount ("Year 2 Additional Amount ") shall be added to the Year 2 Base Threshold to total the Year 2 Adjusted Base Revenue Threshold If in Year 2 the Year 2 Base Threshold is met then the Buying Entities designated by Buyer shall pay an amount equal to the lesser of (x) $1 5 million and (y) $1 5 million multiplied by (A) the Combined CM Business Revenue less Year 2 Base Threshold divided by (B) Year 2 Additional Amount If in Year 2 the Year 2 Adjusted Base Revenue Threshold is met then the Buying Entities designated by Buyer shall pay an amount equal to the lesser of (a) $2 0 million and (b) $2 0 million multiplied by (1) the Combined CM Business Revenue less Year 2 Adjusted Base Revenue Threshold divided by (2) [*] less Year 2 Adjusted Base Revenue Threshold

(d) The "Year 3 Contingent Consideration" shall be determined in the following manner

(i) If the Combined CM Business Revenue for Year 3 is equal to or greater than [*] ("Year 3 Base Threshold") then the Buying Entities designated by Buyer shall pay $2 million (Maximum Year 3 Base Contingent Consideration")

(ii) If Year 1 Base Threshold is met and the Year 3 Base Threshold was met, then Buying Entities designated by Buyer shall pay 0 53% of the Combined CM Business Revenue that exceeds [*] but only up to a maximum payment of $1 million ("Maximum Year 3 Stretch Contingent Consideration")

(iii) If the Year 1 Base Threshold is not met in Year 1, then 50% of the Year 1 Deficit Amount ("Year 3 Additional Amount") shall be added to the Year 3 Base Threshold to total the Year 3 Adjusted Base Revenue Threshold " If in Year 3 the Year 3 Base Threshold is met, then the Buying Entities designated by Buyer shall pay an amount equal to the lesser of (x) $1 5 million and (y) $1 5 million multiplied by (A) the Combined CM Business Revenue less Year 3 Base Threshold divided by (B) Year 3 Additional Amount If in Year 3, the Year 3 Adjusted Base Revenue Threshold is met then the Buying Entities designated by Buyer shall pay an amount equal to the lesser of (a) $1 0 million and (b) $1 0 million multiplied by (1) the Combined CM Business Revenue less Year 3 Adjusted Base Revenue Threshold divided by (2) [*] less Year 3 Adjusted Base Revenue Threshold

(e) Review. Within ninety (90) days following the end of each year Buyer shall deliver to the Seller a statement setting forth Combined CM Business Revenue for such year and the calculation of the Contingent Consideration for such year (the Contingent Consideration Statement. ") If the Seller does not provide written notice of any objection to the Contingent Consideration Statement within thirty (30) days, Seller shall be deemed to accept the Contingent Consideration Statement If the Seller provides a written objection to the Contingent Consideration Statement the Parties shall attempt to resolve their differences with respect thereto within thirty (30) days after Seller provides written notice of its disagreement Any disputes not resolved within such thirty (30) day period regarding the Contingent Consideration Statement shall be resolved by the Firm The Firm shall make a determination in accordance with this

Agreement on the disputes so submitted as well as such modifications if any to the Contingent Consideration Statement as reflect such determination, and the same shall be conclusive and binding upon the Parties The Seller shall bear and pay 50% of the fees and other amounts payable in connection with the foregoing, and the Buyer shall bear and pay the remaining 50% of such fees and other amounts During the review process the Buyer shall and shall cause its Affiliates to (i) provide commercially reasonable efforts to provide the Seller and its Representatives with reasonable access during normal business hours and upon reasonable advance notice to the books and records necessary or useful in reviewing the Contingent Consideration Statement and (ii) reasonably cooperate with Seller and its Representatives including by providing on a timely basis all information necessary or useful in reviewing the Contingent Consideration Statement

(f) Buyer agrees that Buyer Parent and its Subsidiaries shall use commercially reasonable efforts in accordance with its normal and ordinary course business practices to achieve maximum Combined CM Business Revenue

3 4 Sales Taxes, VAT. The Selling Entities shall bear and pay and the Buying Entities shall reimburse the Selling Entities for fifty percent of any Taxes documentary charges recording fees or charges fees or expenses (the "Transaction Taxes") that result from the transfer of assets located in the United States The Buying Entities shall bear and pay all Transaction Taxes that result from transfers of assets located outside the United States unless such Transaction Taxes are not recoverable by the Buying Entities in which case Selling Entity shall reimburse Buying Entity for 50% of any such non-recoverable Transaction Taxes The Buying Entities and the Selling Entities shall work together to minimize Transaction Taxes, including non recoverable Transaction Taxes

3.5 Allocation. At or prior to the Closing, the Buyer and the Seller shall mutually agree upon a statement setting forth the determination of the manner in which the consideration referred to in Section 3 1 is to be allocated among the Purchased Assets The allocation prescribed by such statement shall be conclusive and binding upon the Seller for all purposes The Seller shall not and shall cause its Subsidiaries not to file any Tax Return or other document with, or make any statement or declaration to, any Governmental Body that is inconsistent with such allocation

3 6 Closing

(a) The closing of the transactions contemplated by this Agreement (the Closing ") shall take place at 10 00 a m on the date on which all of the conditions specified in Article 7 and Article 8 have been satisfied or waived by the applicable Partyy and shall occur at the offices of Agilent Technologies Inc located at 395 Page Mill Road Palo Alto, California, or at such other time or places as the Parties may mutually agree (such date is hereinafter referred to as the Closing Date ")

(b) At the Closing

(i) the Selling Entities designated by Seller shall execute and deliver to the Buying Entities designated by Buyer such bills of sale, endorsements assignments and other documents as may (in the reasonable judgment of the Buying Entities or their counsel) be necessary or appropriate to assign, convey, transfer and deliver to the Buying Entities good and valid title to the Purchased Assets free of any Encumbrances and an assumption of the Assumed Liabilities in the jurisdictions in which such transfers are to be made Such transfer and assumption agreements shall be in a form satisfactory to both Buyer and Seller (the " Local Asset Transfer Agreement ") with only such deviations therefrom as are required by local law and shall be executed no later than at or as of the Closing

(ii) Seller shall deliver to the Buying Entities the original of each of the Assumed Contracts (or counterpart as appropriate) (other than purchase orders) or copies thereof where originals are not available as duly signed or executed by or behalf of the relevant Selling Entity and

(iii) the Buying Entities designated by Buyer shall pay to the Selling Entities designated by Seller an amount equal to the Estimated Fixed Assets Value in cash or by wire transfer as contemplated by Section 3 1

(c) At Closing the Parties shall have executed and delivered the Transaction Agreements (other than this Agreement) to which they are a party

3 7 Currency. All payments made hereunder shall be calculated and made in US dollars

4. REPRESENTATIONS AND WARRANTIES OF THE SELLING ENTITIES

Except as specifically set forth in the disclosure schedules attached hereto (each a "Schedule" and collectively the Disclosure Schedule") which are numbered to correspond to the Section numbers of this Agreement provided however that any matter disclosed in one section or subsection of the Disclosure Schedule shall be deemed disclosed for purposes of the other sections or subsections of the Disclosure Schedule (and shall be deemed to modify the representations and warranties related thereto) if it is reasonably apparent from the text of such disclosure that such matter falls within the scope of such section or subsection, the Seller hereby represents and warrants to the Buyer as follows

4 1 Organization, Good Standing and Qualification. The Seller is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware Each of the other Selling Entities is a corporation duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization Each of the Selling Entities is duly qualified to conduct business and is in good standing under the Laws of each jurisdiction in which the failure to be so qualified could reasonably be expected to have a Material Adverse Effect on Seller The Selling Entities have never conducted any business under or otherwise used, for any purpose or in any jurisdiction, any fictitious name assumed name trade name or other name other than those set forth on Schedule 4 1

4.2 Authorization. All corporate action on the part of each Selling Entity its officers directors and the Stockholders necessary for the authorization, execution and delivery of this Agreement and the other Transaction Agreements and the performance of all obligations of each Selling Entity hereunder and thereunder has been taken or with respect to the Transaction Agreements will be taken prior to the execution thereof This Agreement constitutes and each Transaction Agreement will constitute when executed and delivered as provided in this Agreement, the valid and legally binding obligations of each Selling Entity (to the extent such Selling Entity is a party thereto) enforceable in accordance with their respective terms, except (a) as limited by applicable bankruptcy insolvency reorganization, moratorium and other Laws of general application affecting enforcement of creditors rights generally and (b) as limited by Laws relating to the availability of specific performance injunctive relief or other equitable remedies

4.3 Consents. No Consent notice registration, qualification, designation, declaration or filing to or with any third party or any Governmental Body on the part of any Selling Entity is required in connection with the consummation of the Transactions, except for (a) those listed on Schedule 4 3 , (b) that of each Selling Entity s board of directors and stockholders, and (c) any required filings under any applicable foreign antitrust, fair trade or other similar laws and the expiration or termination of waiting periods thereunder

4 4 Litigation. Except as set forth on Schedule 4 4 there is no pending Proceeding, and, to the Knowledge of the Seller no Person has threatened to commence any Proceeding (i) that involves any of the Purchased Assets Agilent Intellectual Property or the Business or (ii) that challenges, or that may have the effect of preventing delaying, making illegal or otherwise interfering with, any of the Transactions There is no Order to which any of the Purchased Assets or the Business is subject The Seller has not received any notice of any proposed Order that, if issued or otherwise put into effect (i) would reasonably be expected, either individually or in the aggregate to have a Material Adverse Effect on Seller or (ii) may have the effect of preventing delaying making illegal or otherwise interfering with any of the Transactions

4.5 Intellectual Property

(a) Except as set forth on Schedule 4 5(a) , to the Knowledge of the Seller the Business as currently operated by the Seller and its Subsidiaries the Products and the Agilent Intellectual Property are not infringing misappropriating or making any unlawful use of and the Business as currently operated by the Seller and its Subsidiaries the Products and the Agilent Intellectual Property have not at any time infringed, misappropriated or made any unlawful use of or received any notice or other communication of any actual alleged, possible or potential infringement, misappropriation or unlawful use of any Intellectual Property owned or used by any other Person The Selling Entities have not received any written indication that any other Person is infringing, misappropriating or making any unlawful use of any Agilent Intellectual Property

(b) The Seller and/or one of its Subsidiaries is the owner of all right, title, and interest in and to each of the Agilent Intellectual Property free and clear of all Encumbrances (other than Permitted Encumbrances), equities and other adverse claims and has the right to use all of the Agilent Intellectual Property

(c) Schedule 4 5(c) contains a complete and accurate list of all patents and patent applications included in the Agilent Intellectual Property (Patents ") One or more of the Seller and its Subsidiaries is the owner of all right title and interest in and to each of the Patents free and clear of all Encumbrances and other adverse claims All of the issued Patents are currently in compliance with Laws (including payment of filing examination and maintenance fees and proofs of working or use) and have been properly maintained No Patent has been or is now involved in any interference reissue reexamination or opposition proceeding

(d) Schedule 4 5(d) contains a complete and accurate list and summary description of all registered copyrights and copyright applications included in the Agilent Intellectual Property (Copyrights) The Seller and/or one of its Subsidiaries is the owner of all right title and interest in and to each of the copyrights and copyright applications included in the Agilent Intellectual Property free and clear of all Encumbrances (other than Permitted Encumbrances) and other adverse claims All of the registered Copyrights are currently in compliance with Laws and have been properly maintained

(e) The documentation relating to each trade secret included in the Agilent Intellectual Property (" Trade Secret ") is current accurate, and reasonably sufficient in detail and content to identify and explain it and to allow its full and proper use without reliance on the knowledge or memory of any individual The Seller and its Subsidiaries have taken all reasonable precautions to protect the secrecy confidentiality and value of the Trade Secrets The Seller and/or one of its Subsidiaries has good title and an absolute (but not necessarily exclusive) right to use the Trade Secrets The Trade Secrets are not part of the public knowledge or literature and, to the Knowledge of the Seller have not been used divulged, or appropriated either for the benefit of any Person (other than one or more of its Subsidiaries) or to the detriment of the Seller and its Subsidiaries To the Knowledge of the Seller no Trade Secret is subject to any adverse claim or has been challenged or threatened in any way Each employee or consultant of each Selling Entity signs proprietary information agreements to protect the Trade Secrets

4 6 Non Contravention Except as set forth in Schedule 4 6 neither the execution and delivery of this Agreement or the other Transaction Agreements, nor the consummation or performance of any of the Transactions, will directly or indirectly (with or without notice or lapse of time) (a) contravene conflict with or result in a violation of or give any Governmental Body or other Person the right to challenge any of the Transactions or to exercise any remedy or obtain any relief under any Law or any Order to which any Selling Entity the Business or the Purchased Assets are subject (b) contravene conflict with or result in a violation of any of the terms or requirements of or give any Governmental Body the right to revoke withdraw suspend cancel terminate or modify, any Governmental Authorization that is included in the Purchased Assets or the Business, except for such contravention conflict or violation that does not have a Material Adverse Effect on Seller (c) contravene or conflict with the articles of incorporation, by laws or other constitutive documents of any Selling Entity, (d) materially contravene materially conflict with or result in a material violation or material breach of or result in a material default under, any provision of any Assumed Contract (e) give any Person the right to

(i) declare a material default or exercise any material remedy under any Assumed Contracts (ii) accelerate the maturity or performance of any Assumed Contract or (iii) cancel terminate or materially modify any Assumed Contract or (f) result in the imposition or creation of any Encumbrance other than Permitted Encumbrances upon or with respect to any of the Purchased Assets

4 7 Contracts, Action

(a) Schedule 4 7(a) identifies each Assumed Contract other than purchase orders that contemplates or involves (A) the payment or receipt of cash or other consideration in an amount or having a value in excess of $50 000 (B) indebtedness for borrowed money or Encumbrance of Purchased Assets other than Permitted Encumbrances, (C) guarantee of any obligation for borrowed money or otherwise (D) lending or investing of funds (E) lease of any real property (F) any agreement with any material customer or supplier of the Business or (G) prohibition of a Selling Entity from freely engaging in business anywhere in the world (collectively, the "Material Contracts")

(b) Each Assumed Contract is valid and in full force and effect and is enforceable by the applicable Selling Entity in accordance with its terms except (a) as limited by applicable bankruptcy insolvency reorganization, moratorium and other Laws of general application affecting enforcement of creditors rights generally and (b) as limited by Laws relating to the availability of specific performance, injunctive relief or other equitable remedies

(c) Except as set forth on Schedule 4 7(c) , (i) no Selling Entity has violated or breached, or is in default under or has received notice that it has breached violated or defaulted under any Material Contract and to the Knowledge of the Seller no third party has violated or breached or declared or committed any default under any Material Contract (ii) to the Seller s Knowledge no event has occurred, and no circumstance or condition exists, that would reasonably be expected (with or without notice or lapse of time) to result in a violation or breach of any of the provisions of any Material Contract or to give any Person the right to declare a default or exercise any remedy in respect of a default accelerate the maturity or performance, or cancel terminate or modify any right under any Material Contract

(d) No Assumed Contract prohibits a Selling Entity from freely engaging in the Business anywhere in the world

(e) No Selling Entity has waived any of its material rights under any Material Contract on Seller

(f) No Person is renegotiating any material amount paid or payable to the Selling Entities under any Assumed Contract or any other material term or provision of any Assumed Contract

4 8 Related Party Transactions The Assumed Contracts do not include any agreements understandings or proposed transactions between any Selling Entity and any of their Affiliates

4 9 Tax Matters All Taxes required to have been withheld or paid, and Tax Returns filed, by the Seller or any of its Subsidiaries with respect to the Purchased Assets and the Business have been timely paid (or withheld and paid) or extensions for payment have been properly obtained There are no Encumbrances for Taxes (other than for current Taxes not yet due and payable) on the Purchased Assets None of the Purchased Assets to be transferred by the Selling Entities is a "United States real property interest within the meaning of Section 897(c) of the Code

4 10 Governmental Authorizations Each Selling Entity has all Governmental Authorizations necessary for the conduct of the Business the lack of which could reasonably be expected to have a Material Adverse Effect on Seller No Selling Entity is in default in any material respect under any of such Governmental Authorization

4 11 Corporate Documents The certificate or articles of incorporation and bylaws and equivalent charter documents of each Selling Entity are in the form previously provided to counsel for the Buying Entities

4 12 Inventory The Net Book Value of the Inventory set forth on Original Schedule 2 1(a)(i) is accurate as of the date hereof All of the Selling Entities Purchased Inventory set forth on Original Schedule 2 1(a)(i) is saleable as of the date hereof All of Selling Entities Purchased Inventory is free of any material defect or deficiency

4 13 Title to Property and Assets The Selling Entities own and have good, valid and marketable title to, all Purchased Assets free and clear of all Encumbrances (except Permitted Encumbrances) The Fixed Assets are in good operating condition and repair ordinary wear and tear excepted, and are free of any material defects Schedule 4 13 set forth the location of all Fixed Assets The Fixed Assets are used in the Business

4 14 Employment Matters

(a) When delivered pursuant to Section 6 8 , the Employee List will be accurate

(b) No Selling Entity is bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral express or implied, contract commitment or arrangement with any labor union relating to the Identified Employees and no labor union has requested or, to Seller s Knowledge has sought to represent any of the Identified Employees There is no strike or other labor dispute involving any Selling Entity pending or to the Seller's Knowledge threatened, that could have a Material Adverse Effect, nor is Seller aware of any labor organization activity involving the Identified Employees To the Knowledge of the Seller no Identified Employee intends to terminate his or her employment with Seller or any of its Subsidiaries, nor does Seller or any of its Subsidiaries have a present intention to terminate any Identified Employee Each Selling Entity has complied in all material respects with all applicable Laws related to employment of the Identified Employees The employment of each Identified Employee who is employed in the United States by the Selling Entities is at will "

4 15 Compliance With Laws Except as set forth in Schedule 4 15 (a) each Selling Entity is in compliance in all material respects with each Law that is applicable to the ownership or use of any of the Purchased Assets and operation of the Business and (b) no Selling Entity has received any notice or other communication (in writing or otherwise) pending from any Governmental Body or any other Person regarding any actual, alleged, possible or potential material violation of or material failure to comply with, any Law that is applicable to the ownership or use of any of the Purchased Assets or operation of the Business

4 16 Sale of Products, Warranties None of the Products is subject to any guaranty warranty or other indemnity of a Selling Entity materially beyond the applicable standard terms and conditions of sales agreements or license agreements to which it is a party Each Product that has been sold by the Selling Entities to any Person and for which any warranty obligations are being assumed by Buyer pursuant to Section 2 2(a)(xi) conformed and complied in all material respects with any applicable specifications which were in effect at the time such Product was sold and did not contain any defects in materials or workmanship No Product has been the subject of any recall or other similar action, and to the Knowledge of Seller, there is no reasonable basis for the same

4 17 Certain Payments With respect to the Business or the Purchased Assets neither the Selling Entities nor to the Knowledge of the Seller any director officer agent, or employee thereof or any other Person associated with or acting for or on behalf of any Selling Entity has directly or indirectly made any contribution, gift, bribe rebate payoff influence payment, kickback, or other payment to any Person, private or public regardless of form, whether in money property or services (i) to obtain favorable treatment in securing business, (ii) to pay for favorable treatment for business secured, (iii) to obtain special concessions or for special concessions already obtained, for or in respect of any Selling Entity or any Affiliate of any Selling Entity, or (iv) in violation of any Law

4 18 Finders and Brokers The Selling Entities have not agreed or become obligated to pay or has taken any action that might result in any Person claiming to be entitled to receive, any brokerage commission, finder s fee or similar commission or fee in connection with any of the Transactions

5. REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer hereby represents and warrants to the Seller as follows

5 1 Organization, Good Standing and Qualification The Buyer is a corporation duly organized, validly existing and in good standing under the Laws of Mauritius Each of the other Selling Entities is a corporation duly organized validly existing and in good standing under the Laws of the jurisdiction of its organization Each Buying Entity is duly qualified to conduct business and is in good standing under the Laws of each jurisdiction in which the failure to be so qualified could reasonably be expected to have a Material Adverse Effect on Buyer

5 2 Authorization All corporate action on the part of each Buying Entity, its officers and directors necessary for the authorization, execution and delivery of this Agreement and the

other Transaction Agreements and the performance of all obligations of each Buying Entity h- -der and thereunder has been taken This Agreement constitutes, and when executed and delivered as provided in this Agreement each Transaction Agreement (to which a Buying Entity is a party) will constitute the valid and legally binding obligation of such Buying Entity enforceable in accordance with its terms, except (a) as limited by applicable bankruptcy insolvency reorganization moratorium and other Laws of general application affecting enforcement of creditors rights generally, and (b) as limited by Laws relating to the availability of specific performance injunctive relief or other equitable remedies

5.3 Consents No Consent notice registration, qualification, designation, declaration or filing to or with any third party or any Governmental Body on the part of any Buying Entity is required in connection with the consummation of the Transactions, except for (a) those listed on Schedule 5 3 , (b) that of each Buying Entity s board of directors, (c) any required filings under any applicable foreign antitrust, fair trade or other similar laws and the expiration or termination of waiting periods thereunder and (d) those the failure to obtain or file would not have a Material Adverse Effect on Buyer

5 4 Litigation There is no pending Proceeding and, to the knowledge of the Buyer no Person has threatened to commence any Proceeding that challenges or that may have the effect of preventing delaying, making illegal or otherwise interfering with any of the Transactions The Buyer Parent and its Subsidiaries have not received any notice of any proposed Order that, if issued or otherwise put into effect, may have the effect of preventing delaying making illegal or otherwise interfering with any of the Transactions

5 5 Non Contravention Neither the execution and delivery of this Agreement or the other Transaction Agreements nor the consummation or performance of any of the Transactions will directly or indirectly (with or without notice or lapse of time) contravene or conflict with the articles of incorporation, by laws or other constitutive documents of any Buying Entity

5 6 Finders and Brokers The Buying Entities have not agreed and will not become obligated to pay, or has not taken any action that might result in any Person claiming to be entitled to receive any brokerage commission, finder' s fee or similar commission or fee in connection with any of the Transactions

6. COVENANTS OF THE SELLER AND THE BUYER

6 1 Access and Investigation During the Pre-Closing Period, the Seller shall use commercially reasonable efforts to provide the Buying Entities and their Representatives with reasonable access, during normal business hours and upon reasonable advance notice to all existing books, records, Tax Returns, work papers and other documents and information relating to the Purchased Assets and Business, as well as permit Buyer to have conversations with the customers of the Business and the Identified Employees so long as such conversations have been specifically coordinated by the Seller and the Seller is permitted to attend all meetings or other conversations with such customers and Identified Employees

6.2 Operation of Business During the i g Period, except for actions taken in furtherance of the Transaction Agreements or as otherwise requested and reasonably consented to in writing in advance by the Buyer the Seller shall and shall cause its Subsidiaries to use commercially reasonable efforts to

(a) conduct the Business in the Ordinary Course of Business and in the same manner as such operations have been conducted prior to the date of this Agreement,

(b) maintain with respect to the Business, their relations and good will with all suppliers customers and creditors of the Business the Identified Employees and other Persons having business relationships with the Business

(c) not make any capital expenditure that would become a Purchased Asset, except for capital expenditures that are made in the Ordinary Course of Business, and that when added to all other capital expenditures made on behalf of the Seller and its Subsidiaries during the Pre-Closing Period, do not exceed $250 000 in the aggregate

(d) not permit any of the Purchased Assets to become bound by any Encumbrance except Permitted Encumbrances, or become bound by a Contract that would become an Assumed Contract other than purchase orders entered into in the Ordinary Course of Business, and

(e) not agree commit or offer (in writing or otherwise) and not attempt to take any of the actions described in clauses (a)-(d) of this Section 6 2.

6.3 Filings and Consents The Parties shall use commercially reasonable efforts to ensure that

(a) each filing or notice required to be made or given (pursuant to any applicable Law Order or Assumed Contract, or otherwise, including any filing or notice required under any applicable antitrust Law) by any such Party in connection with the execution and delivery of this Agreement or any of the other Transaction Agreements or in connection with the consummation or performance of any of the transactions contemplated herein or therein is made or given as soon as possible after the date of this Agreement

(b) each Consent required to be obtained (pursuant to any applicable Law Order or Assumed Contract or otherwise) by each such Party in connection with the execution and delivery of this Agreement or any of the Transaction Agreements or in connection with the consummation or performance of any of the transactions contemplated herein or therein is obtained as soon as practicable after the date of this Agreement and remains in full force and effect through the Closing Date

(c) a copy of each filing made each notice given and each Consent obtained by such Party during the Pre-Closing Period is promptly made available to the other Parties and

(d) during the Pre-Closing Period, their respective Representatives cooperate with the other Parties and prepare and make available such documents and take such other actions as the other Parties may request in good faith in connection with any filing notice or Consent that the other Parties are required or elect to make give or obtain

6 4 Notification

(a) During the Pre-Closing Period, the Seller shall promptly nohfy the Buyer and the Buyer shall promptly notify the Seller in writing of

(i) the discovery of any event condition fact or circumstance that occurred or existed on or prior to the date of this Agreement and that caused or constitutes a breach of any representation or warranty made by any Party in this Agreement such that the conditions set forth in Sections 7 1 or 8 1 , as applicable would not be satisfied as of the time of such breach

(ii) any event condition, fact or circumstance that occurs arises or exists after the date of this Agreement and that would cause or constitute a breach of any representation or warranty made by a party in this Agreement if (A) such representation or warranty had been made as of the time of the occurrence existence or discovery of such event condition, fact or circumstance or (B) such event condition, fact or circumstance had occurred, arisen or existed on or prior to the date of this Agreement such that the conditions set forth in Sections 7 1 or 8 1 , as applicable would not be satisfied as of the time of such breach

(iii) its or the other Selling Entities or the other Buying Entities, as the case may be breach of any covenant or obligation set forth in this Agreement such that the conditions set forth in Section 7 2 or 8 3 , as applicable would not be satisfied as of the time of such breach and

(iv) any event condition, fact or circumstance that may make the timely satisfaction of any of the conditions set forth in Article 7 or Article 8 impossible or unlikely

(b) If any event condition, fact or circumstance that is required to be disclosed pursuant to Section 6 4(a) requires any change in the Disclosure Schedule or if any such event condition, fact or circumstance would require such a change assuming the Disclosure Schedule were dated as of the date of the occurrence existence or discovery of such event condition fact or circumstance then the Seller shall promptly deliver to the Buyer an update to the Disclosure Schedule specifying such change No such update shall be deemed to supplement or amend the Disclosure Schedule for the purpose of (i) determining the accuracy of any of the representations and warranties made by the Selling Entities in this Agreement, or (ii) determining whether any of the conditions set forth in Article 7 has been satisfied, provided, however that they shall be deemed an amendment to the Disclosure Schedule for purposes of Article 9 hereof, if the Parties proceed to a Closing notwithstanding such supplement or amendment

6.5 Commercially Reasonable Efforts During the Pre-Closing Period, Selling Entities shall use their respective commercially reasonable efforts to cause the conditions set

forth in Article 7, and Buying Entities shall use its commercially reasonable efforts to cause the conditions set forth in Article 8 to be satisfied on a timely basis and not intentionally take any action that it actually knew would reasonably be expected to result in any of the representations and warranties made by Seller under this Agreement becoming untrue

6.6 Confidentiality, No Shop All Parties to this Agreement shall ensure that, during the Pre-Closing Period

(a) Each Party and its respective Representatives and Affiliates complies with the Confidentiality Agreement, dated September 14 2004 which shall continue in full force and effect in accordance with its terms and

(b) From the date of this Agreement through the earlier of (i) the date that this Agreement is terminated or (ii) the Closing Date the Seller shall not and shall cause its Subsidiaries and their Representatives not to directly or indirectly encourage solicit, engage in discussions with or provide any information to any person or group concerning any sale or other disposition of all or a material portion of the Purchased Assets other than inventory sales in the Ordinary Course of Business The Seller shall promptly communicate to the Buyer any unsolicited offer or proposal concerning any such transaction that it and its Subsidiaries receive

6 7 Bulk Transfer Laws Each of the Parties agree to waive compliance by the other with the provisions of the bulk sales law of any jurisdiction

6 8 Employee s

(a) Buyer and Seller acknowledge and agree that Buyer Parent and/or its Subsidiaries will, by November 9 2004 make offers of employment to certain employees of the Business to be mutually identified by the Buyer and Seller and ultimately selected by Buyer (the Identified Employees ") Promptly after Buyer has selected the Identified Employees, to the extent permitted by applicable Laws (and where not so permitted, after consent for disclosure is solicited by Seller and received from Seller s Identified Employee(s)), the Seller shall deliver to the Buyer a list (the " Employee List ") that will set forth, with respect to each Identified Employee (i) the name and title of such employee, (ii) the aggregate dollar amounts (in the local currency for such employee) of the compensation (including wages salary commissions director s fees, fringe benefits bonuses profit sharing payments and other payments) received by such employee from the Seller and its Subsidiaries as of September 30, 2004 (iii) such employee's annualized compensation as of the date of this Agreement (iv) the number of hours of sick time which such employee has accrued as of the date hereof and the aggregate dollar amount thereof if applicable (v) the number of hours of vacation time which such employee has accrued as of the date hereof and the aggregate amount thereof and (vi) the amount of severance that will be due and payable by the Selling Entities upon termination of the Identified Employees The Buyer shall, and shall cause its relevant Affiliates to offer employee benefits and base compensation that are substantially similar in the aggregate to those provided by the Seller and its relevant Subsidiaries to the extent that such employee benefits are not greater or more favorable than the Buyer's and its relevant Affiliates' current compensation and benefit package that is generally available for its similarly situated employees in the same geographic market

subject to any union or other Laws The Buyer and its relevant Affiliates will not assume any options of the Seller but may make option grants in accordance with the Buyer and its relevant Affiliates general policies and the terms of the Buyer and its relevant Affiliates equity incentive plan, including that the per share exercise price of the options will be equal to the fair market value of Buyer Parent s ordinary shares on the Closing Date or the date the option is granted, whichever is later The effective date for participation in the Buyer and its relevant Affiliates employee benefit plans shall be the Closing Date or the earliest practicable date thereafter Identified Employees of the Seller and its Subsidiaries who become employed by the Buyer Parent and/or its Subsidiaries in connection with this Transaction are referred to as " Transferred Employees "

(b) Payment of Severance Pay Each Selling Entity shall make payment in full to all Transferred Employees of all severance pay bonuses vacation pay other accrued employment benefit payments on or before the due date for such payment under applicable Laws and otherwise in a manner in accordance with applicable Laws If Buyer Parent and/or any of its Subsidiaries are required to assume any of these amounts such amount assumed shall be reimbursed by Seller or may be a Purchase Price adjustment or offset at Buyer s election

(c) Employee Liabilities Except for Employee Assumed Liabilities (defined below) the Seller and its Subsidiaries shall be responsible for any Liabilities related to their employees that have accrued prior to the Closing Date including but not limited to any Liabilities associated with the seniority of employees who will become Transferred Employees For the avoidance of doubt the Buyer Parent and its Subsidiaries shall not assume and the Seller and its Subsidiaries shall retain as Liabilities any unpaid salary accrued severance pay allowances, bonuses and any other remuneration or monetary benefits and any other obligations owed to the employees of the Seller and its Subsidiaries arising from or in connection with their employment by the Seller and its Subsidiaries or any current or former Affiliate of the Seller and its Subsidiaries The following liabilities with respect to the Transferred Employees will be considered "Employee Assumed Liabilities any pre-closing Liability relating to a Transferred Employee that the Buyer Parent and the relevant Subsidiary is required strictly by Law to assume (and not as a result of violation of Law or other contractual or Benefit Plan obligation by Seller) In addition, the Buyer Parent and its Subsidiaries will recognize the Transferred Employee s term of service with the Seller and its Subsidiaries for the purpose of calculating the eligibility for short term disability benefits under Buyer Parent and its Subsidiaries employee Benefit Plans as well as vacation and paid time accrual

(d) The Parties agree that nothing in this Agreement shall limit the Buying Entities ability to terminate the employment of any Transferred Employee provided however that Buyer shall and shall cause its Affiliates to pay a severance payment to any Transferred Employee whom Buyer or its Affiliates terminates without Cause prior to twelve (12) months from the Closing Date in the amount of two (2) weeks of base salary per year of service, with a minimum payment of two (2) months of base salary and a maximum payment of six (6) months of base salary per employee (the "Minimum Severance Payment ") Years of service will be calculated based on the combination of Buyer Parent and its Subsidiaries and Seller and its Subsidiaries years of service In the event that the applicable Buyer Parent and/or its Subsidiaries severance payment to the relevant Transferred Employee (which shall be at least as

much as generally paid to similarly situated employees in the same geographic market subject to any union or the Laws) is less than the Minimum Severance Amount Seller promptly shall pay the deficiency within fifteen (15) days for owing written notice of such deficiency is provided by a Buying Entity

(e) Nothing in this Section 6 8 , express or implied, is intended to confer upon any Person including without limitation any Identified Employee or Transferred Employee other than the Parties hereto or their respective successors and assigns, any rights remedies obligations or liabilities under or by reason of this Agreement

6 9 Communications Received After Closing The Selling Entities authorize and empower Buying Entities on and after the Closing Date to receive and open all mail received by the Buying Entities relating to the Business or the Purchased Assets and to deal with the contents of such communications in any proper manner Seller shall and shall cause its Subsidiaries to promptly deliver to the Buyer any mail or other communication received by them after the Closing Date pertaining to the Business or the Purchased Assets and any cash, checks or other instruments of payment to which the Buying Entities are entitled Buyer shall and shall cause its Affiliates and the Buyer Parent to promptly deliver to Seller any mail or other communication received by it after the Closing Date pertaining to the assets and liabilities not transferred to the Buying Entities and any cash checks or other instruments of payment in respect thereof

6.10 Asset Returns In the event the Buying Entities receive any assets of the Seller and its Subsidiaries that are not intended to be transferred pursuant to the terms of this Agreement whether or not related to the Business Buyer agrees to and shall cause the Buying Entities to promptly return such assets to Seller or its Subsidiaries at Seller s direction and expense In the event that following the Closing Seller receives or finds in its or its Subsidiaries possession any Purchased Assets that were intended to be but were not, transferred pursuant to this Agreement at the Closing Seller shall promptly notify Buyer to such effect and shall comply with its obligations in respect thereof

6 11 Removal of Assets The Purchased Assets shall be removed in accordance with the provisions of the Transition Services Agreement

6 12 Consents Except for Required Consents which shall not be subject to this Section 6 12 (unless Buyer waives Section 7 2 with respect to a Required Consent)

(a) To the extent that any Consents needed to assign to the Buying Entities any of the Purchased Assets have not been obtained on or prior to the Closing Date despite each Party s commercially reasonable efforts to obtain such Consents pursuant to Section 6 3 of this Agreement this Agreement shall not constitute an assignment or attempted assignment thereof if such assignment or attempted assignment would constitute a breach thereof If any Consents shall not be obtained on or prior to the Closing then Seller and Buyer shall use their commercially reasonable efforts in good faith to obtain such Consent as promptly as practicable thereafter and if in the reasonable judgment of both Buyer and Seller such Consent may not be obtained the parties shall use commercially reasonable efforts in good faith to cooperate and to cause each of their respective Subsidiaries to cooperate in any lawful arrangement designed to provide for the Buying Entities the benefits under any such Purchased Assets

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(b) If Seller requests the Buyer shall, and shall cause its Affiliates to sell Products to Seller or its Subsidiaries at Seller s list price as of the Closing Date for the shortest period necessary after Closing to enable Seller or its Affiliates to meet its minimum obligations under any Contract or obligation of Seller which requires the delivery of Products but which has not yet been transferred to a Buying Entity despite each Party s commercially reasonable efforts to obtain such Consents pursuant to Section 6 3 of this Agreement or terminated

(c) Notwithstanding any other provision of this Agreement, Seller retains the right to terminate any Assumed Contract after Closing if such Contract cannot be transferred to the Buying Entities within a reasonable time frame despite each Party s commercially reasonable efforts to obtain such Consents of the other parties thereto to transfer such Contract pursuant to Section 6 3 of the Agreement taking into account the terms of such Contract (including automatic renewal provisions)

6 13 Supply Contracts Prior to the Closing, the Buyer shall and shall cause its Buying Entities to use commercially reasonable efforts to negotiate in good faith to enter into supply agreements necessary for the Business with [*] and [*], provided, that in the event that the Buying Entities are not able to reach agreement after good faith negotiations with such Persons the Buyer and/or its Affiliates agree to negotiate in good faith with Seller for the supply of materials supplied currently by such Persons to the Business

6 14 [*] agreement Prior to the Closing the Buyer shall and shall cause its Buying Entities to use commercially reasonable effort to negotiate in good faith to enter into a manufacturing agreement with [*] or one of its Affiliates which agreement shall reflect the transfer and assumption of the certain rights and certain Liabilities as set forth in Section 2 1(a)(v) and Section 2 2(a)(v) provided, that in the event that the Buying Entities are not able to reach agreement after good faith negotiations with [*] the Buyer and/or its Affiliates agree to negotiate in good faith with Seller for such manufacturing currently provided by [*] to the Business

6 15 Warranty and Return Liabilities

(a) In the event that any Buying Entity incurs Warranty Obligations of Products sold prior to or on the Closing Date in excess of $150 000 in accordance with Section 2 2(b)(ix) , Seller shall be responsible for such Warranty Obligations

(b) The Buying Entity shall provide written notice to the Selling Entities setting forth in reasonable detail the nature of and the replacement costs incurred for any of the Selling Entities Warranty Obligation under Section 2 2(b)(ix) , and Selling Entities shall promptly reimburse for any such Warranty Obligations, unless such reimbursement is subject to dispute in accordance with the following sentence, then any reimbursement due following such dispute resolution shall be paid promptly after the dispute is finally resolved If Selling Entities dispute the Warranty Obligations under such notice, and the disputes are not resolved within a thirty (30) day period, such disputes shall be resolved in accordance with Section 11 4 During the review process the Buying Entity shall (i) use commercially reasonable efforts to provide the Seller and their Representatives with reasonable access during normal business hours and upon reasonable

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advance notice to the books and records related to such Warranty Obligation and (ii) reasonably cooperate with Seller and its Representatives, including by providing on a timely basis all information necessary or useful within its control to such Warranty Obligation

7 CONDITIONS PRECEDENT TO THE OBLIGATIONS OF THE BUYER

The obligation of the Buyer hereunder to consummate the transactions contemplated hereby shall be subject to the satisfaction of the following conditions as of the Closing Date

7 1 Representations and Warranties The representations and warranties of the Seller contained in this Agreement which are qualified by materiality shall be true and correct on and as of the Closing Date and the representations and warranties of the Seller contained in this Agreement which are not qualified by materiality shall be true and correct in all material respects on and as of the Closing Date, except for representations and warranties that are made only as of a specific date which shall be true and correct as of such specified date

7.2 Consents and Approvals All required Consents to the assignment of the Assumed Contracts identified on Schedule 7 2 (Required Consents") and board of director and stockholder approvals if necessary of the Selling Entities shall have been obtained, and written evidence of the same shall be provided to Buyer

7.3 Performance The Selling Entities shall have performed and complied in all material respects with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing Date

7 4 No Material Adverse Change There shall not have been a Material Adverse Effect on Seller whether or not resulting from a breach in any representation, warranty or covenant in this Agreement except to the extent resulting from (i) any change resulting from the compliance with the terms and conditions of this Agreement or any of the Transaction Agreements (ii) any change or effect that results or arises from the announcement or pendency of the transactions contemplated by this Agreement or any of the Transaction Agreements, or (iii) any change or effect that results or arises from changes generally affecting the United States or general worldwide economies or the camera module industry

7.5 Execution of Transaction Agreements Each Party to each of the Transaction Agreements shall have executed and delivered the same

7 6 Antitrust Laws, Governmental Approvals Any applicable waiting period under any applicable antitrust Laws shall have expired or terminated, and all Governmental Authorization required to consummate the Transaction shall have been received

7 7 Identified Employees [*] percent ([*]%) of the Identified Employee shall have accepted an offer of employment from the applicable Buying Entities and shall have executed the Buying Entities standard proprietary information and inventions agreement

7 8 Supply Contract One or more Buying Entities shall have entered into supply agreements with [*] and [*] in accordance with Section 6 13 and a manufacturing agreement with [*] in accordance with Section 6 14 or in either case Seller

7 9 Delivery of Legal Opinion Buying Entities shall have received the legal opinion of Seller in a form reasonably acceptable to the Buyer

7 10 Compliance Certificate Seller shall have delivered to the Buyer a certificate executed by an authorized person of Seller, dated as of the Closing Date certifying that each of the conditions set forth in Sections 7 1 7 3 and 7 4 has been satisfied

8. CONDITIONS PRECEDENT TO THE OBLIGATIONS OF THE SELLER

The obligation of the Seller hereunder to consummate the transactions contemplated hereby shall be subject to the satisfaction of the following conditions as of the Closing Date

8 1 Representations and Warranties The representations and warranties of the Buyer contained in this Agreement which are qualified by materiality shall be true and correct on and as of the Closing Date and the representations and warranties of the Buyer contained in this Agreement which are not qualified by materiality shall be true and correct in all material respects on and as of the Closing Date, except for representations and warranties that are made only as of a specific date which shall be true and correct as of such specified date

8.2 Purchase Price The Buying Entities shall have delivered to the Selling Entities the Purchase Price as specified in Section 3 1

8.3 Performance The Buying Entities shall have performed and complied in all material respects with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing Date

8 4 Execution of Transaction Agreements Each Party to the Transaction Agreements shall have executed and delivered the same

8 5 Antitrust Laws Any applicable waiting period under any applicable antitrust Laws shall have expired or terminated, and all Governmental Authorization required to consummate the Transaction shall have been received

8 6 Compliance Certificate Buyer shall have delivered to the Seller a certificate executed by an authorized person of Buyer, dated as of the Closing Date certifying that each of the conditions set forth in Sections 8 1 and 8 3 has been satisfied

9 INDEMNIFICATION, ETC.

9 1 Survival of Representations and Covenants

(a) All covenants and obligations of the Parties shall survive and continue until the dates specified therein or if not so specified, until the applicable statute of limitation

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period or periods legally applicable to them All representations and warranties made by the Seller and the Buyer in this Agreement and in any certificates delivered pursuant to Section 7 10 and Section 8 6 of this Agreement shall survive the Closing Date for a period of eighteen (18) months following the Closing Date provided however that any representation or warranty set forth in Sections 4 1 and 4 2 shall survive indefinitely and any representation or warranty set forth in Sections 4 10 and 4 15 shall survive for the applicable statute of limitation period. Any Party s right to commence a claim for indemnification under Section 9.2 for a breach of any representation or warranty shall be made on or prior to the date if any on which the survival period for such representation or warranty expires

(b) The representations warranties covenants and obligations of the respective Parties and the rights and remedies that may be exercised by any of them shall not be limited or otherwise affected by or as a result of any information furnished to or any investigation made by or knowledge of any of the Parties or any of their Representatives

9 2 Indemnification

(a) The Seller shall indemnify defend and hold harmless Buyer its Subsidiaries Buyer Parent and each of their officers directors, employees, agents and Representatives (collectively the "Buying Indemnitees" and individually each a "Buying Indemnitee") from and against, and shall compensate and reimburse each of the Buying Indemnitees for, any Damages which are suffered or incurred by any of the Buying Indemnitees or to which any of the Buying Indemnitees may otherwise become subject at any time (regardless of whether or not such Damages relate to any third party claim) and which arise from or as a direct or indirect result of or are directly or indirectly connected with

(i) any breach of any representation or warranty made by the Seller in this Agreement,

(ii) any breach of any covenant or obligation of any Seller in this Agreement

(iii) any Liability relating to the operation of the Business or ownership of the Purchased Assets prior to the Closing, other than Assumed Liabilities

(iv) any Liability and Proceedings but only as to any Liability accruing prior to the Closing Date with respect to the [*] request for indemnification from Seller and [*].

(v) payments if any required to be made by Selling Entities under Section 3 2(b)

(vi) payments, if any, required to be made by Selling Entities under Section 6 8(b) and (c)

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(vii) any Liability related to Image Sensors (other than as provided in Section 2.2(a)(iii)) and the Agilent Image Sensor Business, including without limitation, Liability and Proceedings related to [*] and

(viii) any Retained Liability

(b) The Buyer shall defend and hold harmless Seller and its Subsidiaries and each of their officers, directors, employees agents and Representatives (collectively the "Selling Indemnitees" and individually each an "Selling Indemnitee") from and against and shall compensate and reimburse each of the Selling Indemnitees for any Damages which are suffered or incurred by any of the Selling Indemnitees or to which any of the Selling Indemnitees may otherwise become subject at any time (regardless of whether or not such Damages relate to any third party claim) and which arise from or as a direct or indirect result of or are directly or indirectly connected with

(i) any breach of any representation or warranty made by the Buyer in this Agreement

(ii) any breach of any covenant or obligation of the Buyer in this Agreement

(iii) any Liability relating to the operation of the Business or ownership of the Purchased Assets on or after the Closing including all Liabilities attributable to Assumed Liabilities which were not in existence on the date of Closing,

(iv) payments if any required to be made by Buying Entities under Section 3 2(b), and

(v) all Assumed Liabilities

(c) Notwithstanding the other provisions of this Article 9 in no event shall the Seller be required to indemnify the Buyer for Damages based on Section 9.2(a)(i) and (ii) (or Proceeding related thereto) until the aggregate amount of such Damages sustained by the Buyer exceeds 1% of Purchase Price (Threshold "), at which point the Seller shall be liable for all Damages sustained by the Indemnitees For avoidance of doubt, the Threshold shall not apply to the Selling Entities indemnification obligations for Damages based on Section 9.2(a)(iii), (iv), (v) (vi), (vii) and (viii). Except for fraud the aggregate amount which all Buyer Indemnitees are entitled to recover from the Seller Entities based on Section 9 2(a)(i) and (ii) (or Proceeding related thereto) in the aggregate will not exceed [*] % of Purchase Price ('Cap ') For avoidance of doubt, the Cap shall not apply to the Selling Entities indemnification obligations for Damages based on Section 9 2(a)(iii), (iv), (v), (vi), (vii) and (viii).

(d) Except in the cases of fraud, no Party shall be liable for any special incidental consequential or punitive damages hereunder including without limitation lost profits, unless the same are included in a third party claim

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(e) Except in the cases of fraud, the indemnity provide in Article 9 shall be the sole and exclusive remedy of the Buying Indemnitees and the Selling Indemnitees

(f) Any payment made pursuant to the indemnification obligations under this Section 9 shall be treated as an adjustment to the Purchase Price

9.3 Indemnification Procedures

(a) For purposes of this Section 9.3 , " Indemnified Party " shall mean (i) each Selling Indemnitee when being indemnified by any Buying Entity pursuant to Section 9 2(b) , and (ii) each Buying Indemnitee when being indemnified by any Selling Entity pursuant to Section 9 2(a) , and Indemnifying Party " shall mean (x) any Selling Entity when indemnifying any Buying Indemnitee pursuant to Section 9 2(a) , and (y) any Buying Entity when indemnifying any Selling Indemnitee pursuant to Section 9 2(b)

(b) The obligations and Liabilities of an Indemnifying Party under this Article 9 with respect to Damages arising from claims of any third party which are subject to the indemnification provided for under Section 9 2 (" Third Party Claims ") shall be governed by and contingent upon the following terms and conditions if an Indemnified Party shall receive notice of any Third Party Claim, the Indemnified Party shall notify each Indemnifying Party promptly of such Third Party Claim specifying the nature of such claim and the amount or the estimated amount thereof to the extent then feasible (which estimate shall not be conclusive of the final amount of such claim Notwithstanding the foregoing, a delay or failure to provide such notice shall not release the Indemnifying Party from any of its obligations under this Article 9 unless (and then solely to the extent) the Indemnifying Party is prejudiced by the delay or failure Any Indemnifying Party will have the right to defend the Indemnified Party against the Third Party Claim so long as the Indemnifying Party notifies the Indemnified Party in writing within thirty (30) days after the Indemnified Party has given notice of the Third Party Claim that the Indemnifying Party will undertake the defense of such claim and the Indemnifying Party uses its commercially reasonable efforts to conduct the defense of the Third Party Claim in a manner reasonably consistent with its defense of its own direct claims The Indemnified Party may participate in but not control, the defense of such claim with counsel of its choice provided however , that the fees and expenses of the Indemnified Party s participation including of its counsel, shall be at the expense of the Indemnified Party unless (A) the Indemnifying Party has agreed in writing to pay such fees and expenses (B) the Indemnifying Party has failed to assume the defense as provided herein or (C) a claim shall have been brought or asserted against the Indemnifying Party as well as the Indemnified Party and such Indemnified Party shall have been advised in writing by counsel that there may be one or more factual or legal defenses available to it that are in conflict with those available to the Indemnifying Party in which case such counsel shall be at the expense of the Indemnifying Party, provided , however , that the Indemnifying Party will not be required to pay the fees and expenses of more than one separate principal counsel (and one appropriate local counsel) for all Indemnified Parties If, within such 30-day period, the Indemnifying Party does not assume the defense of such matter or fails to defend the matter in the manner set forth above the Indemnified Party may defend against the matter in any manner that it reasonably may deem appropriate and the Indemnifying Party will reimburse the Indemnified Party promptly and periodically for the costs of defending against such claim

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(including reasonable attorneys fees and expenses) and the Indemnifying Party will remain responsible for the Liability the Indemnified Party may suffer resulting from arising out of relating to in the nature of or caused by the claim to the fullest extent provided herein, provided however, that the Indemnified Party may not consent to the entry of any judgment with respect to the matter or enter into any settlement with respect to such matter without the written consent of the Indemnifying Party which consent may not be unreasonably withheld In the event the Indemnifying Party exercises the right to undertake any defense against any a Third Party Claim as provided above the Indemnified Party shall cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party at the Indemnifying Party s expense all witnesses pertinent records materials and information in the Indemnified Party s possession or under the Indemnified Party s control relating thereto as is reasonably required by the Indemnifying Party Similarly in the event the Indemnified Party is conducting the defense against any such Third Party Claim, the Indemnifying Party shall cooperate with the Indemnified Party in such defense and make available to the Indemnified Party at the Indemnifying Party s expense all such witnesses records materials and information in the Indemnifying Party s possession or under the Indemnifying Party s control relating thereto as is reasonably required by the Indemnified Party

(c) An Indemnified Party shall give each Indemnifying Party notice of any matter (other than a Third Party Claim) which an Indemnified Party has determined has given or would reasonably be expected to give rise to a right of indemnification under Section 9 2, within sixty (60) days of such determination, stating the amount of the Damages if known, and method of computation thereof a brief description of the facts upon which such claim is based and containing a reference to the provisions of this Agreement in respect of which such right of indemnification is claimed or arises provided, however that the delay or failure to provide such notice shall not release the Indemnifying Party from any of its obligations under this Article 9 unless (and then solely to the extent) the Indemnifying Party is prejudiced by the delay or failure

(d) If after the amount of the claim is specified by the Indemnified Party the Indemnifying Party objects to any such claim it may give written notice to the Indemnified Party within thirty (30) days of the later of receipt of the Indemnified Party s notice of claim or the specification by the Indemnified Party of the amount of the claim advising the Indemnified Party of its objection If no such notice is timely received from the Indemnifying Party by the Indemnified Party the Indemnified Party will be entitled to payment from the Indemnifying Party in the amount of the Damages arising out of the claim specified in its notice of claim If the Indemnifying Party advises the Indemnified Party within such thirty (30) day period that it objects to such claim the Indemnified Party and the Indemnifying Party shall promptly meet and attempt in good faith to settle the dispute in writing Unless both parties waive such timeline if the Indemnified Party and the Indemnifying Party are unable to reach agreement within sixty (60) days after the Indemnifying Party objects to the claim then the disputed portion of the claim shall be submitted to arbitration in accordance with Section 11 4 If the arbitrator shall determine that the Indemnified Party is entitled to indemnification with respect to the dispute submitted the Indemnified Party will be entitled to obtain payment from the Indemnifying Party within thirty (30) days in the amount determined by the arbitrator

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9 4 Non Compete, Non Solicitation

(a) For a period of [*] following the Closing Date (Non-Compete Period ') the Seller shall not and the Seller shall cause its Subsidiaries not to without the prior written consent of the Buyer directly or indirectly own, manage control participate in or in any manner engage in the business of developing distributing selling and marketing Camera Module products that are configured and intended for inclusion in a personal portable handheld device for human voice communication over a cellular network (a "Competitive Activity") within any Restricted Territory, provided however that notwithstanding the foregoing the Seller and its Subsidiaries shall be able to engage in the following activities (i) the acquisition or ownership of securities of no more than five percent (5%) of the outstanding voting power of any competitor which are listed on any national securities exchange or traded in the national over-the-counter market (ii) the acquisition merger or any other business combination with or investments in any Person whose primary business is not a Competitive Activity so long as after such acquisition, the Seller and its Subsidiaries shall not engage in the Competitive Activity (iii) existing or future licenses or other dispositions of Agilent Intellectual Property so long as such licenses and dispositions are in accordance with Section 2 12 of the License Agreement (iv) Seller s actions under Contracts pursuant to Section 6 12 hereof until such Contracts can be transferred to the Buying Entities or terminated or (v) actions taken pursuant to the Transaction Agreements For the avoidance of doubt the Parties agree that this Section 9 4 shall not in any way limit the Seller and its Subsidiaries from engaging in the business of developing manufacturing or marketing of Imagine Sensors As used in this Agreement Restricted Territory" means the areas in the world in which any Buyer's Parent or its Affiliates are doing business

(b) During the Non Compete Period, the Seller and its Subsidiaries shall refrain from, either alone or in conjunction with any other Person, directly or indirectly inducing or attempting to induce any Transferred Employee to leave the employ or engagement of the Buyer Parent or its Subsidiaries or induce or attempt to induce any customer supplier contractor licensor or licensee of the Combined CM Business of Buyer Parent or its Subsidiaries to cease doing business with the Buyer Parent or its Subsidiaries as it relates solely to the Combined CM Business During the Non Compete Period, the Buyer Parent and its Subsidiaries shall not induce or attempt to induce any employee of Seller s Sensor Solutions Division of the Semiconductor Products Group of the Seller and its Subsidiaries, including without limitation the employees of the Image Sensor Business to leave the employ or engagement of any the Seller and its Subsidiaries Notwithstanding the foregoing, the restrictions set forth in this Section 9 4(b) shall not apply in the event that any employee is involuntarily terminated by a Party

(c) If any court of competent jurisdiction declares any provision of Section 9 4 invalid or unenforceable the remainder of this Agreement shall remain fully enforceable To the extent that any court concludes that any provision of Section 9 4 is void or voidable the court shall reform such provision(s) to render the provision(s) enforceable but only to the extent necessary to render the provision(s) enforceable and only in view of the Parties express desire that the Buyer and its Affiliates be protected to the greatest extent possible under applicable Law from improper competition and/or the misuse or disclosure of the Purchased Assets The Parties hereto acknowledge that money damages would be an inadequate remedy for any breach of Section 9 4 Therefore in the event of a breach or threatened breach of Section 9 4 any Buying Entity or its respective successors or assigns may in addition to other rights and remedies existing in their favor apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of the provisions of Section 9 4 (without posting a bond or other security)

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10. TERMINATION

10 1 Termination Thus Agreement may be terminated at any time prior to the Closing

(a) by either Party if the Closing shall not have occurred by ninety (90) days following the date hereof provided however that the right to terminate this Agreement under this Section 10 1(a) shall not be available to any Party whose failure to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to such date,

(b) by a Party (the "Non Defaulting Party") upon a breach of any representation or warranty of the other Party (the Defaulting Party") or any covenant or agreement in this Agreement or if any representation or warranty of the Defaulting Party in this Agreement shall have become untrue in either case such that the conditions set forth in Section 7 1 or 7 2 or Section 8 1 or 8 3, as the case may be, would not be satisfied as of the time of such breach or as of the time such representation or warranty shall have become untrue provided, that if such inaccuracy in the Defaulting Party s representations and warranties or breach by the Defaulting Party is curable by the Defaulting Party through the exercise of its commercially reasonable efforts within ten (10) days, then Non Defaulting Party may not terminate this Agreement under this Section 10 1(b) prior to the tenth (10 *) day following the date on which notice of such breach was provided by the Non Defaulting Party to the Defaulting Party provided the Defaulting Party continues to exercise commercially reasonable efforts to cure such breach during such period provided, further that the Defaulting Party remains liable following termination for such breach, or

(c) by either Party in the event that any Governmental Body shall have issued an Order or taken any other action restraining enjoining or otherwise prohibiting the Transactions contemplated by this Agreement and such Order or other action shall have become final and nonappealable, or

(d) by the mutual written consent of both Parties

10.2 Effect of Termination In the event of termination of this Agreement as provided in Section 10 1, this Agreement shall forthwith become void and there shall be no Liability on the part of either Party hereto except (i) as set forth in Sections 6.6(a) and 11.1, (ii) that nothing herein shall relieve either Party from Liability for any breach of this Agreement and (iii) that the Buyer shall, and shall cause its Affiliates to return all materials and medium containing any information of any nature relating to the Seller and its Subsidiaries including proprietary and confidential information within five (5) Business Days of termination

11 MISCELLANEOUS

11 1 Transaction Expenses Each Party shall bear and pay its own fees costs and expenses including but not limited to all legal, accounting banking or broker fees

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commissions and expenses that such Party incurs in connection with the negotiation, preparation and review of the Transaction Agreements Notwithstanding the foregoing, the Buyer and the Seller shall pay for 50% of the total fees and expenses incurred in connection with the preparation and submission of any filing or notice required to be made or given to any Governmental Body (including any filing required by applicable antitrust Laws) in connection with any of the Transactions

11.2 Successors and Assigns Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties Nothing in this Agreement express or implied, is intended to confer upon any Party other than the Parties hereto or their respective successors and assigns any rights remedies obligations or liabilities under or by reason of this Agreement except as expressly provided in this Agreement

11.3 Governing Law This Agreement shall be governed by and construed under the Laws of the State of California as applied to agreements among California residents entered into and to be performed entirely within California.

11 4 Disputes Resolution, Waiver of Jury Trial

(a) Except as otherwise provided in this Agreement the following dispute resolution procedures shall be used by the Parties to resolve all disputes differences controversies and claims under this Agreement that arise out of or relate to this Agreement or the interpretation or breach thereof (other than those set forth in Section 11 4(g) hereof) (collectively Disputes") For purposes of this Section 11 4 Parties" means Buyer on the one hand, and the Sellers on the other hand Either Party may by written notice to the other Party refer any Disputes for resolution in the manner set forth below

(b) Any such Disputes shall be referred to arbitration under the rules of the American Arbitration Association, to the extent such rules are not inconsistent with this Section 11 4 Unless the Parties agree on the name of a single arbitrator the arbitration panel shall consist of three (3) arbitrators one of whom shall be appointed by Buyer and one of whom shall be appointed by the Sellers The two arbitrators thus appointed shall choose the third arbitrator provided, however, that if the two arbitrators are unable to agree on the appointment of the third arbitrator either arbitrator may petition the American Arbitration Association to make the appointment Neither Party nor any arbitrator may disclose the existence content or results of any arbitration hereunder without the prior written consent of the Buyer and the Seller The provisions contained in this Section shall survive termination and/or expiration of this Agreement

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(c) Unless otherwise mutually agreed to by the Parties, the place of arbitration shall be San Jo, ornia. Unless otherwise mutually agreed to by the parties for each Dispute referred to arbitration pursuant to this Section 11 4 each Party shall allow and participate in discovery as follows

(i) Non Expert Discovery Each Party may (1) conduct three (3) non expert depositions of no more than five (5) hours of testimony each, with any deponents employed by any party to appear for deposition in San Jose California (unless otherwise mutually agreed by the Parties) (2) propound a single set of requests for production of documents containing no more than twenty (20) individual requests (3) propound up to twenty written interrogatories and (4) propound up to ten (10) requests for admission

(ii) Expert Disclosure If scientific technical or other specialized knowledge will assist the arbitrator each Party may select a single witness who is retained or specially employed to provide such expert testimony In addition each Party may select an additional retained or specially employed expert witness to testify with respect to damages issues, if any Expert discovery shall consist of the following (1) the Parties shall exchange complete reports on all information to be provided by the expert(s) at the hearing no later than thirty (30) days before the first day of the hearing (2) the parties shall produce complete rebuttal reports if any no later than ten (10) days before the first day of the hearing and (3) the Parties shall be required to produce any and all documents reviewed by their expert(s) in performing work relating to the arbitration.

(iii) Additional Discovery The Arbitrator may on application by either Party, authorize additional discovery only if deemed essential to avoid injustice In the event that remote witnesses might otherwise be unable to attend the arbitration, arrangements shall be made to allow their live testimony by video conference during the arbitration hearing

(d) The arbitral tribunal shall render its award within six (6) months after acceptance of its appointment by the third arbitrator This period may be extended by mutual agreement of the Parties The decision of the arbitration panel shall be final and binding on all of the Parties hereto and non appealable and the Parties hereby waive any right of appeal to any court of any Disputes resolved pursuant to this Section 11 4 However the provisions of this Section 11 4 may be enforced in any court having jurisdiction over the award or any of the Parties pursuant to Section 11 4(f) hereof and judgment on the award (including, without limitation, equitable remedies) granted in any Disputes resolution hereunder may be entered in any such court

(e) Each Party shall pay its own expenses in connection with the resolution of Disputes pursuant to this Section 11 4 including attorneys' fees The fees and expenses of the arbitration panel shall be (A) borne equally by the Buyer, on the one hand and the Seller, on the other hand if and to the extent that the arbitration panel determines that such result would be fair and equitable under the circumstances or (B) borne by the Buyer on the one hand and the Seller on the other hand, in inverse proportion to the amount that the arbitration panel's award in favor of the Buyer on the one hand, and the Seller on the other hand, bears to the total amount of the items in dispute (for illustration purposes for this Section 11.4(e) only (X) if the total amount of items in dispute by the Buying Entities is $1 000 000 00 and the Buying Entities are awarded $500 000 00 by the arbitration panel the Buying Entities, on the one hand, and the Selling Entities on the other hand shall bear the arbitration panel s fees and expenses equally or (Y) if the total amount of items in dispute by the Buying Entities is $1 000,000 00, and the Buying Entities are awarded $250 000 00 by the arbitration panel the Buying Entities shall bear 75% and the Selling Entities shall bear 25% of the arbitration panel s fees and expenses)

(f) Any judicial proceeding brought pu ection 11 4(d) or (g) hereof must be brought in any court of competent jurisdiction in the county of Santa Clara California and, by execution and delivery of this Agreement each Party (i) accepts generally and unconditionally, the exclusive jurisdiction of such courts and any related appellate court and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement, (ii) irrevocably waives any objection it may now or hereafter have as to the venue of any such suit action or proceeding brought in such a court or that such court is an inconvenient forum and (iii) waives personal service of process and consents to service of process upon it by certified or registered mail, return receipt requested at its address specified or determined in accordance with Section 11 4 hereof and service so made shall be deemed completed on the third Business Day after such service is deposited in the mail Nothing in this Section 11 4 shall affect the right of any Party hereto to serve process in any other manner permitted by applicable Law

(g) The foregoing provisions shall not apply to Disputes as to breaches or threatened breach of Sections 6 6 or 9 4 hereof The Parties hereto acknowledge that money damages would be an inadequate remedy for any breach of Sections 6 6 or 9 4 and a breach thereof would cause irreparable damage to the Buying Entities Therefore, in the event of a breach or threatened breach of Sections 6 6 or 9 4 the Buying Entities or their respective successors or assigns may in addition to other rights and remedies existing in their favor apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce or prevent any violations of the provisions of Sections 6 6 or 9 4

(h) Notwithstanding anything contained in this Section 11 4 to the contrary in the event of any Dispute prior to referring such Dispute to arbitration pursuant to Section 11 4(b) hereof Seller and Buyer shall attempt in good faith to resolve any and all controversies or claims relating to such Disputes promptly by negotiation commencing within ten (10) calendar days of the written notice of such Disputes by either Party including referring such matter to Seller s then-current general manager of its Semiconductor Products Group and Buyer Parent and its Subsidiaries then current President of Design and ODM Business The representatives of the Parties shall meet at a mutually acceptable time and place and thereafter as often as they reasonably deem necessary to exchange relevant information and to attempt to resolve the Dispute for a period of four (4) weeks In the event that the parties are unable to resolve such Dispute pursuant to this Section 11 4(h) , the provisions of Section 11 4(b) through (f) hereof inclusive shall apply

(i) **IN THE EVENT OF ANY JUDICIAL PROCEEDINGS, THE PARTIES KNOWINGLY AND VOLUNTARILY, AND HAVING HAD AN OPPORTUNITY TO CONSULT WITH COUNSEL, WAIVE ALL RIGHTS TO TRIAL BY JURY, AND AGREE THAT ANY AND ALL MATTERS SHALL BE DECIDED BY A JUDGE WITHOUT A JURY TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW**

11.5 Titles and Subtitles The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement

11.6 Notices All notices required or permitted hereunder shall be in writing and shall be deemed effectively given (a) upon personal delivery to the Party to be notified (b) when sent by confirmed telex or facsimile if sent during normal business hours of the recipient if not, then on the next Business Day (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid or (d) one day after deposit with a nationally recognized overnight courier specifying next day delivery, with written verification of receipt All communications shall be sent to the address as set forth on the signature page hereof or at such other address as such Party may designate by ten days advance written notice to the other Parties hereto

11 7 Amendments and Waivers Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of Seller and Buyer Any amendment or waiver effected in accordance with this paragraph shall be binding upon each Party hereto

11.8 Severability If one or more provisions of this Agreement are held to be unenforceable under applicable Law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms

11 9 Entire Agreement This Agreement including the Exhibits Schedules and the other Transaction Agreements constitutes the entire agreement among the Parties and supercedes all prior agreements and understandings oral and written, between the Parties hereto including without limitation, the Letter dated October 4 2004 from Buyer and Seller No Party shall be liable or bound to any other Party in any manner by any covenants or representations or warranties express or implied, at common law by statute or otherwise except as specifically those representations, warranties and covenant set forth herein or in the Transaction Agreements and the Seller and its Subsidiaries hereby disclaim all implied warranties, including warranties of merchantability or fitness for a particular purpose

11 10 Public Disclosures Unless otherwise required by law, prior to the Closing Date no news release or other public announcement pertaining to the transactions contemplated by this Agreement will be made by or on behalf of any Party without the prior approval of the other party If in the judgment of either Party such a news release or public announcement is required by law the Party intending to make such release or announcement shall provide prior notice to the other Party of the contents of such release or announcement and shall consult with the other Party with respect thereto

11 11 Counterparts, Facsimile This Agreement may be executed in any number of counterparts each of which shall be an original but all of which together shall constitute one instrument This Agreement (or any counterpart hereof) may be delivered by a Party by facsimile, which facsimile delivery shall be effective as if the original counterpart had been delivered.

11 12 Further Assurances The Parties agree to execute such further documents and instruments and to take such further actions as may be reasonably necessary to carry out the purposes and intent of this Agreement

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties have executed this Asset Purchase Agreement as of the date first above written

AGILENT TECHNOLOGIES, INC.		FLEXTRONICS SALES AND MARKETING (A-P) LTD	
By	/s/ Young Sohn	By	/s/ Manny A/L Marimuthu
Name	Young Sohn	Name	Manny A/L Marimuthu
Title	President	Title	
Semiconductor Products Group			
Address	Agilent Technologies, Inc Semiconductor Products Group 350 West Trimble Road MS 90MG San Jose CA 95131 Fax No Attention General Manager	Address	Flextronics Sales and Marketing (A P) Ltd Suite 802, St James Court, St Denis Street Port Louis Mauritius Attention Carne L Schuff General Counsel
With a copy to	Agilent Technologies, Inc 395 Page Mill Road, MS A3 10 Palo Alto CA 94306 United States of America Fax No (650) 752 Attention General Counsel	With a copy to	Flextronics International USA, Inc 2090 Fortune Drive San Jose California 95131 United States of America Attention Duncan Robertson Fax No (408) 428-0859 And Davis Graham & Stubbs LLP 1550 17 * Street, Suite 500 Denver Colorado 80202 United States of America Attention Ronald R. Levine II Fax No (303) 893 1379

[SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT]

-43

Exhibit A

Confidential Treatment Requested

under 17 C.F R. 200.80(b)(4),

200.83 and 240 24b-2

LICENSE AGREEMENT

This License Agreement (Agreement") is entered into and made effective on the Closing Date by and between Agilent Technologies Inc a Delaware corporation ("Agilent") and Flextronics Sales and Mktg (A P) Ltd a Mauritius corporation ("Flextronics ") Agilent and Flextronics may each be referred to in this Agreement individually as "Party and collectively as the Parties"

Whereas in conjunction with this Agreement Agilent is selling to Flextronics certain assets and IP licenses relating to Agilent s camera module business under the terms of the separate Asset Purchase Agreement and

Whereas Agilent is willing to grant such IP licenses subject to the terms and conditions of this Agreement

Now Therefore in consideration of the foregoing premises and the mutual promises covenants and conditions contained in this Agreement Agilent and Flextronics agree as follows

1 Definitions The following capitalized terms shall have the meanings indicated for purposes of this Agreement

1 Affiliate means, as to any person or entity any other person or entity controlling, under common control with or controlled by such first referenced person or entity For purposes of this definition control' means direct or indirect beneficial ownership of 1more than 50% of the voting or income interest in the relevant business entity, or the contractual ability to direct the vote of more than 50% of the voting or income interest in such relevant business entity Such a person or entity will be considered an Affiliate for only as long as such control exists

1 Agilent Camera Module Patents' means (i) any patents or patent applications listed in the attached Exhibit A, foreign counterparts thereof any patent applications or patents claiming priority thereto, and any extension of any such patent and (ii) 2all inventions disclosures prepared on or before the Closing Date that are subsequently filed as patent applications and result in patents having claims that read on Camera Modules

1 Agilent IP Materials" means the items and materials of the Agilent Camera Module business, as summarized on Exhibit B

3

1 Asset Purchase Agreement" means the Asset Purchase Agreement between Agilent and Flextronics entered into concurrently with this Agreement and to which this Agreement is attached as an exhibit Any section or exhibit of the Asset Purchase 4Agreement that is referenced in this Agreement shall be deemed incorporated into this Agreement by reference

1 "Camera Module means a module for capturing photographic or video type images A Camera Module includes an Image Sensor a lens and an aperture and may include an IR filter and other additional components For the avoidance of doubt the 5combination of an Image Sensor and a lens and aperture is defined as a Camera Module regardless of the method of integration or combination.

1"Cellular Telephone Handset" means a personal portable handheld device for human voice communication over a cellular network.
6

1 "Closing Date" has the meaning set forth in the Asset Purchase Agreement

7

1 Flextronics Field of Use means Camera Module products that are configured and intended for inclusion in Cellular Telephone Handsets The Flextronics Field Of Use includes Image Sensors only to the extent that they are made for Flextronics and are 8assembled by Flextronics into Camera Module products that are configured and intended for inclusion in Cellular Telephone Handsets

1 Image Processor" means a processor for correcting the output signal from an Image Sensor such as, for example to demosaic color balance, gamma correct or otherwise compensate the signal
9

1 Image Sensor' means a photosensitive silicon array having an analog or digital output An Image Sensor may also include an 10 on board A/D converter and an Image Processor that is either on board or separate

1 "Third Party means any party other than Flextronics or Agilent or an Affiliate of either of them
11

2. Intellectual Property

2Patents Agilent hereby grants to Flextronics and its Affiliates a personal world wide non-exclusive irrevocable (except that this license may be revoked in the event of an uncured breach by Flextronics) on last payment made under the Asset Purchase 1Agreement, fully paid up and transferable license (but transferable only to an entity that assumes substantially all of the assets of Flextronics Camera Module product line and such assignee agrees to the terms of this agreement) under the Agilent Camera Module Patents to make (including the right to practice methods processes and procedures) have made have designed, use lease sell, offer to sell, and import products that incorporate a Camera Module

2Copyrights Agilent hereby grants to Flextronics and its Affiliates a personal world wide non-exclusive irrevocable (except that this license may be revoked in the event of an uncured breach by Flextronics) on last payment made under the Asset 2Purchase Agreement, fully paid up and transferable license (but transferable only to an entity that assumes substantially all of the assets of Flextronics Camera Module product line and such assignee agrees to the terms of this agreement) under any copyright owned by Agilent or an Agilent Affiliate (whether registered or unregistered) that is embodied in a work of authorship that is included in copyright items delivered to Flextronics in the Agilent IP Materials For the avoidance of doubt the copyrights licensed hereunder includes the Agilent software used in the camera module business Such license grants to Flextronics and its Affiliates the right, within the Flextronics Field Of Use to use reproduce distribute create derivative works of and display such work of authorship Flextronics shall not remove any copyright notices from any materials having a copyright notice thereon without the prior written permission of Agilent

2Mask Work Registrations Agilent hereby grants to Flextronics and its Affiliates a personal, world wide non exclusive, irrevocable (except that this license may be revoked in the event of an uncured breach by Flextronics) on last payment made 3under the Asset Purchase Agreement fully paid up and transferable license (but transferable only to an entity that assumes substantially all of the assets of Flextronics Camera Module product line, and such assignee agrees to the terms of this agreement) under any mask work registration owned by Agilent or an Agilent Affiliate that protects a mask work that is included in the mask works delivered to Flextronics in the Agilent IP Materials Such license grants to Flextronics and its Affiliates the right within the Flextronics Field Of Use to reproduce the mask work and to import or distribute semiconductor chip products in which the mask work is embodied.

2Trade Secrets Agilent hereby grants to Flextronics and its Affiliates a personal, world wide non-exclusive irrevocable (except that this license may be revoked in the event of an uncured breach by Flextronics) on last payment made under the Asset 4Purchase Agreement, fully paid up and transferable license (but transferable only to an entity that assumes substantially all of the assets of Flextronics Camera Module product line and such assignee agrees to the terms of this agreement) under any trade secret owned by Agilent or an Agilent Affiliate that is embodied in any item or information that is included in the trade secrets delivered to Flextronics in the Agilent IP Materials Such license grants to Flextronics and its Affiliates the right to make (including the right to practice methods processes and procedures) have madehave designed, use lease sell offer to sell and import products that incorporate a Camera Module

2Non assert In the event that Flextronics should source Image Sensors from Agilent, or an Agilent approved source Agilent covenants that it will not assert any Agilent Camera Module Patents against Flextronics, its Affiliates, its suppliers its 5customers, its distributors dealers, agents customers and users (whether direct or indirect)

2Trademarks Agilent hereby grants to Flextronics and its Affiliates for a period of five (5) years from the Closing Date a personal worldwide non-exclusive and transferable license (but transferable only to an entity that assumes substantially all of 6the assets of Flextronics Camera Module product line and such assignee agrees to the terms of this agreement) under any Agilent name or logo or part numbers (hereinafter Marks ") in the Flextronics Field of Use that is currently embodied in any Camera Module or any portion thereof or any Image Processor or Image Sensor that was developed by Agilent or any existing customer documentation and presentation materials, as well as existing internal reference documentation. For the avoidance of doubt no Internet domain names, web sites or meta tags are licensed hereunder

(Flextronics acknowledges and agrees that it is not authorized under this Agreement to apply the Marks to any products or parts manufactured with manufacturing equipment or molds not provided to Flextronics by Agilent, or to any documentation not)provided by Agilent or to any advertising, or other materials connected with the Camera Module business

(Flextronics may distribute documentation that bears the Marks until December 31 2005 so long as such documentation bears a prominent sticker on the front cover identifying Flextronics as the source of such documentation and stating that references to Agilent in such documentation should be interpreted as references to Flextronics)

Trademark License Restrictions

(a Once Flextronics abandons the use of all Marks on a particular product, then Flextronics agrees that the license granted) hereunder with respect to that product shall thereupon terminate

,Flextronics may not make any use whatsoever in whole or in part of the Marks or any other mark owned by Agilent in)connection with Flextronics corporate doing business as or fictitious name without the prior written consent of Agilent

!Flextronics may not use any Mark in direct association with another mark such that the two appear to be a single mark or in any)other composite manner with any Marks of Flextronics or any Third Party

dIn all respects Flextronics usage of the Marks pursuant to the license granted hereunder shall be in a manner consistent with)the Trademark Usage Guidelines to the extent commercially reasonable, and any usage by Flextronics that is inconsistent with the foregoing shall be deemed to be outside the scope of the license granted hereunder As a condition to the

license granted hereunder Flextronics shall at all times present, position and promote the Camera Modules marked with one or more of the Marks in a manner consistent with the Trademark Usage Guidelines to the extent commercially reasonable

(iv) Trademark Usage Guidelines

,Flextronics shall use the Marks only in a manner that is consistent with the Trademark Usage Guidelines [Agilent Web Site])

(TRADEMARK REVIEWS At Agilent s reasonable request, Flextronics agrees to furnish or make available for inspection to)Agilent one or more reasonable number of samples of Camera Modules and collateral materials of Flextronics that are marked with one or more of the Marks If Flextronics is notified or determines that it or any of its Affiliates is not complying with any Trademark Usage Guidelines, it shall notify Agilent in writing.

(Trademark Usage Guideline Enforcement If Agilent becomes aware that Flextronics or any of its Affiliates is not complying with)any Trademark Usage Guidelines Agilent shall notify Flextronics in writing, setting forth in reasonable detail a written)description of the noncompliance and any requested action for curing such noncompliance Flextronics shall then have thirty (30) days after receipt of such notice to correct such noncompliance or submit to Agilent a commercially reasonable written plan to correct such noncompliance which written plan is reasonably acceptable to Agilent

(vi) Quality Standards Flextronics acknowledges Agilent s representation that the Camera Modules and collateral material permitted by this Agreement to be marked with one or more of the Marks must continue to be of sufficiently high quality as to provide protection of the Marks and the goodwill they symbolize and Flextronics further acknowledges Agilent's representation that the maintenance of the high quality standards associated with such products is of the essence of the license to the Marks

(v Quality Control Reviews At Agilent's reasonable request Flextronics agrees to furnish or make available to Agilent for ii) inspection one or more reasonable number of sample Camera Module and collateral materials marked with one or more of the Marks If Flextronics is notified or determines that it or any of its Affiliates is not complying with any Trademark Usage Guidelines it shall notify Agilent in writing

a) Initial Cure Period If Agilent becomes aware that Flextronics or any of its Affiliates are not complying with any quality standards consistent with those in the cell phone industry Agilent shall notify Flextronics in writing setting forth in reasonable detail a written description of the noncompliance and any requested action for curing such noncompliance Following receipt of such notice Flextronics shall make an inquiry promptly and in good faith concerning each instance of noncompliance described in the notice Unless Flextronics reasonably determines that the noncompliance described in the notice is not in fact a material deviation from the applicable quality standards and so notifies Agilent in writing within fourteen (14) days of receipt of such notice Flextronics shall then have thirty (30) days after receipt of such notice to correct such noncompliance or submit to Agilent a reasonable written plan to correct such noncompliance which written plan is reasonably acceptable to Agilent

(vii) Protection Of Marks

a) OWNERSHIP AND RIGHTS Flextronics agrees not to challenge the ownership or validity of the Marks Flextronics shall not disparage, dilute or adversely affect the validity of the Marks Flextronics use of the Marks shall inure exclusively to the benefit of Agilent and Flextronics shall not acquire or assert any rights therein Flextronics recognizes Agilent s representation that the value of the goodwill associated with the Marks and that the Marks may have acquired secondary meaning in the minds of the public

b) PROTECTION OF MARKS Flextronics shall assist Agilent, at Agilent s request and expense in the procurement and maintenance of Agilent s intellectual property rights in the Marks Flextronics will not grant or attempt to grant a security interest in the Marks or to record any such security interest in the United States Patent and Trademark Office or elsewhere, against any trademark application or registration belonging to Agilent Flextronics agrees to and to cause Affiliates to execute all documents reasonably requested by Agilent to effect further registration of maintenance and renewal of the Marks recordation of the license relationship between Agilent and Flextronics, and recordation of Flextronics as a registered user Agilent makes no warranty or representation that trademark registrations have been or will be applied for secured or maintained in the Marks throughout, or anywhere within the world Flextronics shall cause to appear on all Camera Modules and collateral materials such reasonable legends markings and notices as may be required by applicable law or reasonably requested by Agilent

d) SIMILAR MARKS Flextronics agrees not to use or register in any country any Mark that infringes Agilent s rights in the Marks If any application for registration is or has been, filed in any country by Flextronics which relates to any Mark that infringes Agilent s rights in the Marks, Flextronics shall immediately abandon any

such application or registration or assign it to Agilent Flextronics shall not challenge Agilent s ownership of or the validity of the Marks or any application for registration thereof throughout the world Flextronics shall not use or register in any country any copyright domain name telephone number or any other intellectual property right, whether recognized currently or in the future or other designation which would affect the ownership or rights of Agilent in and to the Marks, or otherwise to take any action which would adversely affect any of such ownership rights or assist anyone else in doing so Flextronics shall cause its Affiliates to comply with the provisions of this Paragraph

d) Neither party or any of its Affiliates is obligated to (a) file any application for registration of any Mark or to secure any rights in any Marks, (b) to maintain any Mark registrations, or (c) to provide any assistance except for the obligations expressly assumed in this Agreement

2Nothing in this agreement shall be construed as imposing on Agilent any obligation to institute any suit or action for infringement of any of the intellectual property licensed hereunder or to defend any suit or action brought by a third party 7which challenges or concerns the validity of any of the licensed Intellectual Property nor impose a requirement that either party file any patent or copyright application or obtain any patent or copyright registration, or maintain any of the foregoing

2Pre Existing IP Both Parties shall retain all of their pre-existing intellectual property rights and this Agreement shall not be deemed or construed to transfer ownership of any such pre-existing intellectual property
8

2Release For Past Patent Infringement Agilent hereby releases Flextronics its Affiliates and its customers from any claims that Agilent or an Agilent Affiliate may have for infringement of an Agilent Camera Module Patent owned by Agilent or an Agilent 9Affiliate to the extent that such claim arises out of activities by Flextronics or a Flextronics Affiliate or its customers for the manufacture use, sale offer for sale, import, or export of products containing Camera Modules before the Closing Date

2. Indemnification By Flextronics. Except for any of the following that are Agilent Retained Liabilities or are Agilent s 10 indemnification or other obligations under the Asset Purchase Agreement, Flextronics agrees to defend, indemnify and hold harmless Agilent and its Affiliates employees agents officers and directors from and against any judgments settlements, damages, awards costs (including attorneys fees and costs) and other expenses arising out of any claims actions or other proceedings by a Third Party alleging that, after the Closing Date Flextronics or a Flextronics Affiliate s conduct of its camera module business based on the intellectual property licensed hereunder infringes or has misappropriated a Third Party intellectual property

2 The obligations set forth in this section shall survive the expiration or termination of this Agreement
11

2. Non Enablement For a period of five (5) years from the Closing Date Agilent agrees that it will not license the Agilent Camera 12 Module Patents and trade secrets as a group, to a third party for the primary purpose of enabling that third party in the field of Camera Modules Provided however in the event that Agilent licensed these patents for the purpose of avoiding or settling any intellectual property infringement or misuse litigation or threat of litigation, such license is permitted hereunder For the avoidance of doubt, Agilent may license the Agilent Camera Module Patents, as a part of patent license or cross license wherein the Agilent Camera Module Patents are not licensed primarily to enable a third party in Camera Modules, even though an affect is to enable such a third party in the field of Camera Modules In addition the optical mouse sensor or the optical mouse sensor business shall not be deemed to be within the scope of Camera Modules

2 13 License of Other Intellectual Property

In the event that Flextronics and Agilent reasonably determine that Agilent has failed to license intellectual property of the camera module business to Flextronics under this Agreement, which intellectual property existed at the Closing Date and which intellectual property is necessary or was used in the operation of the Camera Module Business, then consistent with the license terms herein, Agilent shall license such intellectual property to Flextronics Agilent shall have no such duty to license any improvements made to such intellectual property if such improvements were made after the Closing Date

2. Agilent agrees that it will use good faith efforts to maintain the Agilent Camera Module Patents in accordance with its past 14 practices, and Agilent shall not be in violation of this Section 2 14 for inadvertently missing a maintenance fee or report deadline with respect to the Agilent Camera Module Patents unless Flextronics has provided thirty (30) days prior written notice of any such deadline

2 15 Excluded Warranties

Nothing in this Agreement is or shall be construed as (i) a warranty that anything made used, sold or otherwise disposed of under any license granted under this Agreement is or will be free from infringement or misappropriation of patents copyrights trade secrets and other rights of third parties or (ii) a warranty or representation by either Party as to the validity or scope of any patent, patent application or other intellectual property right, except that Agilent warrants that it has the right to grant the license hereunder made Notwithstanding the foregoing, nothing herein is intended to or shall be deemed to limit any representations or warranties made by Agilent in the Asset Purchase Agreement

2 EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR THE ASSET PURCHASE AGREEMENT NEITHER 16 PARTY MAKES ANY REPRESENTATION OR EXTENDS ANY WARRANTY OF ANY KIND EITHER EXPRESS OR IMPLIED THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR REGARDING INFRINGEMENT OR MISAPPROPRIATION OF ANY PATENT COPYRIGHT TRADE SECRET TRADEMARK, OR ANY OTHER RIGHT OF A THIRD PARTY OR ANY OTHER EXPRESS OR IMPLIED WARRANTY

2 NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, NEITHER PARTY WILL BE 17 LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT UNDER ANY CONTRACT NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR (i) ANY INDIRECT INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OR LOST PROFITS OR (ii) COST OF PROCUREMENT OF SUBSTITUTE GOODS, TECHNOLOGY OR SERVICES NOTWITHSTANDING THE FOREGOING NOTHING HEREIN IS INTENDED TO OR SHALL BE DEEMED TO LIMIT ANY OBLIGATIONS OF AGILENT OR FLEXTRONICS IN THE ASSET PURCHASE AGREEMENT

3 Term And Termination

3Term. The term of this Agreement shall commence upon the Closing Date and shall expire as of the date of the last to expire patent of the Agilent Camera Module Patents
1

3Termination And Effect. The licenses granted herein may be terminated before the end of the term in the event that Flextronics fails to cure a material breach of the terms of Section 2, Intellectual Property within sixty (60) days of receiving written notice of 2such breach

4 General Provisions

4Amendments. No amendment, change modification or alteration of the terms and conditions of this Agreement shall be binding upon either Party unless in writing and signed by both Parties
1

4Assignment. This Agreement is not assignable by either Party without the prior written consent of the other Party However such other Party will not unreasonably withhold such consent if the assignment is to a successor to substantially all of the 2business of such Party to which this Agreement relates, whether in merger sale of stock, sale of assets or other transaction

4Choice Of Law The choice of law provisions of the Asset Purchase Agreement are hereby incorporated by reference
3

4Confidentiality The confidentiality provisions of the Asset Purchase Agreement are hereby incorporated by reference
4

4Counterparts This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument
5

4Entire Agreement This Agreement, including the attached exhibits, constitutes the entire understanding between the Parties with respect to the subject matter contained herein and supersedes any and all prior agreements, understandings and 6arrangements whether oral or written relating to the subject matter hereof

4Force Majeure Neither party will be held liable to the other for any delay or failure of performance where such delay or failure results from events beyond that party s control including without limitation acts of God earthquakes fires floods civil 7disturbance strikes labor disputes and lawful governmental action.

4Headings The headings appearing in this Agreement have been inserted solely for the convenience of the Parties and shall not affect the construction, meaning or interpretation of this Agreement or any of its terms and conditions
8

4Independent Contractors Both Parties are independent contractors and are engaged in the operation of their own respective businesses, and neither Party is to be considered the agent or partner of the other Party for any purpose whatsoever Neither 9Party has any authority to enter into any contracts or assume any obligations for the other Party or to make any warranties or representations on behalf of the other Party

4Non Waiver The waiver by either of the Parties of any breach of any provision hereof by the other Party shall not be construed to be a waiver of any succeeding breach of such provision or a waiver of the provision itself
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4Notices The notice provisions of this Asset Purchase Agreement are hereby incorporated by reference
1
1

4Partial Invalidity If and to the extent that any court or tribunal of competent jurisdiction holds any of the terms or provisions of this Agreement or the application thereof to any circumstances to be invalid or unenforceable in a final nonappealable order 1the Parties shall use their best efforts to reform the portions of this Agreement declared invalid to realize the intent of the parties 2as fully as practicable and the remainder of this Agreement and the application of such invalid term or provision to

circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each of the remaining terms and provisions of this Agreement shall remain valid and enforceable to the fullest extent of the law

In Witness Whereof the Parties have caused this Agreement to be executed by their duly authorized representatives

Agilent Technologies, Inc	Flextronics Sales and Mktg (A P) Ltd
By	By
Name	Name
Title	Title
Date	Date

Confidential Treatment Requested

EXHIBIT A

AGILENT CAMERA MODULE PATENTS

Case Number	Sub Case	Ctry	Appn Status	AppnNumber	Pubn Number	PatentNumber	Appn Title
10003645	01	US	Published	10/087278	0165023		Telecentric Singlet Having A Small Height Requirement
10003645	02	JP	Published	P2003-049158	2003262791		Telecentric Singlet Having A Small Height Requirement
10003645	03	EP	Published	02023492.8	1353207		Telecentric Singlet Having A Small Height Requirement
10003971	02	JP	Published	P2001 307448	2002152596		System Solution For Amorphous LAG Problem
[*]	[*]	[*]	[*]	[*]			[*]
10003971	05	TW	Granted	90120731	552799	186863	System Solution For Amorphous LAG Problem
10003971	06	DE	Granted	01121187 7	1195987	601025407	System Solution For Amorphous LAG Problem
10003971	07	FR	Granted	01121187 7	1195987	1195987	System Solution For Amorphous LAG Problem
10003971	08	GB	Granted	01121187 7	1195987	1195987	System Solution For Amorphous LAG Problem
10004419	01	US	Granted	09/919562		6435882	A Socketable Flexible Circuit Based Electronic Device Module And A Socket For The Same
10004419	02	JP	Published	P2002 219387	2003133021		A Socketable Flexible Circuit Based Electronic Device Module And A Socket For The Same
10004419	03	TW	Granted	91103451	530437	177672	A Socketable Flexible Circuit Based Electronic Device Module And A Socket For The Same
10004419	04	EP	Pending	02013011.8	1280240		A Socketable Flexible Circuit Based Electronic Device Module And A Socket For The Same

*

[*]	[*]	[*]	[*]	[*]			[*]
10011231	02	US	Published	10/260186	0032523		CMOS Image Sensor Using Gradient Index Chip Scale Lenses
10011231	03	JP	Published	P2003 293248	2004080039		CMOS Image Sensor Using Gradient Index Chip Scale Lenses
10011231	04	EP	Pending	03007806 7	1389804		CMOS Image Sensor Using Gradient Index Chip Scale Lenses
10011280	01	US	Granted	10/184154	0002179	6744109	Glass Attachment Over Micro lens Arrays
10011280	02	JP	Published	P2003 146149	2004031939		Glass Attachment Over Micro-lens Arrays
10011280	03	GB	Published	0312936.8	2391707		Glass Attachment Over Micro lens Arrays
10011280	04	US	Granted	10/634594	0036069	6794218	Glass Attachment Over Micro lens Arrays
10020062	01	US	Published	10/266538	0066463		Multifunction Lens
[*]	[*]	[*]	[*]	[*]			[*]
[*]	[*]	[*]	[*]	[*]			[*]
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[*]	[*]	[*]	[*]				[*]
[*]	[*]	[*]	[*]	[*]			[*]
10970902	01	US	Granted	09/139692		6037641	An Optical Device Package Including An Aligned Lens (As Amended)
10982203	01	US	Granted	09/183143		6593961	A Test Efficient Method Of Classifying Image Quality Of An Optical Sensor Using Three Categories Of Pixels
[*]	[*]	[*]	[*]	[*]			[*]
10982203	03	EP	Published	99115492 3	0997845		Test Efficient Method Of Classifying Image Quality Of An Optical Sensor Using Three Categories Of Pixels
10990726	02	US	Granted	09/717185		6683298	Image Sensor Packaging With Package Cavity Sealed By The Imaging Optics
10990995	01	US	Granted	09/356560		6326601	Optical Barrier
[*]	[*]	[*]	[*]	[*]			[*]
10990995	04	DE	Published	10033144 0	10033144		Optical Barrier
[*]	[*]	[*]	[*]	[*]			[*]
10991727	01	US	Granted	09/513797		6396116	Integrated Circuit Packaging For Optical Sensor Devices
[*]	[*]	[*]	[*]	[*]			[*]
[*]	[*]	[*]	[*]	[*]			[*]

*

EXHIBIT B

EXISTING AGILENT IP MATERIALS

(1) Image capture/Image sensor/Camera Module Materials

External Reference specifications and technical manuals

Application notes

Customer support materials

Sales training materials

Final test specifications and code for camera module functions

Image pipe calibration tools

(2) Embedded Module Auto function Control Firmware (e g auto exposure, auto white balance)

Source code

Related documentation

(3) Config files (text files for configuring product operation)

Preferred config file for each module

Customer specific config files that may exist

(4) ROM for image sensor timing

hardware and firmware for controlling image timing

(5) Sample driver code

Code useful to customers writing drivers to allow hardware to communicate with a camera module

(6) Demo board/application code (PC interface to display camera module images for test)

Board layout

schematics

hardware design notes

software design notes

application software

customer documentation

(7) Camera module opto mechanical design

Mechanical specifications design documents and computer models

Optical specifications design documents and computer models

Flex design documents specifications, and design rules

Manufacturing process flow description

Assembly and inspection specifications

Final test code, test equipment specifications and CM specifications

EXHIBIT 12.1

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for the periods indicated

	Years Ended October 31						
	2004	2003	2002	2001	2000	1999	1998
Ratio of earnings to fixed charges	5 7 x	(a)	(a)	(a)	31 8 x	14 6 x	6 5 x

(a) In fiscal year 2003 2002 and 2001 our ratio of earnings to fixed charges was less than one to one due to our loss from operations in those periods In order to cover fixed charges in those periods our earnings from operations would have had to increase by $690 million, $1,547 million and $477 million, respectively

For purposes of determining the ratio of earnings to fixed charges earnings are defined as income from continuing operations before income taxes plus fixed charges Fixed charges consist of interest expense on all indebtedness and that portion of operating lease rental expense that is a reasonable approximation of the interest factor

Exhibit 21 1

SIGNIFICANT SUBSIDIARIES

	Organized UndertheLawsof
Agilent Technologies World Trade Inc	Delaware
Agilent Technologies Sales & Services GmbH & Co KG	Germany
Agilent Technologies R&D and Marketing GmbH & Co KG	Germany
MV Research Limited	Ireland
Agilent Technologies Mauritius Limited	Mauritius
Objective Systems Integrators Inc	Delaware
Agilent Technologies Netherlands B V	Netherlands
Agilent Technologies Inter Americas, Inc	Delaware
Agilent Technologies Brasil Ltda.	Brazil
Agilent Technologies Europe B V (Holding)	Netherlands
Agilent Technologies Spain S L	Spain
Agilent Technologies Europe B V Meyrin Branch	Switzerland
Agilent Technologies Leman S.A R L	Switzerland
Agilent Technologies Australia Pty Ltd	Australia
Agilent Technologies Shanghai Company Limited	China
Agilent Technologies International Japan Ltd	Japan
Agilent Technologies Taiwan Ltd	Taiwan
Agilent Technologies Belgium S A./N V	Belgium
Agilent Technologies Canada Inc	Canada
Agilent Technologies Korea Limited	South Korea
Agilent Technologies U K Limited	England&Wales
Agilent Technologies Ireland Limited	Ireland
Agilent Technologies Italia S p A	Italy
Agilent Technologies Microwave Products (M) Sdn Bhd	Malaysia
Agilent Technologies Mexico S de R.L de C V	Mexico
Agilent Technologies International B V	Netherlands
Agilent Technologies Netherlands Investments B V	Netherlands
Agilent Technologies Singapore (Sales) Pte Ltd	Singapore
Agilent Technologies Singapore Vision Operation Pte Ltd	Singapore
Agilent Technologies (Thailand) Limited	Thailand
Agilent Technologies (Barbados) limited	Barbados
Agilent Technologies France S A S	France
Agilent Technologies Japan, Ltd.	Japan
Yokogawa Analytical Systems Inc	Japan
Agilent Technologies Company Limited	China
Agilent Technologies Cayman Islands Inc	CaymanIslands
Agilent Technologies SARL	Switzerland
Agilent Technologies (Malaysia) Sdn Bhd	Malaysia
Agilent Technologies International SARL	Switzerland
Agilent Technologies Coordination Center S C./C V	Belgium
Agilent Technologies Deutschland Holding GmbH	Germany
Agilent Technologies Deutschland Alpha GmbH	Germany
Agilent Technologies Sanigi B V	Netherlands
Agilent Technologies Deutschland GmbH	Germany
Agilent Technologies Ireland Finance Limited	Ireland
Agilent Technologies Deutschland GmbH & Co Immobilien KG	Germany

Exhibit 23 1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the following Registration Statements on Form S 8 of Agilent Technologies Inc of our report dated December 17 2004 relating to the consolidated financial statements, which appears in this Form 10-K.

Registration Statement No 333 91121

Registration Statement No 333 35016

Registration Statement No 333-38080

Registration Statement No 333-38194

Registration Statement No 333-47024

Registration Statement No 333 88864

Registration Statement No 333-116400

/s/ PricewaterhouseCoopers LLP

San Jose California

December 17, 2004

Exhibit 31 1

CERTIFICATION PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I Edward W Barnholt, certify that

I have reviewed this Form 10-K of Agilent Technologies Inc

Based on my knowledge this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made in light of the circumstances under which such statements were made not misleading with respect to the period covered by this report

Based on my knowledge the financial statements and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report,

The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules13a 15(e) and 15d 15(e)) for the registrant and have

Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries is made known to us by others within those entities particularly during the period in which this report is being prepared

Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation and

Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant s most recent fiscal quarter (the registrant s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect the registrant s internal control over financial reporting and

The registrant s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant s auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions)

All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant s ability to record, process summarize and report financial information, and

Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant s internal control over financial reporting

Date December 21 2004

/s/E DWARD W B ARNHOLT
Edward W Barnholt
Chairman, President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Adrian T Dillon, certify that

I have reviewed this Form 10-K of Agilent Technologies Inc

Based on my knowledge this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made in light of the circumstances under which such statements were made not misleading with respect to the period covered by this report

Based on my knowledge the financial statements, and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of and for the periods presented in this report,

The registrant s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules13a 15(e) and 15d 15(e)) for the registrant and have

Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant including its consolidated subsidiaries is made known to us by others within those entities particularly during the period in which this report is being prepared

Evaluated the effectiveness of the registrant s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation and

Disclosed in this report any change in the registrant s internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant s internal control over financial reporting, and

The registrant's other certifying officer(s) and I have disclosed based on our most recent evaluation of internal control over financial reporting to the registrant s auditors and the audit committee of the registrant s board of directors (or persons performing the equivalent functions)

All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant s ability to record, process summarize and report financial information and

Any fraud whether or not material that involves management or other employees who have a significant role in the registrant s internal control over financial reporting

Date December 21 2004 /s/A DRIAN T D ILLON

Adrian T Dillon
Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Agilent Technologies, (the "Company") on Form 10 K for the period ended October 31 2004 as filed with the Securities and Exchange Commission on the date hereof (the Report") I, Edward W Barnholt, Chief Executive Officer of the Company certify pursuant to 18 U S C Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that

The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and

The information contained in the Report fairly presents, in all material respects the financial condition and results of operations of the Company

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request

Date December 21 2004 /s/E DWARD W B ARNHOLT
Edward W Barnholt
Chairman, President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Agilent Technologies, (the "Company ") on Form 10 K for the period ended October 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the Report"), I Adrian T Dillon Chief Financial Officer of the Company certify pursuant to 18 U S C Section 1350 as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002, that

The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and

The information contained in the Report fairly presents in all material respects the financial condition and results of operations of the Company

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request

Date December 21 2004 /s/A DRIAN T D ILLON
Adrian T Dillon
Executive Vice President and Chief Financial Officer

End of Filing

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Ten Almaden Boulevard
Suite 1600
San Jose CA 95113
Telephone (408) 817 3700
Facsimile (408) 817 5050

Report of Independent Accountants
On Applying Agreed-Upon Procedures

February 15, 2005

To the Board of Directors and Management of
Agilent Technologies, Inc. and the California
Department of Toxic Substances Control:

We have performed the procedures enumerated below, which were agreed to by Agilent Technologies, Inc. and its subsidiaries (the "Company") and the California Department of Toxic Substances Control, to certain disclosures included in the Alternative I schedule of the attached letter dated February 15, 2005, from the Company to the California Department of Toxic Substances Control solely to assist the Company in their evaluation of specified financial tests established to demonstrate financial assurance as specified in California Code of Regulations, Title 22, Division 4.5. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of Agilent Technologies, Inc. and the California Department of Toxic Substances Control. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

Item 2
We compared Item 2., total liabilities, of $3,487 million to Total liabilities disclosed in the Company's Consolidated Balance Sheet at October 31, 2004 (the "Consolidated Balance Sheet"), which appears in the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended October 31, 2004 (the "Financial Statements"), and found such amounts to be in agreement.

Item 3
We compared Item 3., tangible net worth, of $3,126 million to the difference between total tangible assets of $6,613 million (which is the difference between Total assets of $7,056 million as disclosed in the Consolidated Balance Sheet and the net book value of Goodwill and other intangible assets, net of $443 million as

disclosed in the Consolidated Balance Sheet) and Item 2 ($3,487 million) and found such amounts to be in agreement.

Item 4
We compared Item 4., net worth, of $3,569 million to Total stockholders' equity disclosed in the Consolidated Balance Sheet and found such amounts to be in agreement.

Item 5
We compared Item 5., current assets, of $4,577 million to the Total current assets disclosed in the Consolidated Balance Sheet and found such amounts to be in agreement.

Item 6
We compared Item 6., current liabilities, of $1,871 million to Total current liabilities disclosed in the Consolidated Balance Sheet and found such amounts to be in agreement.

Item 7
We compared Item 7., net working capital, of $2,706 million to the difference between Item 5 ($4,577 million) and Item 6 ($1,871 million) and found such amounts to be in agreement.

Item 8
We compared Item 8., the sum of net income plus depreciation, depletion and amortization, of $641 million to the sum of Net income of $349 million as disclosed in the Consolidated Statement of Operations and Depreciation and amortization of $292 million as disclosed in the Consolidated Statement of Cash Flows included in the Financial Statements and found such amounts to be in agreement.

Item 9
We compared Item 9., total assets in the U.S., of $2,457 million to the total assets located in the U.S. as set forth in the Company's accounting records and found such amounts to be in agreement.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Company and the California Department of Toxic Substances Control and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

PricewaterhouseCoopers LLP

UNIFIED PROGRAM CONSOLIDATED FORM
HAZARDOUS WASTE

CERTIFICATION OF FINANCIAL ASSURANCE

FOR PERMIT BY RULE AND CONDITIONALLY AUTHORIZED ONSITE TREATERS

700

☐ a Initial Certification ☐ b Amended Certification ☒ c Annual Certification | Page ___ of ___

I. FACILITY IDENTIFICATION

(Put an asterisk in the left margin next to the amended information)

BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As) 3

Agilent Technologies

FACILITY ID# 1 | FACILITY EP ID# CAT 000 611 400 2

TYPE OF OPERATION ☒ a PBR-FTU ☒ b CA ☐ c Other 701

II. ESTIMATED CLOSURE COSTS

NOTE In addition to the dollar figure below, a written estimate of closure costs must be attached when you submit this section of this page

ESTIMATED CLOSURE COSTS $ 148,570 702

III. EXEMPTION FROM FINANCIAL ASSURANCE REQUIREMENTS

I am not required to provide a mechanism because

☐ a I certify that my closure cost estimate is less than or equal to $10,000, or 703

☐ b Specify other reasons _____ 704

☐ c As a PBR owner or operator, I have not operated more than thirty days in a calendar year (Does not apply to Conditional Authorization) 705

IV. CLOSURE FINANCIAL ASSURANCE MECHANISM

☒ I am required to provide a mechanism and it is attached to this page 706

EFFECTIVE DATE OF CLOSURE ASSURANCE MECHANISM 1/1/2005 707

MECHANISM ID NUMBER(S) 708

I

MECHANISM TYPE (Check one item only) 709

☐ a Closure Trust Fund ☐ b Surety Bond ☐ c Closure Letter of Credit ☐ d Closure Insurance ☒ e Financial test and Corporate Guarantee ☐ f Alternative Mechanism ☐ g Multiple Financial Mechanisms ☐ h Certificate of Deposit ☐ i Savings Account

FINANCIAL INSTITUTION, INSURANCE OR SURETY COMPANY/OTHER ORGANIZATION 710

Agilent Technologies

ADDRESS 5301 Stevens Creek Blvd 711

CITY Santa Clara 712 | STATE CA 713 | ZIP CODE 95051 714

V. OWNER OR OPERATOR CERTIFICATION

SIGNER OF THIS CERTIFICATION ☐ a Owner ☒ b Operator 715

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate and complete I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations (22 CCR Section 66270 11)

SIGNATURE OF OWNER/OPERATOR 716

DATE 23 Jan '05

NAME OF OWNER/OPERATOR (Print) 717

Steven Wolf

TITLE OF OWNER/OPERATOR 718

San Jose Site Manager

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Ten Almaden Boulevard
Suite 1600
San Jose CA 95113
Telephone (408) 817 3700
Facsimile (408) 817 5050

Report of Independent Accountants
On Applying Agreed-Upon Procedures

February 15, 2005

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Agilent Technologies, Inc. and the California
Department of Toxic Substances Control:

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This report is intended solely for the information and use of the Company and the California Department of Toxic Substances Control and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

PricewaterhouseCoopers LLP

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D C. 20549

Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended October 31, 2004

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 001 15405

Agilent Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware	77-0518772
State or other jurisdiction of	*I.R.S. Employer*
In corporation or organization	*Identification No.*

Address of principal executive offices 395 Page Mill Road, Palo Alto, California 94306

Registrant's telephone number, including area code (650) 752-5000

Securities registered pursuant to Section 12(b) of the Act

Title of each class	Name of each exchange on which registered
Common Stock	New York Stock Exchange, Inc.
par value $0 01 per share	

Securities registered pursuant to Section 12(g) of the Act

None

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S K is not contained herein and will not be contained to the best of registrant s knowledge in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b 2 of the Act) Yes No

The aggregate market value of the registrant s common equity held by non-affiliates as of April 30 2004 was approximately $9 436 billion The aggregate market value of the registrant s common stock held by non affiliates as of October 31 2004 was approximately $9 425 billion As of October 31 2004 there were 486 841 087 outstanding shares of common stock, par value $0 01 per share Shares of stock held by officers directors and 5 percent or more stockholders have been excluded in that such persons may be deemed to be affiliates This determination of affiliate status is not necessarily a conclusive determination for other purposes

DOCUMENTS INCORPORATED BY REFERENCE

Document Description	10-K Part
Portions of the Proxy Statement for the Annual Meeting of Stockholders (the Proxy Statement) to be held on March 1 2005 and to be filed pursuant to Regulation 14A within 120 days after registrant s fiscal year ended October 31 2004 are incorporated by reference into Part III of this Report	III

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Visual Studio is a registered trademark of Microsoft Corporation in the United States and/or other countries Affymetrix is a U S registered trademark of Affymetrix, Inc.

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Forward Looking Statements

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 10 K This report contains forward looking statements including without limitation statements regarding trends, cyclicality seasonality and growth in the markets we sell into our strategic direction expenditures in research and development contracts remediation and indemnification our future effective tax rate new product introductions product pricing changes to our manufacturing processes our liquidity position our ability to generate cash from continuing operations our image sensor technology and the sale of our camera module business our expected growth the potential impact of our adopting new accounting pronouncements our financial results revenue generated from international sales our potential repatriation of earnings the impact of our enterprise resource planning systems implementation the impact of our variable cost structure our obligations under and assumptions about our retirement and post retirement benefit plans, our lease payment obligations savings from our restructuring programs and the existence or length of an economic recovery that involve risks and uncertainties Our actual results could differ from the results contemplated by these forward looking statements due to certain factors including those discussed in Item 7 and elsewhere in this report

PART I

Item 1 ***Business***

Overview

Agilent Technologies Inc (we Agilent or the company) incorporated in Delaware in May 1999 is a global diversified technology company that provides enabling solutions to markets within the communications electronics life sciences and chemical analysis industries We have four primary businesses

test and measurement

automated test

semiconductor products and

life sciences and chemical analysis

Prior to our initial public offering of 15 9 percent of our stock in November 1999 we were a wholly-owned subsidiary of Hewlett Packard Company (' Hewlett Packard') Hewlett Packard distributed the remaining 84 1 percent of our stock to its stockholders on June 2, 2000 in the form of a stock dividend

Our test and measurement automated test and semiconductor products businesses focus on growth opportunities in the communications and electronics industries while our life sciences and chemical analysis business focuses on growth opportunities in the life sciences industry and in the environmental chemical food and petrochemical industries

We sell our products primarily through direct sales but we also utilize distributors resellers manufacturer s representatives telesales and electronic commerce Of our total net revenue of $7.2billion for the fiscal year ended October 31 2004 we generated 31 percent in the United States (U S) and 69 percent outside the U S As of October 31 2004 we employed approximately 28 000 people worldwide Our primary research and development (R&D) and manufacturing sites are in California, Colorado Delaware and

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Washington in the U S and in China, Germany Japan, Malaysia, Singapore and the United Kingdom

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Our net revenue by business segment for each of the years ending October 31 2004 2003 and 2002 was

	2004	2003	2002
		(In millions)	
Test and Measurement	$ 2,903	$ 2,529	$ 2,612
Automated Test	924	755	706
Semiconductor Products	2,021	1,586	1,559
Life Sciences and Chemical Analysis	1,333	1 186	1 133
Total Net Revenue	$ 7 181	$ 6,056	$ 6 010

More financial information about our business segments is contained in Note 19 Segment Information of the consolidated financial statements included in Item 15 of this report Hewlett-Packard accounted for approximately 4 percent of our total net revenue for the fiscal year ended October 31 2004 5 percent for fiscal year 2003 and 8 percent for fiscal year 2002 These figures include items sold to contract manufacturers who manufacture products on Hewlett Packard s behalf

Test and Measurement Business

Our test and measurement business provides standard and customized solutions that are used in the design development manufacture installation deployment and operation of electronics equipment and communications networks and services These solutions include test and measurement instruments and systems communications services and network monitoring management and optimization tools software design tools and related services Related services include start up assistance instrument productivity and application services and instrument calibration and repair We also offer customization consulting and optimization services throughout the customer s product lifecycle

Our test and measurement business employed approximately 11 200 people as of October 31 2004 We sell our test and measurement products through direct sales distributors resellers manufacturer s representatives telesales and electronic commerce Our test and measurement business generated $2 9 billion in revenue in fiscal 2004 $2 5 billion in revenue in fiscal 2003 and $2 6 billion in revenue in fiscal 2002.

Test and Measurement Markets

Our test and measurement products compete in two major markets

the communications test market and

the general purpose test market

The Communications Test Market

We market our communications test products and services to Network Equipment Manufacturers ("NEMs) and communications service providers

NEMs manufacture and sell products to facilitate the transmission of voice and data traffic including network and subscriber equipment This transmission may be in various forms such as electronic signals over copper wire optical signals over fiber cables

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and radio frequency (RF) or microwave signals The NEMs customers are the distributors of end user subscriber devices including cell phones and personal digital assistants (PDAs) as well as communications service

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providers that deploy and operate the networks and services To meet their customers demands NEMs require test and measurement instruments systems and solutions for the development production and installation of each network technology

Communications service providers require reliable network equipment that enables their networks and services to operate at ever faster speeds permits an expanding capacity and provides quick feedback To achieve this communications service providers require a range of sophisticated test instruments and systems to evaluate network performance and to identify any sources of communications failure

Agilent s communications service provider customers require advanced software and systems known as operations support systems (OSSs) to monitor and manage the network infrastructure and services on a continuous proactive basis to achieve either regulated or customer specified service levels Real time monitoring of the network infrastructure also enables the implementation of additional services such as fraud detection and intercarrier billing which enable service providers to capture the greatest revenue from network usage

The overall market for cellular mobility specifically in handsets grew in recent years as the levels of wireless penetration in developed countries have increased Wireless communications in emerging economies continues to increase To advance cellular telephone equipment manufacturers require electronic design automation software test instruments and systems for the development of wireless devices high frequency communications circuits and systems Cellular equipment manufacturers also require advanced high frequency test instruments and systems to develop manufacture and deploy cellular base stations for these wireless networks In addition, the rapid expansion of the cellular handset market, coupled with subscriber turnover created by the introduction of new technologies has fueled growth for automated test equipment to test cellular handsets on the factory floor Investments continue for advanced R&D verification solutions for 2 5generation (G) and 3G appliance development and network deployment as the demand for complex wireless data networks increases

Further as new standards evolve in the wireless industry new test and measurement equipment and systems have to be developed to enable testing of the new standards in the research design and development and later in the manufacturing and deployment phases An example of this is wireless fidelity (Wi Fi) also called 802 11 for wireless local area networking Companies are constantly finding applications for wireless technology and are providing their customers wireless network access in areas called hot spots such as airports coffee shops and libraries As the adoption of these new standards becomes mainstream additional markets are emerging including larger companies and their network operators The use of wireless test and measurement solutions is quickly being adopted by these larger companies to ensure robust quality of service

In the last several years producers of networking communications equipment have increased their use of contract manufacturers Contract manufacturers require test solutions that are designed for faster production and for use in different applications Mobile phone and other appliance producers are also increasing their use of contract manufacturers original design manufacturers and reference design platforms including using contract manufacturers for functional test This requires specialized test products and services to address the particular needs of these high frequency products

The General Purpose Test Market

We market our general purpose test products and services to the electronics industry The electronics industry designs develops and manufactures a wide range of products including those

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produced in high volumes such as computers computer peripherals electronic components consumer electronics enterprise servers storage networks and communications devices including PDAs The components printed circuit assemblies and functional devices for these products may be designed developed and manufactured by electronic components companies by original equipment manufacturers or by contract manufacturers For the development and timely commercialization of new technologies manufacturers require state-of the art test instruments systems and software design tools in order to design products for efficient and cost-effective manufacturing and to validate product performance in a variety of configurations and environments Manufacturers of electronics products require sophisticated test equipment to operate and perform highly accurate tests from design through manufacturing They also demand automated functional test systems which test an electronic device as if it were in use in its final environment Finally electronics manufacturers require standardized test instruments system components and complete solutions

We also market our general purpose test products to the aerospace and defense industry Aerospace and defense is an important market for standardized electronic equipment because of the high electronic content of advanced defense systems and defense related communications and surveillance equipment We believe that defense purchasers will continue to shift from specialized test equipment to commercial off the shelf test products and systems and will continue to require solutions that optimize asset utilization and effective technology lifecycle management

Test and Measurement Products

Our test and measurement business designs develops and manufactures test and measurement products and services that range from single unit electronic measurement devices priced under $1 000 to large scale test systems or OSS solutions priced at $1 million and higher We divide our test and measurement products into two groups (1) communications test products and (2) general purpose test products

Communications Test Products

We sell installation and maintenance solutions and OSS including monitoring and network management systems for the following types of communications networks and systems fiber optics networks transport networks broadband and data networks wireless communications and microwave networks

Fiber Optic Network Products Our fiber optic network test products include optical signal instruments, spectrum analysis instruments and lightwave optical systems such as optical amplifier test, passive component test and jitter test instruments These items are used by the industry s leading NEMs to develop and manufacture reliable optical components and modules Our products also include tunable laser sources multi wavelength meters photonic all parameter testers and high speed bit-error rate testers that measure key transmission properties of high speed optical and electrical signals

Transport Network Products Our transport network test products our OmniBER OTN and OmniBER XM network simulators provide capabilities for testing next generation Synchronous Optical Network/Synchronous Digital Hierarchy (SONET/SDH) network equipment Our N2X multi service tester combines services testing with carrier grade infrastructure testing and emulation and integrates the performance of Router Tester 900 OmniBER XM and SAN Tester

Broadband and Data Network Products Our broadband and data network test products include our Network Analyzer and Router Tester 900 Our Network Analyzer product line helps to troubleshoot high speed local area networks (LANs) wide area networks (WANs) and asynchronous transfer mode networks Our Router Tester 900 is the industry leader in core edge router performance verification.

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Wireless Communications and Microwave Network Products We design and sell RF and microwave test instruments and Electronic Design Automation (EDA) software tools which assist in the design and production of cellular handsets and base stations as well as satellite and aerospace defense systems Examples of our wireless communications products include specialized versions of RF and microwave network analyzers spectrum analyzers signal sources, mobile testers circuit simulation tools and system simulation tools Agilent also offers solutions for centralized wireless LAN monitoring and network optimization Our AiRMS solution provides remote monitoring of network performance using a series of remote probes deployed in service vehicles and taxicabs The Agilent N5250A PNA series millimeter wave network analyzer has frequency coverage from 10 MHz to 110 GHz in a single sweep This capability enables engineers and system integrators working at millimeter wave frequencies to take advantage of additional performance and connectivity and gives them the ability to characterize 1 0 mm coaxial and on wafer components subsystems and systems

Installation and Maintenance Solutions Our solutions for installation test enable service providers to install commission, and activate networks and services more quickly Agilent has a breadth of solutions for troubleshooting and maintaining optical wireless wireline and large-company networks These solutions include Fiber Break Locator Network Tester Optical Time Domain Reflectometers (OTDR) Network Troubleshooting Center and Framescope We also market bench top and handheld measurement devices such as lightwave multimeters power meters and optical sources

Operations Support Systems and Services Agilent s OSS focus is to help communications service providers manage their business from a customer-centric perspective so they can understand how problems in network or service performance affect individual subscribers or groups of subscribers Our integrated OSS solutions reduce software integration costs and enable high value service level management functions not possible with stand-alone systems We offer a number of industry proven monitoring and management systems such as accuSS7 for Signaling System 7networks NETeXPERT for circuit packet and hybrid networks NgN Analysis System for next generation telephony and Internet offload networks Wireless Service Manager for wireless services and networks and Wireless QoS Manager for mobile data services and networks

General Purpose Test Products

We sell the following types of products into the general purpose test market general purpose instruments modular instruments and test software, digital design products and high frequency electronic design tools

General Purpose Instruments General purpose test instruments are used principally by engineers in R&D laboratories manufacturing calibration and service for measuring voltage current frequency, signal pulse width and other standard electronics measurements Examples of our general purpose test instruments include spectrum analyzers network analyzers signal generators digitizing oscilloscopes voltmeters multimeters frequency counters bench and system power supplies function generators and waveform synthesizers

Modular Instruments and Test Software Our modular instruments and test software including instruments incorporating the new LXI standard (LAN eXtensions for Instrumentation) and modular measurement system software are used to dynamically configure and reconfigure test systems for designers and manufacturers of electronic devices This allows easy and fast connectivity between instruments and PCs In addition release 14 of Agilent s IO Library Suite reduces PC configuration and connect time to less than 15 minutes Together with major revisions of Agilent VEE (7 0) and the Test & Measurement Programmers Toolkit for Visual Studio (2.0), these products speed test development and reduce the cost of test for our customers

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Digital Design Products Our digital design products range from simple digital control circuits to complex, high speed servers incorporating the latest microprocessor technology and include high performance oscilloscopes logic analyzers, logic signal sources and data generators Agilent s 10 to 13 GHz real time oscilloscopes are the only models in the industry that offer full bandwidth, 40 GSa/s per channel When these new scopes are paired with the Agilent InfiniMax probes of up to 12 GHz, the new system delivers industry leading performance accuracy and probing connectivity This is used by R&D engineers in the computer communications and semiconductor industries for validating and verifying the performance of new high speed digital product designs

High Frequency Electronic Design Tools Our high frequency electronic design automation software tools are used by RF integrated circuit design engineers to model simulate and analyze communications product designs at the circuit and system levels The main products in this area are the Advanced Design System (ADS) the RF Design Environment (RFDE) and the IC-CAP Device Modeling Software Each are well-established software platforms within the wireless and the aerospace and defense design communities. Our customers are also applying this technology more frequently to model signal integrity problems in digital design applications

Test and Measurement Customers

Agilent s test and measurement customers include the NEMs who design develop manufacture and install network equipment and the service providers who implement maintain and manage communication networks and services Many of our customers purchase solutions across several of our major product lines for their different business units As of the end of fiscal 2004 no single customer represented greater than 10% of the net revenue of the business

The orders and revenues of the test and measurement business are somewhat seasonal, with our fourth quarter traditionally bringing larger volumes of business and our first quarter generally showing reduced volumes This is especially true of products that we sell to the aerospace and defense industry as well as those that are linked to consumer spending including some of our communications test equipment However the seasonal impact is tempered by the diversity of the test and measurement business s products and customers, which span multiple industries

Test and Measurement Sales, Marketing and Support

We have a focused sales strategy, using a direct sales force resellers manufacturer s representatives and distributors to strengthen customer satisfaction Our direct sales force is focused on identifying customer needs and recommending solutions involving the effective use and deployment of our equipment, services systems and capabilities Some members of our direct sales force focus on global accounts providing uniform services on a worldwide basis Others focus on our more complex products such as our communications OSS monitoring systems where customers require intensive strategic consultation Our sales force also specifically targets the contract manufacturer market by collaborating with original equipment manufacturers to specify that contract manufacturers use our test equipment, as well as marketing to contract manufacturers directly

Our direct sales force consists of field engineers and systems engineers who have in-depth knowledge of the customers business and technology needs Some of our field engineers are account managers for our large accounts and enhance our understanding of the future needs of these customers Our systems engineers provide a combination of consulting systems integration and application and software engineering services and are instrumental in all stages of the sale implementation and support of our complex systems and solutions

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To complement our direct sales force we have agreements with many channel partners around the world These partners including resellers manufacturer s representatives and distributors serve Agilent s customers across a number of product lines and provide the same level of service and support expected from our direct channel Our products come with clearly outlined warranties and extended warranties available for an additional cost

Test and Measurement Manufacturing

We concentrate our test and measurement manufacturing efforts primarily on final assembly and test of our products To maximize our productivity and our ability to respond to market conditions we use contract manufacturers for the production of printed circuit boards sheetmetal fabrication metal die-casting plastic molding and standard electronic components We also manufacture proprietary devices and assemblies in our own fabrication facilities for competitive advantage

We generally only manufacture products when we have received firm orders for delivery and do not generally hold large stocks of finished inventory However due to the large number of components and products we manufacture we hold relatively large amounts of raw materials

Test and Measurement Competition

The market for test and measurement equipment is highly competitive and we expect this competition to increase Our test and measurement business competes with a number of significant competitors in all our major product categories and across our targeted industries In the general purpose electronic test market we compete against companies such as Fluke Corporation (asubsidiary of Danaher Corporation) Keithley Instruments Inc LeCroy Corporation National Instruments Corporation and Tektronix Inc In the communications test market our primary competitors are Acterna Corporation Actoflex Incorporated Anritsu Corporation EXFO Electro Optical Engineering Inc Ixia, Marconi Corporation McAfee Inc (formerly Network Associates Inc) Rohde & Schwartz GmbH & Co KG Spirent, Tektronix Inc as well as Telcordia, Hewlett Packard Company and Micromuse Inc in the communications network monitoring market Our EDA business also has several software competitors including Ansoft Corporation APLAC Solutions Corporation Applied Wave Research Inc Eagleware Manufacturing Company Inc and Xpedion Design Systems Inc

In fiscal year 2004 and following the general economic recovery pricing pressure eased in some of our markets

Automated Test Business

Our automated test business provides test solutions that are used in the manufacture of semiconductor devices electronics (primarily printed circuit board assemblies) and flat panel displays (FPDs) These solutions are complemented by consulting service and support offerings such as start up assistance application services and system calibration and repair Our automated test business s test solutions enable electronics designers and manufacturers to shorten the design to production cycle lower manufacturing cost of test confirm the functional quality of their devices and of their manufacturing processes and accelerate the high volume delivery of their products

Our automated test business employed approximately 2 200 people as of October 31 2004 We sell our automated test business s solutions through direct sales and through manufacturers representatives Our automated test business generated $0 9 billion in revenue in fiscal 2004 $0 8 billion in revenue in fiscal 2003 and $0 7 billion in revenue in fiscal 2002

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Automated Test Markets

Agilent s automated test business sells to the semiconductor manufacturing markets the electronics manufacturing markets and the FPD markets Customers in these markets use our automated test equipment for wafer level parametric testing wafer sort and final sort for memory test package level functional test, structural and electrical testing and inspection for printed circuit board assemblies and thin film transistor (TFT) array test for FPDs

Market demand for automated test equipment is driven both by changes in the increased volume of semiconductor devices produced and by developments in semiconductor performance and function, packaging and assembly technology

The development of increasingly faster and more complex semiconductor devices stimulates demand for testers capable of evaluating these high speed devices In addition the continuing integration of functions such as microprocessor logic analog RF and logic application specific integrated circuits ("ASICs) and memory on a single integrated circuit has created a category of device called system on a-chip (SOC') These devices require updates to our sophisticated and flexible automated test equipment

In the electronics manufacturing market new technologies and processes increasing density and miniaturization of parts stimulate demand New materials and smaller parts such as ceramic column grid arrays ceramic ball grid arrays and ultra miniature resistors or capacitors ('0201s') make new demands on test equipment The same is true for new and evolving manufacturing processes such as the pending introduction of lead free solder This increases demand for test equipment that provides increased resolution for the highest call accuracy and a range of solutions to access issues

The use of FPDs is becoming increasingly common in a wide variety of consumer devices that include cellular phones digital cameras liquid crystal display (LCD) televisions computer displays digital cameras and PDAs Different technologies are evolving to improve brightness and resolution on the screens A TFT array tester such as the two testers introduced by our automated test business in October 2004 helps improve display quality while lowering costs These TFT array testers detect defects accurately and early in the manufacturing process regardless of the FPD technology being used

Automated Test Products

Our automated test business designs develops and manufactures semiconductor test equipment, electronics manufacturing test equipment and TFT array test equipment We typically develop our automated test products on a single system architecture and then deliver over time enhancements to that architecture that extend its test capabilities For instance in 2004 Agilent expanded the capabilities of our 93000 SOC system by further expanding its high speed performance to address emerging high speed interconnect technology At the same time Agilent introduced a low cost parallel probe (wafer sort) solution on the same platform Our customers can adapt their 93000 SOC system according to their needs without having to buy multiple unique testers We also introduced the V5400 memory tester based on current Agilent Versatest architecture that addresses the growing phenomenon of stacked mixed memory chips, including any combination of flash dynamic random access memory ("DRAM) and static random access memory (SRAM)

Semiconductor Test Equipment

We produce semiconductor test equipment to perform electrical functional testing of the operation of logic memory mixed analog and digital signal RF microwave and SOC integrated

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circuits Our parametric test instruments and systems combine hardware technology and customizable system software and are used to examine semiconductor wafers during the semiconductor manufacturing process Our product development efforts are targeted at leading edge technologies such as high speed interconnects highly integrated mixed signal memory parametric test for 90nm and below geometries and emerging technology FPDs

Our semiconductor test equipment tests a variety of different circuit types We test both at the wafer level and at final assembly We are an industry leader in wafer sort test solutions for flash memory devices which retain data even when the power is turned off and that are used in digital cameras cellular phones PDAs and storage of portable digital audio files Our flash memory test products can test as many as 4 608 channels to test multiple devices in parallel greatly improving test throughput and lowering test costs for our customers Our SOC test system can test not only multiple devices at a time but also multiple functional elements on a given device at the same time As a result of its scalable platform architecture this system can be field upgraded to the latest technology without the customer needing to buy a new system or shut down the production line for an extended time

Electronics Manufacturing Test Equipment

Automated Optical Inspection Products Our automated optical inspection line of products enables automated visual inspection of printed circuit assemblies These systems locate with a high degree of repeatability and reliability misplaced and misaligned parts gross solder defects and other process faults without the need for a human inspector

Automated X ray Inspection Products Our leading x ray inspection products provide a three-dimensional scan of printed circuit board assemblies to identify and isolate quality defects caused by the manufacturing process Our products can look through a device to identify structural defects in soldering that are not identified by visual inspection and that may not be detected with in-circuit testing

Automated In Circuit Testing Products Our leading in-circuit testers use a probe fixture that makes electrical contact with the circuit board These systems make electrical measurements that identify quality defects such as bad and incorrect parts that affect electrical performance and allow repair of the defects while it is still relatively inexpensive to make the diagnosis and repair

Manufacturing Test System Software Our Agilent Quality Tool and Agilent Repair Tool software use the Agilent Intelligent Test Framework that connects and integrates information from the Agilent portfolio of test and inspection equipment The software provides common tools to enable customers to use information across the manufacturing line for effective process control repair and test design

TFT Array Test Equipment

Effective production process testing is essential for FPD manufacturing because most failures occur during the TFT array process and correcting overlooked failures post process is prohibitively expensive Our TFT array tester family introduced in October 2004 provides FPD manufacturers with a test solution for all key technologies in the rapidly growing FPD market An array tester can provide significant cost savings by detecting defects early in the process of manufacturing FPDs

Automated Test Customers

Many of our customers purchase solutions across several of our major product lines for their different business units Generally our customers are involved in producing digital consumer and

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wireless products computation PC and PC peripherals wireline communications or enterprise networking and storage As of the end of fiscal 2004 no single customer represented greater than 10% of the net revenue of the business

We also engage in collaborative co-development relationships with electronics industry leaders and contract manufacturers

The back to school and holiday seasons affect our automated test business to the extent that we are subject to the cycles of consumer electronics manufacturing Our customers include manufacturers who produce a wide range of consumer electronics equipment requiring the test of semiconductors printed circuit board assemblies and FPDs

Automated Test Sales, Marketing and Support

Our automated test business s products are distributed using direct sales and through manufacturers representatives Some portions of the direct sales force provide general services around the world while others provide specialized consultation services for particular segments of the automated test business Manufacturers representatives address specific geographic markets They provide the same level of service and support to Agilent s customers as is expected from our direct channel

Automated Test Manufacturing

Our automated test business has manufacturing facilities in Germany Japan and Singapore, and contract manufacturing relationships in Europe Asia, Japan and the U S We do not maintain a high level of finished goods inventory due to a combination of product platform strategy and outsourcing However for those products that we do manufacture we hold relatively large amounts of raw materials

Automated Test Competition

The market for automated test solutions is highly competitive and we expect this competition to increase Our automated test business competes with a number of significant competitors in all our major product categories and across our targeted industries In the semiconductor test market we compete primarily against Advantest Corporation and Teradyne In the electronics manufacturing test market we compete primarily against Teradyne In the large panel FPD test market we compete against Photon Dynamics Applied Komatsu Technologies and Shimadzu Corporation In emerging FPD technologies we compete primarily against Wintest

Most of our equipment competes primarily on performance or differentiated capabilities Other contributing factors include cost of test system scalability and flexibility sensitivity speed reliability and yield

Semiconductor Products Business

Our semiconductor products business is a leading supplier of semiconductor components modules and assemblies for consumer and commercial electronics applications We design develop and manufacture products for the networking and personal systems markets Our networking products include fiber optic transceivers for sending and receiving data over high speed networks and ICs for enterprise storage and networking In 2004 and 2003 about two thirds of the semiconductor products business came from customers in consumer electronics markets

As of October 31 2004 our semiconductor products business had approximately 6 800 employees worldwide Our semiconductor products business generated revenue of $2 0 billion in fiscal year 2004 $1 6 billion in fiscal year 2003 and $1 6 billion in fiscal year 2002

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Semiconductor Markets

Our semiconductor products business serves the following markets

Personal Systems Markets

We sell products into the Personal Systems market which are targeted for use in applications including mobile phones printers PC peripherals and consumer electronics

The driving trend in mobile communications is for higher speed higher bandwidth connections to offer subscribers more digital services through their mobile phones Consumer products that realize the convergence of palm top computing mobile telephony and digital imaging are increasingly appearing on the market

Networking Markets

We sell products into the networking market, including computing storage local area and public network applications There is a continued evolution of networks both private (local area and storage area networks) and public (metro and wide area networks) to higher speeds and greater bandwidth driven by the ongoing growth of data traffic Business to consumer and business to-business e-commerce the internet the growing volume of e mail traffic the growth of streaming video and audio the delivery of online services and peer to peer communications are all generating ever greater volumes of electronic data that must be processed moved and stored As a result, both private and public network managers drive a continual process of upgrading their networks to higher speeds and increased scalability Fiber optic transceivers and high speed digital ICs are the semiconductor technologies that help enable higher speed higher performance networks

Semiconductor Products

Our semiconductor products business designs and sells semiconductor components modules and assemblies The major product areas of our semiconductor products business include

Personal Systems Products

Radio Frequency and Microwave Communications Device Products We produce a broad family of RF and microwave communications products primarily integrated circuits for wireless communications products and infrastructure Our latest products are the Film Bulk Acoustic Resonator (FBAR) duplexer a semiconductor based filter product, and E pHEMT power amplifiers a high power added efficient wireless transmitter solution The FBAR duplexer and the E-pHEMT power amplifier help enable smaller more functionally rich mobile telephones These two products are targeted for both current and future generation mobile phones We began increasing the production of these two products towards the end of 2003 They have been among the top growth areas for our semiconductor products business

Infrared Emitters Detectors and Transceiver Module Products We are a leading supplier of infrared (IR) products that enable short range point to point wireless communication between portable and stationary devices including notebook personal computers printers cellular phones PDAs pagers and digital cameras In 2003, we delivered the industry s first infrared transceiver with remote control functionality for consumer electronics devices such as TVs and VCRs The semiconductor products business also introduced a solution known as the Ambient Light Photo Sensor that senses available light and signals whether backlighting for displays or keypads is required By not turning on backlighting when it is not needed mobile systems can save significant battery life In 2004 we introduced products for Infrared Financial Messaging (IrFM) a standard for wirelessly sending digital transactions through use of an IR transceiver in a cell phone PDA or

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digital wallet These payment transactions can take place between a customer and millions of point-of-sale devices to provide instant IR connectivity for secure wireless payment

Printing ASICs We are a leading supplier to Hewlett Packard for printing ASICs which are the central processing ICs for Hewlett Packard laser printers inkjet printers and all in-one products Agilent provides subsystem solutions for Hewlett Packard printers aimed at capturing more content of printer components and offering higher integration and shorter time to-market.

Optical Image Sensors and Processors and Optical Position Sensors Our products include sensors used in embedded camera modules for mobile phones and navigation sensors for laser and LED optical mice We also produce optical motion control products used primarily for precision paper handling and positioning in inkjet printers and all in-one products In the fourth quarter of 2004 we agreed to sell inventory and fixed assets relating to our camera module business We will continue to sell the image sensors that are a component part of the camera modules, but after the sale we will no longer produce the assembled modules We will retain intellectual property and research and development activities associated with the image sensor technology

LEDs and Optocoupler Products We manufacture and sell a broad range of LEDs alphanumeric displays and optocouplers used in consumer electronics factory automation and transportation LEDs are semiconductor devices that emit light when an electrical signal is applied Optocoupler products are devices that provide both electrical insulation for protection and signal isolation to prevent distortion of data between differing electrical environments We are a leading supplier of optocouplers for use in Plasma Display Panel ("PDP") digital TVs We provide integrated color management solutions and color sensor applications for LEDs which are used for color detection, measurement and control capabilities that can be integrated into different applications including LCD TVs using LED backlights We are a leading supplier of LED optoelectronic solutions used for keypad and display backlighting and for camera flash

Lighting Joint Venture We are engaged in a global joint venture Lumileds, with Philips Electronics Lumileds develops manufactures and sells LEDs modules, products and systems for a broad spectrum of lighting applications, including automotive lighting high brightness traffic signals contour lighting and signs outdoor illumination and white LEDs for both indoor and outdoor applications In 2004 consumer electronics companies introduced the first products that employ LEDs as an alternative to Cold Cathode Fluorescent lamps (CCFLs) as a source of backlighting in LCD displays

Networking Products

Fibre Channel Controller Products We are the leading supplier of controller ICs for Fibre Channel The Fibre Channel interconnect protocol a standard for the transfer of information between computers and storage devices defined by the American National Standards Institute is the leading technology for building storage area networks (SANs) In 2004 we introduced the industry s first 4 Gb/s Fibre Channel controller ICs The controllers offer storage OEMs performance and port density in a single chip 4 Gb/s Fibre Channel controller IC provides the industry s highest performance for redundant arrangement of independent disk (RAID) arrays storage subsystem virtualization devices storage routers host bus adapters and host computer motherboards for mid to high-end storage applications that use multiprocessor systems These newest products expand our leading portfolio of Fibre Channel controller solutions for 1 and 2 Gb/s We also offer physical layer ICs which connect processing ICs, such as our Fibre Channel controllers to fiber optic transceivers for data transmission

Fiber Optic Products We are a leading supplier of fiber optic transceivers which convert electronic digital data into light signals for transmission and convert light signals back into

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electronic digital form on the receiving end of the communication We market optical transceivers transmitters and receivers for high-speed data communications for Fast, Gigabit and 10-Gigabit Ethernet, 2 and 4 Gb/s Fibre Channel, and Asynchronous Transfer Mode/Synchronous Optical Network (ATM/SONET) applications up to 2 5 gigabits per second (OC-48) In addition, we are developing products for dense wave division multiplexing (DWDM) optical transport applications

High Speed Digital Integrated Circuit Products We provide core electronics chipsets that support central processing units for selected Hewlett Packard workstations and servers We provide customer specific ASIC solutions for next generation data switching products Finally we are a provider of state-of the art ASICs and networking ICs for use in next generation network switches

Semiconductor Customers

We sell to customers in the networking and personal systems markets We sell to original equipment manufacturers directly as well as contract manufacturers As we move toward more consumer centric products including components for mobile phones and for optical mice we expect our business to reflect the seasonality inherent in the consumer market

Our semiconductor technology licensing and supply arrangements with Hewlett Packard limit our ability to sell products to other companies subject to restrictions contained in the exhibits to our Master Patent Ownership and License Agreement with Hewlett Packard and our ICBD Technology Ownership and License Agreement with Hewlett Packard, which are exhibits to this Annual Report on Form 10 K Through sales of ASICs storage area networking components and motion control products Hewlett Packard accounted for approximately 14 percent of our semiconductor products revenue in fiscal year 2004 20 percent in fiscal year 2003 and approximately 33 percent in fiscal year 2002

Semiconductor Sales, Marketing and Support

Our semiconductor sales organization consists of approximately 300 employees who have responsibility for emerging accounts or for large global accounts Our sales force has specialized product and service knowledge that enables it to sell specific offerings at key levels throughout a customer s organization We also have a direct sales team that focuses on supporting major contract manufacturers In addition to direct sales we generate approximately 30 percent of our revenue through our relationships with key electronic distributors worldwide We also provide a broad range of products and applications related information to customers and channel partners via the Internet.

Semiconductor Manufacturing

The majority of our silicon and gallium arsenide wafer fabrication is done in the U S and Singapore while our assembly and test operations are in Malaysia and Singapore In addition to these facilities we utilize a network of contract manufacturers throughout Asia for semiconductor fabrication, packaging and test

Our manufacturing strategy has been to outsource more mature technologies while using our in house manufacturing fabrication assembly and test capabilities to develop new products Our production facilities have developed several quality management processes designed to increase productivity We have developed proprietary automated test systems particularly in optical LED and microwave test

For selected customers we maintain finished goods inventory near or at customer manufacturing sites to support their just in time production In 2004 we negotiated extended payment terms for most of the materials that we purchased

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Semiconductor Competition

The markets for our semiconductor products are intensely competitive and we expect competition to increase Our ability to compete effectively depends on a number of factors including

- product reliability and performance in operation
- price
- power consumption
- compliance with standards
- product size and integration and
- time to market

In the fiber-optic products market, our principal competitors are Finisar Infineon and JDS Uniphase In the market for high-speed digital ICs our principal competitors are IBM LSI Logic, Texas Instruments and Vitesse Semiconductor Corporation Our principal competitors in RF wireless are Renesas, RF Micro Devices and SkyWorks In the market for infrared products, our principal competitor is Vishay Intertechnology Inc We compete with companies including LSI Logic Motorola and STMicroelectronics for printer ASICs Principal competitors in our LED businesses include Lite-on Inc Nichia, Osram Stanley Electronic Co Ltd and Toshiba

Life Sciences and Chemical Analysis Business

Our life sciences and chemical analysis business provides application focused solutions that include instruments software consumables and services that enable customers to identify quantify and analyze the physical and biological properties of substances and products Our seven key product categories include microarrays microfluidics gas chromatography, liquid chromatography mass spectrometry software and informatics and related consumables reagents and services

We employed approximately 3 900 people as of October 31 2004 in our life sciences and chemical analysis business This business generated revenue of $1.3 billion in fiscal 2004 $1 2 billion in fiscal 2003 and $1 1 billion in fiscal 2002

Life Sciences and Chemical Analysis Markets

Primarily our life sciences and chemical analysis business serves the following markets

Life Sciences Markets

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Our life science markets account for approximately 40 percent of revenue from our life sciences and chemical analysis business Agilent s life science solutions are used by academic researchers government institutes and pharmaceutical and biopharmaceutical companies in every phase of the drug development process The drug development process includes research into the basic causes and understanding of disease drug discovery drug development drug manufacturing and quality assurance/quality control ('QA/QC') Within the life sciences we focus on the following areas pharmaceutical analysis (drug development manufacturing and QA/QC) gene expression and proteomics

The Pharmaceutical Analysis Market Pharmaceutical and biopharmaceutical companies develop and manufacture drugs under strict regulatory guidelines intended to ensure the quality of products developed and given to patients and to ensure the security and quality of information given to regulatory agencies We provide liquid chromatography gas chromatography and mass

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spectrometry solutions for the analysis of chemicals and provide compliance services and data systems designed to further enable compliance with relevant regulations of the Food and Drug Administration (FDA) and other regulatory agencies

The Gene Expression Market Biological researchers today can study organisms and diseases based on genetic material Gene expression researchers use devices called microarrays to measure the activity levels of many genes in a cell simultaneously for the purpose of understanding and characterizing disease identifying drug targets and identifying patterns of gene activity that correlate to the potential toxicity or effectiveness of a drug This is a double-digit growth market in which our microarray microfluidics and informatics solutions are sold

The Proteomics Market When a drug enters the body it usually targets one or more proteins Proteomics is a new and growing field with the goal of identifying characterizing and analyzing proteins on a high volume scale Proteomics is also important to the large scale manufacture of protein based therapies in development by biotech companies Protein scientists currently apply traditional protein analysis technologies such as liquid chromatography gas chromatography and mass spectrometry as well as newer microfluidics technologies and reagents We provide solutions in all of these areas and are investigating new technologies for proteomics research

Chemical Analysis Markets

Our chemical analysis markets account for approximately 60 percent of revenue from the life sciences and chemical analysis business Agilent s chemical analysis solutions are used by corporations government organizations and academic researchers to detect characterize quantify and analyze chemicals and biological entities that could affect human health both those found in the environment and those created in the manufacturing of products Within chemical analysis we focus primarily on the following areas petrochemical environmental homeland security and forensics and bioagriculture and food safety

The Petrochemical Market The natural gas and petroleum refining markets use our products to measure and control the quality of their finished products and to verify the environmental safety of their operations We sell gas chromatographs liquid chromatographs and mass spectrometers into these markets Petroleum refiners use our measurement solutions to analyze crude oil composition perform raw material analysis verify and improve refining processes and ensure the overall quality of gasoline fuels lubricants and other products Our gas chromatographs are also used to monitor consistent quality in the delivery of natural gas

The Environmental Market Our gas chromatography liquid chromatography and mass spectrometry solutions are used by the environmental market for applications such as laboratory and field analysis of chemical pollutants in air water soil and solid waste Environmental industry customers include all levels of government the industrial and manufacturing sectors engineering and consulting companies commercial testing laboratories and colleges and universities We are seeing increased international demand for environmental instrumentation in the Asia Pacific region

The Homeland Security and Forensics Market Our liquid chromatography gas chromatography mass spectrometry and microfluidics solutions are used by health and forensics laboratories in the U S and abroad particularly in the analysis of evidence associated with crime or with the detection and identification of biological and chemical warfare agents This instrumentation is either used in static or mobile laboratories Customers include local state federal and international law enforcement agencies and health laboratories

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The Bioagriculture and Food Safety Market Food safety industries apply the same general technologies for chemical analysis as the pharmaceutical and environmental markets including gas and liquid chromatography and mass spectrometry Additionally bioagriculture industries seek to improve crops and foods by conducting research on these organisms as well as testing for genetically modified content using microarray and microfluidics solutions

Life Sciences and Chemical Analysis Products

A key factor in all of our life sciences and chemical target markets is the need for new products that increase customer productivity and provide high quality data that enables decision making by our customers

Microarray Products

Since announcing the launch of our DNA microarray program for the life sciences in December 1999 we have become the second leading supplier of microarray solutions which we sell primarily to pharmaceutical companies biotech companies and academia Using our refined inkjet manufacturing process we make highly sensitive 60 mer oligonucleotide (oligo ') microarrays This unique inkjet process is highly flexible and accurate enabling the faster manufacture of new and custom high-density microarrays with highly uniform spot shape

In 2004 we introduced our line of whole genome microarrays including kits for human mouse and Arabidopsis a model plant organism. In a collaborative effort we also commercialized the first 60-mer oligo microarray for the study of rice a staple food for half the world s population We now provide microarrays for the study of human mouse rat Arabidopsis rice rice blast (a type of rice fungus) and yeast

Microfluidics Products

The Agilent 2100 bioanalyzer is the first commercial microfluidics solution for the analysis of a wide range of biological molecules including DNA, RNA, proteins and cells The bioanalyzer chips allow sample quality assessment to be done in a fraction of the usual time using less sample and reagents This technology could eventually replace traditional gel electrophoresis in many applications

In 2004 we introduced the Agilent 2100 Expert Software with compliance features that enable the bioanalyzer to be used for the development and manufacture of protein based therapeutics in the pharmaceutical and biotechnology industries

To standardize RNA quality measurement using the bioanalyzer Agilent introduced a beta version of its RNA integrity number (RIN') software It is the first tool for objectively grading and communicating the quality of RNA used in experiments

In November 2004 Agilent introduced the first fully automated high throughput lab-on a-chip system which will enable unattended analysis of thousands of DNA or protein samples per day

Gas Chromatography Products

We produce gas chromatography systems both portable and stationary A gas chromatograph (GC) is used to separate any gas liquid or solid molecules that can be vaporized in order to determine the quantity and identity of the molecules present As a market leader in gas chromatography we continue to expand its applications with new columns and supplies as well as product and software enhancements

In 2004 we introduced a network headspace sampler that features an inert sample pathway and significant improvements in sensitivity performance and productivity We also introduced a thermal

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performance qualification service for Agilent gas chromatographs which helps to verify that a GC s heated zones (oven injection ports and detectors) are working properly In April Agilent also became the first company to offer online training for gas chromatography

Liquid Chromatography Products

A liquid chromatograph (LC) or a high performance liquid chromatograph (HPLC) is used to separate molecules of a liquid mixture to determine the quantity and identity of the molecules present Used when gas chromatography is not an option these instruments are modular in construction and can be configured to form instruments that perform specific analyses We offer a HPLC system the Agilent 1100 Series with over 50 000 systems sold since its introduction As a leader in liquid chromatography we continue to expand its applications with new LC and HPLC columns and provide ongoing product and software enhancements

In 2004 we introduced improvements to the Agilent 1100 Series HPLC purification system We released a new dual loop autosampler for the purification platform that provides flexible sample handling and high sample throughput in a compact design that conserves critical bench space We also released new purification system software which provide flexible functionality for preparative HPLC enabling users to add modules for specific needs

We also introduced the Agilent 1100 Series HPLC micro collection/spotting system It is a complete software-controlled separation solution for proteomics that features direct spotting on matrix assisted laser desorption/ionization mass spectrometry (MALDI MS) targets

Mass Spectrometry Products

A mass spectrometer (MS) identifies and quantifies chemicals based on a chemical s molecular mass and on characteristic patterns of fragment masses that result when a molecule is broken apart Mass spectrometry is an important tool in analyzing proteins and other biological entities that undergo transformations because it enables the understanding and characterization of their many different states MS systems are typically used in combination with gas or liquid chromatographs

In the past three years Agilent significantly expanded its mass spectrometry portfolio with a focus on ease of use sensitivity and reliability We introduced several instruments including new ion trap time-of flight (TOF) and inductively coupled plasma mass spectrometry (ICP MS ') systems We also significantly upgraded our existing LC/MS and GC/MS quadrupole systems

In 2004 we continued to expand our MS portfolio with several new products and solutions We introduced a new 7500ce ICP MS system which is up to five times more sensitive than its predecessor We introduced the Agilent LC/MSD Trap XCT Plus ion trap MS which is four times more sensitive than its predecessor We upgraded our TOF MS by providing new autotuning and compatibility features and improving its integration with our capillary electrophoresis system We introduced the Agilent protein identification solution a multiple-system LC/MS package for proteomics and pharmaceutical applications

Software and Informatics Products

We provide software for controlling instruments managing the laboratory and analyzing the data generated by instrument platforms

Early in 2004 Agilent introduced a new version of the Agilent Cerity Networked Data System for Pharmaceutical QA/QC that is the first system of its kind to provide automated 3 D analysis generic instrument control and a spreadsheet style custom calculator We also released the Agilent

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MSD Security ChemStation the first Agilent data system for GC/MS that facilitates the regulatory-compliant use of GC/MS in pharmaceutical environments

Agilent also announced an exclusive agreement in the life sciences area to market, sell and support Scientific Software s CyberLAB Enterprise Content Management System a Web based electronic library that collects organizes indexes stores archives and shares electronic records

Agilent shipped an upgrade to its Spectrum Mill MS proteomics workbench for better performance and ease of use in a broad range of proteomics applications We also released new protein confirmation software for the TOF that allows researchers to easily and reliably check the identity and purity of proteins

In October 2004 we acquired Silicon Genetics a leading provider of software solutions for life science discovery The acquisition adds several new products to Agilent s portfolio GeneSpring a genomics expression data visualization and analysis solution Varia high volume genetic variation analysis software and GeNet, a scalable repository for expression data

We also announced an agreement to partner in an $11 7 million grant from the National Institute of Standards and Technology s Advanced Technology Program to develop informatics technologies for life science research

Consumables Reagents and Services

We also offer a broad range of consumable products which support our LC GC and MS technology platforms These consumable products include chemical and biological reagents, instrument replacement parts brand specific chromatography columns and consumable supplies to meet our customers analysis needs All of our products which include generic and proprietary supplies are designed to work together

Our support services include all of our chemical and bioinstrumentation analysis hardware and software maintenance troubleshooting repair and training Special service bundles have also been designed to meet the specific analysis instrument needs of various industries

In 2004 we continued to expand our portfolio of consumables and services We introduced new versions of our multiple affinity removal system for protein research including a new LC column that removes the three most abundant proteins from mouse serum and a new spin cartridge format

We introduced a Lys Tag 4H reagent kit for tagging lysine peptides during MS analysis We released Agilent Prep LC columns a line of preparative LC columns designed specifically for industrial scale purification of target compounds in the pharmaceutical industry We also introduced the HP 88 a long lasting GC column designed specifically for efficient reliable analysis of trans fatty acid content in food

Life Sciences and Chemical Analysis Customers

Our top 25 customers account for approximately 21 percent of revenue within our life sciences and chemical analysis businesses We have roughly 21 000 customers and as of the end of fiscal 2004 no single customer represented greater than 10% of the net revenue of the business

The life sciences and chemical analysis business is susceptible to seasonality in its orders and revenues primarily based on U S government and large pharmaceutical company budgets The result is that our first and fourth fiscal quarters tend to deliver the strongest profits for this group

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However general economic trends new product introductions and competition might overshadow this trend in any given year

Life Sciences and Chemical Analysis Sales, Marketing and Support

Our sales and support delivery channels are aligned by key markets We market products to our customers through direct sales electronic commerce resellers manufacturers representatives and distributors Additionally we are optimizing our worldwide distribution capabilities to address high growth opportunities such as the environmental food safety and pharmaceutical markets in the Asia Pacific region

We use direct sales to market our solutions to all of our pharmaceutical and biopharmaceutical accounts large and medium sized chemical customers and environmental accounts Sales agents supplement direct sales by providing broader geographic coverage and coverage of smaller accounts Our active reseller program augments our ability to provide more complete solutions to our customers We sell our consumable products through distributors telesales and electronic commerce

We offer a wide range of startup operational educational and compliance support services for our measurement and data handling systems We deliver our support services to customers in a variety of ways including on site assistance with repair or exchange of returned products telephone support and self-diagnostic services provided over the Internet We also offer special industry focused service bundles that are designed to meet the specific needs of hydrocarbon processing environmental pharmaceutical and biopharmaceutical customers to keep instruments fully operational and compliant with the respective industry requirements

Life Sciences and Chemical Analysis Manufacturing

Our manufacturing supports our diverse product range and customer-centric focus We assemble highly configurable products to individual customer orders and make standard products to stock We employ advanced manufacturing techniques and supply chain management systems to reduce costs and manufacturing cycle times We selectively use third parties to provide manufacturing capabilities outside our core competencies such as the manufacture of printed circuit assemblies and the delivery of shipment logistics We have manufacturing facilities in California and Delaware in the U S China, Germany and Japan We utilize just in time manufacturing and so typically do not maintain a high level of inventory Our products typically come with standard warranties and extended warranties are available for additional cost

Life Sciences and Chemical Analysis Competition

The markets for analytical instruments in which we compete are characterized by evolving industry standards and intense competition Our principal competitors in the life sciences arena include Affymetrix Applied Biosystems GE Healthcare Invitrogen Thermo Electron and Waters Our principal competitors in the chemical analysis arena include Applied Biosystems Perkin Elmer Corp Shimadzu Corporation Thermo Electron and Varian Agilent competes on the basis of product performance reliability support quality applications expertise and global channel coverage

Life Sciences and Chemical Analysis Government Regulation

The analysis products and related consumables marketed by our chemical analysis business are subject to regulation in the U S by the Environmental Protection Agency (EPA) under the Toxic Substances Control Act and by government agencies in other countries under similar laws The Toxic Substances Control Act regulations govern among other things, the testing manufacture processing and distribution of chemicals the testing of regulated chemicals for their effects on

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human health and safety and import and export of chemicals The Toxic Substances Control Act prohibits persons from manufacturing any chemical in the U S that has not been reviewed by EPA for its effect on health and safety and placed on an EPA inventory of chemical substances Therefore we must continually adapt our chemical analysis products to changing regulations If we fail to comply with the notification record keeping and other requirements in the manufacture or distribution of our products the EPA can obtain an order from a court that would prohibit the further distribution or marketing of a product that does not comply or we could face fines civil penalties or criminal prosecution

Agilent Technologies Laboratories ("Agilent Labs")

Agilent Labs based in Palo Alto California with satellite offices in China Fort Collins Colorado and Scotland, is our central research organization Agilent Labs engages primarily in two types of research 1) applied research that leads to technology that can be transferred to our existing businesses in communications life sciences and electronics and 2) research that creates new businesses that are outside of our current markets but within our fields of interest Agilent Labs also provides technology integration across our company

Agilent Labs employs approximately 300 people About 70 percent of Agilent Labs employees are members of the technical staff and about 70 percent of the technical staff have advanced degrees that cover a wide range of scientific fields including biology bioinformatics chemistry computer science, electrical engineering, image processing, materials science mathematics optoelectronics, photonics physics physiology semiconductor technology and systems integration

The following discussions of Research and Development, Backlog, Intellectual Property, Materials, Environmental, International Operations and Acquisition and Disposal of Material Assets include information common to all four of our segments

Research and Development

Research and development expenditures were $933 million in 2004 $1 051 million in 2003 and $1.250 million in 2002, the vast majority of which was company sponsored We anticipate that we will continue to have significant R&D expenditures in order to maintain our competitive position with a continuing flow of innovative high-quality products and services

Backlog

We believe that backlog orders are not a meaningful indicator of future business prospects Backlog as we define it generally only represents cumulative outstanding orders that are scheduled for delivery within a six month period Therefore backlog is not a material indicator of our future medium to long term business prospects We believe that our incoming orders in any given period are more indicative of short term revenue trends for our businesses However for our Semiconductor Products business neither backlog nor orders are indicative of future business prospects since the time between receipt of an order and revenue recognition has decreased significantly during 2004 See Results of Continuing Operations in Item 7 of this report.

Intellectual Property

Our general policy has been to seek patent and other intellectual property protection for those inventions and improvements likely to be incorporated into our products and services or to give us a competitive advantage While we believe that our licenses patents and applications have value in general no single patent or license is in itself essential In addition there can be no assurance that any of our proprietary rights will not be challenged invalidated or circumvented or that our rights will provide significant competitive advantages

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Materials

Our manufacturing operations employ a wide variety of semiconductors electromechanical components and assemblies and raw materials such as plastic resins and sheet metal Each of our segments purchases materials from thousands of suppliers on a global basis No single supplier is material although some of the parts that require custom design work are not readily available from alternate suppliers due to their unique design or the length of time necessary for design work. Our long term relationships with our suppliers allow us to proactively manage technology road maps and product discontinuance plans and monitor their financial health Even so, some suppliers may still extend their lead times limit supplies increase prices or cease to produce necessary parts for our products If these are unique components, we may not be able to find a substitute quickly or at all To address the potential disruption in our supply chain we use a number of techniques including qualifying multiple sources of supply redesign of products for alternative components and purchase of incremental inventory for supply buffer

Environmental

Our R&D manufacturing and distribution operations involve the use of hazardous substances and are regulated under international federal state and local laws governing health and safety and the environment We apply strict standards for protection of the environment and worker health and safety to sites inside and outside the U S even if not subject to regulation imposed by foreign governments We believe that our properties and operations at our facilities comply in all material respects with applicable environmental laws and worker health and safety laws however the risk of environmental liabilities cannot be completely eliminated and there can be no assurance that the application of environmental and health and safety laws to Agilent will not require us to incur significant expenditures We are also regulated under a number of international federal state and local laws regarding recycling product packaging and product content requirements These laws are gradually becoming more stringent and may in the future cause us to incur significant expenditures

Some of our operations are located on properties that are known to have subsurface contamination undergoing remediation by Hewlett Packard Hewlett Packard has agreed to retain the liability for the contamination perform the required remediation and indemnify us with respect to claims arising out of the contamination The determination of the existence and cost of any additional contamination caused by us could involve costly and time-consuming negotiations and litigation While we expect that Hewlett Packard will meet its remediation and indemnification obligations in this regard there can be no guarantee that it will do so Under our agreement with Hewlett Packard Hewlett Packard will have access to these properties to perform the remediation Hewlett Packard has agreed to minimize interference with on site operations at those properties during the course of the remediation but there can be no guarantee that our operations will not be interrupted or that we will not be required to incur unreimbursed costs associated with the remediation Remediation could also harm on site operations and the future use and value of the properties

In addition some of these properties are undergoing remediation by Hewlett Packard under an order of an agency of the state in which the property is located Although Hewlett Packard has agreed to indemnify us with respect to that subsurface contamination it is possible that one or more of the governmental agencies will require us to be named on any of these orders The naming of Agilent will not affect Hewlett Packard s obligation to indemnify us with regard to these matters

We are liable and are indemnifying Hewlett Packard for any contamination found at all facilities transferred to us by Hewlett Packard excluding the properties undergoing remediation In addition we are indemnifying Hewlett Packard for any liability associated with past non-compliance with environmental laws regulating ongoing operations at all properties transferred to us by Hewlett

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Packard as well as at sold or discontinued businesses that are related to our businesses While we are not aware of any material liabilities associated with such indemnified matters there is no guarantee that such contamination or regulatory non-compliance does not exist and will not expose us to material liability in the future

We are being indemnified by Hewlett Packard with respect to all environmental liabilities for which Hewlett Packard accrued a reserve and we are not aware of any material and probable environmental liabilities being assumed by us which are not subject to the indemnity

International Operations

Our net revenue originating outside the U S as a percentage of our total net revenue was approximately 69 percent in fiscal 2004 64 percent in fiscal 2003 and 61 percent in fiscal 2002, the majority of which was from customers other than foreign governments Approximately 11 percent of our revenue in the last three years was derived from Japan Revenues from external customers are generally attributed to countries based upon the location of the Agilent sales representative Long lived assets located outside of the U S as a percentage of our total long lived assets was approximately 53 percent in fiscal year 2004 47 percent in fiscal year 2003 and 43 percent in fiscal year 2002 Approximately 12 percent of our long lived assets were located in Japan in fiscal year 2004 approximately 14 percent were located in Japan in fiscal year 2003 and approximately 10 percent in fiscal year 2002

Most of our sales in international markets are made by foreign sales subsidiaries In countries with low sales volumes sales are made through various representatives and distributors However we also sell into international markets directly from the U S

Our international business is subject to risks customarily encountered in foreign operations including interruption to transportation flows for delivery of parts to us and finished goods to our customers changes in a specific country s or region s political or economic conditions trade protection measures import or export licensing requirements unexpected changes in tax laws and regulatory requirements difficulty in staffing and managing widespread operations differing labor regulations and differing protection of intellectual property We are also exposed to foreign currency exchange rate risk inherent in our sales commitments anticipated sales and assets and liabilities denominated in currencies other than the local functional currency and may also become subject to interest rate risk inherent in any debt we incur or investment and finance receivable portfolios we hold The U S and international response to recent terrorist activities could exacerbate these risks For example there may be an increased risk of political unrest in regions where we have significant manufacturing operations such as Southeast Asia However we believe that our international diversification provides stability to our worldwide operations and reduces the impact on us of adverse economic changes in any single country Financial information about our international operations is contained in Note 19 Segment Information of the consolidated financial statements included in Item 15 of this report

Acquisition and Disposal of Material Assets

On January 5 2001 we acquired Objective Systems Integrators Inc (OSI) for approximately $716 million OSI was a provider of next generation operations support system software for communications service providers and has become part of our test and measurement business In January 2000 April 2000 and January 2001 we acquired Yokogawa Electric Corporation s 25 percent equity interest in Agilent Technologies Japan Ltd for approximately $521 million In addition to the OSI and Yokogawa acquisitions we acquired several other companies since our incorporation that were not material

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In the fourth quarter of 2000 we entered into an asset purchase agreement with CIT Group Inc (CIT formerly Tyco Capital Corporation) to sell them substantially all of our leasing portfolio over the course of 2000 and 2001 We also entered into a vendor financing arrangement with CIT whereby CIT will provide equipment financing and leasing services to our customers on a global basis

In February 2001 we sold a parcel of surplus land in San Jose California for $287 million in cash

Executive Officers of the Registrant

The names of our executive officers and their ages titles and biographies as of December 16 2004 appear below

Edward W Barnholt 61 Mr Barnholt has served as Agilent s President and Chief Executive Officer and as a director since May 1999 and also as Chairman of the Board since November 2002 Before being named Agilent s Chief Executive Officer Mr Barnholt served as Executive Vice President and General Manager of Hewlett Packard Company s Measurement Organization from 1998 to 1999 which included the business organizations that have become Agilent From 1990 to 1998 he served as General Manager of Hewlett Packard Company s Test and Measurement Organization He was elected a Senior Vice President of Hewlett Packard Company in 1993 and an Executive Vice President in 1996 He is a director of KLA Tencor Corporation

Adrian T Dillon, 50 has served as our Executive Vice President and Chief Financial Officer since December 2001 Prior to assuming this position Mr Dillon served as Executive Vice President and Chief Financial and Planning Officer of Eaton Corporation from April 1997 to December 2001 Mr Dillon held various management positions at Eaton Corporation from 1979 to 1997

Jean M Halloran 52 has served as our Senior Vice President Human Resources since August 1999 From 1997 to 1999 Ms Halloran served as Director of Corporate Education and Development for Hewlett Packard Prior to assuming this position from 1993 to 1997 Ms Halloran acted as human resources manager for Hewlett Packard s Measurement Systems Organization Ms Halloran joined Hewlett Packard in 1980 in the Medical Products Group where she held a variety of positions in human resources manufacturing and strategic planning

Didier Hirsch, 53 has served as our Vice President and Corporate Controller since April 2003 Prior to assuming that position Mr Hirsch served as Vice President and Treasurer from September 1999 to April 2003 In 1996 Mr Hirsch became Director of Finance and Administration of Hewlett Packard Europe Middle East and Africa In 1993 Mr Hirsch became Director of Finance and Administration of Hewlett Packard Asia Pacific Mr Hirsch joined Hewlett Packard Company in 1989 as Director of Finance and Administration of Hewlett Packard France

D Craig Nordlund 55 was named our Senior Vice President, General Counsel and Secretary in May 1999 and serves as an officer or director for a variety of Agilent subsidiaries He is also a director of the Addison Avenue Federal Credit Union Mr Nordlund served as Associate General Counsel and Secretary of Hewlett Packard Company from 1987 to 1999

Young K Sohn 48 has served as Senior Vice President of Agilent Technologies Inc and President of the Semiconductor Products Group since August 2003 He also has served as a Senior Vice President of Agilent Technologies Inc since August 2003 Prior to assuming that position Mr Sohn was Chairman and Chief Executive Officer of Oak Technology from February 1999 to August 2003 Before joining Oak Technology from January 1993 to February 1999 Mr Sohn held a variety of management positions at Quantum Corporation including President of its Hard Drive Group Vice

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President of Marketing for the Desktop Division and President of the Asia Pacific region From August 1983 to January 1993 Mr Sohn held a number of management positions at Intel Corporation Mr Sohn serves on the Boards of Directors of Cymer Corporation and Synnex Technology Inc

William P Sullivan 54 has served as our Executive Vice President and Chief Operating Officer since March 2002 In this capacity he shares the responsibilities of the president s office with Agilent President and Chief Executive Officer Edward W Barnholt Mr Sullivan also has overall responsibility for Agilent s Electronic Products and Solutions Group the company s largest business group Prior to assuming this position Mr Sullivan served as our Senior Vice President, Semiconductor Products Group from August 1999 to March 2002 Before that, Mr Sullivan held various management positions at Hewlett Packard Mr Sullivan serves on the Board of the Children s Discovery Museum in San Jose California.

Jack P Trautman 54 has served as Senior Vice President of Agilent Technologies Inc and President of the Automated Test Group since May 2002 Prior to assuming that position Mr Trautman served as Vice President and General Manager of Communications Management Solutions Business Unit from 2001 to 2002 He served as General Manager of the Data Protection Unit of Hewlett Packard from 2000 to 2001 Mr Trautman was the General Manager of Hewlett Packard s Computer Peripherals Bristol Division in Bristol England from 1997 to 2000 Mr Trautman joined Hewlett Packard in 1974 and held a number of managerial positions over the years

Chris van Ingen, 58 has served as Senior Vice President of Agilent Technologies Inc and President of the Life Sciences and Chemical Analysis Group since May 2001 Prior to assuming this position Mr Van Ingen held a number of positions at Hewlett Packard including Chemical Analysis Group Sales and Marketing Manager from 1996 to April 2001 the Americas Marketing Center Manager from 1989 to 1996 Product Marketing Manager at Little Falls Division from 1986 to 1989 and Sales Support Manager at Little Falls Division from 1984 to 1986

Thomas E. White 47 has served as Senior Vice President of Agilent Technologies Inc and President of the Communications Solutions Group since August 1999 From 1997 to August 1999 Mr White served as Vice President and General Manager of the Communications Solutions Group of Hewlett Packard From 1996 to 1997 he served as General Manager of Hewlett Packard s Computer Peripherals Bristol Division and beginning in 1994 he served as General Manager for Hewlett Packard s Telecommunications Systems Division South Queensferry Scotland

Investor Information

We are subject to the informational requirements of the Securities Exchange Act of 1934 (the Exchange Act) Therefore we file periodic reports proxy statements and other information with the Securities and Exchange Commission (the SEC) Such reports proxy statements and other information may be obtained by visiting the Public Reference Room of the SEC at 450 Fifth Street NW Washington, DC 20549 or by calling the SEC at 1 800-SEC-0330 In addition the SEC maintains an Internet site (http //www sec gov) that contains reports proxy and information statements and other information regarding issuers that file electronically

You can access financial and other information at our Investor Relations website The address is www investor agilent com We make available free of charge copies of our annual report on Form10-K quarterly reports on Form 10-Q current reports on Form 8 K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after filing such material electronically or otherwise furnishing it to the SEC

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Our Corporate Governance Standards the charters of our Audit and Finance Committee our Compensation Committee our Executive Committee and our Nominating/Corporate Governance Committee as well as our Standards of Business Conduct (including code of ethics provisions that apply to our principal executive officer principal financial officer controller and senior financial officers) are available on our website at www investor agilent com under Corporate Governance Policies These items are also available in print to any stockholder who requests them by calling (877)942 4200 in the U S and Canada and (402) 573 9919 outside the U S and Canada

Item 2. *Properties*

Our corporate headquarters and Agilent Technologies Laboratories are located in Palo Alto California In total we have 17 primary sites Of these primary sites 10 are located in the U S and the remaining 7 are located in China, Germany Japan, Malaysia Singapore and the United Kingdom Nearly all of our primary functions are conducted at multi building campuses

Site	Major Activity	Owned/Leased
Palo Alto CA U S — Corporate Headquarters	Corporate Administration	Owned
Palo Alto CA U S — Agilent Laboratories	R&D	PrimarilyOwned
Santa Clara CA U S	Manufacturing R&D Marketing and Sales and Administration	Owned
San Jose CA U S	Manufacturing R&D	Owned
Santa Rosa, CA U S	Manufacturing R&D	Owned
Loveland CO U S	Manufacturing R&D and Marketing	Owned
Fort Collins, CO U S	Manufacturing R&D	Owned
Colorado Springs CO U S	Manufacturing R&D Marketing and Sales and Administration	Owned
Wilmington,DE,U.S (LittleFallsArea)	Manufacturing R&D and Administration	Owned
Spokane WA U S	Manufacturing R&D and Marketing	Owned
Shanghai China	Manufacturing R&D	Leased
Boeblingen Germany	Manufacturing R&D and Marketing	Owned
Waldbronn Germany	Manufacturing R&D	Owned
Hachioji Japan	Manufacturing R&D Marketing and Sales and Administration	Owned
Penang Malaysia	Manufacturing R&D	Owned
Yishun Singapore	Manufacturing R&D Marketing Sales and Administration	Primarily Owned
South Queensferry United Kingdom	Manufacturing R&D	Owned

As of October 31 2004 we owned or leased a total of approximately 16 0 million square feet of space worldwide Of that we owned approximately 11.5 million square feet and leased the remaining 4 5 million square feet Our sales and support facilities occupied a total of approximately 2 0 million square feet Our manufacturing plants R&D facilities and warehouse and administrative facilities occupied approximately 14 0 million square feet Information about each of our businesses appears below

Test and Measurement Our test and measurement business has manufacturing and R&D facilities in Australia, Canada, China Germany Japan Malaysia, Singapore the United Kingdom

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and the U S Additionally we have marketing centers in Germany Hong Kong Japan the United Kingdom and the U S and sales offices throughout the world

Automated Test Our automated test business has manufacturing and R&D facilities in Germany Japan Singapore and the U S

Semiconductor Products Our semiconductor products business has manufacturing and R&D facilities in Italy Malaysia Singapore the United Kingdom and the U S Additionally we have marketing centers in Germany Malaysia Singapore and the U S and sales offices throughout the world

Life Sciences and Chemical Analysis Our life sciences and chemical analysis business has manufacturing facilities in China Germany Japan and the U S Additionally we have marketing centers in Germany Japan Singapore and the U S and sales offices throughout the world

Item 3. *Legal Proceedings*

In November 2001 a securities class action Kassin v Agilent Technologies Inc et al Civil Action No 01-CV 10639 was filed in United States District Court for the Southern District of New York (the Southern District Court of New York) against certain investment bank underwriters for our initial public offering (IPO) Agilent and various of our officers and directors at the time of the IPO On February 19 2003 the Southern District Court of New York granted Agilent s motion to dismiss the claims against the Company based on Section 10 of the Securities Exchange Act of 1934 as amended but denied Agilent s motion to dismiss the claims based on Section 11 of the Securities Act of 1933 as amended Agilent and more than 200 other issuer defendants have reached an agreement in principle for a settlement with plaintiffs Under the settlement plaintiffs claims against the Company and its directors and officers would be released in exchange for a contingent payment (which if made would be paid by the Company s insurer) and an assignment of certain potential claims On June 14 2004 papers formalizing the settlement among the plaintiffs issuer defendants and insurers were presented to the Southern District Court of New York The settlement remains subject to Court approval Plaintiffs continue to prosecute their claims against the underwriter defendants and discovery is now underway

We are involved in lawsuits claims investigations and proceedings including but not limited to patent commercial and environmental matters which arise in the ordinary course of business Other than the matter described above there are no matters pending that we expect to be material in relation to our business consolidated financial condition results of operations or cash flows

Item 4 *Submission of Matters to a Vote of Security Holders*

During the fourth quarter of fiscal 2004 there were no matters submitted to a vote of securities holders through the solicitation of proxies or otherwise

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PART II

Item 5. *Market for the Registrant's Common Equity and Related Stockholder Matters*

Our common stock is listed on the New York Stock Exchange with the ticker symbol A For the 2004 and 2003 fiscal years the New York Stock Exchange reported the high and low prices per quarter as follows

Fiscal 2004	High	Low
First Quarter (ended January 31 2004)	$ 38 80	$ 24 97
Second Quarter (ended April 30 2004)	$ 17 62	$ 26 91
Third Quarter (ended July 31 2004)	$ 29 68	$ 22 63
Fourth Quarter (ended October 31 2004)	$ 25 31	$ 19 51

Fiscal 2003	High	Low
First Quarter (ended January 31 2003)	$ 20 30	$ 13 19
Second Quarter (ended April 30 2003)	$ 16 82	$ 11 30
Third Quarter (ended July 31 2003)	$ 22 64	$ 15 48
Fourth Quarter (ended October 31, 2003)	$ 26 48	$ 20 31

As of October 29 2004 there were 62 831 stockholders of record of common stock. The closing share price for our common stock on October 29 2004 as reported by the New York Stock Exchange was $25 06

We have not paid any dividends to date and we currently intend to retain any future income to fund the development and growth of our business We do not anticipate paying any cash dividends in the foreseeable future

On October 28 2004 we issued 771,573 shares of Agilent common stock in consideration of all the shares of Silicon Genetics The shares were issued in reliance on Section 3(a)(10) of the Securities Act of 1933 as amended

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EQUITY COMPENSATION PLAN INFORMATION

The following table summarizes information about our equity compensation plans as of October 31 2004 All outstanding awards relate to our common stock.

Plan category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	71 149 209	$ 29	76,349 608 (1)(2)(3)
Equity compensation plans not approved by security holders	—	—	—
Total	71 149 209	$ 29	76,349 608

(1) Includes 23 026 610 of securities authorized and available for issuance in connection with the Agilent Technologies Inc Employee Stock Purchase Plan (the 423(b) Plan)

(2) Shares authorized for issuance in connection with the 423(b) Plan are subject to an automatic annual increase of the lesser of one percent of the outstanding common stock of Agilent or an amount determined by the Compensation Committee of our Board of Directors In no event shall the number of shares authorized for issuance in connection with the 423(b) Plan exceed 75 million shares

(3) We issue securities under our equity compensation plans in forms other than options warrants or rights Under the Agilent Technologies Inc 1999 Stock Plan (the Stock Plan) we may issue Stock Awards including but not limited to restricted stock and restricted stock units as that term is defined in the Stock Plan No more than 10 percent of the total shares available for issuance under the Stock Plan will constitute restricted stock awards Under the Agilent Technologies Inc 1999 Non Employee Director Stock Plan (the 1999 Non Employee Director Stock Plan) we may issue Special Compensation as that term is defined in Section 7 of the 1999 Non Employee Director Stock Plan

CHANGES IN SECURITIES, USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY SECURITIES

None

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Item 6. *Selected Financial Data*

SELECTED FINANCIAL DATA

(Unaudited)

	Years Ended October 31				
	2004	2003	2002	2001	2000
	(In millions, except per share data)				
Consolidated Statement of Operations Data (1, 2, 3)					
Net revenue	$ 7 181	$ 6 056	$ 6,010	$ 8,396	$ 9,361
Income (loss) from continuing operations before taxes	440	(690)	(1,547)	(477)	1 018
Income (loss) from continuing operations	349	(1 790)	(1 022)	(406)	672
Income from discontinued operations net of taxes	—	—	—	6	85
Gain (loss) from the sale of discontinued operations net of taxes	—	—	(10)	646	—
Income (loss) before cumulative effect of accounting changes	349	(1 790)	(1 032)	246	757
Cumulative effect of adopting SFAS No 133 net of taxes	—	—	—	(25)	—
Cumulative effect of adopting SAB 101 net of taxes	—	—	—	(47)	—
Cumulative effect of adopting SFAS No 142	—	(268)	—	—	—
Net income (loss)	$ 349	$ (2,058)	$ (1 032)	$ 174	$ 757
Net income (loss) per share — Basic					
Income (loss) from continuing operations	$ 0 72	$ (3 78)	$ (2.20)	$ (0.89)	$ 1 49
Income from discontinued operations net	—	—	—	0.01	0.19
Gain (loss) from the sale of discontinued operations net	—	—	(0 02)	1.41	—
Cumulative effect of adopting SFAS No 133 net	—	—	—	(0.05)	—
Cumulative effect of adopting SAB 101 net	—	—	—	(0 10)	—
Cumulative effect of adopting SFAS No 142	—	(0.57)	—	—	—
Net income (loss)	$ 0 72	$ (4.35)	$ (2.22)	$ 0.38	$ 1 68
Net income (loss) per share — Diluted					
Income (loss) from continuing operations	$ 0.71	$ (3 78)	$ (2.20)	$ (0.89)	$ 1 48
Income from discontinued operations net	—	—	—	0.01	0.18
Gain (loss) from the sale of discontinued operations net	—	—	(0 02)	1.41	—
Cumulative effect of adopting SFAS No 133 net	—	—	—	(0.05)	—
Cumulative effect of adopting SAB 101 net	—	—	—	(0 10)	—
Cumulative effect of adopting SFAS No 142	—	(0.57)	—	—	—
Net income (loss)	$ 0 71	$ (4.35)	$ (2.22)	$ 0.38	$ 1 66
Weighted average shares used in computing basic net income (loss) per share	483	473	465	458	449
Weighted average shares used in computing diluted net income (loss) per share	490	473	465	458	455

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	October 31,				
	2004	2003	2002	2001	2000
	(In millions)				
Consolidated Balance Sheet Data (1)					
Cash and cash equivalents	$ 2,315	$ 1,607	$ 1,844	$ 1,170	$ 996
Working capital	$ 2,706	$ 1,983	$ 2,899	$ 2,797	$ 2,476
Total assets	$ 7,056	$ 6,297	$ 8,203	$ 7,986	$ 8,330
Senior convertible debentures	$ 1,150	$ 1,150	$ 1,150	$ —	$ —
Stockholders' equity	$ 3,569	$ 2,824	$ 4,627	$ 5,659	$ 5,265

(1) Consolidated financial data and notes for all periods present our healthcare solutions business as a discontinued operation

(2) Income from continuing operations for the year ended October 31, 2004 includes a pre-tax restructuring charge of $161 million including a pre-tax asset impairment charge of $25 million. Loss from continuing operations for the year ended October 31, 2003 includes a pre-tax restructuring charge of $372 million including a pre-tax asset impairment charge of $15 million and a non-cash charge recorded during the third quarter of 2003 to establish a tax valuation allowance of $1.4 billion. The $1.4 billion included $0.4 billion of tax benefits recorded during the first six months of 2003 resulting in approximately $1.0 billion net tax provision recorded within provision for taxes for the year ended October 31, 2003. the valuation allowance essentially eliminated our net deferred tax assets. Loss from continuing operations for the year ended October 31, 2002 includes a pre-tax restructuring charge of $474 million including a pre-tax asset impairment charge of $163 million. Loss from continuing operations for the year ended October 31, 2001 includes a pre-tax gain of $269 million relating to the sale of surplus land in California, inventory charges of $460 million, a pre-tax restructuring charge of $154million primarily relating to severance expenses and a pre-tax asset impairment charge of $74 million for our customer support software.

(3) Consolidated statement of operations data for the year ended October 31, 2001 and 2000 includes the impact of the sale of our portfolio of lease assets to CIT Group Inc. (formerly known as Tyco Capital Corporation). In 2001, net proceeds from this sales transaction were $287million and we recognized $254 million in net revenue from continuing operations and $131 million in cost of products from continuing operations. In 2000, net proceeds from this sales transaction were $234 million and we recognized $197 million in net revenue from continuing operations and $83 million in cost of products from continuing operations.

Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 10-K. This report contains forward-looking statements including, without limitation, statements regarding trends, cyclicality, seasonality and growth in the markets we sell into; our strategic direction; expenditures in research and development; contracts; remediation and indemnification; our future effective tax rate; new product introductions; product pricing; changes to our manufacturing processes; our liquidity position; our ability to generate cash from continuing operations; our image sensor technology and the sale of our camera module business; our expected growth; the potential impact of our adopting new accounting pronouncements; our financial results; revenue generated from international sales; our potential repatriation of earnings; the impact of our enterprise resource planning systems implementation; the impact of our variable cost structure; our obligations under and assumptions about our retirement and post retirement benefit plans; our lease payment obligations; savings from our restructuring programs; and the existence or length of an economic recovery that involve risks and uncertainties. Our actual results could differ from the results

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contemplated by these forward-looking statements due to certain factors, including those discussed in Item 7 and elsewhere in this report.

Overview

Agilent, incorporated in Delaware in May 1999, is a global diversified technology organization that provides enabling solutions to markets within the communications, electronics, life sciences and chemical analysis industries. Prior to our initial public offering of 15.9 percent of our stock in November 1999, we were a wholly owned subsidiary of Hewlett-Packard. Hewlett-Packard distributed the remaining 84.1 percent of our stock to its stockholders on June 2, 2000 in the form of a stock dividend.

Our fiscal year end is October 31. Unless otherwise stated, all years and dates refer to our fiscal year.

Reclassifications

Amounts in the consolidated financial statements as of and for the years ended October 31, 2003 and October 31, 2002 have been reclassified to conform to the presentation used in 2004.

Executive Summary

The sales of our products and services are dependent, to a large degree, on customers whose industries are subject to cyclical trends in the demand for their products. Shifts in the semiconductor market, electronics industry, computer industry and telecommunications markets, as well as rapidly shifting global economic conditions, have had and will have significant impacts on our businesses.

In those industry segments where we are a capital equipment provider, our revenue is dependent on the capital expenditure budgets and spending patterns of our customers, who often delay or accelerate purchases in reaction to changes in their businesses and in the economy. We expect some portions of our businesses to remain cyclical in the foreseeable future. Given these spending patterns, we are moving towards a more variable cost structure in order to minimize any adverse impact to our profitability. This includes the use of contract manufacturers and third party service providers.

We generate revenue directly from sales of components incorporated in consumer electronics, such as cell phones, cameras, games, personal computers, and printers, or indirectly from sales of test and measurement equipment used to design, manufacture or test such components. Sales of these components and test and measurement equipment are concentrated during the holiday season. This seasonal pattern means that we typically experience higher revenues and orders during our fourth quarter as manufacturers ramp up production and then decline in our first quarter. We also experience larger volumes of business in our fourth quarter for products that we sell to the aerospace and defense industry and the U.S. government and generally experience reduced volumes during our first quarter. However, in the fourth quarter of 2004 our usual seasonal increase in revenues and orders did not occur. We experienced a decline in orders in the third and fourth quarter largely in the semiconductor and wireless handset manufacturing test markets.

Orders in 2004 were up by 15 percent, with much of that growth in the first half of the year. Test and measurement orders increased 18 percent year-over-year related to a strong Aerospace and Defense industry growth in consumer electronics and expansion of the Asian handset manufacturing capacity. Semiconductor products orders grew 20 percent over 2003 with strength in the personal systems market, offset by a decline in the networking market. Our automated test business saw a slight decline in orders over the prior year caused by a market decrease in the second half of the year. Orders increased 13 percent over last year in the life sciences and chemical analysis markets. This increase was driven by the demand for replacement systems over our large

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installed base, increased U.S. government spending for homeland security, spending related to environmental testing in Asia, and increased demand from generic drug manufacturers.

Annual revenues were at their highest level since 2001. Net revenue for the year was $7,181 million, an increase of 19 percent over 2003. Our test and measurement and our life sciences and chemical analysis businesses experienced revenue growth throughout 2004. However our automated test and semiconductor products business experienced revenue declines in the second half of the year particularly in the fourth quarter. These declines were in large part due to our customers' excess capacity and excess inventory in the semiconductor industry.

Cost of sales as a percentage of net revenue decreased 5 percentage points from 2003 to 2004. This is a reflection of our continued work on lowering our cost structure. We will continue to see the benefits of a more variable cost structure, including the impact of using contract manufacturers and third party service providers.

Operating expenses as a percent of revenue have declined from 62 percent in 2002 and 50 percent in 2003 to 38 percent in 2004. In dollar terms, operating expenses have declined $720 million from 2002 to 2003 and $294 million from 2003 to 2004. Reduced restructuring and asset impairment charges, coupled with increased savings from these efforts, account for the majority of the expense reduction in both years. In 2004, pension and post retirement benefits decreased by $45 million due to additional funding, better investment results and a favorable interest rate environment. Our efforts to reduce our infrastructure costs and to control discretionary spending, also contributed to the decrease. We completed the implementation of our Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM) projects, and have now begun to see some of the benefits in cost savings and operational improvement.

Total cash and cash equivalents increased $708 million to $2.3 billion at October 31, 2004. Net cash provided from operating activities was $663 million for 2004. Cash on hand as of October 31, 2004 was $2.315 million. Days sales outstanding decreased to 52 days as of October 31, 2004 from 58 days a year ago. We have improved our inventory days-on-hand from 93 days as of October 31, 2003 to 89 days as of the end of the current period.

Income from operations in 2004 was $386 million, an increase of approximately $1.111 million. The increase was due to an increase in revenue of $1.125 million, as well as the benefit of our restructuring plans. As we increased our revenues, we continued to keep spending under tight control allowing this revenue increase to fully impact our profit increase.

Looking forward, we expect increases in the test and measurement and life sciences and chemical analysis markets in 2005. We expect the semiconductor and semiconductor capital equipment markets to be slightly down. We intend to further reduce our costs and expenses to meet our operating cost structure goals. The announced sale of our camera module business is not expected to have a material impact on operating profits in 2005. The revenues for 2004 associated with the camera module business were approximately $300 million.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. Management bases its estimates on historical experience and various other assumptions believed to be reasonable. Although these estimates are based on management's best knowledge of current events and actions that may impact the company in the future, actual results may be different from the

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estimates. Our critical accounting policies are those that affect our financial statements materially and involve difficult, subjective or complex judgments by management. Those policies are revenue recognition, restructuring and asset impairment charges, inventory valuation, retirement and post retirement plan assumptions, valuation of long-lived assets and accounting for income taxes.

Revenue recognition. We enter into agreements to sell products (hardware or software), services and other arrangements (multiple element arrangements) that include combinations of products and services. Revenue from product sales, net of trade discounts and allowances, is recognized provided that persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable, and collectibility is reasonably assured. Delivery is considered to have occurred when title and risk of loss have transferred to the customer. Revenue is reduced for estimated product returns and distributor price protection, when appropriate. For sales that include customer-specified acceptance criteria, revenue is recognized after the acceptance criteria have been met. For products that include installation, if the installation meets the criteria to be considered a separate element, product revenue is recognized upon delivery, and recognition of installation revenue occurs when the installation is complete. Otherwise, neither the product nor the installation revenue is recognized until the installation is complete. Revenue from services is deferred and recognized over the contractual period or as services are rendered and accepted by the customer. When arrangements include multiple elements, we use objective evidence of fair value to allocate revenue to the elements and recognize revenue when the criteria for revenue recognition have been met for each element. The amount of product revenue recognized is affected by our judgments as to whether an arrangement includes multiple elements and if so, whether vendor-specific objective evidence of fair value exists for those elements. Changes to the elements in an arrangement and the ability to establish vendor-specific objective evidence for those elements could affect the timing of the revenue recognition. Most of these conditions are subjective and actual results could vary from the estimated outcome, requiring future adjustments to revenue.

Restructuring and asset impairment charges. We recognize a liability for restructuring costs at fair value only when the liability is incurred. The three main components of our restructuring plans are related to workforce reductions, the consolidation of excess facilities and asset impairments. Asset impairments primarily consist of property, plant and equipment. Workforce related charges are accrued when it is determined that a liability has been incurred, which is generally after individuals have been notified of their termination dates and expected severance payments. Plans to consolidate excess facilities result in charges for lease termination fees and future commitments to pay lease charges, net of estimated future sublease income. We recognize charges for consolidation of excess facilities when we have vacated the premises. Asset impairment charges are based on an estimate of the amounts and timing of future cash flows related to the expected future remaining use and ultimate sale or disposal of buildings and equipment. These estimates were derived using the guidance of Statement of Financial Accounting Standards (SFAS) No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets (SFAS No. 144), Staff Accounting Bulletin 100, Restructuring and Impairment Charges (SAB 100), Emerging Issues Task Force 94-3, Liability Recognition for Costs to Exit an Activity (Including Certain Costs Incurred in a Restructuring) (EITF 94-3) and lastly SFAS No. 146, Accounting for Exit or Disposal Activities (SFAS No. 146) which is effective for exit and disposal activities initiated after December 31, 2002. If the amounts and timing of cash flows from restructuring activities are significantly different from what we have estimated, the actual amount of restructuring and asset impairment charges could be materially different, either higher or lower, than those we have recorded.

Inventory valuation. We assess the valuation of our inventory on a quarterly basis and periodically write down the value for estimated excess and obsolete inventory based upon estimates about future demand and actual usage. Such estimates are difficult to make under most economic

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conditions The excess balance determined by this analysis becomes the basis for our excess inventory charge Our marketing department plays a key role in our excess inventory review process by providing updated sales forecasts managing product rollovers and working with manufacturing to maximize recovery of excess inventory If actual market conditions are less favorable than those projected by management additional write-downs may be required If actual market conditions are more favorable than anticipated, inventory previously written down may be sold resulting in lower cost of sales and higher income from operations than expected in that period

Retirement and post retirement plan assumptions Retirement and post retirement benefit plans are a significant cost of doing business and yet represent obligations that will be ultimately settled far in the future and therefore are subject to estimation Pension accounting is intended to reflect the recognition of future benefit costs over the employee s approximate service period based on the terms of the plans and the investment and funding decisions made by us We are required to make assumptions regarding such variables as the expected long term rate of return on assets and the discount rate which are used to determine service cost and interest cost to arrive at pension income or expense for the year As of October 31 2004 the expected long term rate of return in the U S was 8 5 percent and ranged from 4 5 to 7 5 percent for our plans outside the U S We have analyzed the rates of return on assets used and determined that these rates are reasonable based on the plans historical performance relative to the overall markets in the countries where the plans are effective Management will continue to assess the assumptions on the expected long term rate of return on plan assets for each plan based on relevant market conditions as prescribed by accounting principles generally accepted in the U S and will make adjustments to the assumptions as appropriate Discount rate assumptions were based on the prevailing market long term interest rates at the measurement date We are also required to make assumptions for the long term health care cost trend rates for our post retirement benefit plans If any of our assumptions were to change our benefit plan expenses would also change A one percent decrease in the estimated return on plan assets would result in increased pension expense of $6 million for 2005 in the U S and $11million for 2005 for all plans outside the U S Retirement and post retirement benefit plan expense is allocated to cost of sales research and development and selling general and administrative expenses in the consolidated statement of operations We incurred expenses of $142million in 2004 $187 million in 2003 and $122 million in 2002 for our retirement and post retirement plans We expect expenses of approximately $117 million in 2005 for our retirement and post-retirement plans

Workforce related events such as restructuring cause curtailment and settlement gains or losses when they have a material impact on the average future working lifetime or total number of participants in our retirement and postretirement plans Our restructuring programs have resulted in material changes to our plan demographics in the U S and several other countries in 2002 and 2003 The curtailment and settlement gains and losses related to each event are separately identified in Note 14 Retirement Plans and Post retirement Benefits to the consolidated financial statements in Item 15 of this report.

Valuation of long lived assets We performed our fiscal 2004 annual goodwill impairment analysis in the fourth quarter of 2004 Based on our estimates of forecasted discounted cash flows and our market capitalization at that time we concluded that we did not have any impairment We have also assessed the recoverability of our long lived assets by determining whether the carrying value of such assets will be recovered through undiscounted future cash flows We incurred $25million of asset impairment charges in 2004 primarily relating to a manufacturing site in California.

The process of evaluating the potential impairment of goodwill and other intangibles is highly subjective and requires significant judgment We estimate expected future cash flows of our various businesses which operate in a number of markets and geographical regions We then determine the carrying value of these businesses We exercise judgment in assigning and allocating certain assets

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and liabilities to these businesses We then compare the carrying value including goodwill and other intangibles to the discounted future cash flows If the total of future cash flows is less than the carrying amount of the assets we recognize an impairment loss based on the excess of the carrying amount over the fair value of the assets Estimates of the future cash flows associated with the assets are critical to these assessments Changes in these estimates based on changed economic conditions or business strategies could result in material impairment charges in future periods We performed the required transitional impairment test upon our adoption of SFAS No 142 in the first quarter of 2003 and recorded a $268 million charge related to goodwill

The process of evaluating the potential impairment of long lived assets such as our property plant and equipment is also highly subjective and requires significant judgment In order to estimate the fair value of long lived assets we typically make various assumptions about the future prospects for the business that the asset relates to consider market factors specific to that business and estimate future cash flows to be generated by that business Based on these assumptions and estimates we determine whether we need to take an impairment charge to reduce the value of the asset stated on our balance sheet to reflect its estimated fair value Assumptions and estimates about future values and remaining useful lives are complex and often subjective They can be affected by a variety of factors including external factors such as the real estate market, industry and economic trends, and internal factors such as changes in our business strategy and our internal forecasts Although we believe the assumptions and estimates we have made in the past have been reasonable and appropriate changes in assumptions and estimates could materially impact our reported financial results

Accounting for income taxes Significant management judgment is required in determining our provision for income taxes and in determining whether deferred tax assets will be realized in full or in part When it is more likely than not that all or some portion of specific deferred tax assets such as net operating losses or foreign tax credit carryforwards will not be realized a valuation allowance must be established for the amount of the deferred tax assets that are determined not to be realizable Realization is based on our ability to generate sufficient future taxable income During the third quarter of 2003 we recorded a non-cash charge to establish a valuation allowance of $1 4 billion which included approximately $0 4 billion of tax benefits recorded during the first six months of 2003 resulting in an approximately $1 0 billion net tax provision recorded within provision for taxes for 2003 The valuation allowance was determined in accordance with the provisions of SFAS No 109 Accounting for Income Taxes (SFAS No 109) which requires an assessment of both positive and negative evidence when determining whether it is more likely than not that deferred tax assets are recoverable Such assessment is required on a jurisdiction-by jurisdiction basis Cumulative losses incurred in the U S and in the U K jurisdictions in recent years represented sufficient negative evidence, which made it difficult for positive evidence to overcome under SFAS No 109 Accordingly a full valuation allowance was recorded We intend to maintain a full valuation allowance until sufficient positive evidence exists to support reversal of the valuation allowance Profits or losses incurred in the U S and the U K affect the ongoing amount of the valuation allowance We expect that pre tax income in fiscal 2005 will be recognized at a lower rate because future income taxes in the U S and the U K will be offset against adjustments to the valuation allowance to effectively eliminate any tax expense or benefit in those jurisdictions Income taxes will continue to be recorded for various jurisdictions subject to the need for valuation allowances in those jurisdictions

We have not provided for U S federal income and foreign withholding taxes on a portion of our non U S subsidiaries undistributed income as of October 31 2004 because we intend to reinvest such income indefinitely Should we decide to remit this income to the U S in a future period our provision for income taxes may increase materially in that period

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On October 22 2004 the American Jobs Creation Act (AJCA ") was signed into law The AJCA includes a deduction of 85 percent for certain foreign earnings that are repatriated as defined in the AJCA at an effective tax cost of 5 25 percent on any such repatriated foreign earnings Agilent may elect to apply this provision to qualifying earnings repatriations in fiscal 2005 We have begun an evaluation of the effects of the repatriation provision However Agilent does not expect to be able to complete this evaluation until after Congress or the Treasury Department provides additional clarifying language on key elements of the provision We expect to complete our evaluation of the effects of the repatriation provision within a reasonable period of time following the publication of the additional clarifying language The range of possible amounts that Agilent is considering for repatriation under this provision is between zero and $970 million The related potential range of income tax is between zero and $51 million

We are subject to ongoing tax examinations of our tax returns by the Internal Revenue Service and other tax authorities in various jurisdictions We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes

Restructuring and Asset Impairment

Summary

We currently have three restructuring plans – one initiated in the fourth quarter of 2001 (the 2001 Plan) a second initiated in the fourth quarter of 2002 (the 2002 Plan) and a third initiated in the first quarter of 2003 (the 2003 Plan) after it became clear that the actions taken in fiscal 2001 and fiscal 2002 would not be sufficient to return the company to profitability

All of our plans were designed to reduce costs and expenses in order to return the company to profitability As of the end of 2004 we have reduced our workforce by approximately 16 700 people (approximately 15 100 from involuntary terminations and approximately 1 600 from net attrition) to approximately 28 000 employees

Our plans to consolidate excess facilities resulted in charges for lease termination fees and losses anticipated from sub lease agreements We have exited more than 115 production support and sales facilities in the U S Korea, Japan U K and other countries representing more than 4 6 million square feet or about 24 percent of our worldwide property We will continue to make lease payments on some of this space over the next five years We lease most of these buildings from third parties and the closures impacted all segments In most cases we are exiting administrative office buildings which house sales and administrative employees However a small number of production facilities were closed as a result of our plans to consolidate manufacturing into fewer sites

Actions for all plans have been focused on segments that were impacted most severely by the market downturn – primarily our test and measurement and semiconductor products businesses –but actions have also been taken to reduce the costs associated with support services such as finance information technology workplace services and to a lesser extent our other business segments Cost reductions were initiated by moving manufacturing and some of our global shared services operations sites to lower cost regions reducing the number of properties particularly sales and administrative sites and by reducing our workforce through involuntary terminations and selected outsourcing of manufacturing and administrative functions Our strategy is to move towards a more variable operating cost structure

We have executed all key actions under our 2001 Plan although there may be changes in estimates for the consolidation of excess facilities due to changes in market conditions from those originally expected at the time the charges were recorded Our 2002 Plan is complete We are continuing to see the estimated savings of $350 million per quarter ($300 million from the 2001 Plan

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and $50 million from the 2002 Plan) that was initially projected The 2003 Plan is still being implemented however we have already realized the expected $125 million reduction in quarterly operational costs We expect to incur further restructuring costs and increase the savings related to the 2003 Plan in the first half of 2005

We recorded restructuring and asset impairment charges of $161 million, $372 million and $474 million for 2004 2003 and 2002, respectively Our plans to consolidate excess facilities resulted in charges of $35 million in 2004 for lease termination fees and losses anticipated from sub-lease agreements related to our 2001 and 2003 Plans Similar charges in 2003 and 2002 were $47 million and $53 million respectively We will continue to make lease payments on some of this excess facility space over the next five years Charges associated with workforce reductions and asset impairments related to our 2003 Plan were $101 million and $25 million respectively for 2004 Similar charges relating to all plans were $353 million for 2003 and $421 million for 2002

The restructuring accrual for all plans representing future outlays which totaled $87 million as of October 31 2004 and $89 million as of October 31 2003 is recorded in other accrued liabilities on the consolidated balance sheet For further details on our restructuring plans see Note 13 "Restructuring and Asset Impairment to the consolidated financial statements in Item 15 of this report.

New Accounting Pronouncements

Adoption of New Pronouncements

In January 2003 the Financial Accounting Standards Board (FASB) issued Interpretation No 46 Consolidation of Variable Interest Entities (FIN 46) which was amended by FIN 46R issued in December 2003 FIN 46 addresses consolidation by business enterprises of variable interest entities (VIE s) that either (1) do not have sufficient equity investment at risk to permit the entity to finance its activities without additional subordinated financial support, or (2) for which the equity investors lack an essential characteristic of a controlling financial interest. FIN 46 requires consolidation of VIE s for which Agilent is the primary beneficiary and disclosure of a significant interest in a VIE for which Agilent is not the primary beneficiary As a result of our review no entities were identified requiring disclosure or consolidation under FIN 46

In December 2003 the Securities and Exchange Commission issued Staff Accounting Bulletin ("SAB) No 104 Revenue Recognition (SAB No 104) SAB No 104 rescinds certain sections of SAB No 101 Revenue Recognition in Financial Statements (SAB No 101) related to multiple element revenue arrangements superceded as a result of the issuance of EITF 00 21 Accounting for Revenue Arrangements with Multiple Deliverables (EITF 00-21) The revenue recognition principles of SAB No 101 remain largely unchanged by the issuance of SAB No 104 The adoption of this standard did not affect our financial condition, results of operations or cash flows

In December 2003 the FASB issued a revision SFAS No 132 (the revision) Employers Disclosures about Pensions and Other Postretirement Benefits The revision requires additional disclosures relating to the description of the types of plan assets investment strategy measurement date(s) plan obligations cash flows and components of net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans recognized during interim periods We adopted the disclosure requirements beginning with the first quarter of 2004 and the standard is effective for all future quarterly and annual reports see Note 14 for such disclosures

In March 2004 the FASB issued EITF No 03-01 The Meaning of Other Than Temporary Impairment and its Application to Certain Investments which provides new guidance for assessing impairment losses on debt and equity investments The new impairment model applies to investments

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accounted for under the cost or equity method and investments accounted for under FAS 115 Accounting for Certain Investments in Debt and Equity Securities EITF No 03-01 also includes new disclosure requirements for cost method investments and for all investments that are in an unrealized loss position In September 2004 the FASB delayed the accounting provisions of EITF No 03-01 however the disclosure requirements remain effective and the applicable ones have been adopted for our year-end 2004 We will evaluate the effect if any of EITF 03-01 when final guidance is issued

In March 2004 the EITF reached a consensus on EITF Issue No 03 16 Accounting for Investments in Limited Liability Companies (EITF 03 16) The EITF concluded that if investors in a limited liability company have specific ownership accounts they should follow the guidance prescribed in Statement of Position 78 9 Accounting for Investments in Real Estate Ventures and EITF Topic No D-46 Accounting for Limited Partnership Investments Otherwise investors should follow the significant influence model prescribed in Accounting Principles Board Opinion No 18 The Equity Method of Accounting for Investments in Common Stock The adoption of this Issue did not have a material impact on the company s financial condition results of operations or cash flows

In December 2004 the FASB issued SFAS No 123 (Revised 2004) Share Based Payment' (SFAS No 123R ') SFAS No 123R addresses all forms of share based payment (SBP) awards including shares issued under employee stock purchase plans stock options restricted stock and stock appreciation rights SFAS No 123R will require Agilent to expense SBP awards with compensation cost for SBP transactions measured at fair value The FASB originally stated a preference for a lattice model because it believed that a lattice model more fully captures the unique characteristics of employee stock options in the estimate of fair value as compared to the Black Scholes model which Agilent currently uses for its footnote disclosure The FASB decided to remove its explicit preference for a lattice model and not require a single valuation methodology SFAS No 123R requires Agilent to adopt the new accounting provisions beginning in our fourth quarter of 2005 Agilent has not yet determined the impact of applying the various provisions of SFAS No 123R.

In May 2004 the FASB issued a FASB Staff Position (FSP) regarding SFAS No 106 Employers Accounting for Postretirement Benefits Other Than Pensions FSP No 106-2 Accounting and Disclosure Requirements Related to the Medicare Prescription Drug Improvement and Modernization Act of 2003 discusses the effect of the Medicare Prescription Drug Improvement and Modernization Act (the ' Act) enacted in December 2003 and supersedes FSP No 106 1 which was issued in January 2004 FSP No 106 2 considers the effect of the two new features introduced in the Act in determining our accumulated postretirement benefit obligation (APBO) and net periodic postretirement benefit cost The effect on the APBO will be accounted for as an actuarial experience gain to be amortized into income over the average remaining service period of plan participants Companies may elect to defer accounting for this benefit or may attempt to reflect the best estimate of the impact of the Act on their net periodic costs currently The adoption of FSP No 106-2 in the fourth quarter of 2004 did not have a material impact on our consolidated financial position results of operations or cash flows

In November 2004 the FASB issued FASB Statement No 151 Inventory Costs – an amendment of ARB No 43 (FAS 151) which is the result of its efforts to converge U S accounting standards for inventories with International Accounting Standards FAS No 151 requires idle facility expenses freight handling costs and wasted material (spoilage) costs to be recognized as current period charges It also requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities FAS No 151 will be effective for inventory costs incurred during fiscal years beginning after June 15 2005 We are evaluating the impact of this standard on our consolidated financial statements

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In December 2004 the FASB issued an FSP regarding Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the AJCA FSP 109 b FSP 109 b allows Agilent time beyond the fourth quarter of 2004 the period of enactment to evaluate the effect of the AJCA on our plan for reinvestment or repatriation of foreign earnings for purposes of applying 'FAS No 109 "Accounting of Income Taxes See the discussion of the potential impact on Agilent in Critical Accounting Policies and Estimates — Accounting for Income Taxes above

Acquisitions

We made one acquisition during 2003 and three during 2004 which were not significant to our consolidated financial position results of operations or cash flows These acquisitions were accounted for either under the purchase method of accounting as defined in SFAS No 141 or as a purchase of assets For the acquisitions accounted for under SFAS No 141 the results of operations of the acquired companies were included prospectively from the date of acquisition and the acquisition cost was allocated to the acquired tangible assets and liabilities and identifiable intangible assets based on fair values at the date of acquisition Residual amounts were recorded as goodwill In process research and development write-offs were insignificant

Unaudited pro forma statement of operations information has not been presented because the effects of the purchase method acquisitions were not material on either an individual or an aggregated basis

Foreign Currency

Our revenues costs and expenses and monetary assets and liabilities are exposed to changes in foreign currency exchange rates as a result of our global operating and financing activities We hedge net cash flow and balance sheet exposures that are not denominated in the functional currencies of our subsidiaries on a short term and anticipated basis We do experience some fluctuations within individual lines of the consolidated statement of operations and balance sheet as our hedging program is not designed to offset the currency movements in each category of revenues expenses monetary assets and liabilities However movements in exchange rates net of our hedging activities had no material effect on our net income (loss) in the periods presented For example the weakening of the U S dollar throughout 2004 led to an increase in revenue of approximately $150million which primarily affected Europe and Japan However this was offset by an increase to cost of sales of approximately $65 million and an increase to operating expenses of approximately $80 million relating to those foreign currency movements Our hedging activities resulted in an increase of cost of sales of approximately $3 million for the fiscal year end October 31 2004 The effect of exchange rate movements on our consolidated statement of cash flows was $14 million in 2004 compared to $20 million and $6 million in 2003 and 2002 respectively

Indemnifications

Indemnifications to Hewlett Packard Company

We have given multiple indemnities to Hewlett Packard Company in connection with our activities prior to our spin off from Hewlett Packard for the businesses that constituted Agilent prior to the spin off These indemnifications cover a variety of aspects of our business including, but not limited to employee tax intellectual property and environmental matters The agreements containing these indemnifications have been previously disclosed as exhibits to our registration statement on Form S 1 filed on August 16 1999 In our opinion the fair value of these indemnifications is not material

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Indemnifications to Koninklijke Philips Electronics, N V ("Philips")

In connection with the sale of our healthcare solutions business to Philips on August 1 2001 we indemnified Philips for various matters including product liability issues arising within two years of the sale agreement In our opinion the fair value of these indemnifications is not material

Indemnifications to Officers and Directors

Our corporate by laws require that we indemnify our officers and directors as well as those who act as directors and officers of other entities at our request against expenses judgments fines settlements and other amounts actually and reasonably incurred in connection with any proceedings arising out of their services to Agilent In addition we have entered into separate indemnification agreements with each director and each board appointed officer of Agilent which provide for indemnification of these directors and officers under similar circumstances and under additional circumstances The indemnification obligations are more fully described in the by laws and the indemnification agreements See Exhibits 3 2 and 10 6 of this document We purchase standard insurance to cover claims or a portion of the claims made against our directors and officers Since a maximum obligation is not explicitly stated in our by laws or in our indemnification agreements and will depend on the facts and circumstances that arise out of any future claims the overall maximum amount of the obligations cannot be reasonably estimated Historically we have not made payments related to these obligations and the fair value for these obligations is zero on the consolidated balance sheet as of October 31 2004

Other Indemnifications

As is customary in our industry and as provided for in local law in the U S and other jurisdictions many of our standard contracts provide remedies to our customers and others with whom we enter into contracts such as defense settlement, or payment of judgment for intellectual property claims related to the use of our products From time to time we indemnify customers as well as our suppliers contractors lessors lessees companies that purchase our businesses or assets and others with whom we enter into contracts against combinations of loss expense or liability arising from various triggering events related to the sale and the use of our products and services the use of their goods and services the use of facilities and state of our owned facilities the state of the assets and businesses that we sell and other matters covered by such contracts usually up to a specified maximum amount In addition from time to time we also provide protection to these parties against claims related to undiscovered liabilities additional product liability or environmental obligations In our experience claims made under such indemnifications are rare and the associated estimated fair value of the liability is not material

Results of Continuing Operations

Income from continuing operations increased to $349 million in 2004 from losses of $1 790million in 2003 and $1 022 million in 2002 The increase in income from 2003 to 2004 of approximately $2 139 million was primarily due to revenues increasing by $1 125 million gross margins improving by 5 percentage points while operating expenses were down $294 million year-over-year The provision for taxes also decreased by $1 009 million year over year due to the $1 022million valuation allowance charge in 2003 The increase in loss from 2002 to 2003 of approximately $768 million was also primarily due to the tax provision of $1 022 million offset by a reduction of $326 million of goodwill amortization charges Fiscal year 2004 was an improved year for Agilent Agilent had strong profitability in all four quarters of 2004 due to tight controls on our operating structure and 19 percent revenue growth This is despite a weakening in our semiconductor related businesses markets which we began to experience in the third quarter after a strong first half We have accomplished cost reductions via streamlining our IT systems environment and the number of IT applications This was brought about by the completion of the implementation

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of our ERP and CRM projects Direct IT costs incurred for the implementation of our ERP and CRM projects were $162 million in 2004 $180 million in 2003 and $146 million in 2002. We have also reduced our workforce to 28 000 employees from a peak of 44 000 in April 2001 The final step of our restructuring was the consolidation of excess manufacturing facilities and moving global shared services to lower cost regions and outsourcing services where it made economic sense Our gross margins improved in 2004 We have reduced our indirect spending by approximately $82 million This reduction was accomplished by focusing our spending with preferred suppliers and by continuing to reduce spending on IT consulting services We have also continued to monitor our professional service agreements for savings and value provided to the business Indirect spending has been reduced through a combination of stronger sourcing negotiations demand management and compliance with our policy of using preferred suppliers

We have continued to maintain our research and development expenditures in order to prepare for our future We introduced several new products including new proteomic tools and the industry s first fully automated lab-on a chip system for basic research and drug discovery in our life sciences and chemical analysis business In our automated test business we introduced a new memory test system as well as strengthened the systems on a chip platform with enhancements and new products We have also entered into the flat panel display test market with our acquisition of IBM s flat panel display business In our test and measurement segment we introduced the world s first 13 gigahertz oscilloscope

Orders and Net Revenue

	Years Ended October 31			2004over2003	2003over2002
	2004	2003	2002	% Change	% Change
		(inmillions)			
Orders	$ 6 997	$ 6,084	$ 6 013	15 %	1 %
Net Revenue					
Products	$ 6,302	$ 5 240	$ 5 234	20 %	—
Services and other	879	816	776	8 %	5 %
Total net revenue	$ 7 181	$ 6,056	$ 6 010	19 %	1 %

	YearsEndedOctober31			2004over2003 Pnts Change	2003over2002 Pnts Change
	2004	2003	2002		
% of Total Net Revenue					
Products	88 %	87 %	87 %	1 %	—
Services and other	12 %	13 %	13 %	(1) %	—
Total	100 %	100 %	100 %	—	—

	Years Ended October 31			2004 over2003 % Change	2003over2002 % Change
	2004	2003	2002		
		(inmillions)			
Americas	$ 2,424	$ 2,347	$ 2,553	3 %	(8)%
Europe	1 474	1,214	1 154	21 %	5 %
Asia Pacific	3 283	2 495	2,303	32 %	8 %

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Total net revenue	$ 7181	$ 6056	$ 6010	19 %	1 %

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Orders in 2004 were up by 15 percent with much of that growth in the first half of the year Orders were up year over year in all businesses except automated test, which saw a 2 percent decrease over the prior year primarily caused by our customers excess capacity and excess inventory that had built up over the second half We started experiencing a weakening in orders in the third and fourth quarters largely in the semiconductor related and wireless handset manufacturing test markets The order demand remained strong in aerospace defense personal systems life sciences and chemical analysis markets Orders in 2003 were flat compared to 2002 although during the fourth quarter of 2003 we saw a marked increase from earlier in the year Orders in 2003 were driven by an increase in orders from cell phone manufacturers and demand for components that are included in consumer electronics such as cell phones cameras games personal computers printers and test and measurement solutions used in the design and manufacturing of consumer electronics

Net revenue in 2004 increased by 19 percent over 2003 including the impact of foreign currency exchange rates All of our businesses experienced this increase in revenue The semiconductor products market was very strong in the first half but we have seen a decline as our customers work off inventory We experienced a similar decline in the second half of the year in our automated test business which is also highly dependent on the semiconductor market. Geographically net revenue significantly increased in Europe and especially in Asia Pacific while having a modest increase in the U S Canada, Latin America (collectively referred to as the Americas) This modest improvement in the Americas was as expected as the economy in the U S recovered and the excess supply of used equipment was depleted The strong growth in Asia Pacific was due to continued growth in the contract manufacturing and outsourcing markets in that region Net revenue in 2003 was flat compared to 2002, although during fiscal year 2003 we saw an increase at the end of the year during our seasonally high fourth quarter

Services and other includes revenue generated from servicing our installed base of products warranty extensions and consulting in all years In 2004 and 2003 services and other revenue increased as our installed base of products increased

Costs and Expenses

As a % of Net Revenue	Years Ended October 31,			2004over2003 Pptx Change	2003over2002 Pptx Change
	2004	2003	2002		
Cost of products as a percentage of product revenue	55 %	61 %	64 %	(6)	(3)
Cost of services and other as a percentage of services and other revenue	65 %	70 %	65 %	(5)	5
Total costs as a percentage of total net revenue	57 %	62 %	64 %	(5)	(2)
Research and development	13 %	17 %	21 %	(4)	(4)
Selling general and administrative	25 %	32 %	41 %	(7)	(9)

Total cost of sales as a percentage of net revenue decreased 5 percentage points from 2003 to 2004 Cost of services and other as a percentage of services and other revenue decreased by 5 percentage points and cost of products as a percentage of product revenue decreased 6 percentage points from 2003 This is a reflection of our continued work on lowering our cost structure principally through our restructuring programs that contributed incremental savings of $248 million in 2004 as compared to 2003 We will continue to see the benefits of a more variable cost structure through use of selective outsourcing and our variable pay programs for our employees

Total cost of sales as a percentage of net revenue was relatively flat from 2002 to 2003 Cost of services and other as a percentage of services and other revenue increased by 5 percentage points

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while cost of products as a percentage of product revenue decreased slightly from 2002 The increase in cost of services and other was driven by increased materials consumption for our service and support businesses Cost of products decreased primarily due to net incremental restructuring savings of $310 million and a reduction of inventory charges This decrease was offset by unfavorable mix and volume impacts and the unfavorable currency impact due to the weakening of the U S dollar

Inventory charges totaled $45 million in 2004 $11 million in 2003 and $74 million in 2002. Inventory charges in 2004 included a $20 million charge relating to our camera module business. Inventory charges in 2002 reflected continuing weakness in some of our largest markets particularly in the telecommunications market We experienced a significant decline in inventory charges in 2003 compared to 2002 primarily due to our efforts to effectively manage our inventory levels Sales of previously reserved inventory were $24 million in 2004 compared to $17 million in 2003 and $34 million in 2002.

Research and development expenses as a percentage of net revenue decreased by 4 percentage points in 2004 as a result of net incremental savings from our restructuring efforts of approximately $89 million The actual decrease from 2003 to 2004 was $118 million Research and development expenses as a percentage of net revenue decreased in 2003 from 2002 as a result of savings from our restructuring efforts of approximately $220 million and decreased indirect spending of approximately $95 million in 2003 These savings were offset by increased costs due to the weakening of the U S dollar of approximately $30 million Our research and development efforts focus on potential new products and product improvements covering a wide variety of technologies in communications, electronics life sciences and chemical analysis none of which is individually significant to our operations At our central research facility Agilent Laboratories we conduct five types of research and development. basic research which contributes to the fundamental understanding of areas anticipated to be important in the very long term foundation technologies research which enables fundamental advances across all businesses communications research which creates technologies to enable pervasive access to information life sciences research which enables new measurement solutions to facilitate the development of next generation pharmaceuticals and molecular diagnostics and measurement research which provides critical advances in test and measurement electronics and systems The research at Agilent Laboratories represents less than 10 percent of Agilent s consolidated spending on research and development and is intended to be relatively high in technical risk and to be the foundation for future products over a longer time horizon generally five to ten years out. The majority of our research and development is nearer term and occurs in Agilent s four business segments This research and development is aimed at improving the more than 20 000 products already in production and on new product releases Because of the large number of new and existing products and research and development projects across all of our businesses and at Agilent Laboratories it is difficult to quantify the impact of any specific products or projects We are committed to bringing new products to the market and have focused our development efforts on key strategic opportunities in order to align our business with available markets and position ourselves to capture market share

Selling general and administrative expenses as a percentage of net revenue decreased 8 percentage points in 2004 compared to 2003 Of the $176 million decline approximately $137 million related to our ongoing restructuring cost savings The decline was also driven in part by the decrease in indirect spending The remainder of the decrease reflects our efforts in reducing our infrastructure costs and initiatives to control discretionary spending Selling general and administrative expenses as a percentage of net revenue decreased 9 percentage points in 2003 compared to 2002 Selling and general and administrative expenses declined primarily due to a decrease in goodwill amortization and impairments of $326 million The decline was also driven in part by a decline in indirect spending of $55 million and incremental net restructuring savings of

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approximately $170 million which were partially offset by increased costs due to the weakening of the U S dollar

At October 31 2004 our headcount was approximately 28 000 compared to 29 000 in 2003 and 36 000 in 2002.

Income (Loss) from Operations

	Years Ended October 31			2004over2003 Change	2003over2002 Change
	2004	2003	2002		
		(In millions)			
Income (loss) from operations	$ 386	$ (725)	$ (1 607)	153%	55%
Operating profit (deficit) margin	5 %	(12) %	(27) %	17ppts	15ppts

Income from operations in 2004 was $386 million, an increase of approximately $1 111 million The increase was primarily due to a revenue increase of $1 125 million combined with $211 million less restructuring charges in 2004 compared to 2003 and approximately $474 million of incremental savings that the restructuring produced

Our decrease in loss from operations in 2003 to 2002 of $882 million was primarily due to a decrease in goodwill amortization and impairments of $326 million, decreased spending on indirect expenses of approximately $160 million, decreased inventory charges of $63 million and net incremental savings from our restructuring plans

Other Income (Expense), Net

	Years Ended October 31,			2004over2003 % Change	2003over2002 % Change
	2004	2003	2002		
		(In millions)			
Interest income	$ 27	$ 26	$ 44	4 %	(41) %
Interest expense	(36)	(36)	(36)	—	—
Other income (expense) net	63	45	52	40 %	(13) %
Total other income (expense) net	$ 54	$ 35	$ 60	54 %	(42) %

Other income (expense) net generally includes interest income interest expense rental income currency gain (loss) on balance sheet remeasurement, our share of income from joint ventures and equity investments and other miscellaneous items Other income (expense) net increased by $19 million in 2004 compared to 2003 due primarily to an increase in equity income from a joint venture of $22 million Other income (expense) net decreased $25 million in 2003 over 2002 This decrease was driven primarily by a decrease in net interest income of $17 million as interest rates and cash decreased

Tax Valuation Allowance and Provision (Benefit) for Taxes

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	Years Ended October 31		
	2004	2003	2002
		(In millions)	
Provision (benefit) for taxes	$ 91	$ 1 100	$ (525)

For the year ended October 31 2004 we recorded an income tax provision of $91 million as compared with an income tax provision of $1 100 million, for the year ended October 31 2003 The current year to date provision was recorded for taxes on income generated in certain jurisdictions

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other than the U S and the U K During the third quarter of 2003 we recorded a non-cash charge to establish a valuation allowance of $1 4 billion which included approximately $0 4 billion of tax benefits recorded during the first six months of 2003 resulting in an approximately $1 0 billion net deferred tax provision recorded within provision for taxes for 2003 The valuation allowance was determined in accordance with the provisions of SFAS No 109 which requires an assessment of both positive and negative evidence when determining whether it is more likely than not that deferred tax assets are recoverable such assessment is required on a jurisdiction by jurisdiction basis Cumulative losses incurred in the U S and the U K in recent years represented sufficient negative evidence under SFAS No 109 to require a full valuation allowance in these jurisdictions We intend to maintain a full valuation allowance in these jurisdictions until sufficient positive evidence exists to support the reversal of the valuation allowance

For 2004 the annual effective tax rate was 20 7 percent With the exception of other comprehensive income (OCI) this tax rate reflects taxes in jurisdictions other than the U S and the U K in which income tax or benefit continues to be offset by adjustments to the valuation allowance From time to time the company undertakes certain employment, capital and other investment actions that subjects the company s income to reduce tax rates This tax rate may change over time as the amount or mix of income and taxes changes Our effective tax rate is calculated using our projected annual pre tax income or loss and is affected by research and development tax credits the expected level of other tax benefits, the effects of business acquisitions and dispositions the impact of changes to the valuation allowance changes in OCI as well as changes in the mix of income and losses outside the U S and the U K jurisdictions having varying statutory rates The income tax provision of $91 million includes a $53 million (12 percent) benefit for valuation allowance adjustments based on changes in OCI items during 2004 which is comprised of $16 million due to increases in currency translation adjustments and $37 million due to the elimination of the minimum pension liability in the U K. Under SFAS No 109 adjustments to the valuation allowance may be required to be recorded to the provision for income taxes line item even though the tax effects arose from changes in items in other comprehensive income

For 2003 the effective tax rate was affected by the charge for the valuation allowance For 2002 the effective tax rate was 34 percent In 2004 compared to 2003 the lower tax rate in 2004 results principally from the company recording a net $1 billion deferred tax expense related to the valuation allowance charge in 2003 combined with the mix of income and losses outside the U S and U K jurisdictions having varying statutory rates

As a result of cumulative actions we have undertaken such as restructuring, geographic location of activities and other actions our tax rate is lower than in the past and we expect it to continue to be lower in the future. For 2005 we expect an effective tax rate of roughly 20 percent plus or minus 5 percentage points

General Infrastructure and Shared Services

Overall we have decreased our infrastructure costs primarily through our restructuring programs and cost controls We have reduced the number of employees in our workforce that provide support services such as finance information technology and workplace services decreased the space that we occupy in our sales and administrative buildings and moved some of our global shared services operations sites to lower cost regions Compared to the same time last year incremental savings for infrastructure costs for the twelve months ended October 31 2004 associated with restructuring plans and cost controls were approximately $230 million We allocated these savings to all businesses according to usage of related services The general infrastructure and shared services ended 2004 with approximately 4 000 employees a decrease of approximately 200 employees from one year ago and approximately 1 700 employees from two years ago

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Segment Overview

Agilent is a global diversified technology company that provides enabling solutions to markets within the communications electronics life sciences and chemical analysis industries We have four primary businesses test and measurement automated test semiconductor products and life sciences and chemical analysis In addition to the discussion below also see Note 19 Segment Information ' in Notes to Consolidated Financial Statements

Test and Measurement

Our test and measurement business provides standard and customized solutions that are used in the design development manufacture installation deployment and operation of electronic equipment and systems and communications networks and services Our communications test solutions generated approximately 70 percent of test and measurement revenues in 2004 while our general purpose test solutions generated approximately 30 percent Overall order activity over the last 3 years demonstrates the cyclical nature of the markets for our test and measurement products Orders dropped dramatically during 2002 (29 percent) and 2003 (5 percent) and grew 18 percent year-over year in 2004

Orders and Net Revenue

	Years Ended October 31			2004 over 2003 Change	2003 over 2002 Change
	2004	2003	2002		
		(In millions)			
Orders	$ 2,856	$ 2,413	$ 2,549	18%	(5)%
Net revenue from products	$ 2,498	$ 2,135	$ 2,219	17%	(4)%
Net revenue from services and other	405	394	393	3%	—
Total net revenue	$ 2,903	$ 2,529	$ 2,612	15%	(3)%
Income (loss) from operations	219	(315)	(710)	170%	56%
Operating margin (deficit)	8 %	(12) %	(27) %	20 ppts	15ppts
Return on invested capital (ROIC ')	8 %	(9) %	(17) %	17ppts	8ppts

The increase in orders in 2004 compared to 2003 was related to strong aerospace defense business growth in consumer electronics (DVD players LCD TVs cell phones) and expansion of the Asian handset manufacturing capacity Compared to 2003 test and measurement has experienced an 18 percent increase in orders While our wireline test orders grew slightly from last year we experienced significant growth in our wireless communications test (primarily one box testers network analyzers and wireless systems) and general purpose test (mainly driven by integrated circuit (IC') lithography and basic instruments like multi meters oscilloscopes and counters) businesses The decrease in orders in 2003 compared to 2002 was driven by the deterioration of the wireline communications market, pricing pressures, the competitive pressures of the used equipment market and reduction in capital expenditure spending by telecommunications providers

Test and measurement revenues were up 15 percent year-over year Leading this trend in the communications test markets wireless test revenues were up 22 percent while wireline test was down 11 percent year-over year The good results in wireless test was in large part due to the expansion of cell phone handset production in Asia Pricing pressure and the used equipment market impacted wireline revenues Communications test makes up approximately 70 percent of the test and measurement revenues and wireless test makes up approximately 80 percent of communications test General purpose test revenues were up 13 percent year-over year mainly as a result of growth in aerospace defense as well as in our logic analyzers oscilloscopes and design software

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We saw a reduction in orders from wireless handset manufacturers in the fourth quarter of 2004 as they began to absorb the excess capacity that they put in place earlier in the year This was partially offset by growth in our wireless handset R&D products as customers began to focus on new cellular formats investments in 3.5G technologies and the development of converged cellular and wireless network devices In the fourth quarter of 2004 we saw growth in our wireless infrastructure test as top base station manufacturers continued to expand capacity of existing formats to upgrade or improve the quality of service In some regions the expansion of 3G capacity has increased the need for additional test equipment We expect our wireless test business to remain soft through most of the first half 2005 as handset manufacturers rebalance their manufacturing capacity versus the demand In our general purpose test market, we expect to see continued demand from the U S government and prime military contractors as recapitalization and modernization continues

Net revenue for 2003 declined 3 percent compared to 2002, following the same trends as orders The decline in net revenue was primarily the result of the slowdown in the telecommunications industry partially offset by favorable currency impacts

Costs and Expenses

The following table shows the percentage point decrease in our test and measurement business s costs and expenses as a percentage of net revenue for 2004 versus 2003 and 2003 versus 2002

Decrease as a % of Net Revenue	2004over2003 Ppts Change	2003over2002 Ppts Change
Cost of products and services	(8)	(4)
Research and development	(5)	(5)
Selling general and administrative	(8)	(5)

Over the past three years we have implemented cost reduction and restructuring plans to help the company lower it s cost structure Our test and measurement segment ended 2004 with approximately 11 200 employees a decrease of approximately 660 employees from one year ago and 4 600 employees from two years ago Inventory charges were not material for 2004 or 2003 and were $69 million in 2002 The impact of sales of inventory previously reserved was $7 million in 2004 was not material for 2003 and was $7 million for 2002

Cost of products and services as a percentage of net revenue decreased by 8 percent year over year in 2004 The reduction in 2004 was attributable to incremental restructuring savings of approximately $90 million from consolidation of manufacturing sites, transfer of some manufacturing lines from Sonoma, California to Penang Malaysia and savings in people related expenses due to headcount reductions benefit of higher volumes and improvements in discount levels By the end of 2003 the restructuring plans had provided cumulative savings to cost of products and services of $140 million Cost of products and services as a percentage of net revenue decreased in 2003 over 2002 by 4 percent year-over year

Research and development expenses as a percentage of net revenue decreased 5 percent year over year On a dollar basis expenses were down 15 percent mainly due to $35 million of restructuring savings and an $11 million reduction in indirect expenses We have reduced our research and development headcount to match the size and focus of the business We have focused our development efforts on strategic opportunities that align our business with available markets and have cancelled new product introductions that would not result in an adequate return on investment Research and development expenses as a percentage of net revenue decreased 5 percent in 2003 from 2002 due to restructuring savings and reduction in indirect expense savings

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Selling general and administrative expenses as a percentage of net revenue decreased 8 percent in 2004 compared to 2003 due to increased revenue $42 million in restructuring savings efficiencies gained from our ERP implementation and a $2 million reduction in indirect expenses These reductions were partially offset by an unfavorable currency impact of $26 million Selling general and administrative expenses as a percentage of net revenue decreased 5 percent in 2003 compared to 2002 due to restructuring savings efficiencies gained from our ERP implementation and reduction in indirect expenses

Income (Loss) from Operations

Operating profit increased by $534 million compared to 2003 on a revenue increase of only $374 million Aggressive restructuring through workforce reductions reduction in our cost structure and strict discretionary spending controls helped comparative operating results This resulted in restructuring savings of $167 million for the test and measurement business This segment s return on invested capital (ROIC) was 8 percent, negative 9 percent and negative 17 percent for 2004 2003 and 2002, respectively

Automated Test

Our automated test business provides test system solutions that are used in the manufacture of semiconductor devices electronics (primarily printed circuit board assemblies) and flat panel displays Our test solutions enable electronics designers and manufacturers to shorten the design to production cycle lower manufacturing cost of test, confirm the functional quality of their devices and of their manufacturing processes and accelerate the high volume delivery of their products The main driver of our customers business (IT networking and internet infrastructure) are the consumers who drive the market for PC s, cell phones electronic games and similar consumer electronics Our automated test segment experienced a difficult last quarter in 2004 as the business environment was much weaker than expected This segment is undergoing major product transitions in several of its product lines

Orders and Net Revenue

	Years Ended October 31			2004over2003 Change	2003over2002 Change
	2004	2003	2002		
		(in millions)			
Orders	$ 831	$ 845	$ 745	(2)%	13%
Net revenue from products	$ 749	$ 604	$ 572	24%	6%
Net revenue from services and other	175	151	134	16%	13%
Total net revenue	$ 924	$ 755	$ 706	22%	7%
Income (loss) from operations	66	(34)	(70)	294%	51%
Operating margin (deficit)	7 %	(5)%	(10)%	12ppts	5 ppts
ROIC	6 %	(3)%	(6)%	9ppts	3ppts

Orders in 2004 decreased 2 percent compared to 2003 primarily due to a weak second half caused by our customers excess inventory Our customers also delayed purchases in anticipation of our recently released next generation flash memory and system-on a-chip (SOC) test systems Semiconductor test orders were down 6 percent while electronic manufacturing test orders were up 18 percent compared to last year In the fourth quarter of 2004 our automated test segment reached its lowest level of quarterly orders since the first quarter of 2003 This downturn could continue through the first half of next year

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Orders in 2003 increased 13 percent compared to 2002 primarily due to increasing strength in the semiconductor test market as customers started to build increased production capacity for next generation devices This increase was mainly driven by demand for consumer products in computation such as PC chip sets graphics and networking digital consumer products and wireless products In the fourth quarter of 2003 our automated test segment reached its highest level of quarterly orders since the fourth quarter of 2000 and continued to achieve market growth through design wins

Net revenue in 2004 increased 22 percent compared to 2003 primarily due to an improved marketplace Semiconductor test revenue growth was mixed with strong parametric test revenue from our investments in 300-millimeter fabrication and wafer production test and solid SOC test revenue Revenue for our flash memory business declined 13 percent Services and other revenue increased 16 percent. Services and other includes the sale of support for hardware and software and the sale of services such as training application development and test consulting for new installations and our installed base We expect the downturn in orders we experienced in the second half of 2004 to impact revenues in the first half of 2005

Net revenue in 2003 increased 7 percent compared to 2002 primarily due to increased sales of our products across the board in semiconductor test such as flash memory and SOC and electronic manufacturing test markets Semiconductor test grew 7 percent and electronic manufacturing test also grew 7 percent Support and services revenue increased 13 percent

Costs and Expenses

The following table shows the percentage point increase/(decrease) in our automated test segment s costs and expenses as a percentage of net revenue for 2004 2003 and 2002

Increase/(Decrease) as a % of Net Revenue	2004over2003 Ppts Change	2003over2002 Ppts Change
Cost of products and services	(2)	2
Research and development	(3)	(2)
Selling general and administrative	(7)	(6)

As a part of the effort to lower our company s cost structure our automated test segment ended this fiscal year with approximately 2 200 employees a decrease of approximately 60 employees from one year ago and 600 employees from two years ago

Cost of products and services as a percentage of net revenue decreased in 2004 compared to 2003 Our automated test segment continued to control costs through outsourcing to contract manufacturers and monitoring indirect and direct material costs The decreases were driven primarily by higher revenue savings from costs controls lower infrastructure costs and efficiencies from outsourcing to contract manufacturers The pricing environment remains highly competitive

Cost of products and services as a percentage of net revenue increased in 2003 compared to 2002 Savings from cost controls and efficiencies from outsourcing to contract manufacturers were offset by competitive pricing pressures In 2002, integrated device manufacturers (IDMs) design houses and contract manufacturers focused on buying technology capability through high margin testers However in 2003 as we saw signs of economic recovery our customers added capacity and bought more focused cost effective systems Pricing pressures affected the majority of our products

We sold $3 million of inventory in 2004 that was previously reserved compared to $8 million in 2003 and $4 million in 2002

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Research and development expenses in 2004 as a percentage of net revenue decreased 3 percentage points from 2003 On a dollar basis expenses increased 7 percent compared to last year The increase is related to the company s plan to aggressively expand the breadth of its offerings in flash and SOC test systems The 2 percentage point decrease in research and development expenses as a percentage of net revenue in 2003 compared to 2002 was due to aggressive cost controls put in place, which focused our efforts on more strategic opportunities to align our business with available markets On a dollar basis research and development expenses in 2003 decreased 4 percent from 2002.

Selling general and administrative expenses as a percentage of net revenue decreased 7 percentage points in 2004 compared to 2003 while on a dollar basis expenses were down 7 percent. The decreases reflect our efforts in reducing our infrastructure costs and initiatives to control discretionary spending In 2003 selling general and administrative expenses as a percentage of net revenue were down 6 percentage points compared to 2002 while on a dollar basis expenses were down 9 percent The decrease reflects our success in controlling discretionary spending

Income (Loss) from Operations

In 2004 our automated test segment achieved an operating profit of $66 million a rebound from an operating loss of $34 million from 2003 This $100 million profit improvement was the result of $169 million in revenue growth gross margin improvement and expense controls In 2003 our automated test segment reduced operating losses by 51 percent compared to 2002 while revenue increased 7 percent Automated test returned to profitability in the second half of 2003 The reduction in loss from operations in 2003 compared to 2002 was primarily due to higher net revenue and reduced spending resulting from our cost reduction measures In addition operational efficiencies arising from outsourcing to contract manufacturers contributed to the return to profitability in the second half and improvement in 2003 This segment achieved a ROIC of 6 percent in 2004 compared to a ROIC of negative 3 percent in 2003 and negative 6 percent in 2002

Semiconductor Products

Our semiconductor products business is a leading supplier of semiconductor components modules and assemblies for consumer and commercial electronics applications We design develop and manufacture products for the networking and personal systems markets Our personal systems products which accounted for 72 percent of our 2004 revenue are used in mobile phones optical mice flat panel displays printers and plasma televisions Our networking products include fiber optic transceivers for sending and receiving data over high speed networks and ICs for enterprise storage and networking

Overall 2004 marked the semiconductor products business s return to healthy financial performance with orders and revenue growing over 2003 by 20 percent and 27 percent, respectively A small operating loss in 2003 was replaced by solid profit in 2004 After a strong first half of 2004 this business along with most of our industry experienced a decline in the second half due to our customers working off excess inventory The decline is expected to extend into 2005 but we do anticipate growth opportunities for some of our new products such as E pHEMT based front end modules and laser mouse navigation devices

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Orders and Net Revenue

	Years Ended October 31			2004over2003 Change	2003over2002 Change
	2004	2003	2002		
		(In millions)			
Orders	$ 1978	$ 1652	$ 1,568	20%	5%
Net revenue	$ 2021	$ 1,586	$ 1,559	27%	2%
Income (loss) from operations	166	(59)	(115)	381%	49%
Operating margin (deficit)	8 %	(4) %	(7)%	12ppts	3ppts
ROIC	17 %	(2) %	(3)%	19 ppts	1 ppt

Total orders grew 20 percent in 2004 up from 5 percent growth experienced in 2003 Our personal systems market achieved 32 percent growth in 2004 orders but our networking market suffered a 4 percent decline There is a continuing geographic shift of our business with orders from Asia increasing 5 percent in 2003 and 40 percent in 2004 and accounting for 62 percent of total orders in 2004 Orders from the Americas declined 1 percent in 2003 and 11 percent in 2004

Robust 2004 order growth in the personal systems market was driven by strength in physical layer networking components FBAR duplexers E pHEMT power modules optocouplers and camera modules Within our networking segment despite being down as a whole there were a number of product lines that had marked increases For example application specific integrated circuits (ASICs) grew 18 percent and physical layer networking components grew 74 percent over 2003 Fiber optics and storage area network products however suffered double-digit declines compared to 2003

Revenue grew 27 percent overall in 2004 compared to a 2 percent increase in 2003 Growth continued in the personal systems segment as revenue increased 37 percent in 2004 following 3 percent growth in 2003 Optocouplers and wireless communication components led the increase in 2004 The Networking segment grew 7 percent in 2004 after declining 1 percent in 2003 Revenues from sales to Hewlett Packard primarily for ASICs storage area networking and motion control products were 14 percent of the business s net revenue in 2004 compared to 20 percent in 2003 and 33 percent in 2002

Costs and Expenses

The following table shows the percentage point increase/(decrease) in our semiconductor products business s costs and expenses as a percentage of its net revenue for 2004 versus 2003 and 2003 versus 2002

Increase/(Decrease) as a % of Net Revenue	2004over2003 Ppts Change	2003over2002 Ppts Change
Cost of products	(4)	2
Research and development	(4)	(4)
Selling general and administrative	(3)	(2)

Though gross margins suffered in the final quarter of 2004 as revenue fell 2004 as a whole still showed a four percentage point improvement in cost of sales compared to 2003 Despite typical erosion of average selling prices within the semiconductor industry most notably in our fiber-optics and camera module businesses significant gross margin improvement was achieved as a result of the incremental margins on $435 million in additional revenue over 2003 as well as approximately $100 million of incremental restructuring savings and ERP implementation efforts that took place largely in 2002 and 2003

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The erosion of average selling prices of established products is typical of the industry and new products typically yield larger gross margins Consistent with trends in the semiconductor markets we anticipate that average selling prices will continue to deteriorate in 2005 However as part of our normal course of business we plan to offset this deterioration with ongoing cost reduction activities and new product introductions

The sale of previously reserved inventory due to unanticipated demand for products previously considered to be unmarketable had a small impact on year-over year cost of sales comparisons In 2004 we sold $11 million worth of inventory that we had previously written down, compared to $5 million in 2003 and $18 million in 2002 Inventory charges were not material in any of the periods presented

Research and development expenses dropped 4 percentage points expressed as a percentage of revenue from 2003 to 2004 Selling general and administrative expenses dropped 3 percentage points as a percentage of revenue from 2003 to 2004 This improvement resulted from the increase in revenue from 2003 to 2004 in combination with expenses being held slightly under 2003 s level in absolute dollar terms Total semiconductor products headcount was flat from 2003 to 2004

Income (Loss) from Operations

Operating profit in 2004 of $166 million represents a $225 million improvement over the operating loss of $59 million in 2003 and a 12 percentage point improvement in operation margins The segment s ROIC was 17 percent negative 2 percent and negative 3 percent for 2004 2003 and 2002 respectively The improvement achieved in 2004 drew from a variety of previously mentioned sources such as higher revenue ERP efficiencies restructuring efforts from early 2003 and the continual release of new products Restructuring efforts played a proportionally larger role in the improvement seen in 2003 compared to 2002

In the fourth quarter of 2004 we agreed to sell inventory and fixed assets relating to our camera module business We will continue to sell the image sensors that are a component part of the camera modules but after the sale we will no longer produce the assembled modules We will retain intellectual property and research and development activities associated with the image sensor technology This announced sale is not expected to have a material impact on operating profits in 2005 The revenues for 2004 associated with the camera module business were approximately $300 million

Life Sciences and Chemical Analysis

Our life sciences and chemical analysis business provides application focused solutions that include instruments software consumables and services that enable customers to identify quantify and analyze the physical and biological properties of substances and products Our seven key product categories include microarrays microfluidics gas chromatography liquid chromatography mass spectrometry software and informatics and related consumables reagents and services The business achieved solid growth in 2004 with orders and revenue growing by 13 percent and 12 percent respectively compared to 2003 and operating income up 30 percent Growth was relatively even between our businesses serving the life sciences and chemical analysis markets

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Orders and Net Revenue

	Years Ended October 31			2004over2003 Change	2003over2002 Change
	2004	2003	2002		
		(In millions)			
Orders	$ 1,332	$ 1 174	$ 1 151	13%	2 %
Net revenue from products	$ 1 034	$ 915	$ 884	13%	4 %
Net revenue from services and other	299	271	249	10%	9 %
Total net revenue	$ 1,333	$ 1 186	$ 1 133	12%	5 %
Income from operations	192	148	140	30%	6 %
Operating margin	14 %	12 %	12 %	2ppts	—
ROIC	22 %	21 %	21 %	1 ppt	—

Current year growth rates for orders and revenue were the highest seen for several years causing 2004 revenues and orders to exceed levels achieved in prior years Growth was achieved in all geographies with the highest rates achieved in Asia and Europe In 2004 growth over 2003 was driven by demand for replacement systems in our large installed base in the U S and Europe increased U S government spending for homeland security spending related to environmental testing in Asia and increased demand from generic drug manufacturers

Looking forward to 2005 we anticipate order and revenue levels to grow from 2004 s level with strength across both our life science and chemical analysis businesses We anticipate growth to be driven by new products such as the XCT Plus Ion Trap and other proteomics solutions microfluidic products software and informatics solutions and new offerings in consumables and services

Costs and Expenses

The following table shows the percentage point decrease in our life sciences and chemical analysis business s costs and expenses as a percentage of its net revenue for 2004 versus 2003 and 2003 versus 2002

Decrease as a % of Net Revenue	2004over2003 Ppts Change	2003over2002 Ppts Change
Cost of products and services	—	—
Research and development	—	—
Selling general and administrative	(1)	—

Cost of products and services as a percentage of net revenue has been flat for the past two years The benefits of higher revenue levels and savings from restructuring programs have largely been offset by increases in wages restoration of full pay in 2003 and information technology expenses associated with our ERP implementation Looking forward to 2005 we expect to make progress in improving our cost of products and services as revenue grows and ERP efficiencies are realized

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Inventory charges have not had a material impact on life sciences and chemical analysis results for several years at $3 million in 2004 and 2003 down from $5 million in 2002

Research and development expenses as well as selling general and administrative expenses rose slightly in absolute dollar terms in 2004 as we continued to invest to accommodate growth Expressed as a percentage of net revenue however selling general and administrative expenses declined 1 percentage point and research and development expenses remained flat compared to 2003 due to strong revenue growth outweighing increased expenses

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Income from Operations

Our life science and chemical analysis business s 30 percent increase in income from operations in 2004 compared to 2003 was accomplished by strong broad based revenue growth combined with prudent expense management Operating profit as a percentage of revenue increased 2 percentage points in 2004 compared to 2003 reaching 14 percent of revenue The segment s ROIC was 22 percent, 21 percent and 21 percent for 2004 2003 and 2002 respectively

Financial Condition

Liquidity and Capital Resources

Our financial position remained strong at October 31 2004 with cash and cash equivalents of $2,315 million.

Net Cash Used in Operating Activities

We generated cash from continuing operations of $663 million in 2004 compared to $164 million used in 2003 We spent $138 million on restructuring activities in 2004 primarily in the form of severance payments compared to $379 million in fiscal 2003 We generated cash from continuing operations of $409 million in the last quarter of 2004

In 2004 accounts receivable generated cash of $80 million versus cash generated of $52 million in 2003 In 2004 accounts payable generated cash of $43 million versus cash generated of $69 million in 2003 Cash used from inventory was $79 million in 2004 compared to cash generation of $157 million in 2003 Inventory days on hand were slightly improved as of the end of 2004 at 89 days compared to 93 days in 2003

We used $63 million of cash in 2004 to fund our U S defined benefit plan and contributed $83 million to our international defined benefits plans Cash contributions in 2004 were approximately $72 million or 33 percent less than in 2003 In 2005 we expect funding requirements for our various benefit plans to continue to decrease Our annual contributions are highly dependent on the relative performance of our assets versus our projected liabilities among other factors As the value of our assets increases relative to our future projected obligations we will make smaller contributions to maintain our funded status

In 2004 as in 2003 we recorded no goodwill amortization in accordance with SFAS No 142 Depreciation and amortization decreased from $362 million in 2003 to $292 million in 2004 reflecting the reduced acquisitions of property plant and equipment over the past few years and the full amortization of other intangibles relating to business combinations We had a non-cash charge of $268 million related to the adoption of SFAS No 142 in the first quarter of 2003

We paid income taxes amounting to $149 million in 2004 as compared to $122 million in 2003

Net Cash Used in Investing Activities

Net cash used in investing activities for 2004 was $114 million compared to $203 million in 2003 Investments in property plant and equipment continue to decrease to $118 million, a decrease of $87 million from 2003 Over half of the property plant and equipment purchases were related to our investments in information technology programs such as the ERP and CRM systems and the development of our website We also have been making investments in some of our facilities The total cash outlays for these initiatives were $102 million in 2004 compared to $209 million in 2003 Cash used for investments in property plant and equipment has decreased driven by our overall

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strategy of tight spending controls and cash conservation However we are making appropriate investments in our IT and facility infrastructure with our improved cash position.

Net Cash Provided by Financing Activities

Net cash generated by financing activities for 2004 was $145 million compared to $110 million in 2003 In the first quarter of 2002, we borrowed $1 123 million net of issuance costs under a private offering of three percent senior convertible debenture due 2021 Beginning in December 2004 we have an option to redeem the debt in whole or in part in cash If we choose to redeem the debt the holders may elect to receive common stock at the initial conversion price of $32 22 per share in place of cash Holders of the debentures have an option to require us to repurchase debentures in whole or in part, on December 1 in each of 2006 2011 and 2016

Other

We have contractual commitments for non-cancelable operating leases and vendor financing arrangements with CIT and others We provide lease guarantees on these financing arrangements and we have no other material guarantees or commitments See Note 17 Commitments in Item 15 of this report for further information on our non-cancelable operating leases

Our liquidity is affected by many factors some of which are based on normal ongoing operations of our business and some of which arise from fluctuations related to global economics and markets Our cash balances are generated and held in many locations throughout the world Local government regulations may restrict our ability to move cash balances to meet cash needs under certain circumstances We do not currently expect such regulations and restrictions to impact our ability to pay vendors and conduct operations throughout our global organization

On February 7 2003 Standard and Poor s Rating Services lowered its corporate credit and senior note ratings for Agilent to speculative grade status from BBB minus to BB On May 22, 2003 Moody s Investors Service downgraded its senior unsecured rating of Agilent from Baa2 to Ba2 Moody s also assigned the company a first time senior implied rating of Ba2. Both Moody s and S&P attached a negative outlook to their ratings at the time of the downgrades The downgrades did not have any material impact on our liquidity On May 25 2004 S&P revised its outlook to positive from negative On December 20 2004 Moody s revised its outlook to stable from negative There are no financial covenants related to our senior unsecured convertible notes We believe that our current cash and cash equivalents and other financing capabilities will be sufficient to satisfy our working capital capital expenditure and other liquidity needs for 2005

Contractual Commitments

Our cash flows from operations are dependent on a number of factors including fluctuations in our operating results accounts receivable collections inventory management and the timing of tax and other payments As a result the impact of contractual obligations on our liquidity and capital resources in future periods should be analyzed in conjunction with such factors

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The following table summarizes our contractual obligations at October 31 2004 and excludes amounts recorded in our Consolidated Balance Sheet with the exception of long-term debt obligations (in millions)

	Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating leases	$ 108	$ 154	$ 101	$ 81
Long term debt obligations (Senior Convertible Debentures)	—	1 150	—	—
Commitments to contract manufacturers and suppliers	380	—	—	—
Other purchase commitments	131	216	77	34
Retirement plans	84	—	—	—
Total	$ 703	$ 1,520	$ 178	$ 115

Operating leases Commitments under operating leases relate primarily to leasehold property

Long term debt obligations Our Senior Convertible Debentures bear interest of 3 percent per annum or approximately $34 million See Note 16 Senior Convertible Debentures and Lines of Credit in Notes to Consolidated Financial Statements

Commitments to contract manufacturers and suppliers We purchase components from a variety of suppliers and use several contract manufacturers to provide manufacturing services for our products During the normal course of business we issue purchase orders with estimates of our requirements several months ahead of the delivery dates However our agreements with these suppliers usually allow us the option to cancel reschedule, and adjust our requirements based on our business needs prior to firm orders being placed Typically purchase orders outstanding with delivery dates within 30 days are non-cancelable Therefore, only approximately 40 percent of our reported purchase commitments arising from these agreements are firm, non-cancelable and unconditional commitments We expect to fulfill the purchase commitments for inventory within one year

In addition to the above we record a liability for firm non-cancelable and unconditional purchase commitments for quantities in excess of our future demand forecasts consistent with our allowance for inventory As of October 31 2004 the liability for our firm, non-cancelable and unconditional purchase commitments was $16 million compared with $11 million as of October 31 2003 These amounts are included in other accrued liabilities in our Consolidated Balance Sheets at October 31 2004 and 2003 and are not included in the preceding table

Other purchase commitments Relate primarily to contracts with professional services suppliers Purchase commitments are typically cancelable within a 90-day period without significant penalties

Retirement plans Retirement plan funding includes the expected tax deductible contribution planned for 2005 Funding projections beyond the current year are not practical to estimate due to the rules affecting tax deductible contributions and the impact from asset performance and interest rates

We had no material off balance sheet arrangements as of October 31 2004 or October 31 2003

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Non-GAAP Financial Information

ROIC is a tool by which we track how much value we are creating for our shareholders ROIC is calculated by dividing the annualized segment return by the average of the last five quarter end balances of segment invested capital as shown below We utilize ROIC as a performance measure for our businesses and our senior managers compensation is linked to ROIC improvements as well as other performance criteria We believe that ROIC provides our management with a means to analyze and improve their business measuring segment profitability in relation to net asset investments

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Reconciliation of Segment ROIC

(in millions, except ROIC)

(Unaudited)

	FY04 Test and Measurement	FY04 Automated Test	FY04 Semiconductor Products	FY04 Life Sciences and Chemical Analysis
Numerator				
Segment income from operations	$ 219	$ 66	$ 166	$ 192
Less				
Other (income) expense and taxes	68	23	(34)	75
Segment return	$ 151	$ 43	$ 200	$ 117
Denominator				
Segment assets (1)	$ 2,148	$ 718	$ 1,434	$ 725
Less				
Net current liabilities (2)	414	117	241	181
Invested capital (4)	$ 1,734	$ 601	$ 1,193	$ 544
Average invested capital	$ 1,816	$ 666	$ 1,158	$ 525
ROIC	8 %	6 %	17 %	22 %

	FY03	FY03	FY03	FY03
Numerator				
Segment income (loss) from operations	$ (315)	$ (34)	$ (59)	$ 148
Less				
Other (income) expense and taxes	(140)	(12)	(29)	55
Segment return	$ (175)	$ (22)	$ (30)	$ 93
Denominator (3)				
Segment assets (1)	$ 2,268	$ 804	$ 1,420	$ 680
Less				
Net current liabilities (2)	470	115	289	181
Invested capital (4)	$ 1,798	$ 689	$ 1,131	$ 499
Average invested capital	$ 1,869	$ 655	$ 1,256	$ 449
ROIC	(9) %	(3) %	(2) %	21 %

	FY02	FY02	FY02	FY02
Numerator				
Segment income (loss) from operations	$ (710)	$ (70)	$ (115)	$ 140
Less				
Other (income) expense and taxes	(348)	(31)	(67)	48
Segment return	$ (362)	$ (39)	$ (48)	$ 92
Denominator (3)				
Segment assets (1)	$ 2,717	$ 852	$ 1,797	$ 643
Less				
Net current liabilities (2)	696	148	296	205
Invested capital (4)	$ 2,021	$ 704	$ 1,501	$ 438
Average invested capital	$ 2,162	$ 708	$ 1,402	$ 437
ROIC	(17) %	(6) %	(3) %	21 %

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(1) Segment assets consist of inventory accounts receivable property plant and equipment allocated corporate assets goodwill and other intangibles less impairments Allocated corporate assets include estimated net deferred tax assets as if the valuation allowance had not been recorded

(2) Includes accounts payable employee compensation and benefits and other accrued liabilities

(3) Segment assets net current liabilities invested capital and average invested capital were all changed in 2004 Amounts for 2003 and 2002 have been restated to conform to the current period s presentation

(4) Average invested capital was computed using an average of the last five quarters

We provide non GAAP financial information in order to provide meaningful supplemental information regarding our operational performance and to enhance our investors overall understanding of our core current financial performance and our prospects for the future We believe that our investors benefit from seeing our results through the eyes of management in addition to the GAAP presentation Management measures segment and enterprise performance including employee performance using measures such as those that are disclosed in this report This information facilitates management s internal comparisons to the company s historical operating results and comparisons to competitors operating results

Non-GAAP information allows for greater transparency to supplemental information used by management in its financial and operational decision making Historically we have reported similar non GAAP information to our investors in our press releases and in items furnished to the SEC We believe that the inclusion of comparative numbers provides consistency in our financial reporting

This information is not in accordance with or an alternative for generally accepted accounting principles in the United States The non GAAP information we provide may be different from the non GAAP information provided by other companies

Risks, Uncertainties and Other Factors That May Affect Future Results

Our operating results and financial condition could be harmed if the markets into which we sell our products decline

We recently experienced reduced demand for our products and services in many of the markets that we serve worldwide as was the case in semiconductor test and semiconductor products Revenues in the semiconductor test and semiconductor products businesses fluctuated significantly over the past three years However other markets we serve have stabilized or demonstrated growth such as life sciences and chemical analysis Agilent consists of several diverse businesses and demand in our markets remains cyclical and volatile Pricing pressures and competition remain especially intense in semiconductor related industries which could prevent achievement of our long term gross margin goals and could require us to implement additional cost cutting measures to sustain profitability

Visibility into our markets is limited Any decline in our customers markets or in general economic conditions would likely result in a reduction in demand for our products and services For example if the Asia Pacific market does not grow as anticipated or if the semiconductor market continues to slow our results could suffer As the broader semiconductor market is one of the drivers for our test and measurement business a continued slowdown in the semiconductor market could result in a slowdown in our Test and Measurement business Also if our customers markets decline we may not be able to collect on outstanding amounts due to us Such decline could harm our consolidated financial position results of operations cash flows and stock price and could limit our ability to sustain profitability Also in such an environment pricing pressures could intensify and if we were unable to respond quickly enough this could further reduce our gross margins

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Finally we may be required to secure additional debt or equity financing at some time in the future and we cannot assure you that such financing will be available on acceptable terms when required If our senior unsecured convertible notes rating is downgraded we could be required to pay a higher interest rate for future borrowing needs and we may have stricter terms

We may not be successful in our efforts to maintain a reduced cost structure, and the actions that we take in order to accomplish this transition could have long-term adverse effects on our business.

We have taken and continue to take various actions to transition our company to a reduced cost structure In response to declining revenues beginning in 2001 we scaled back our operations reduced our expenses decreased our workforce by approximately one third froze hiring cut back significantly on our use of temporary workers and reduced discretionary spending We also initiated facility closures to reduce production levels Although our revenues are no longer declining we continue to take steps to reach or maintain our quarterly operating cost structure goal

There are several risks inherent in our efforts to maintain a reduced cost structure These include the risk that we will not be able to reduce expenditures quickly enough and hold them at a level necessary to sustain or increase profitability and that we may have to undertake further restructuring initiatives that would entail additional charges and cause us to take additional actions Our expenses were higher than anticipated during the second quarter of 2004 which adversely affected our performance As we grow we expect to face ongoing pressure to control expenses If we are not able to hold down expenses we may have to further reduce our workforce There is also the risk that cost cutting initiatives will impair our ability to effectively develop and market products to remain competitive in the industries in which we compete and to operate effectively Each of the above measures could have long term effects on our business by reducing our pool of technical talent, decreasing or slowing improvements in our products making it more difficult for us to respond to customers limiting our ability to increase production quickly if and when the demand for our products increases and limiting our ability to hire and retain key personnel These circumstances could cause our income to be lower than it otherwise might be which would adversely affect our stock price

If we do not introduce successful new products and services in a timely manner, our products and services will become obsolete, and our operating results will suffer

We generally sell our products in industries that are characterized by rapid technological changes frequent new product and service introductions and changing industry standards In addition many of the markets in which we operate are seasonal and cyclical Without the timely introduction of new products services and enhancements our products and services will become technologically obsolete over time in which case our revenue and operating results would suffer The success of our new products and services will depend on several factors including our ability to

- properly identify customer needs
- innovate and develop new technologies services and applications
- successfully commercialize new technologies in a timely manner
- manufacture and deliver our products in sufficient volumes on time
- differentiate our offerings from our competitors offerings

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price our products competitively

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- anticipate our competitors development of new products services or technological innovations and
- control product quality in our manufacturing process

Dependence on contract manufacturing and outsourcing other portions of our supply chain may adversely affect our ability to bring products to market and damage our reputation. Dependence on outsourced information technology function may impair our ability to operate effectively

As part of our efforts to streamline operations and to cut costs we have been outsourcing and will continue to evaluate additional outsourcing If our contract manufacturers or other outsourcers fail to perform their obligations in a timely manner or at satisfactory quality levels our ability to bring products to market and our reputation could suffer For example during a market upturn our contract manufacturers may be unable to meet our demand requirements which may preclude us from fulfilling our customers orders on a timely basis The ability of these manufacturers to perform is largely outside of our control In addition we outsourced significant portions of our information technology function Since information technology is critical to our operations any failure to perform on the part of the contract manufacturers could impair our ability to operate effectively In addition to the risks outlined above problems with manufacturing or IT outsourcing could result in lower revenues and impact our results of operations and our stock price Much of our outsourcing takes place in developing countries and as a result may be subject to geopolitical uncertainty

Future changes in financial accounting standards or taxation rules may adversely affect our reported results of operations.

A change in accounting standards or a change in existing taxation rules can have a significant effect on our reported results New accounting pronouncements and taxation rules and varying interpretations of accounting pronouncements have occurred and may occur in the future These new accounting pronouncements and taxation rules may adversely affect our reported financial results or the way we conduct our business

For example under the newly issued SFAS No 123R we will be required to account for equity under our stock plans as a compensation expense and our net income and net income per share will be significantly reduced Currently we record compensation expense only in connection with option grants that have an exercise price below fair market value For option grants that have an exercise price at fair market value we calculate compensation expense and disclose their impact on net income (loss) and net income (loss) per share as well as the impact of all stock based compensation expense in a footnote to the consolidated financial statements SFAS No 123R requires Agilent to adopt the new accounting provisions beginning in our fourth quarter of 2005 and will require Agilent to expense SBP awards including shares issued under employee stock purchase plans stock options restricted stock and stock appreciation rights as compensation cost

Fluctuations in our quarterly operating results may cause volatility in the price of our common stock and the senior convertible debentures.

Given the nature of the markets in which we participate we cannot reliably predict future revenue and profitability Our quarterly sales and operating results have become highly dependent on the volume and timing of orders received during the quarter which are difficult to forecast These results are also dependent on the seasonal and cyclical nature of our end markets such as consumer electronics including cell phones In addition a significant portion of our operating expenses is relatively fixed in nature due to our significant sales research and development and manufacturing costs If we cannot adjust spending quickly enough to compensate for a revenue shortfall this may magnify the adverse impact of such revenue shortfall on our results of operations Fluctuations in our operating results may cause volatility in the price of our common stock and the debentures

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Our income may suffer if our manufacturing capacity does not match our demand.

Because we cannot immediately adapt our production capacity and related cost structures to rapidly changing market conditions when demand does not meet our expectations our manufacturing capacity will likely exceed our production requirements If during a general market upturn or an upturn in one of our segments we cannot increase our manufacturing capacity to meet product demand we will not be able to fulfill orders in a timely manner This inability could materially and adversely affect our results By contrast, during the economic downturn we had excess manufacturing capacity as a result of the decrease in purchasing and capital spending in the communications electronics and semiconductor industries The fixed costs associated with excess manufacturing capacity adversely affected and could in the future affect our income

Failure to adjust our purchases due to changing market conditions or failure to estimate our customers' demand could adversely affect our income

Our income could be harmed if we are unable to adjust our purchases to market fluctuations including those caused by the seasonal or cyclical nature of the markets in which we operate The sale of our products and services are dependent, to a large degree on customers whose industries are subject to seasonal or cyclical trends in the demand for their products For example the consumer electronics market is particularly volatile making demand difficult to anticipate During a market upturn we may not be able to purchase sufficient supplies or components to meet increasing product demand which could materially affect our results In addition some of the parts that require custom design are not readily available from alternate suppliers due to their unique design or the length of time necessary for design work Should a supplier cease manufacturing such a component we would be forced to reengineer our product In addition to discontinuing parts suppliers may also extend lead times, limit supplies or increase prices due to capacity constraints or other factors By contrast in order to secure components for the production of products we may continue to enter into non cancelable purchase commitments with vendors or at times make advance payments to suppliers which could impact our ability to adjust our inventory to declining market demands Prior commitments of this type have resulted in an excess of parts when demand for our communications semiconductor and electronics products has decreased If demand for our products is less than we expect, we may experience additional excess and obsolete inventories and be forced to incur additional charges

Economic, political and other risks associated with international sales and operations could adversely affect our results of operations.

Because we sell our products worldwide our business is subject to risks associated with doing business internationally We anticipate that revenue from international operations will continue to represent a majority of our total revenue In addition many of our employees contract manufacturers suppliers job functions and manufacturing facilities are increasingly located outside the U S Accordingly our future results could be harmed by a variety of factors including

- interruption to transportation flows for delivery of parts to us and finished goods to our customers
- changes in foreign currency exchange rates
- changes in a specific country s or region s political economic or other conditions
- trade protection measures and import or export licensing requirements

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negative consequences from changes in tax laws

difficulty in staffing and managing widespread operations

differing labor regulations

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A successful divestiture depends on various factors including our ability to

effectively transfer liabilities contracts facilities and employees to the purchaser

identify and separate the intellectual property to be divested from the intellectual property that we wish to keep and

reduce fixed costs previously associated with the divested assets or business

Any additional impairment of the value of purchased assets and goodwill could have a significant negative impact on our future operating results

In addition if customers of the divested business do not receive the same level of service from the new owners this may adversely affect our other businesses to the extent that these customers

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differing protection of intellectual property

unexpected changes in regulatory requirements and

geopolitical turmoil including terrorism and war

We centralized most of our accounting processes to two locations Malaysia and India These processes include general accounting accounts payable and accounts receivables functions If conditions change in those countries it may adversely affect operations including impairing our ability to pay our suppliers and collect our receivables Our results of operations as well as our liquidity may be adversely affected and possible delays may occur in reporting financial results

Our business will suffer if we are not able to retain and hire key personnel.

Our future success depends partly on the continued service of our key research engineering sales marketing manufacturing executive and administrative personnel If we fail to retain and hire a sufficient number of these personnel we will not be able to maintain or expand our business Since 2001 we have experienced temporary pay reductions workforce reductions and limited pay increases which may harm our long term ability to hire and retain key personnel As the market continues its recovery there is intense competition for certain highly technical specialties in geographic areas where we continue to recruit and it may become more difficult to retain our key employees

Our acquisitions, strategic alliances, joint ventures and divestitures may result in financial results that are different than expected.

In the normal course of business we frequently engage in discussions with third parties relating to possible acquisitions strategic alliances joint ventures and divestitures As a result of such transactions our financial results may differ from the investment community s expectations in a given quarter In addition acquisitions and strategic alliances may require us to integrate a different company culture management team and business infrastructure We may have difficulty developing manufacturing and marketing the products of a newly acquired company in a way that enhances the performance of our combined businesses or product lines to realize the value from expected synergies Depending on the size and complexity of an acquisition our successful integration of the entity depends on a variety of factors including

the retention of key employees

the management of facilities and employees in different geographic areas

the retention of key customers and

the integration or coordination of different research and development product manufacturing and sales programs and facilities

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also purchase other Agilent products All of these efforts require varying levels of management resources which may divert our attention from other business operations Further if market conditions or other factors lead us to change our strategic direction we may not realize the expected value from such transactions If we do not realize the expected benefits or synergies of such transactions our consolidated financial position results of operations cash flows and stock price could be negatively impacted

Unforeseen problems with the stability and maintenance of our new information systems have interfered and could further interfere with our operations

As a part of the effort to replace our current information systems we implemented new enterprise resource planning software and other software applications to manage our business operations Our profit projections could be inaccurate if we misjudged the potential savings from the implementation of the new systems or if we are unable to adequately maintain or adjust the systems In addition if our new systems fail to provide accurate and increased visibility into pricing and cost structures we may be unable to improve or maximize our profit margins Following the first phase of our enterprise resource planning software implementation we experienced difficulties in providing customer quotes and in acknowledging and shipping customer orders Although we believe that these systems are stable as we add additional functionality new problems could arise that we have not foreseen Such problems could adversely impact our ability to do the following in a timely manner provide quotes take customer orders ship products provide services and support to our customers bill and track our customers fulfill contractual obligations and otherwise run our business As a result our financial position results of operations cash flows and stock price could be adversely affected

Environmental contamination from past operations could subject us to unreimbursed costs and could harm on site operations and the future use and value of the properties involved and environmental contamination caused by ongoing operations could subject us to substantial liabilities in the future

Some of our properties are undergoing remediation by Hewlett Packard for subsurface contaminations that were known at the time of our separation from Hewlett Packard Hewlett Packard has agreed to retain the liability for this subsurface contamination perform the required remediation and indemnify us with respect to claims arising out of that contamination The determination of the existence and cost of any additional contamination caused by us could involve costly and time-consuming negotiations and litigation In addition Hewlett Packard will have access to our properties to perform remediation While Hewlett Packard has agreed to minimize interference with on site operations at those properties remediation activities and subsurface contamination may require us to incur unreimbursed costs and could harm on site operations and the future use and value of the properties We cannot be sure that Hewlett Packard will continue to fulfill its indemnification or remediation obligations

We have agreed to indemnify Hewlett Packard for any liability associated with contamination from past operations at all other properties transferred from Hewlett Packard to us other than those properties currently undergoing remediation by Hewlett Packard While we are not aware of any material liabilities associated with any potential subsurface contamination at any of those properties subsurface contamination may exist and we may be exposed to material liability as a result of the existence of that contamination

Our semiconductor and other manufacturing processes involve the use of substances regulated under various international federal state and local laws governing the environment We may be subject to liabilities for environmental contamination and these liabilities may be substantial Although our policy is to apply strict standards for environmental protection at our sites inside and

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outside the U S even if the sites outside the U S are not subject to regulations imposed by foreign governments we may not be aware of all conditions that could subject us to liability

Our customers and we are subject to various governmental regulations, compliance with which may cause us to incur significant expenses, and if we fail to maintain satisfactory compliance with certain regulations, we may be forced to recall products and cease their manufacture and distribution, and we could be subject to civil or criminal penalties

Our businesses are subject to various significant international federal state and local regulations including but not limited to health and safety packaging product content labor and import/export regulations These regulations are complex change frequently and have tended to become more stringent over time We may be required to incur significant expenses to comply with these regulations or to remedy violations of these regulations Any failure by us to comply with applicable government regulations could also result in cessation of our operations or portions of our operations product recalls or impositions of fines and restrictions on our ability to carry on or expand our operations In addition because many of our products are regulated or sold into regulated industries we must comply with additional regulations in marketing our products

Our products and operations are also often subject to the rules of industrial standards bodies like the International Standards Organization as well as regulation by other agencies such as the U S Federal Communications Commission We also must comply with work safety rules If we fail to adequately address any of these regulations our businesses could be harmed

Some of our chemical analysis products are used in conjunction with chemicals whose manufacture processing distribution and notification requirements are regulated by the U S Environmental Protection Agency under the Toxic Substances Control Act and by regulatory bodies in other countries with laws similar to the Toxic Substances Control Act We must conform the manufacture processing distribution of and notification about these chemicals to these laws and adapt to regulatory requirements in all countries as these requirements change If we fail to comply with these requirements in the manufacture or distribution of our products then we could be made to pay civil penalties face criminal prosecution and in some cases be prohibited from distributing our products in commerce until the products or component substances are brought into compliance

We are subject to laws and regulations governing government contracts, and failure to address these laws and regulations or comply with government contracts could harm our business by leading to a reduction in revenue associated with these customers

We have agreements relating to the sale of our products to government entities and as a result, we are subject to various statutes and regulations that apply to companies doing business with the government The laws governing government contracts differ from the laws governing private contracts For example many government contracts contain pricing terms and conditions that are not applicable to private contracts We are also subject to investigation for compliance with the regulations governing government contracts A failure to comply with these regulations might result in suspension of these contracts or administrative penalties

Third parties may claim that we are infringing their intellectual property, and we could suffer significant litigation or licensing expenses or be prevented from selling products

While we do not believe that any of our products infringe the valid intellectual property rights of third parties we may be unaware of intellectual property rights of others that may cover some of our technology products or services Any litigation regarding patents or other intellectual property could be costly and time-consuming and could divert our management and key personnel from our business operations The complexity of the technology involved and the uncertainty of intellectual property litigation increase these risks Claims of intellectual property infringement might also

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require us to enter into costly license agreements However we may not be able to obtain license agreements on terms acceptable to us or at all We also may be subject to significant damages or injunctions against development and sale of certain of our products

We often rely on licenses of intellectual property useful for our businesses We cannot ensure that these licenses will be available in the future on favorable terms or at all

Third parties may infringe our intellectual property, and we may expend significant resources enforcing our rights or suffer competitive injury

Our success depends in large part on our proprietary technology We rely on a combination of patents copyrights trademarks trade secrets, confidentiality provisions and licensing arrangements to establish and protect our proprietary rights If we fail to successfully enforce our intellectual property rights our competitive position could suffer which could harm our operating results

Our pending patent and trademark registration applications may not be allowed, or competitors may challenge the validity or scope of our patents copyrights or trademarks In addition our patents may not provide us a significant competitive advantage

We may be required to spend significant resources to monitor and police our intellectual property rights We may not be able to detect infringement and our competitive position may be harmed before we do so In addition, competitors may design around our technology or develop competing technologies Intellectual property rights and our ability to enforce them may also be unavailable or limited in some foreign countries which could make it easier for competitors to capture market share and result in lost revenues Furthermore some intellectual property rights are licensed to other companies allowing them to compete with us using that intellectual property

If we suffer loss to our factories, facilities or distribution system due to catastrophe, our operations could be seriously harmed.

Our factories facilities and distribution system are subject to catastrophic loss due to fire flood terrorism or other natural or man made disasters In particular several of our facilities could be subject to a catastrophic loss caused by earthquake due to their locations Our production facilities headquarters and Agilent Technologies Laboratories in California and our production facilities in Washington and Japan are all located in areas with above average seismic activity If any of these facilities were to experience a catastrophic loss it could disrupt our operations delay production shipments and revenue and result in large expenses to repair or replace the facility In addition since we have recently consolidated our manufacturing facilities we are more likely to experience an interruption to our operations in the event of a catastrophe in any one location Although we carry insurance for property damage and business interruption we do not carry insurance or financial reserves for interruptions or potential losses arising from earthquakes or terrorism

Item 7A. ***Quantitative and Qualitative Disclosures About Market Risk***

We are exposed to foreign currency exchange rate risks inherent in our sales commitments anticipated sales and assets and liabilities denominated in currencies other than the functional currency of our subsidiaries We hedge future cash flows denominated in currencies other than the functional currency using sales forecasts up to twelve months in advance Our exposure to exchange rate risks is managed on an enterprise wide basis This strategy utilizes derivative financial instruments including option and forward contracts to hedge foreign currency exposures with the intent of offsetting gains and losses that occur on the underlying exposures with gains and losses on the derivative contracts hedging them We do not currently and do not intend to utilize derivative financial instruments for trading purposes

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Our operations generate non functional currency cash flows such as revenues third party vendor payments and inter company payments In anticipation of these foreign currency cash flows and in view of volatility of the currency market, we enter into such foreign exchange contracts as are described above to manage our currency risk Approximately 75 percent of our revenues in 2004 74 percent of our revenues in 2003 and 75 percent of our revenues in 2002 were generated in U S dollars

We performed a sensitivity analysis assuming a hypothetical 10 percent adverse movement in foreign exchange rates to the hedging contracts and the underlying exposures described above As of October 31 2004 and October 31 2003 the analysis indicated that these hypothetical market movements would not have a material effect on our consolidated financial position results of operations or cash flows

Item 8. ***Financial Statements and Supplementary Data***

The Financial Statements appear in Item 15 of this report.

Item 9 ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None

Item 9A. ***Controls and Procedures***

We carried out an evaluation required by Rule 13a 15(b) of the Securities Exchange Act of 1934 under the supervision and with the participation of our management including our Chief Executive Officer and Chief Financial Officer of the effectiveness of the design and operation of Agilent s disclosure controls and procedures and internal control over financial reporting as of the end of the period covered by this report

Disclosure controls and procedures are designed with the objective of ensuring that (i)information required to be disclosed in the company s reports filed under the Securities Exchange Act of 1934 is recorded processed summarized and reported within the time periods specified in the SEC s rules and forms and (ii) information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer as appropriate to allow timely decisions regarding required disclosures Internal controls over financial reporting are procedures designed with the objective of providing reasonable assurance that our (a) transactions are properly authorized (b) assets are safeguarded against unauthorized or improper use and (c) transactions are properly recorded and reported all to permit the preparation of our financial statements in conformity with generally accepted accounting principles

The evaluation of Agilent s disclosure controls and procedures and internal control over financial reporting included a review of our objectives and processes implementation by the company and the effect on the information generated for use in this Annual Report on Form 10 K In the course of this evaluation and in accordance with Section 302 of the Sarbanes Oxley Act of 2002 (but not in accordance with Section 404 of the Sarbanes Oxley Act of 2002) we sought to identify any significant deficiencies or material weaknesses in our controls to determine whether we had identified any acts of fraud involving personnel who have a significant role in our internal controls over financial reporting and to confirm that any necessary corrective action including process improvements were being undertaken This type of evaluation will be done quarterly so that the conclusions concerning the effectiveness of these controls can be reported in our periodic reports filed with the SEC Our internal control over financial reporting are also evaluated on an ongoing basis by Agilent s internal auditors and by other personnel in Agilent s finance organization The

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overall goals of these evaluation activities are to monitor our disclosure and internal controls over financial reporting and to make modifications as necessary We intend to maintain these controls as processes that may be appropriately modified as circumstances warrant

Based on their evaluation Agilent s Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective in timely alerting them to material information relating to the company (including our consolidated subsidiaries) required to be included in our periodic reports filed with the SEC as of the end of the period covered by this report There were no changes in our internal control over financial reporting that occurred during Agilent s last fiscal quarter that have materially affected or are reasonably likely to materially affect our internal control over financial reporting However a control system, no matter how well conceived and operated can provide only reasonable not absolute assurance that the objectives of the control system are met Management necessarily applies its judgment in assessing the benefits of controls relative to their costs. Because of the inherent limitations in all control systems no evaluation of controls can provide absolute assurance that all control issues and instances of fraud if any within the company have been detected The design of any system of controls is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions regardless of how remote Because of the inherent limitations in a control system misstatements due to error or fraud may occur and may not be detected

Items 308(a) and (b) of Regulations S K and S B will require management to include in their annual reports a report of management on the company s internal controls over financial reporting and to evaluate, as of the end of each fiscal period, any change in the company s internal control over financial reporting that occurred during the period that has materially affected or is reasonably likely to materially affect, the company's internal control over financial reporting On February 24 2004 the Securities and Exchange Commission issued a release extending the deadline for certain issuers to comply with the management report on internal control over financial reporting requirement Accordingly Agilent will begin reporting this information in fiscal 2005 its first fiscal year ending after November 15 2004 In addition the release extended until the first fiscal year ending after November 15 2004 compliance dates for amendments to certain representations that must be included in the certifications required by Exchange Act Rules 13a 14 and 15d 14 and Investment Company Act of 1940 Rule 30a 2 regarding the company s internal control over financial reporting

Item 9B ***Other Information.***

None

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PART III

Item 10 ***Directors and Executive Officers of the Registrant***

Information regarding our directors appears under Proposal No 1—Election of Directors in our Proxy Statement for the Annual Meeting of Stockholders (the Proxy Statement) to be held March 1 2005 That portion of the Proxy Statement is incorporated by reference into this report Information regarding our executive officers appears in Item 1 of this report under Executive Officers of the Registrant Information regarding our Audit and Finance Committee and our Audit and Finance Committee s financial expert appears under Audit and Finance Committee Report in our Proxy Statement That portion of the Proxy Statement is incorporated by reference into this report There were no material changes to the procedures by which security holders may recommend nominees to our Board of Directors Information regarding our code of ethics (the company s Standards of Business Conduct) applicable to our principal executive officer our principal financial officer our controller and other senior financial officers appears in Item 1 of this report under Investor Information We will post amendments to or waivers from a provision of the Standards of Business Conduct on our website at www investor agilent com

Compliance with Section 16(a) of the Exchange Act

Information about compliance with Section 16(a) of the Exchange Act appears under Section 16(a) Beneficial Ownership Reporting Compliance in the Proxy Statement That portion of the Proxy Statement is incorporated by reference into this report

Item 11 ***Executive Compensation***

Information about compensation of our named executive officers appears under Executive Compensation and under Compensation Committee Interlocks and Insider Participation in the Proxy Statement Information about compensation of our directors appears under Director Compensation Arrangements and Stock Ownership Guidelines in the Proxy Statement Those portions of the Proxy Statement are incorporated by reference into this report

Item 12 ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

Information about security ownership of certain beneficial owners and management appears under Common Stock Ownership of Certain Beneficial Owners and Management in the Proxy Statement That portion of the Proxy Statement is incorporated by reference into this report Information regarding securities authorized for issuance under equity compensation plans appears in Item 5 of this report

Item 13 ***Certain Relationships and Related Transactions***

Information about certain relationships and related transactions appears under Certain Relationships and Related Transactions in the Proxy Statement That portion of the Proxy Statement is incorporated by reference into this report

Item 14 ***Principal Accountant Fees and Services***

Information about principal accountant fees and services as well as related pre approval policies appears under Fees Paid to PricewaterhouseCoopers LLP" and "Policy on Audit and Finance Committee Pre Approval of Audit and Permissible Non Audit Services of Independent Registered Public Accounting Firm in the Proxy Statement Those portions of the Proxy Statement are incorporated by reference into this report

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PART IV

Item 15 ***Exhibits and Financial Statement Schedules***

(a) The following documents are filed as part of this report

1 **Financial Statements**

	Page
Report of Independent Registered Public Accounting Firm	73
Consolidated Statement of Operations for each of the three years ended October 31, 2004	74
Consolidated Balance Sheet at October 31, 2004 and 2003	75
Consolidated Statement of Cash Flows for each of the three years ended October 31, 2004	76
Consolidated Statement of Stockholders Equity for each of the three years ended October 31, 2004	77
Notes to Consolidated Financial Statements	78
Quarterly Summary (unaudited)	112

2 Financial Statement Schedules

None

3 Exhibits

See Index to Exhibits The Exhibits listed in the accompanying Index to Exhibits are filed as part of this report

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of Agilent Technologies Inc

In our opinion the accompanying consolidated balance sheet and the related consolidated statements of operations cash flows and stockholders equity present fairly in all material respects the financial position of Agilent Technologies Inc and its subsidiaries at October 31 2004 and 2003 and the results of their operations and their cash flows for each of the three years in the period ended October 31 2004 in conformity with accounting principles generally accepted in the United States of America These financial statements are the responsibility of the Company s management Our responsibility is to express an opinion on these financial statements based on our audits We conducted our audits of these statements in accordance with 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 An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

As discussed in the notes to the consolidated financial statements the Company adopted Statement of Financial Accounting Standards (" SFAS ") No 142 Goodwill and Other Intangible Assets as of November 1 2002

PRICEWATERHOUSE COOPERS LLP

San Jose California

December 17 2004

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AGILENT TECHNOLOGIES, INC.

CONSOLIDATED STATEMENT OF OPERATIONS

	Years Ended October 31		
	2004	2003	2002
	(In millions, except per share data)		
Net revenue			
Products	$ 6 302	$ 5,240	$ 5 234
Services and other	879	816	776
Total net revenue	7 181	6 056	6,010
Costs and expenses			
Cost of products	3 487	3 182	3,360
Cost of services and other	571	568	506
Total costs	4 058	3 750	3 866
Research and development	933	1 051	1 250
Selling general and administrative	1 804	1 980	2,501
Total costs and expenses	6,795	6 781	7 617
Income (loss) from operations	386	(725)	(1 607)
Other income (expense) net	54	35	60
Income (loss) from continuing operations before taxes	440	(690)	(1,547)
Provision (benefit) for taxes	91	1 100	(525)
Income (loss) from continuing operations	349	(1 790)	(1 022)
(Loss) from sale of discontinued operations (net of tax benefit of $6million)	—	—	(10)
Income (loss) before cumulative effect of accounting changes	349	(1 790)	(1 032)
Cumulative effect of adopting SFAS No 142	—	(268)	—
Net income (loss)	$ 349	$ (2,058)	$ (1 032)
Net income (loss) per share — Basic			
Income (loss) from continuing operations	$ 0 72	$ (3 78)	$ (2.20)
Loss from sale of discontinued operations net	—	—	(0 02)
Cumulative effect of adopting SFAS No 142	—	(0 57)	—
Net income (loss) per share – Basic	$ 0 72	$ (4 35)	$ (2.22)
Net income (loss) per share — Diluted			
Income (loss) from continuing operations	$ 0 71	$ (3 78)	$ (2.20)
Loss from sale of discontinued operations net	—	—	(0 02)
Cumulative effect of adopting SFAS No 142	—	(0.57)	—
Net income (loss) per share – Diluted	$ 0 71	$ (4 35)	$ (2.22)
Weighted average shares used in computing net income (loss) per share			
Basic	483	473	465

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Diluted	490	473	465

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

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AGILENT TECHNOLOGIES, INC.

CONSOLIDATED BALANCE SHEET

	October 31,	
	2004	2003
	(In millions, except par value and share data)	
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,315	$ 1,607
Accounts receivable net	1,044	1,086
Inventory	1,026	995
Other current assets	192	201
Total current assets	4,577	3,889
Property plant and equipment net	1,258	1,447
Goodwill and other intangible assets net	443	402
Other assets	778	559
Total assets	$ 7,056	$ 6,297
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 441	$ 441
Employee compensation and benefits	545	566
Deferred revenue	284	262
Income and other taxes payable	340	326
Other accrued liabilities	261	311
Total current liabilities	1,871	1,906
Senior convertible debentures	1,150	1,150
Other liabilities	466	417
Total liabilities	3,487	3,473
Commitments and contingencies		
Stockholders equity		
Preferred stock $0 01 par value 125 million shares authorized none issued and outstanding	—	—
Common stock, $0 01 par value 2 billion shares authorized 487 million shares at October 31 2004 and 476 million shares at October 31 2003 issued and outstanding	5	5
Additional paid in-capital	5,195	4,984
Accumulated deficit	(1,810)	(2,159)
Accumulated comprehensive income (loss)	179	(6)
Total stockholders equity	3,569	2,824
Total liabilities and stockholders equity	$ 7,056	$ 6,297

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AGILENT TECHNOLOGIES, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Years Ended October 31		
	2004	2003	2002
		(In millions)	
Cash flows from operating activities			
Net income (loss)	$ 349	$ (2,058)	$ (1,022)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities			
Depreciation and amortization	292	362	735
Deferred taxes	(33)	1,071	(664)
Excess and obsolete inventory related charges	45	11	74
Non-cash restructuring and asset impairment charges	41	91	204
Retirement plans curtailment (gain) loss	—	5	(19)
Net (gain) loss on divestitures and sale of assets	1	(5)	(18)
Adoption of SFAS No 142	—	268	—
Changes in assets and liabilities			
Accounts receivable	80	52	(141)
Inventory	(79)	157	241
Accounts payable	43	69	(90)
Employee compensation and benefits	29	(21)	83
Income taxes and other taxes payable	(50)	(63)	137
Other current assets and liabilities	(9)	(6)	16
Other long term assets and liabilities	(46)	(97)	(127)
Net cash provided by (used in) operating activities	663	(164)	(591)
Cash flows from investing activities			
Investments in property plant and equipment	(118)	(205)	(301)
Dispositions of property plant and equipment	36	6	—
Proceeds from (net investment in) lease receivable	—	—	237
Purchases of intangibles and investments	(14)	(4)	(23)
Acquisitions net of cash acquired	(18)	—	(15)
Proceeds from dispositions	—	—	31
Net cash used in investing activities	(114)	(203)	(71)
Cash flows from financing activities			
Issuance of senior convertible debentures net of issuance costs	—	—	1,123
Issuance of common stock under employee stock plans	144	112	121
Net borrowings to notes payable and short-term borrowings	1	(2)	(1)
Net cash provided by financing activities	145	110	1,243
Effect of exchange rate movements	14	20	6
Net proceeds and cash provided by discontinued operations	—	—	87
Net increase (decrease) in cash and cash equivalents	708	(237)	674
Cash and cash equivalents at beginning of year	1,607	1,844	1,170
Cash and cash equivalents at end of year	$ 2,315	$ 1,607	$ 1,844

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AGILENT TECHNOLOGIES, INC.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	Number of Shares	Common Stock Par Value	Common Stock Additional Paid-In Capital	Retained Income/ (Accumulated Deficit)	Accumulated Comprehensive Income/(Loss)	Total
			(in millions, except number of shares in thousands)			
Balance as of October 31 2001	461 031	5	4,723	931	—	5 65J
Components of comprehensive loss						
Net loss	—	—	—	(1 032)	—	(1 032)
Reclassification adjustment relating to derivatives (net of tax benefit of $4 million)	—	—	—	—	(7)	(7)
SFAS No 133 cumulative transition adjustment (net of tax benefit of $3 million)	—	—	—	—	(( )	(( )
Foreign currency translation (net of tax of $4 million)	—	—	—	—	7	7
Change in unrealized gain (loss) on investment (net of tax benefit of $1 million)	—	—	—	—	(1)	(1)
Unrealized gain on derivatives (net of tax expense of $2 million)	—	—	—	—	4	4
Change in minimum pension liability adjustment (net of tax benefit of $78 million)	—	—	—	—	(146)	(146)
Total comprehensive loss						(1 181)
Shares issued for employee benefit plans and other	5 J93	—	145	—	—	145
Other additional paid in capital	—	—	4	—	—	4
Balance as of Oct ber 31 2002	467 024	5	4 872	(101)	(149)	4,727
Components of comprehensive loss						
Net loss	—	—	—	(2 058)	—	(2,058)
Reclassification adjustment relating to derivatives (net of tax expense of $2 million)	—	—	—	—	4	4
Reclassification adjustment relating to investments (net of tax expense of $1 million)	—	—	—	—	2	2
Foreign currency translation (net of tax benefit of $46 million)	—	—	—	—	)(	)(
Unrealized gain (loss) on derivatives (net of tax expense of $7 million)	—	—	—	—	(13)	(13)
Change in minimum pension liability adjustment (net of tax expense of $38 million)	—	—	—	—	54	54
Total comprehensive loss						(1 J15)
Shares issued for employee benefit plans and other	9 125	—	112	—	—	112
Balance as of October 31 2003	476 14J	5	4 984	(2 15J)	(( )	2 824
Components of comprehensive income						
Net income	—	—	—	349	—	349
Reclassification adjustment relating to derivatives (net of tax expense of $3 million)	—	—	—	—	5	5
Reclassification adjustment relating to investments (net of tax expense of $2 million)	—	—	—	—	3	3
Foreign currency translation (net of tax expense of $14 million)	—	—	—	—	8J	8J
Unrealized gain (loss) on derivatives (net of tax benefit of $2 million)	—	—	—	—	(4)	(4)
Change in minimum pension liability adjustment (net of tax expense of $40 million)	—	—	—	—	3?	32
Total comprehensive income						534
Shares issued for employee benefit plans and other	9 320	—	133	—	—	133
Issuance of common stock for an acquisition	772	—	18	—	—	18
Balance as of October 31 2004	486 841	$ 5	$ 5 13?	$ (1 810)	$ 179	$ 3,509

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

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AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 Overview

Agilent Technologies Inc (we 'Agilent or the company) incorporated in Delaware in May1999 is a global diversified technology organization that provides enabling solutions to technology markets within the communications electronics life sciences and chemical analysis industries Prior to our initial public offering of 16 percent of our stock in November 1999 we were a wholly-owned subsidiary of Hewlett Packard Company (Hewlett Packard) Hewlett Packard distributed the remaining 84 percent of our stock to its stockholders on June 2 2000 in the form of a stock dividend

Our fiscal year end is October 31 Unless otherwise stated all years and dates refer to our fiscal year

2.Summary of Significant Accounting Policies

Basis of presentation. The accompanying financial data has been prepared by us pursuant to the rules and regulations of the U S Securities and Exchange Commission (SEC) Amounts in the consolidated financial statements as of and for the years ended October 31 2003 and October 31 2002 were reclassified to conform to the presentation in 2004

Principles of consolidation. The consolidated financial statements include the accounts of the company and our wholly- and majority owned subsidiaries All significant intercompany accounts and transactions have been eliminated Partially owned non-controlled equity affiliates are accounted for under the equity method

Use of estimates The preparation of financial statements in accordance with accounting principles generally accepted in the U S requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes Management bases its estimates on historical experience and various other assumptions believed to be reasonable Although these estimates are based on management s best knowledge of current events and actions that may impact the company in the future actual results may be different from the estimates Our critical accounting policies are those that affect our financial statements materially and involve difficult, subjective or complex judgments by management Those policies are revenue recognition restructuring and asset impairment charges inventory valuation, retirement and post retirement plan assumptions valuation of long lived assets and accounting for income taxes

Revenue recognition We enter into agreements to sell products (hardware and/or software) services and other arrangements (multiple element arrangements) that include combinations of products and services

We recognize revenue net of trade discounts and allowances provided that (1) persuasive evidence of an arrangement exists (2) delivery has occurred (3) the price is fixed or determinable and (4) collectibility is reasonably assured Delivery is considered to have occurred when title and risk of loss have transferred to the customer for products or when the service has been provided We consider the price to be fixed or determinable when the price is not subject to refund or adjustments We consider arrangements with extended payment terms not to be fixed or determinable and accordingly we defer revenue until amounts become due At the time of the transaction we evaluate the creditworthiness of our customers to determine the appropriate timing of revenue recognition

Product revenue Our product revenue is generated predominantly from the sales of various types of test equipment and semiconductor components Software is embedded in many of our test

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

equipment products but the software component is generally considered to be incidental Product revenue including sales to resellers and distributors is reduced for estimated returns and distributor price protection when appropriate For sales or arrangements that include customer specified acceptance criteria, including those where acceptance is required upon achievement of performance milestones revenue is recognized after the acceptance criteria have been met For products that include installation, if the installation meets the criteria to be considered a separate element, product revenue is recognized upon delivery and recognition of installation revenue is delayed until the installation is complete Otherwise neither the product nor the installation revenue is recognized until the installation is complete

Where software is licensed separately, revenue is recognized when the software is delivered and title and risk of loss have been transferred to the customer or in the case of electronic delivery of software when the customer is given access to the licensed software programs We also evaluate whether collection of the receivable is probable the fee is fixed or determinable and whether any other undelivered elements of the arrangement exist on which a portion of the total fee would be allocated based on vendor specific objective evidence Revenue from software licensing was not material for all periods presented

Service revenue Revenue from services includes extended warranty customer support, consulting training and education Service revenue is deferred and recognized over the contractual period or as services are rendered and accepted by the customer For example customer support contracts are recognized ratably over the contractual period while training revenue is recognized as the training is provided to the customer In addition the four revenue recognition criteria described above must be met before service revenue is recognized

Multiple element arrangements We use objective evidence of fair value to allocate revenue to elements in multiple element arrangements and recognize revenue when the criteria for revenue recognition have been met for each element If the criteria are not met then revenue is deferred until such criteria are met or until the period(s) over which the last undelivered element is delivered In the absence of objective evidence of fair value of a delivered element we allocate revenue to the fair value of the undelivered elements and the residual revenue to the delivered elements The price charged when an element is sold separately generally determines fair value

Deferred revenue Deferred revenue is primarily comprised of advanced billing and customer deposits for service support and maintenance agreements

Accounts receivable and allowance for doubtful accounts Trade accounts receivable are recorded at the invoiced amount and do not bear interest. Such accounts receivable has been reduced by an allowance for doubtful accounts which is our best estimate of the amount of probable credit losses in our existing accounts receivable We determine the allowance based on our historical write off experience and the aging of such receivables among other factors The allowance has not been material for any periods presented We do not have any off balance sheet credit exposure related to our customers

Warranty Our warranty terms typically extend 90 days after delivery for on site repairs and one to three years for products returned to Agilent for repair Our warranty is accounted for in accordance with Statement of Financial Standards No 5, "Accounting for Contingencies" (SFAS No.5) such that an accrual is made when it is estimable and probable based on historical experience We accrue for warranty costs based on historical trends in warranty charges as a percentage of gross product shipments A provision for estimated future warranty costs is recorded

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as cost of products when revenue is recognized and the resulting accrual is reviewed regularly and periodically adjusted to reflect changes in warranty cost estimates See Note 12, "Guarantees

Stock based compensation. We account for stock-based awards to employees and directors using the intrinsic value method of accounting in accordance with Accounting Principles Board Opinion No 25 Accounting for Stock Issued to Employees ("APB 25") Under the intrinsic value method we record compensation expense related to stock options in our consolidated statement of operations when the exercise price of our employee stock based award is less than the market price of the underlying stock on the date of the grant See Note 5 Stock Based Compensation for the impact on net income (loss) and net income (loss) per share if we had applied the fair value recognition provisions of Statement of Financial Accounting Standards ("SFAS) No 123 ' Accounting for Stock Based Compensation ' (SFAS No 123) to stock based incentives

Pro forma information Pro forma net income (loss) and net income (loss) per share information as required by SFAS No 123 have been determined as if we had accounted for all employee stock options granted including shares issuable to employees under the Agilent Technologies Inc Employee Stock Purchase Plan (the 423(h) Plan") the Agilent Technologies Inc Long Term Performance Program (the "LTPP") and the Option Exchange Program described below under SFAS No 123 s fair value method The pro forma effect of recognizing compensation expense in accordance with SFAS No 123 is as follows

	2004	2003	2002
		(In millions, except per share data)	
Net income (loss) — as reported	$ 349	$ (2,058)	$ (1,032)
SFAS No 123 based compensation (1)	(249)	(328)	(471)
Tax impact (2)	17	(613)	160
Net income (loss) — pro forma	$ 117	$ (2,999)	$ (1,343)
Basic net income (loss) per share — as reported	$ 0 72	$ (4.35)	$ (2.22)
Basic net income (loss) per share — pro forma	$ 0.24	$ (6.34)	$ (2.89)
Diluted net income (loss) per share — as reported	$ 0 71	$ (4.35)	$ (2.22)
Diluted net income (loss) per share — Pro forma	$ 0.24	$ (6.34)	$ (2.89)
Weighted average shares used in computing net income (loss) and pro forma net income (loss) per share			
Basic shares	483	473	465
Diluted shares (3)	490	473	465

(1) The pro forma results for 2004 include approximately $70 million of compensation expense relating to our Option Exchange Program The remainder of the expense for those periods related to options granted over the past four years

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(2) Due to the valuation allowance provided on our net deferred tax assets as described in Note 4 "Tax Valuation Allowance and Provision (Benefit) for Taxes" we have not recorded any tax benefits attributable to pro forma stock option expenses for employees in the U S and the U K jurisdictions in 2004 In addition to not recording such benefits in 2003 we also eliminated $613million of accumulated tax benefits recognized between 1996 and 2002 for pro forma reporting purposes

(3) Approximately 41 million outstanding options were considered antidilutive for the purposes of this pro forma calculation for fiscal year 2004

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The fair value of options granted was estimated at grant date using a Black Scholes option pricing model with the following weighted average assumptions

	2004	2003	2002
Risk free interest rate for options	2 75 3 95%	1 15-3.31%	2.90%
Risk free interest rate for the 423(b) Plan	1 04-1.31%	1 10-1 77%	1 89 5.87%
Dividend yield	0%	0%	0%
Volatility for options	53-64%	60-80%	63%
Volatility for the 423(b) Plan	36-61%	63 80%	47 77%
Expected option life	5 5 years	3.5 5.5 years	5 5 years
Expected life for the 423(b) Plan	6months 1year	6months 2years	6months-1year

For purposes of pro forma disclosures the estimated fair value of the options is amortized to expense over the vesting period of the options and amortized over six months to two years for the 423(b) Plan.

Shipping and handling costs Our shipping and handling costs charged to customers are included in net revenue and the associated expense is recorded in total costs for all periods presented

Goodwill and purchased intangible assets On November 1 2002 we adopted SFAS No 142 "Goodwill and Other Intangible Assets (SFAS No 142) which requires that goodwill no longer be amortized but reviewed annually (or more frequently if impairment indicators arise) for impairment Subsequently we were required to evaluate our existing goodwill and intangible assets and make any necessary reclassification in order to comply with the new criteria in SFAS No 142

As part of our initial assessment of goodwill impairment, we used the fair value measurement requirement, rather than the previously required undiscounted cash flows approach As a result of that assessment we recorded a transitional impairment loss from the implementation of SFAS No 142 as a change in accounting principle in the first quarter of 2003 The fair value of the reporting units was determined primarily by the income approach which estimates the fair value based on the future discounted cash flows The first step evaluation of reporting units on a fair value basis as required by SFAS No 142 indicated that an impairment existed in the communications solutions reporting unit within our test and measurement business The revenue forecasts of the communications solutions reporting unit have been impacted by the prolonged economic downturn in the communications test markets As such, we were required to perform the second step analysis to determine the amount of the impairment loss for the reporting unit that failed the first step test The second step analysis consisted of comparing the implied fair value of the reporting unit s goodwill with the carrying amount of the reporting unit's goodwill with an impairment charge resulting from any excess of the carrying value of the reporting unit s goodwill over the implied fair value of the reporting unit s goodwill Based upon this evaluation we recorded an impairment charge of $268 million representing 100 percent of the reporting unit s goodwill and approximately 44 percent of total consolidated goodwill recorded as of November 1 2002 We also reclassified approximately $6 million of intangible assets associated with workforce in place to goodwill on November 1 2002 The adoption of SFAS No 142 had a material impact on our results of operations because goodwill is no longer being amortized Amortization of goodwill was $326 million for the year ended October 31 2002

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Net loss and basic and diluted net loss per share for the year ended October 31 2002 is disclosed below adjusted to remove goodwill amortization certain intangibles amortization and its related tax impact, as if SFAS No 142 had applied to the period

	For the Year Ended October 31 2002
Reported loss before cumulative effect of accounting changes	$ (1,032)
Add back Goodwill and workforce in place amortization net	320
Adjusted loss before cumulative effect of accounting changes	(712)
Per share data — Basic and diluted reported loss before cumulative effect of accounting changes per share	$ (2.22)
Adjustment for goodwill and workforce in place amortization net	0.69
Adjusted loss before cumulative effect of accounting changes per share	$ (1.53)
Reported net loss	$ (1,032)
Add back Goodwill and workforce-in place amortization net	320
Adjusted net loss	$ (712)
Per share data — Basic and diluted reported net loss per share	$ (2.22)
Adjustment for goodwill and workforce in place amortization net	0.69
Adjusted net loss per share	$ (1.53)
Weighted average shares used in per share computations above — Basic and diluted	465

Purchased intangible assets are carried at cost less accumulated amortization Amortization is computed using the straight line method over the economic lives of the respective assets generally three to five years

Advertising Advertising costs are expensed as incurred and amounted to $48 million in 2004 $44 million in 2003 and $81 million in 2002

Research and Development Costs related to research design and development of our products are charged to research and development expense as they are incurred

Taxes on income Income tax expense or benefit is based on income or loss before taxes Deferred tax assets and liabilities are recognized principally for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts Tax expense is also affected by any valuation allowance against deferred tax assets and changes in other comprehensive income (OCI)

Net income (loss) per share Basic net income (loss) per share is computed by dividing net income (loss) — the numerator — by the weighted average number of common shares outstanding — the denominator — during the period excluding the dilutive effect of stock options other employee stock plans and our senior convertible debentures Diluted net income (loss) per share gives effect to all potentially dilutive common stock equivalents outstanding during the period In computing diluted net income (loss) per share the average stock price for the period is used in determining the

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number of shares assumed to be purchased from the proceeds of stock option exercises Diluted net income per share for 2004 excluded the potentially dilutive effect of 41 million common stock equivalents as their effect was antidilutive Diluted net loss per share for 2003 and 2002 excluded the potentially dilutive effect of all common stock equivalents as the effect was antidilutive

Cash and cash equivalents We classify investments as cash equivalents if their original maturity is three months or less at the date of purchase Cash equivalents are stated at cost which approximates fair value

Approximately 30 percent of our cash and cash equivalents is held in the U S and 50 percent is held in a centrally managed global cash pool outside the U S The remainder is diversified among various major financial institutions throughout the world Approximately 10 percent of our overall cash and cash equivalents is maintained in demand deposit accounts with global financial institutions of high credit quality and is available to be used in paying and receiving activities The remainder is invested in institutional money market funds short term bank time deposits and similar short-duration instruments with fixed maturities from overnight to 90 days Agilent monitors the credit worthiness of these financial institutions and institutional money market funds on a continuous basis We have not experienced any credit losses from cash investments placed with these institutions

Fair value of financial instruments The carrying values of certain of our financial instruments including cash and cash equivalents accrued compensation and other accrued liabilities approximate fair value because of their short maturities The fair values of investments are determined using quoted market prices for those securities or similar financial instruments

Concentration of credit risk We sell the majority of our products through our direct sales force No single customer accounted for 10 percent or more of the combined accounts receivable balance at October 31 2004 and 2003 Credit risk with respect to accounts receivable is generally diversified due to the large number of entities comprising our customer base and their dispersion across many different industries and geographies We perform ongoing credit evaluations of our customers financial conditions and require collateral such as letters of credit and bank guarantees in certain circumstances

Derivative instruments For derivative instruments that are designated and qualify as a fair value hedge changes in value of the derivative are recognized in income in the current period along with the offsetting gain or loss on the hedged item attributable to the hedged risk For derivative instruments that are designated and qualify as a cash flow hedge changes in the value of the effective portion of the derivative instrument are recognized in other comprehensive loss a component of stockholders equity These amounts are reclassified and recognized in income when either the forecasted transaction occurs or it becomes probable the forecasted transaction will not occur Changes in the fair value of the ineffective portion of derivative instruments are recognized in income in the current period Ineffectiveness in 2004 2003 and 2002 was not significant

We enter into foreign exchange contracts primarily forward contracts and purchased options to hedge exposures to changes in foreign currency exchange rates These contracts are designated at inception as hedges of the related foreign currency exposures which include committed and anticipated intercompany transactions and assets and liabilities that are denominated in currencies other than the functional currency of the subsidiary which has the exposure To achieve hedge accounting contracts must reduce the foreign currency exchange rate risk otherwise inherent in the amount and duration of the hedged exposures and comply with established risk management

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policies hedging contracts generally mature within twelve months We do not use derivative financial instruments for speculative or trading purposes

When hedging anticipated cash flow exposure foreign exchange contract expirations are set so as to occur in the same period that the goods are expected to be sold to third parties allowing realized gains and losses on the contracts to be recognized into total costs When hedging balance sheet exposure gains and losses on foreign exchange contracts are recognized in other income (expense) net in the same period as the occurrence of gains and losses on remeasurement of the non functional currency denominated assets and liabilities The gains and losses which have not been material are included in cash flows from operating activities in the consolidated statement of cash flows

We may also from time to time acquire warrants to purchase securities of other companies as part of strategic relationships

Inventory Inventory is valued at standard cost which approximates actual cost computed on a first in first-out basis not in excess of market value We assess the valuation of our inventory on a quarterly basis and periodically write down the value for estimated excess and obsolete inventory based on estimates about future demand and actual usage

Property plant and equipment Property plant and equipment are stated at cost less accumulated depreciation Additions improvements and major renewals are capitalized maintenance repairs and minor renewals are expensed as incurred When assets are retired or disposed of the assets and related accumulated depreciation and amortization are removed from our general ledger and the resulting gain or loss is reflected in the consolidated statement of operations Buildings and improvements are depreciated over fifteen to forty years and machinery and equipment over three to ten years The straight line method of depreciation is used for all property plant and equipment

Capitalized software We capitalize certain internal and external costs incurred to acquire or create internal use software in accordance with AICPA Statement of Position 98 1 Accounting for the Costs of Computer Software Developed or Obtained for Internal Use ' Capitalized software is included in property plant and equipment and is depreciated over three to five years when development is complete

Impairment of long lived assets We continually monitor events and changes in circumstances that could indicate carrying amounts of long lived assets including intangible assets may not be recoverable When such events or changes in circumstances occur we assess the recoverability of long lived assets by determining whether the carrying value of such assets will be recovered through undiscounted expected future cash flows If the total of the undiscounted future cash flows is less than the carrying amount of those assets we recognize an impairment loss based on the excess of the carrying amount over the fair value of the assets

Foreign currency translation The functional currency for many of our subsidiaries outside the U S is local currency based on the criteria of SFAS No 52 Foreign Currency Translation For those subsidiaries that operate in a local currency functional environment all assets and liabilities are translated into U S dollars using current exchange rates revenue and expenses are translated using average exchange rates in effect during each period Resulting translation adjustments are reported as a separate component of accumulated comprehensive income (loss) in stockholders equity

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For those subsidiaries that operate in a U S dollar functional environment, foreign currency assets and liabilities are remeasured into U S dollars at current exchange rates except for inventory property plant and equipment other assets and deferred revenue which are remeasured at historical exchange rates Revenue and expenses are generally translated at average exchange rates in effect during each period except for those expenses related to balance sheet amounts that are remeasured at historical exchange rates Gains or losses from foreign currency remeasurement are included in consolidated net income (loss)

3 New Accounting Pronouncements

Adoption of New Pronouncements.

In January 2003 the Financial Accounting Standards Board (FASB) issued Interpretation No 46 Consolidation of Variable Interest Entities (FIN 46) which was amended by FIN 46R issued in December 2003 FIN 46 addresses consolidation by business enterprises of variable interest entities (VIE s) that either (1) do not have sufficient equity investment at risk to permit the entity to finance its activities without additional subordinated financial support or (2) for which the equity investors lack an essential characteristic of a controlling financial interest FIN 46 requires consolidation of VIE s for which Agilent is the primary beneficiary and disclosure of a significant interest in a VIE for which Agilent is not the primary beneficiary As a result of our review no entities were identified requiring disclosure or consolidation under FIN 46

In December 2003 the Securities and Exchange Commission issued Staff Accounting Bulletin (SAB) No 104 Revenue Recognition (SAB No 104) SAB No 104 rescinds certain sections of SAB No 101 Revenue Recognition in Financial Statements (SAB No 101) related to multiple element revenue arrangements superceded as a result of the issuance of EITF 00 21 Accounting for Revenue Arrangements with Multiple Deliverables (EITF 00-21) The revenue recognition principles of SAB No 101 remain largely unchanged by the issuance of SAB No 104 The adoption of this standard did not affect our financial condition results of operations or cash flows

In December 2003 the FASB issued a revision SFAS No 132 (the revision) Employers Disclosures about Pensions and Other Postretirement Benefits The revision requires additional disclosures relating to the description of the types of plan assets investment strategy measurement date(s) plan obligations, cash flows and components of net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans recognized during interim periods We adopted the disclosure requirements beginning with the first quarter of 2004 and the standard is effective for all future quarterly and annual reports see Note 14 for such disclosures

In March 2004 the FASB issued EITF No 03-01 "The Meaning of Other Than Temporary Impairment and its Application to Certain Investments which provides new guidance for assessing impairment losses on debt and equity investments The new impairment model applies to investments accounted for under the cost or equity method and investments accounted for under FAS 115 "Accounting for Certain Investments in Debt and Equity Securities EITF No 03 01 also includes new disclosure requirements for cost method investments and for all investments that are in an unrealized loss position In September 2004 the FASB delayed the accounting provisions of EITF No 03-01 however the disclosure requirements remain effective and the applicable ones have been adopted for our year end 2004 We will evaluate the effect, if any of EITF 03-01 when final guidance is issued

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In March 2004 the EITF reached a consensus on EITF Issue No 03 16 Accounting for Investments in Limited Liability Companies (EITF 03 16) The EITF concluded that if investors in a limited liability company have specific ownership accounts, they should follow the guidance prescribed in Statement of Position 78 9 Accounting for Investments in Real Estate Ventures and EITF Topic No D-46 Accounting for Limited Partnership Investments Otherwise investors should follow the significant influence model prescribed in Accounting Principles Board Opinion No 18 The Equity Method of Accounting for Investments in Common Stock ' The adoption of this Issue did not have a material impact on the company s financial condition, results of operations or cash flows

In December 2004 the FASB issued SFAS No 123 (Revised 2004) "Share Based Payment (SFAS No 123R ') SFAS No 123R addresses all forms of share based payment ("SBP ') awards including shares issued under employee stock purchase plans stock options restricted stock and stock appreciation rights SFAS No 123R will require Agilent to expense SBP awards with compensation cost for SBP transactions measured at fair value The FASB originally stated a preference for a lattice model because it believed that a lattice model more fully captures the unique characteristics of employee stock options in the estimate of fair value as compared to the Black Scholes model which Agilent currently uses for its footnote disclosure The FASB decided to remove its explicit preference for a lattice model and not require a single valuation methodology SFAS No 123R requires Agilent to adopt the new accounting provisions beginning in our fourth quarter of 2005 Agilent has not yet determined the impact of applying the various provisions of SFAS No 123R

In May 2004 the FASB issued a FASB Staff Position (FSP") regarding SFAS No 106 Employers Accounting for Postretirement Benefits Other Than Pensions FSP No 106 2 Accounting and Disclosure Requirements Related to the Medicare Prescription Drug Improvement and Modernization Act of 2003 discusses the effect of the Medicare Prescription Drug Improvement and Modernization Act (the Act) enacted in December 2003 and supersedes FSP No 106 1 which was issued in January 2004 FSP No 106 2 considers the effect of the two new features introduced in the Act in determining our accumulated postretirement benefit obligation (APBO) and net periodic postretirement benefit cost The effect on the APBO will be accounted for as an actuarial experience gain to be amortized into income over the average remaining service period of plan participants Companies may elect to defer accounting for this benefit or may attempt to reflect the best estimate of the impact of the Act on their net periodic costs currently The adoption of FSP No 106-2 in the fourth quarter of 2004 did not have a material impact on our consolidated financial position results of operations or cash flows

In November 2004 the FASB issued FASB Statement No 151, Inventory Costs — an amendment of ARB No 43 (FAS 151 "), which is the result of its efforts to converge U S accounting standards for inventories with International Accounting Standards FAS No 151 requires idle facility expenses freight, handling costs and wasted material (spoilage) costs to be recognized as current period charges It also requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities FAS No 151 will be effective for inventory costs incurred during fiscal years beginning after June 15 2005 We are evaluating the impact of this standard on our consolidated financial statements

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In December 2004 the FASB issued an FSP regarding Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004 (AJCA ") FSP 109 b FSP 109 b allows Agilent time beyond the fourth quarter of 2004 the period of enactment, to evaluate the effect of the AJCA on our plan for reinvestment or repatriation of foreign earnings for purposes of applying, SFAS No 109 Accounting of Income Taxes See the discussion of the potential impact on Agilent in Note 4 below

4 Tax Valuation Allowance and Provision (Benefit) for Taxes

The provision (benefit) for income taxes is comprised of

	Years Ended October 31		
	2004	2003	2002
	(In millions)		
U.S federal taxes from continuing operations			
Current	$ —	$ —	$ —
Deferred	(16)	876	(501)
Non U S taxes from continuing operations			
Current	122	84	142
Deferred	(17)	64	(113)
State taxes from continuing operations net of federal benefit	2	76	(53)
Total from continuing operations	$ 91	$ 1 100	$ (525)

The significant components of deferred tax assets and deferred tax liabilities included on the consolidated balance sheet are

	October 31,			
	2004		2003	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
	(In millions)			
Inventory	$ 191	$ —	$ 192	$ —
Property plant and equipment	25	122	55	76
Warranty reserves	25	—	26	—
Retiree medical benefits	52	—	33	—

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Other retirement benefits	—	75	40	45
Employee benefits other than retirement	221	1	132	15
Net operating losses and credit carryforwards	1 151	—	1 236	—
Unremitted earnings of foreign subsidiaries	—	273	—	200
Convertible interest	—	76	—	48
Other	89	95	140	—
Subtotal	1 754	642	1 854	384
Tax valuation allowance	(1 121)	—	(1 456)	—
	$ 633	$ 642	$ 398	$ 384

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During the third quarter of 2003 we recorded a non-cash charge to establish a valuation allowance of $1 4 billion which included approximately $0 4 billion of tax benefits recorded during the first six months of 2003 resulting in an approximately $1 0 billion net tax provision recorded within provision for taxes for 2003 The valuation allowance was determined in accordance with the provisions of SFAS No 109 Accounting for Income Taxes (SFAS No 109) which requires an assessment of both positive and negative evidence when determining whether it is more likely than not that deferred tax assets are recoverable Such assessment is required on a jurisdiction by jurisdiction basis Cumulative losses incurred in the U S and the U K jurisdictions in recent years represented sufficient negative evidence under SFAS No 109 to require a full valuation allowance in these jurisdictions Accordingly a full valuation allowance was recorded We intend to maintain a full valuation allowance until sufficient positive evidence exists to support reversal of the valuation allowance

At October 31 2004 we had federal net operating loss carryforwards of approximately $2 037 million and tax credit carryforwards of approximately $316 million An immaterial amount of net operating losses will expire in 2005 with the remainder expiring in tax years through 2024 if not utilized The tax credit carryforwards will expire beginning in 2007 through 2024 if not utilized In addition the company has California net operating loss carryforwards of approximately $395 million An immaterial amount of California net operating losses will expire in 2005 with the remainder expiring in tax years through 2013 if not utilized Included in the total net operating loss carryforwards are net operating losses of $50 million related to employee stock option exercises the benefits of which will increase additional paid in capital when realized

The differences between the U S federal statutory income tax rate and our effective tax rate are

	Years Ended October 31		
	2004	2003	2002
U S federal statutory income tax rate	35 0 %	(35 0)%	(35 0)%
State income taxes net of federal benefit	.5	(3 1)	(3.5)
Non U S income taxed at different rates	(3 9)	(3 6)	(2)
Nondeductible goodwill	1 8	2 7	9 1
R&D credits	(2.8)	(2 2)	(4 1)
Extraterritorial income exclusion	(5 7)	(4.3)	(8)
Other net	1 7	(2)	.5
Valuation allowance	(5 9)	205 2	—
	20 7 %	159.5 %	(34 0)%

The domestic and foreign components of income (loss) earnings from continuing operations before taxes are

	Years Ended October 31,		
	2004	2003	2002
		(In millions)	
U S continuing operations	$ (178)	$ (522)	$ (1,804)
Non U S continuing operations	618	(168)	257

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$ 440 $ (690) $ (1 547)

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We consider the operating income of non United States subsidiaries to be indefinitely invested outside the United States No provision has been made for United States federal and state or foreign taxes that may result from future remittances of undistributed earnings of foreign subsidiaries the cumulative amount of which is approximately $1 179 million as of October 31 2004 If management decides to remit this income to the U S in a future period our provision for income taxes may increase materially in that period

On October 22 2004 the AJCA was signed into law The AJCA includes a deduction for 85percent of certain foreign earnings that are repatriated as defined in the AJCA at an effective tax cost of 5 25 percent on any such repatriated foreign earnings Agilent may elect to apply this provision to qualifying earnings repatriations in fiscal 2005 Agilent has begun an evaluation of the effects of the repatriation provision however we do not expect to be able to complete this evaluation until after Congress or the Treasury Department provide additional clarifying language on key elements of the provision We expect to complete our evaluation of the effects of the repatriation provision within a reasonable period of time following the publication of the additional clarifying language The range of possible amounts that Agilent is considering for repatriation under this provision is between zero and $970 million The related potential range of income tax is between zero and $51 million

We are subject to ongoing tax examinations of our tax returns by the Internal Revenue Service and other tax authorities in various jurisdictions We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes

5.Stock Based Compensation

We follow the accounting provisions of Accounting Principles Board Opinion No 25 Accounting for Stock Issued to Employees (APB No 25) for stock based compensation granted to employees Accordingly compensation expense is recognized in our consolidated statement of operations only when options are granted at an exercise price that is less than the market price of the underlying stock on the date of the grant Any compensation expense is recognized ratably over the associated service period which is generally the option vesting term

Employee stock purchase plans In February 2000 we implemented the Agilent Technologies Inc Employee Stock Purchase Plan (the Legacy Plan) that allowed eligible employees to contribute up to ten percent of their base compensation to the purchase of our common stock Under the provisions of the Legacy Plan employee contributions were partially matched with shares contributed by us These matching shares also generally vested over two years Compensation expense for the matching provision for the Legacy Plan was measured using the fair value of shares on the date of purchase by Agilent for the Legacy Plan and was recognized over the two year vesting period

Effective October 31 2000 purchases and contributions under the Legacy Plan ceased All unvested matching shares under the Legacy Plan maintained their original vesting terms based on the employee s continued employment Vesting of these matching shares was completed by October31 2002 Compensation expense under the Legacy Plan was nil in 2004 and 2003 and $16million in 2002 At October 31 2004 9 802 100 shares of our common stock had been authorized for issuance under the Legacy Plan and 3 426 716 of these shares had been issued The remainder of the authorized shares are not expected to be issued as the Legacy Plan is no longer functioning

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Effective November 1 2000 we adopted a new plan the 423(b) Plan Under the provisions of the 423(b) Plan eligible employees may contribute up to ten percent of their base compensation to purchase shares of our common stock at 85 percent of the lower of the fair market value at the entry date or the purchase date as defined by the 423(b) Plan As of October 31 2004 39 868 411 shares of our common stock were authorized for issuance under the 423(b) Plan and 20 595 128 of these shares have been issued

Incentive compensation plans On September 17 1999 we adopted the Agilent Technologies Inc 1999 Stock Plan (the Stock Plan) and subsequently reserved 67 800 000 shares of our common stock for issuance under the Stock Plan In addition on May 31 2000 19 000 000 shares of our common stock were registered pursuant to converted stock options previously granted by Hewlett Packard Company In February 2001 our stockholders approved an additional 45 000 000 shares of our common stock for issuance under the Stock Plan These shares were subsequently registered in May 2002 Stock options stock appreciation rights stock awards and cash awards may be granted under the Stock Plan Options granted under the Stock Plan may be either incentive stock options as defined in section 422 of the Internal Revenue Code or non statutory Options generally vest at a rate of 25 percent per year over a period of four years from the date of grant and have a maximum term of ten years The exercise price for incentive stock options is generally not less than 100 percent of the fair market value of our common stock on the date the stock award is granted

On March 4 2003 our stockholders approved an amendment to the Stock Plan The amendment permits the company to offer a one time exchange of options issued under the Stock Plan having an exercise price greater than $25 for a lesser number of options to be granted at least six months and one day from the cancellation of surrendered options (the Option Exchange Program) On May 20 2003 we implemented the Option Exchange Program by filing a Tender Offer Statement with the SEC which allowed eligible employees a one time opportunity to exchange options to purchase shares of the company s common stock whether vested or unvested which were granted under our Stock Plan with exercise prices greater than $25 per share The Option Exchange Program was offered from May 20 2003 to June 18 2003 and options to purchase approximately 26 million shares were exchanged with an average exercise price of $51 As a result, the company issued options to purchase approximately 13 8 million shares at a weighted average exercise price of $28 per share during the first quarter of 2004 Under the provisions of APB 25 no compensation expense has been or will be recognized in our consolidated statement of operations for the issuance of the replacement options

Effective November 1 2003 the Compensation Committee of the Board of Directors approved the LTPP for the company s executive officers Participants in this program are entitled to receive unrestricted shares of the company s stock after the end of a three year period if specified performance targets are met On November 18 2003 the Compensation Committee approved approximately 322,000 shares to be issued to the company s executive officers We include the dilutive impact of this program in our diluted net income per share calculation The amount of compensation expense using the variable accounting method pursuant to APB No 25 was not material for the year ended October 31 2004 The stock will be awarded in fiscal 2007 and the final award may vary as it is based on certain performance metrics On November 16 2004 the Compensation Committee approved approximately 419 000 shares to be issued for the company s executive officers in connection with the LTPP The shares will be awarded in fiscal year 2008 and the final award may vary as it is based on certain performance metrics

At October 31 2004 shares registered and available for option and restricted stock grants were 61 945 186 Compensation expense for discounted options stock appreciation rights and restricted

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stock is recognized based on the intrinsic value method defined by APB Opinion No 25 "Accounting for Stock Issued to Employees" (APB No 25") Any compensation expense is recognized ratably over the associated service period which is generally the vesting period The compensation expense related to discounted options stock appreciation rights and restricted stock was $4 million in 2004 $6 million in 2003 and $7 million in 2002

The following table summarizes option activity for the years ended October 31 2004 2003 and 2002

	Shares	Weighted Average Exercise Price
	(In thousands)	
Outstanding as of October 31 2001	63,955	$ 46
Granted	20,152	$ 25
Exercised	(1 128)	$ 12
Cancelled	(9 140)	$ 51
Outstanding as of October 31 2002	73 839	$ 40
Granted	13 152	$ 16
Exercised	(1 768)	$ 12
Cancelled under Option Exchange Program	(25,882)	$ 51
Other Cancellations	(7 975)	$ 41
Outstanding as of October 31 2003	51,366	$ 29
Granted	12,136	$ 32
Exercised	(2,859)	$ 19
Granted under Option Exchange Program	13 797	$ 28
Other Cancellations	(3 464)	$ 38
Outstanding as of October 31 2004	70,976	$ 29

The following table summarizes options exercisable and the fair value of options granted

	Shares	Weighted Average Exercise Price	Value using Black-Scholes model
	(In thousands)		
Options exercisable as of October 31 2002	31,501	$ 41	
Black Scholes value of options granted during 2002			$ 15
Options exercisable as of October 31 2003	26,141	$ 35	
Black Scholes value of options granted during 2003			$ 9
Options exercisable as of October 31 2004	31 023	$ 32	
Black Scholes value of options granted during 2004			$ 14

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table summarizes information about all options outstanding at October 31 2004

Range of Exercise Prices	Options Outstanding: Number Outstanding	Options Outstanding: Weighted Average Remaining Contractual Life	Options Outstanding: Weighted Average Exercise Price	Options Exercisable: Number Exercisable	Options Exercisable: Weighted Average Exercise Price
	(In thousands)			(In thousands)	
$0 – 15	2,093	6 0years	$ 13	1 772	$ 13
$15 01 – 25	14,382	8 0 years	$ 18	4 611	$ 19
$25 01 – 30	31,564	7 5 years	$ 27	12,418	$ 27
$30 01 – 40	16,509	7 4 years	$ 34	6,084	$ 35
$40 01 – 50	3,586	4 5 years	$ 44	3,574	$ 44
$50andover	2,842	5 6 years	$ 68	2,564	$ 69
	70,976		$ 29	31 023	$ 32

6 Net Income (Loss) Per Share

The following is a reconciliation of the numerators and denominators of the basic and diluted net income (loss) per share computations for the periods presented below

	For the Years Ended October 31, 2004	2003	2002
		(In millions)	
Numerator			
Income (loss) from continuing operations	$ 349	$ (1 790)	$ (1 022)
Loss from the sale of discontinued operations net of taxes	—	—	(10)
Income (loss) before cumulative effect of accounting changes	349	(1 790)	(1 032)
Cumulative effect of adopting SFAS No 142	—	(268)	—
Net income (loss)	$ 349	$ (2,058)	$ (1 032)
Denominators			
Basic weighted average shares	483	473	465
Diluted weighted average shares	490	473	465

Options to purchase 41 million shares of common stock at a weighted average exercise price of $35 per share were outstanding in 2004 but were not included in the computation of diluted net income per share because the options were antidilutive for 2004 Options to purchase 51 million shares of common stock at a weighted average exercise price of $29 per share were outstanding in 2003 but were not included in the computation of diluted net loss per share because the options were antidilutive for 2003 The options which expire no later than 2014 were still outstanding at the end of 2004 Options to purchase 74 million shares of common stock at a weighted average exercise price of $40 per share were outstanding in 2002 but were not included in the computation of diluted net loss per share because the options were antidilutive in that year

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Our senior convertible debentures were also antidilutive during 2004 2003 and 2002 Income from continuing operations for 2004 2003 and 2002 included approximately $35 million in interest expense associated with the senior convertible debentures If the shares had been dilutive then this amount would have been added back to income from operations and approximately 36 million of shares would have been added to the weighted average number of shares for the purposes of calculating diluted income per share See Note 16 Senior Convertible Debentures and Lines of Credit.

7.Supplemental Cash Flow Information

Cash paid for income taxes was $149 million in 2004 $122 million in 2003 and $160 million in 2002 Cash paid for interest was approximately $36 million in 2004 $36 million in 2003 and $36 million in 2002.

Non cash transactions in 2004 related primarily to an acquisition in October 2004 We issued approximately 772 thousand shares with an approximate value of $18 million We issued the final block of common stock under The Legacy Plan in the amount of $23 million in 2002.

8.Inventory

	October 31, 2004	2003
	(In millions)	
Finished goods	$ 293	$ 356
Work in progress	113	85
Raw materials	620	554
	$ 1,026	$ 995

Inventory related charges of $45 million $11 million and $74 million were recorded in total cost of products in 2004 2003 and 2002, respectively We record excess and obsolete inventory charges for both inventory on our site as well as inventory at our contract manufacturers and suppliers where we have non-cancelable purchase commitments

9.Property, Plant and Equipment, Net

	October 31 2004	2003
	(In millions)	
Land	$ 97	$ 106
Buildings and leasehold improvements	1 684	1,838
Software	430	404
Machinery and equipment	1 804	1 923
Total property plant and equipment	4 015	4,271

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Accumulated depreciation and amortization	(2,757)	(2,824)
	$ 1,258	$ 1,447

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

We have sold substantially all of our portfolio of operating leases to CIT. Equipment under operating leases was $7 million at October 31, 2004 and $10 million at October 31, 2003 and was included in machinery and equipment. Accumulated depreciation related to equipment under operating leases was $5 million at October 31, 2004 and $8 million at October 31, 2003.

We sold assets related to portions of our businesses to third parties during 2004, 2003 and 2002. Gross proceeds from these dispositions were zero in 2004 and 2003 and $31 million in 2002. (Loss) gains from the dispositions included in other income (expense), net in the consolidated statement of operations were ($1 million) in 2004, $5 million in 2003 and $18 million in 2002.

10 Investments

Investments in cost basis and equity method investments and securities classified as trading securities or available for sale were as follows at October 31, 2004 and 2003 (net book value):

	October 31	
	2004	2003
	(in millions)	
Investments in and advances to equity method investees	$ 99	$ 69
Cost method investments	64	67
Trading securities	45	36
Available for sale investments (original cost was $16 million)	8	8
Total	$ 216	$ 180

Cost method investments consist of non-marketable equity securities and are accounted for at historical cost. For investments where we have significant influence over the investee, the equity method of accounting is used. Agilent's proportionate share of income or loss for equity method investments is recorded currently in earnings. Trading securities are reported at fair value, with gains or losses resulting from changes in fair value recognized currently in earnings. Investments designated as available for sale are reported at fair value, with unrealized gains and losses, net of tax, included in stockholders' equity.

All of our investments (excluding trading securities) are subject to periodic impairment review. However, the impairment analysis requires significant judgment to identify events or circumstances that would likely have significant adverse effect on the future use of the investment.

Charges related to other than temporary impairments were $15 million for 2004, $15 million in 2003 and $9 million in 2002. These impairment charges were recorded in other income (expense), net in the consolidated statement of operations.

Agilent's share of income (loss) from equity investments was $29 million in 2004, $5 million in 2003, and ($11 million) in 2002. Realized gains and losses on Agilent's trading securities portfolio were $5 million gain in 2004 and 2003 and $5 million loss in 2002. These amounts have been included in other income (expense), net in the consolidated statement of operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

11 Goodwill and Other Intangible Assets

The goodwill balances as of October 31, 2004 and 2003 and the movements in the year ended October 31, 2004 for each of our reportable segments are shown in the table below:

	Test and Measurement	Automated Test	Semiconductor Products	Life Sciences and Chemical Analysis	Total
	(in millions)				
Goodwill at October 31, 2002	$ 434	$ 74	$ 85	$ 23	$ 616
Adoption of SFAS No. 142 goodwill impairment	(268)	—	—	—	(268)
Foreign currency translation impact	17	11	10	1	39
Goodwill arising from acquisitions	—	—	1	—	1
Goodwill at October 31, 2003	183	85	96	24	388
Foreign currency translation impact	8	3	2	—	13
Goodwill arising from acquisitions	—	5	—	16	21
Goodwill at October 31, 2004	$ 191	$ 93	$ 98	$ 40	$ 422

The component parts of other intangibles as of October 31, 2004 and October 31, 2003 are shown in the table below:

	Other Intangible Assets		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value
	(in millions)		
As of October 31, 2004			
Purchased technology	$ 143	$ 128	$ 15
Customer relationships	29	23	6
Total	$ 172	$ 151	$ 21
As of October 31, 2003			
Purchased technology	$ 122	$ 110	$ 12
Customer relationships	23	21	2
Total	$ 145	$ 131	$ 14

The net book value of other intangibles includes a $5 million favorable impact related to currency during 2004. We purchased $22 million of other intangibles during 2004, which was primarily related to two acquisitions. These acquisitions also resulted in additional goodwill of $21 million. Pro-forma disclosures are not required for these acquisitions as they were immaterial.

Amortization for intangible assets was $20 million in 2004, $45 million in 2003 and $52 million in 2002. Future amortization expense related to existing intangible assets is estimated to be $8 million for 2005, $5 million for 2006, $3 million for 2007 and $5 million thereafter.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

During 2003 we recognized an impairment charge pursuant to SFAS No 144 of approximately $10 million for intangible assets (representing developed technology and customer relationships) in our test and measurement business as a result of a decline in the projected future cash flows The impairment charge was recorded in cost of sales ($8 million) and selling general and administrative ($2 million) in the consolidated statement of operations

12 Guarantees

Standard Warranty

A summary of the standard warranty accrual activity for October 31 2004 and 2003 is shown in the table below

	For the Years Ended October 31	
	2004	2003
	(In millions)	
Balance at October 31 2003 and 2002	$ 71	$ 72
Accruals for warranties issued during the period	68	70
Accruals related to pre existing warranties (including changes in estimates)	(2)	5
Settlements made during the period	(78)	(76)
Balance at October 31 2004 and 2003	$ 59	$ 71

Extended Warranty

Revenue for our extended warranty contracts with terms beyond one year is deferred and recognized on a straight line basis over the contract period Related costs are expensed as incurred Amounts recorded for extended warranty contracts are included in deferred revenue on the consolidated balance sheet

	For the Year Ended October 31
	2004
	(In millions)
Balance at October 31 2003	$ 33
Recognition of revenue	(19)
Deferral of revenue for new contracts	38
Balance at October 31 2004	$ 52

Lease Guarantees

As of October 31 2004 we have issued credit guarantees to CIT Group Inc with an aggregate maximum exposure of $13 million that has been fully accrued as a component of other accrued liabilities In addition to the credit guarantees we gave CIT Group Inc guarantees that could require us to repurchase individual leases if for example the documentation we provided to support the lease was not materially accurate In our opinion the fair value of these additional guarantees is not material

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

We have evaluated our relationship with the CIT Group Inc and have determined that CIT is not a variable interest entity under FIN 46

Indemnifications to Hewlett-Packard Company

We have given multiple indemnities to Hewlett Packard Company in connection with our activities prior to our spin off from Hewlett Packard for the businesses that constituted Agilent prior to the spin-off These indemnifications cover a variety of aspects of our business including but not limited to employee tax intellectual property and environmental matters The agreements containing these indemnifications have been previously disclosed as exhibits to our registration statement on Form S 1 filed on August 16 1999 In our opinion the fair value of these indemnifications is not material

Indemnifications to Koninklijke Philips Electronics, N V ("Philips")

In connection with the sale of our healthcare solutions business to Philips on August 1 2001 we indemnified Philips for various matters including product liability issues arising within two years of the sale agreement In our opinion, the fair value of these indemnifications is not material

Indemnifications to Officers and Directors

Our corporate by laws require that we indemnify our officers and directors as well as those who act as directors and officers of other entities at our request against expenses judgments fines settlements and other amounts actually and reasonably incurred in connection with any proceedings arising out of their services to Agilent In addition we have entered into separate indemnification agreements with each director and each board appointed officer of Agilent, which provides for indemnification of these directors and officers under similar circumstances and under additional circumstances The indemnification obligations are more fully described in the by laws and the indemnification agreements See Exhibits 3 2 and 10 6 of this document We purchase standard insurance to cover claims or a portion of the claims made against our directors and officers Since a maximum obligation is not explicitly stated in our by laws or in our indemnification agreements and will depend on the facts and circumstances that arise out of any future claims the overall maximum amount of the obligations cannot be reasonably estimated Historically we have not made payments related to these obligations and the fair value for these obligations is zero on the consolidated balance sheet as of October 31 2004

Other Indemnifications

As is customary in our industry and as provided for in local law in the U S and other jurisdictions many of our standard contracts provide remedies to our customers and others with whom we enter into contracts such as defense settlement or payment of judgment for intellectual property claims related to the use of our products From time to time we indemnify customers as well as our suppliers contractors lessors lessees companies that purchase our businesses or assets and others with whom we enter into contracts against combinations of loss expense or liability arising from various triggering events related to the sale and the use of our products and services the use of their goods and services the use of facilities and state of our owned facilities, the state of the assets and businesses that we sell and other matters covered by such contracts usually up to a specified maximum amount In addition from time to time we also provide protection to these parties against claims related to undiscovered liabilities additional product liability or environmental obligations In our experience claims made under such indemnifications are rare and the associated estimated fair value of the liability is not material

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

13.Restructuring and Asset Impairment

Summary

We currently have three restructuring plans — one initiated in the fourth quarter of 2001 (the 2001 Plan) a second initiated in the fourth quarter of 2002 (the 2002 Plan) and a third initiated in the first quarter of 2003 (the "2003 Plan) after it became clear that the actions taken in fiscal 2001 and fiscal 2002 would not be sufficient to return the company to profitability

All of our plans were designed to reduce costs and expenses in order to return the company to profitability As of the end of 2004 we have reduced our workforce by approximately 16 700 people (approximately 15 100 from involuntary terminations and approximately 1 600 from net attrition) to 28 000 employees

Our plans to consolidate excess facilities resulted in charges for lease termination fees and losses anticipated from sub lease agreements We have exited more than 115 production support and sales facilities in the U S Korea, Japan U K and other countries representing more than 4 6 million square feet, or about 24 percent of our worldwide property We will continue to make lease payments on some of this space over the next five years We lease most of these buildings from third parties and the closures impacted all segments In most cases we are exiting administrative office buildings which house sales and administrative employees However a small number of production facilities were closed as a result of our plans to consolidate manufacturing into fewer sites

Actions for all plans have been focused on segments that were impacted most severely by the market downturn – primarily our test and measurement and semiconductor products businesses – but actions have also been taken to reduce the costs associated with support services such as finance information technology workplace services and to a lesser extent our other business segments Cost reductions were initiated by moving manufacturing and some of our global shared services operations sites to lower cost regions, reducing the number of properties particularly sales and administrative sites and by reducing our workforce through involuntary terminations and selected outsourcing of manufacturing and administrative functions Our strategy is to move towards a more variable operating cost structure

We have executed all key actions under our 2001 Plan although there may be changes in estimates for the consolidation of excess facilities due to changes in market conditions from those originally expected at the time the charges were recorded Our 2002 Plan is complete Our 2003 Plan is substantially complete although we anticipate some charges in the first half of 2005 as we complete the Plan

The 2001 Plan

The 2001 plan impacted the test and measurement business and the semiconductor products business and had little direct impact on the automated test and life sciences and chemical analysis businesses except as the plan related to support services reductions across all of our businesses

We have executed all key actions under this plan however we will continue to make lease payments over the next five years

We continue to carry out our plan to consolidate excess facilities During 2004 we recorded an additional $7 million in net charges and adjustments due primarily to reductions in our estimate of

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

expected sublease income Due to the length of some of the lease terms and the uncertainty of the real estate market, we expect to make periodic adjustments to the accrual balance to reflect changes in our estimates and to reflect actual events as they occur

The cost of the 2001 Plan through October 31 2004 was $533 million $154 million in 2001 $357 million in 2002, $15 million in 2003 and $7 million in 2004

A summary of restructuring activity for the 2001 Plan through October 31 2004 is shown in the table below

	Workforce Reduction	Consolidation of Excess Facilities	Impairment of Assets, Property,Plant and Equipment	Total
			(in millions)	
Balance at October 31 2001	$ 52	$ 20	$ 17	$ 89
Total charge	175	53	129	357
Asset impairment	—	—	(146)	(146)
Cash payments	(210)	(10)	—	(220)
Balance at October 31 2002	17	63	—	80
Total charge and adjustment (a)	—	24	(9)	15
Asset impairment	—	—	9	9
Cash payments	(17)	(25)	—	(42)
Balance at October 31 2003	—	62	—	62
Total charge	—	7	—	7
Cash payments	—	(26)	—	(26)
Balance at October 31 2004	$ —	$ 43	$ —	$ 43

(a) Represents primarily changes in estimates relating to consolidation of excess facilities arising from a decline in real estate market conditions and an adjustment recorded within property plant and equipment net

The 2002 Plan

On August 19 2002, we announced our intention to further reduce our workforce by 2 500 to achieve a quarterly operating cost structure of approximately $1 6 billion This plan primarily affected the manufacturing and field operations serving the wireline markets that are components of our test and measurement business as well as information technology support services

Our workforce reductions impacted all regions all expense categories and most of our segments particularly our test and measurement and semiconductor products segments We reduced the number of employees at production facilities that experienced declining demand outsourced selective operations and also reduced the number of employees that provided information technology support services as we streamlined our operations with the implementation of our new information systems

Our 2002 Plan is complete The cost of the 2002 Plan through October 31 2004 totaled $166 million $117 million in 2002, $49 million in

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2003 and zero in 2004

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

A summary of restructuring activity for the 2002 Plan through October 31 2004 is shown in the table below

	Workforce Reduction	Impairment of Assets, Property Plant and Equipment	Total
		(in millions)	
Balance at July 31 2002	$ —	$ —	$ —
Total charge	83	34	117
Asset impairment	—	(34)	(34)
Cash payments	(15)	—	(15)
Balance at October 31 2002	68	—	68
Total charge	44	5	49
Asset impairment	—	(5)	(5)
Cash payments	(98)	—	(98)
Balance at October 31 2003	14	—	14
Cash payments	(14)	—	(14)
Balance at October 31 2004	$ —	$ —	$ —

The 2003 Plan

On February 21 2003 we announced our intention to further reduce our quarterly operational costs to a level of $1 45 billion as part of the 2003 Plan In order to accomplish this we announced a workforce reduction of approximately 4 000 jobs in addition to previously announced cuts

In order to achieve the goals of the 2003 Plan we have reduced our workforce by approximately 5 800 as of October 31 2004 primarily in our U S operations Reductions were made across all businesses with significant reductions in our test and measurement and semiconductor products businesses We continued to reduce the number of employees at production facilities and employees that provide support services across all businesses We have also reduced the number of research and development employees as we continue to look for opportunities to align our business with available markets

With respect to the 2003 plan we have continued to consolidate excess facilities We have exited administrative office buildings research and development facilities and moved manufacturing to lower cost regions Our plan to consolidate excess facilities resulted in increased charges of $28 million in 2004 and $13 million in 2003 for lease termination fees and losses estimated from sub lease agreements

During 2004 we incurred asset impairment charges of $25 million primarily related to a manufacturing site in California We announced our plans to exit this site, used primarily by the test and measurement business during the second quarter of 2004 We may incur some additional asset impairment charges upon the sale of this site In 2003 we incurred asset impairment charges of $57 million for fixed assets primarily owned by our semiconductor products segment

As of October 31 2004 the cost of the 2003 Plan totaled $462 million $308 million in 2003 and $154 million in 2004

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

A summary of restructuring activity for the 2003 Plan through October 31 2004 is shown in the table below

	Workforce Reduction	Consolidation of Excess Facilities	Impairment of Assets, Property Plant and Equipment	Total
		(in millions)		
Balance at October 31 2002	$ —	$ —	$ —	$ —
Total charge	238	13	57	308
Asset impairments	—	—	(57)	(57)
Cash payments	(234)	(4)	—	(238)
Balance at October 31 2003	4	9	—	13
Total charge	101	28	25	154
Asset impairments	—	—	(25)	(25)
Cash payments	(84)	(14)	—	(98)
Balance at October 31 2004	$ 21	$ 23	$ —	$ 44

Summary information for combined plans

The restructuring accrual for all plans, which totaled $87 million as of October 31 2004 and $89 million as of October 31 2003, is recorded in other accrued liabilities on the consolidated balance sheet and represents estimated future cash outlays Lease payments are expected over the next five years Other payments primarily severance are expected within a one year period

A summary of the statement of operations impact of the charges resulting from all restructuring plans is shown below

	Years Ended October 31		
	2004	2003	2002
		(in millions)	
Cost of products and services	$ 54	$ 111	$ 210
Research and development	16	66	56
Selling, general and administrative	91	195	208
Total restructuring and asset impairment charges	$ 161	$ 372	$ 474

14 Retirement Plans and Post retirement Benefits

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General Substantially all of our employees are covered under various defined benefit and/or defined contribution plans Additionally we sponsor post retirement health care benefits and a death benefit under the Agilent Survivor Protection Plan for our eligible U S employees

Retirement deferred profit sharing and post retirement plans Worldwide costs included in net income (loss) from continuing operations were $142 million in 2004 $187 million in 2003 and $122 million in 2002

Agilent provides U S employees who meet eligibility criteria under the retirement and deferred profit sharing plans defined benefits which are generally based on an employee s highest five

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

consecutive years average pay during the years of employment and on length of service For eligible service through October 31, 1993 the benefit payable under the Agilent Retirement Plan is reduced by any amounts due to the eligible employee under our fixed and frozen defined contribution Deferred Profit Sharing Plan ("DPSP) which was closed to new participants in November 1993

As of October 31 2004 and 2003 the status of the Agilent Retirement Plan and DPSP for U.S Agilent Employees follows

	Agilent Retirement Plan		DPSP	
	2004	2003	2004	2003
	(In millions)			
Fair value of plan assets	$ 564	$ 488	$ 847	$ 863
Retirement benefit obligation	$ 718	$ 660	$ 847	$ 863

Eligible employees outside the U S generally receive retirement benefits under various retirement plans based upon factors such as years of service and employee compensation levels Eligibility is generally determined in accordance with local statutory requirements

401(k) defined contribution plan. Our U S eligible employees may participate in the Agilent Technologies Inc 401(k) Plan ("the 401(k) Plan") Enrollment in the 401(k) Plan is automatic for employees who meet eligibility requirements unless they decline participation Under the 401(k) Plan, we provide matching contributions to employees up to a maximum of 4 percent of an employee s annual eligible compensation The maximum contribution to the 401(k) Plan is 50 percent of an employee s annual eligible compensation subject to regulatory and plan limitations The 401(k) Plan expense included in income (loss) from continuing operations was $36 million in 2004 $41 million in 2003 and $48 million in 2002.

Post retirement benefit plans In addition to receiving pension benefits our U S employees who meet retirement eligibility requirements as of their termination dates may participate in our Contained Group Medical or SeniorMed Plans (the "Post retirement Medical Plans) Our current U S employees could become eligible for these benefits and the existing benefit obligation relates primarily to those employees Once participating in a medical plan retirees may choose from managed-care and indemnity options with their contributions dependent on the options chosen and length of service Our U S retirees are also covered by a lump sum death benefit that is part of the Agilent Survivor Protection Plan

Plan amendments In July 2004 the Compensation Committee of the Board of Directors approved design changes to Agilent s Post retirement Medical Plans and the Survivor Protection Plan In addition the Compensation Committee delegated certain authority to the Benefits Committee to amend plans as necessary to effectuate these design changes The existing post-65 retirees are expected to be covered by a new Medicare Supplement Plan in 2005 The Medicare Supplement Plan will supplement Medicare coverage by reimbursing Medicare Parts A and B deductibles at 100 percent after Medicare pays its portion of the retiree s expenses No changes were made to the Post retirement Medical Plans for current pre 65 retirees The Post retirement Medical Plans for certain future pre-65 retirees will be revised to establish retiree medical accounts for the benefit of such retirees and will be funded with amounts as determined by Agilent, in lieu of the managed care and indemnity options currently offered under the Post retirement Medical Plans

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Finally the Agilent Survivor Protection Plan was revised to eliminate the $5 000 Retiree Survivor Benefit for all U S retirees who retire on or after January 1 2005 None of these design changes had a material impact on the financial statements as of and for the year ended October 31 2004

Components of net periodic cost For the years ended October 31 2004 2003 and 2002 our net pension and post retirement benefit costs were comprised of

	Pensions						U.S. Post Retirement Benefit Plans		
	U.S. Plans			Non-U.S. Plans					
	2004	2003	2002	2004	2003	2002	2004	2003	2002
	(In millions)								
Service cost — benefits earned during the period	$ 63	$ 70	$ 83	$ 41	$ 44	$ 42	$ 12	$ 13	$ 13
Interest cost on benefit obligation	39	44	46	52	46	41	32	30	27
Expected return on plan assets	(45)	(39)	(41)	(65)	(53)	(59)	(25)	(22)	(28)
Amortization and deferrals									
Actuarial loss (gain)	3	14	10	33	33	13	6	1	(8)
Prior service cost	1	1	1	—	—	—	(5)	—	—
Net plan costs	61	90	99	61	70	37	20	22	4
Curtailment loss (gain)	—	—	1	—	—	(1)	—	—	(41)
Settlement loss	—	—	5	—	4	7	—	—	—
Special termination benefits	—	—	—	—	1	1	—	—	—
Total net plan costs (income)	$ 61	$ 90	$ 105	$ 61	$ 75	$ 44	$ 20	$ 22	$ (37)
Distribution of net plan costs (income)									
Continuing operations	$ 61	$ 90	$ 105	$ 61	$ 75	$ 44	$ 20	$ 22	$ (27)
Discontinued operations	—	—	—	—	—	—	—	—	(10)
Total net plan costs (income)	$ 61	$ 90	$ 105	$ 61	$ 75	$ 44	$ 20	$ 22	$ (37)

Measurement date Agilent uses an October 31 measurement date for the U S plans and a September 30 measurement date for non U S plans

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Funded status As of October 31 2004 and 2003 the funded status of the defined benefit and post retirement benefit plans was

	U.S. Defined Benefit Plans		Non-U.S. Defined Benefit Plans		U.S. Post Retirement Benefit Plans	
	2004	2003	2004	2003	2004	2003
	(In millions)					
Change in fair value of plan assets						
Fair value — beginning of year	$ 488	$ 407	$ 928	$ 657	$ 290	$ 256
Actual return on plan assets	49	89	72	95	26	49
Employer contributions	63	91	83	127	—	—
Participants contributions	—	—	6	8	—	—
Benefits paid	(40)	(100)	(36)	(35)	(16)	(15)
Transfer from DPSP	4	1	—	—	—	—
Special termination benefits	—	—	—	1	—	—
Currency impact	—	—	56	83	—	—
Curtailment/settlement impact — restructuring	—	—	—	(8)	—	—
Fair value — end of year	$ 564	$ 488	$ 1 109	$ 928	$ 300	$ 290
Change in benefit obligation						
Benefit obligation — beginning of year	$ 660	$ 761	$ 1 095	$ 957	$ 539	$ 437
Service cost	63	70	41	44	12	13
Interest cost	39	44	52	46	32	30
Participants contributions	—	—	6	8	—	—
Plan amendment	—	—	—	—	(123)	(25)
Actuarial (gain) loss	(9)	(88)	(37)	(8)	59	122
Benefits paid	(39)	(100)	(36)	(35)	(16)	(14)
Transfer from DPSP	4	1	—	—	—	—
Special termination benefits	—	—	—	1	—	—
Currency impact	—	—	68	102	—	—
Curtailment/settlement impact — restructuring	—	(28)	—	(20)	—	(24)
Benefit obligation — end of year	$ 718	$ 660	$ 1 189	$ 1 095	$ 503	$ 539
Plan assets less than benefit obligation	$ (154)	$ (172)	$ (80)	$ (167)	$ (203)	$ (249)
Unrecognized net actuarial loss	19	34	374	425	172	120
Unrecognized prior service cost (benefit) related to plan changes	2	3	(5)	(5)	(141)	(23)
Net (accrued) prepaid costs	$ (133)	$ (135)	$ 289	$ 253	$ (172)	$ (152)

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Amounts recognized in the consolidated balance sheet consist of						
Prepaid defined benefit plan costs	$ —	$ —	$ 290	$ 253	$ —	$ —
Accrued defined benefit plan costs	(133)	(135)	(1)	(136)	—	—
Intangible assets	—	—	—	4	—	—
Additional minimum pension liability	—	—	—	132	—	—
Accrued post retirement benefits costs	—	—	—	—	(172)	(152)
Net (accrued) prepaid costs	$ (133)	$ (135)	$ 289	$ 253	$ (172)	$ (152)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Investment policies and strategies Plan assets consist primarily of listed stocks and bonds In the U S our Agilent Retirement Plan and post retirement benefit assets are allocated approximately 80 percent to equities and approximately 20 percent to fixed income investments Our DPSP assets are allocated approximately 60 percent to equities and approximately 40 percent to fixed income investments Approximately 10 percent of our U S equity portfolio consists of alternative investments consisting largely of private equity partnerships We desire to obtain the optimum rate of investment return on the total investment portfolio consistent with the assumption of a reasonable level of risk The safety and protection of principal is a primary concern and we believe that a well-diversified investment portfolio will result in the highest attainable investment return (income plus capital appreciation) with the lowest overall risk. Specific investment objectives for the plans are maintain and enhance the purchasing power of the plans' assets achieve investment returns consistent with the level of risk being taken and earn performance rates of return in accordance with the benchmarks adopted for each asset class Outside the U S our assets are allocated between 50 75 percent to equities and 25 50 percent to fixed income investments depending on the plan All plans' assets are broadly diversified

As of October 31 2004 and October 31 2003 our defined benefit plans in aggregate had projected benefit obligations (PBO) that were in excess of the fair value of the plan assets The amounts of the obligations and assets for the plans were

	U.S. Defined Benefit Plans October 31		Non-U.S. Defined Benefit Plans October 31	
	2004	2003	2004	2003
		(in millions)		
Aggregate projected benefit obligation (PBO)	$ (718)	$ (660)	$ (1 189)	$ (1 095)
Aggregate accumulated benefit obligation (ABO)	$ (481)	$ (422)	$ (1009)	$ (924)
Aggregate fair value of plan assets	$ 564	$ 488	$ 1 109	$ 928

Contributions and estimated future benefit payments During fiscal year 2005 we expect to contribute $40 million to the Agilent Retirement Plan $44 million to plans outside the U S and zero to the Post retirement Medical Plans We expect to pay the following benefit payments which include expected future service

	U.S. Defined Benefit Plans	Non-U.S. Defined Benefit Plans	U.S. Post Retirement Benefit Plans
		(in millions)	
2005	$ 37	$ 23	$ 18
2006	$ 54	$ 26	$ 20
2007	$ 54	$ 29	$ 22
2008	$ 59	$ 33	$ 24
2009	$ 65	$ 37	$ 26
2010-2014	$ 368	$ 257	$ 158

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No additional minimum pension liability was required for 2004 due to improved investment performance and employer contributions For 2003 an additional minimum pension liability adjustment was required for our pension plans in Germany Japan and the United Kingdom as the

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

accumulated benefit obligation of $439 million for those plans exceeded the $408 million of pension plan assets for those plans as of the measurement date The $31 million difference was increased by $105 million for net prepaid pension costs for all of the affected plans and reduced by $4 million for intangible assets in the United Kingdom s plan and one of the Japanese plans resulting in a gross additional minimum pension liability of $132 million Of this amount, $92 million impacted accumulated comprehensive loss in 2003 offset by $40 million applied to deferred tax assets For 2002, an additional minimum pension liability adjustment was required for our pension plans in Germany Japan and the United Kingdom as the accumulated benefit obligation of $529 million for those plans exceeded the $441 million of pension plan assets for those plans as of the measurement date The $88 million difference was increased by $142 million for net prepaid pension costs for all of the affected plans and reduced by $6 million for intangible assets in the United Kingdom s plan and one of the Japanese plans resulting in a gross additional minimum pension liability of $224 million Of this amount $146 million impacted accumulated comprehensive loss in 2002 offset by $78 million applied to deferred tax assets

Assumptions The assumptions used to determine the benefit obligations and expense for our defined benefit and post retirement benefit plans are presented in the table below The impacts of the assumptions listed for the years 2004 2003 and 2002 have already been recognized in our consolidated statement of operations The assumptions for the year 2005 were used to determine the obligations presented as of October 31 2004 in the funded status table above and their impacts will be recognized in our consolidated statements of operations during 2005 The expected long term return on assets of 8 50 percent is based on the historical rate of return for our chosen asset mix of equities and fixed income investments adjusted for anticipated future movements

	Years Ended October 31,			
	2005	2004	2003	2002
U S defined benefit plans				
Discount rate	5 75%	6 25%	6 75%	7 0%
Average increase in compensation levels	4 25%	4 25%	5.25%	5.5%
Expected long term return on assets	8.50%	8 75%	8 75%	9 0%
Non U S defined benefit plans				
Discount rate	2.25 5 75%	2 0 5.5%	2.25-6.0%	2.5-6 5%
Average increase in compensation levels	2.5-4.25%	2.5-4 0%	3.5-4 25%	3 5 5.5%
Expected long term return on assets	4.5 7.5%	5 0-7.5%	5.5 7 75%	6.5-8.5%
U S post retirement benefits plans				
Discount rate	5 75%	6 25%	6 75%	7 0%
Expected long term return on assets	8.50%	8 75%	8 75%	9 0%
Current medical cost trend rate	10 0%	10 0%	9 0%	7 75%
Ultimate medical cost trend rate	5 0%	5 0%	5.5%	5.5%
Medical cost trend rate decreases to ultimate rate in year	2010	2009	2007	2007

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Assumed health care trend rates could have a significant effect on the amounts reported for Post retirement Medical Plans A one percentage point change in the assumed health care cost trend rates for the year ended October 31 2005 would have the following effects

	One Percentage Point Increase	One Percentage Point Decrease
	(in millions)	
Effect on total service and interest cost components	$ 8	$ (8)
Effect on post retirement benefit obligations	$ 74	$ (53)

15 Other Accrued Liabilities and Other Long-Term Liabilities

Other accrued liabilities and other long term liabilities at October 31 2004 and 2003 were as follows

	October 31,	
	2004	2003
	(in millions)	
Other accrued liabilities		
Accrued expenses	$ 77	$ 114
Restructuring	87	89
Warranty accruals	49	57
Lease guarantees	13	31
Other	35	20
Total other accrued liabilities	$ 261	$ 311
Other long term liabilities		
Retirement plans	$ 303	$ 285
Deferred compensation	46	37
Minority interest	28	25
Warranty accruals	10	14
Other	79	56
Total other long term liabilities	$ 466	$ 417

Our accrued vacation balance totaled $201 million and $193 million at October 31 2004 and 2003 respectively and is recorded in employee compensation and benefits in the consolidated balance sheet.

16.Senior Convertible Debentures and Lines of Credit

Senior convertible debentures On November 27 2001 we completed a private offering of $1 15 billion aggregate principal amount of

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three percent senior convertible debentures (the debentures) due 2021 and generated net proceeds of $1 12 billion after deducting fees and expenses The debentures are convertible at any time into our common stock at an initial conversion price of $32 22 per share (approximately 36 million shares) subject to adjustment (as defined in the related Indenture dated November 27 2001) They are redeemable for cash at the company s option

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

beginning at any time on or after December 6 2004 at a price equal to 100 percent of the principal amount plus interest Holders of the debentures have the ability to require us to repurchase the debentures in whole or in part on December 1 in each of 2006 2011 and 2016 Holders also have the right to require us to repurchase all or a portion of the outstanding debentures if the company undergoes a Fundamental Change (as defined in the Indenture) The debentures bear interest at an annual rate of three percent, which is payable on June 1 and December 1 of each year beginning June 1 2002 The interest rate will reset (as defined in the Indenture) in June 2006 June 2011 and June 2016 but in no event will it be reset below three percent or above five percent per annum To date there have been no adjustments to the conversion price of the debentures

Lines of credit Effective November 1 2002 we terminated our $250 million five year revolving credit facility that was due to expire on November 5 2005 and did not extend the $250 million 364-day revolving credit facility that expired on November 1 2002 There were no balances outstanding under either facility at October 31 2004

17 Commitments

Operating Lease Commitments Agilent Technologies leases certain real and personal property from unrelated third parties under non-cancelable operating leases Future minimum lease payments under leases at October 31 2004 were $108 million for 2005 $87 million for 2006 $67 million for 2007 $55 million for 2008 $46 million for 2009 and $ 81 million thereafter Certain leases require Agilent Technologies to pay property taxes insurance and routine maintenance and include escalation clauses Rent expense was $116 million in 2004 $126 million in 2003 and $177 million in 2002.

18 Contingencies

We are involved in lawsuits claims investigations and proceedings including patent commercial and environmental matters that arise in the ordinary course of business There are no such matters pending that we expect to be material in relation to our business consolidated financial condition results of operations or cash flows

19.Segment Information

Description of segments We are a diversified technology company that provides enabling solutions to customers in markets within the communications electronics life sciences and chemical analysis industries

We organize our business operations into four major businesses — test and measurement automated test semiconductor products and life sciences and chemical analysis — each of which comprises a reportable segment The segments were determined based primarily on how the chief operating decision maker views and evaluates our operations Other factors including customer base homogeneity of products technology and delivery channels were also considered in determining our reportable segments

Our four reportable segments are as follows

test and measurement business provides standard and customized solutions that are used in the design development, manufacture installation deployment and operation of electronic equipment and systems and communications networks and services These solutions include test and measurement instruments and systems communications service and network monitoring management and optimization tools and software design tools and associated services

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

automated test business provides test system solutions that are used in the manufacture of semiconductor devices electronics (primarily printed circuit board assemblies) and flat panel displays Our test solutions enable electronics designers and manufacturers to shorten the design to production cycle lower manufacturing cost of test confirm the functional quality of their devices and of their manufacturing processes and accelerate the high volume delivery of their products

semiconductor products business is a leading supplier of semiconductor components modules and assemblies for consumer and commercial electronics applications We design develop and manufacture products for the networking and personal systems markets Our networking products include fiber optic transceivers for sending and receiving data over high speed networks and ICs for enterprise storage and networking and

life sciences and chemical analysis business provides application focused solutions that include instruments software, consumables and services that enable customers to identify quantify and analyze the physical and biological properties of substances and products Our seven key product categories include microarrays microfluidics gas chromatography liquid chromatography mass spectrometry software and informatics and related consumables reagents and services

Segment revenue and profit The accounting policies used to derive reportable segment results are generally the same as those described in Note 2 Summary of Significant Accounting Policies

A significant portion of the segments expenses arise from shared services and infrastructure that we have historically provided to the segments in order to realize economies of scale and to efficiently use resources These expenses, collectively called corporate charges include costs of centralized research and development legal accounting employee benefits real estate insurance services information technology services treasury and other corporate infrastructure expenses Charges are allocated to the segments and the allocations have been determined on a basis that we considered to be a reasonable reflection of the utilization of services provided to or benefits received by the segments

The following tables reflect the results of our reportable segments under our management reporting system These results are not necessarily a depiction that is in conformity with accounting principles generally accepted in the U S The performance of each segment is measured based on several metrics including income (loss) from operations These results are used in part, by the chief operating decision maker in evaluating the performance of and in allocating resources to each of the segments

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The profitability of each of the segments is measured after excluding amortization of goodwill amortization and impairment of other intangibles restructuring and asset impairment charges and other items as noted in the reconciliation below

	Test and Measurement	Automated Test	Semiconductor Products	Life Sciences and Chemical Analysis	Total Segments
			(in millions)		
Year Ended October 31, 2004					
Total net revenue	$ 2,903	$ 924	$ 2,021	$ 1,333	$ 7,181
Income from operations	$ 219	$ 66	$ 166	$ 192	$ 643
Depreciation Expense	$ 103	$ 30	$ 94	$ 39	$ 266
Year Ended October 31, 2003					
Total net revenue	$ 2,529	$ 755	$ 1,586	$ 1,186	$ 6,056
(Loss) income from operations	$ (315)	$ (34)	$ (59)	$ 148	$ (260)
Depreciation Expense	$ 128	$ 30	$ 118	$ 35	$ 311
Year Ended October 31, 2002					
Total net revenue	$ 2,612	$ 706	$ 1,559	$ 1,133	$ 6,010
(Loss) income from operations	$ (710)	$ (70)	$ (115)	$ 140	$ (755)
Depreciation Expense	$ 121	$ 30	$ 176	$ 30	$ 357

The following table reconciles segment results to Agilent s total enterprise results from continuing operations before taxes

	Years Ended October 31,		
	2004	2003	2002
		(in millions)	
Total reportable segments income (loss) from operations	$ 643	$ (260)	$ (755)
Amortization of goodwill	—	—	(326)
Amortization and impairment of intangibles	(20)	(55)	(52)
Restructuring and asset impairment	(161)	(372)	(474)
Other asset impairment	(15)	(15)	(13)
Retirement plans net curtailment and settlement (loss) gain	—	(5)	19
Unallocated corporate charges and other	(7)	17	54
Income (loss) from continuing operations before taxes as reported	$ 440	$ (690)	$ (1,547)
Depreciation and amortization expense			
Total reportable segments depreciation	$ 266	$ 311	$ 357
Corporate amortization expense	26	51	378
Total depreciation and amortization expense as reported	$ 292	$ 362	$ 735

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Major customers No customer represented 10 percent or more of our total net revenue in 2004 2003 or 2002

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Net revenue				
Year ended October 31 2004	$ 2,213	$ 834	$ 4,134	$ 7,181
Year ended October 31 2003	$ 2,203	$ 657	$ 3,196	$ 6,056
Year ended October 31 2002	$ 2,355	$ 997	$ 3,058	$ 6,010
Long lived assets				
October 31 2004	$ 936	$ 240	$ 830	$ 2,006
October 31 2003	$ 1,030	$ 270	$ 654	$ 1,954

AGILENT TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

During 2004 we changed the basis by which segment assets are measured and reported to the chief operating decision maker to include allocated corporate assets the largest component of which relates to deferred tax assets before the valuation adjustment. Unallocated assets primarily consist of cash and cash equivalents accumulated amortization of goodwill and other intangibles the valuation allowance relating to deferred tax assets and other assets The following table reflects the updated measure of segment assets capital expenditures and investments in equity method investees and capital expenditures directly managed by each segment All amounts have been reclassified to conform to the current period presentation

	Test and Measurement	Automated Test	Semiconductor Products	Life Sciences and Chemical Analysis	Total Segments
			(in millions)		
As of October 31, 2004					
Assets	$ 2,148	$ 718	$ 1,434	$ 725	$ 5,025
Capital expenditures	$ 43	$ 14	$ 47	$ 14	$ 118
Investments in and advances to equity method investees	$ 23	$ —	$ 103	$ —	$ 126
As of October 31, 2003					
Assets	$ 2,268	$ 804	$ 1,420	$ 680	$ 5,172
Capital expenditures	$ 85	$ 23	$ 70	$ 27	$ 205
Investments in and advances to equity method investees	$ 25	$ —	$ 75	$ —	$ 100

The following table reconciles segment assets to Agilent s total assets

	October 31	
	2004	2003
	(in millions)	
Total reportable segments assets	$ 5,025	$ 5,172
Cash and cash equivalents	2,315	1,607
Other	(284)	(482)
Total assets	$ 7,056	$ 6,297

Geographic Information

United States	Japan	Rest of the World	Total
		(in millions)	

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QUARTERLY SUMMARY

(Unaudited)

	Three Months Ended			
	January 31	April 30	July 31	October 31
	(In millions, except per share data)			
2004	(1)	(2)	(3)	(4)
Net revenue	$ 1,643	$ 1,831	$ 1,885	$ 1,822
Cost of products and services and other	904	1,023	1,089	1,042
Income from operations	79	111	107	89
Net income	$ 71	$ 104	$ 100	$ 74
Net income per share				
Basic	$ 0.15	$ 0.22	$ 0.21	$ 0.15
Diluted	$ 0.14	$ 0.21	$ 0.20	$ 0.15
Weighted average shares used in computing net income per share				
Basic	480	481	485	486
Diluted	490	495	491	490
Range of stock prices on NYSE	$ 24.97 38.80	$ 26.91 37.62	$ 22.63 29.68	$ 19.51 25.31
2003	(5)	(6)	(7)	(8)
Net revenue	$ 1,412	$ 1,467	$ 1,502	$ 1,675
Cost of products and services and other	880	958	951	961
Income (loss) from operations	(256)	(335)	(190)	56
Income (loss) from continuing operations	(112)	(146)	(1,545)	13
Cumulative effect of adopting SFAS No 142	(257)	—	(11)	—
Net income (loss)	$ (369)	$ (146)	$ (1,556)	$ 13
Net income (loss) per share — Basic and Diluted				
Net income (loss) from continuing operations	$ (0.24)	$ (0.31)	$ (3.25)	$ 0.03
Cumulative effect of adopting SFAS No 142	(0.54)	—	(0.03)	—
Net income (loss)	$ (0.78)	$ (0.31)	$ (3.28)	$ 0.03
Weighted average shares used in computing net income (loss) per share				
Basic	471	471	475	476
Diluted	471	471	475	481
Range of stock prices on NYSE	$ 13.19 20.30	$ 11.30-16.82	$ 15.48-22.64	$ 20.31 26.48

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NOTES

(1) Includes pre-tax restructuring and asset impairment charges of $45 million primarily relating to severance expenses

(2) Includes pre-tax restructuring and asset impairment charges of $20 million primarily relating to severance expenses

(3) Includes pre tax restructuring and asset impairment charges of $42 million primarily relating to severance expenses

(4) Includes pre-tax restructuring and asset impairment charges of $54 million primarily relating to severance expenses

(5) Includes pre tax restructuring and asset impairment charges of $42 million primarily relating to severance expenses

(6) Includes pre tax restructuring and asset impairment charges of $131 million primarily relating to severance expenses

(7) Includes pre tax restructuring and asset impairment charges of $141 million primarily relating to severance expenses and a non-cash charge to establish a tax valuation allowance of $1 4 billion

(8) Includes pre-tax restructuring and asset impairment charges of $58 million primarily relating to severance expenses

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized

AGILENT TECHNOLOGIES INC
BY /s/D CRAIG NORDLUND
D Craig Nordlund

Senior Vice President

General Counsel and Secretary

Date December 21 2004

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POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS that each person whose signature appears below constitutes and appoints D Craig Nordlund and Marie Oh Huber or either of them his or her attorneys in fact for such person in any and all capacities to sign any amendments to this report and to file the same with exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission hereby ratifying and confirming all that either of said attorneys in fact, or substitute or substitutes may do or cause to be done by virtue hereof Pursuant to the requirements of the Securities Exchange Act of 1934 this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated

Signature	Title	Date
/s/E DWARD W B ARNHOLT Edward W Barnholt	Chairman, President and Chief Executive Officer (Principal Executive Officer)	December 21 2004
/s/A DRIAN T D ILLON Adrian T Dillon	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	December 21 2004
/s/D IDIER H IRSCH Didier Hirsch	Vice President and Corporate Controller (Principal Accounting Officer)	December 21 2004
/s/K OH B OON H WEE Koh Boon Hwee	Director	December 21 2004
/s/J AMES G C ULLEN James G Cullen	Director	December 21 2004
/s/R OBERT J H ERBOLD Robert J Herbold	Director	December 21 2004
/s/W ALTER B H EWLETT Walter B. Hewlett	Director	December 21 2004
/s/R OBERT L J OSS Robert L. Joss	Director	December 21 2004
/s/H EIDI K UNZ Heidi Kunz	Director	December 21 2004
/s/D AVID M L AWRENCE M.D David M. Lawrence, M.D.	Director	December 21 2004
/s/A B ARRY R AND A. Barry Rand	Director	December 21, 2004

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EXHIBIT INDEX

Exhibit Number	Description
1	Not applicable
2.1	Master Separation and Distribution Agreement between Hewlett Packard and the Company effective as of August 12 1999 Incorporated by reference from Exhibit 2 1 of the Company s Registration Statement on Form S 1 Regatration No 333 85249 (S 1).
2.2	General Assignment and Assumption Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 2 of the Company s S 1
2.3	Master Technology Ownership and License Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 3 of the Company s S 1
2.4	Master Patent Ownership and License Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 4 of the Company s S 1
2.5	Master Trademark Ownership and License Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 5 of the Company s S 1
2.6	ICBD Technology Ownership and License Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 6 of the Company s S 1
2.7	Employee Matters Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 7 of the Company s S 1
2.8	Tax Sharing Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 8 of the Company s S 1
2.9	Master IT Service Level Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 9 of the Company s S 1
2.10	Real Estate Matters Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 10 of the Company s S 1
2.11	Environmental Matters Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 11 of the Company s S 1
2.12	Master Confidential Disclosure Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2.12 of the Company s S 1
2.13	Indemnification and Insurance Matters Agreement between Hewlett Packard and the Company Incorporated by reference from Exhibit 2 13 of the Company s S 1
2.14	Non U.S Plan Incorporated by reference from Exhibit 2 14 of the Company s S 1
2.15	Agreement and Plan of Merger dated as of November 24 2000 by and among Agilent Technologies Inc Tahoe Acquisition Corp and Objective Systems Integrators Inc Incorporated by reference from Exhibit 99 1(A) of the Schedule 13D filed by Agilent Technologies, Inc. on December 4 2000
2.16	Tender and Voting Agreement dated as of November 24 2000, by and among Agilent Technologies Inc Tahoe Acquisition Corp and Objective Systems Integrators Inc Incorporated by reference from Exhibit 99 1(B) of the Schedule 13D filed by Agilent Technologies Inc. on December 4 2000
2.17	Asset Purchase Agreement between the Company and Philips dated as of November 17 2000 Incorporated by reference from Exhibit 2 17 of the Company s 10-Q filed on March19 2001

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Exhibit Number	Description
2.18	Amendment and Supplemental Agreement dated as of August 1 2001 between Agilent Technologies Inc and Koninklijke Philips Electronics N V Incorporated by reference from Exhibit 2 2 of the Company s Form 8 K filed August 15 2001
2.19	Master Service Level Agreement dated as of August 1 2001 between Agilent Technologies Inc and Koninklijke Philips Electronics N V Incorporated by reference from Exhibit 2 3 of the Company s Form 8 K filed August 15 2001
3.1	Amended and Restated Certificate of Incorporation Incorporated by reference from Exhibit 3 1 of the Company s S 1
3.2	Amended and Restated Bylaws Incorporated by reference from Exhibit 4 2 of the Company s S 3/A filed April 10 2002
4.1	Preferred Stock Rights Agreement between the Company and Harris Trust and Savings Bank dated as of May 12 2000 Incorporated by reference from Exhibit 1 of the Company s Form 8 A filed on May 17 2000
4.2	Indenture between the Company and Citibank N A dated November 27 2001 Incorporated by reference from Exhibit 99 2 of the Company s Form 8 K filed on November 27 2001
4.3	Registration Rights Agreement between the Company and Credit Suisse First Boston Corporation J P Morgan Securities Inc and Salomon Smith Barney Inc dated November 27 2001 Incorporated by reference from Exhibit 99 3 of the Company s Form 8 K filed on November 27 2001
5-8	Not applicable
9	None
10.1	Agilent Technologies Inc 1999 Stock Plan Incorporated by reference from Exhibit 10 2 of the Company s S 1 *
10.2	Agilent Technologies Inc 1999 Stock Plan (restatement effective September 17 2001) Incorporated by reference from Exhibit 10 13 of the Company s Form 10-K/A filed on February 1 2002 *
10.3	Agilent Technologies Inc 1999 Stock Plan (Amended and Restated Effective May 21 2002) Incorporated by reference from the Company s Form S 8 filed May 23 2002 *
10.4	Agilent Technologies Inc Employee Stock Purchase Plan Incorporated by reference from Exhibit 4 1 of the Company s Form S-8 filed September 29 2000 *
10.5	1999 Non Employee Director Stock Plan Incorporated by reference from Exhibit 10.3 of the Company s S 1 *
10.6	Form of Indemnification Agreement entered into by the Company with each of its directors and board appointed officers Incorporated by reference from Exhibit 10.5 of the Company s S 1 *
10.7	Agilent Technologies Inc Excess Benefit Retirement Plan Incorporated by reference from Exhibit 10 7 of the Company s Form 10 K filed January 22 2002 Amendment to the Agilent Technologies Inc Excess Benefit Retirement Plan adopted effective May 1 2000 *
10.8	Agilent Technologies Inc Deferred Compensation Plan (amended and restated as of March 19 2002) Incorporated by reference from the Company s Form 10-K filed December 20 2002 *

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Exhibit Number	Description
10.9	Asset Purchase Agreement, dated September 29 2000 between Agilent Technologies Inc and CIT Group/Equipment Financing Inc. Incorporated by reference from Exhibit 10 10 of the Company s 10-Q filed on March 19 2001
10.10	Purchase and Sale Agreement dated February 1 2001 between Agilent Technologies Inc and BEA Systems Inc Incorporated by reference from Exhibit 10 11 of the Company s Form 10-Q filed on June 14 2001
10.11	Offer letter from the Company to Adrian T Dillon as incoming Executive Vice President and Chief Financial Officer dated November 6 2001 Incorporated by reference from Exhibit 10 15 of the Company s Form 10-Q filed on March 6 2002
10.12	Letter Agreement between Alain Couder and Ned Barnholt dated February 26 2002 Incorporated by reference from Exhibit 10 17 of the Company s Form 10-Q filed June 5 2002
10.13	Form of Change of Control Severance Agreement entered into by the Company with Byron J Anderson Dick M Chang Adrian T Dillon Jean M Halloran D Craig Nordlund Young K Sohn William P Sullivan Jack P Trautman, Chris van Ingen and Thomas E White Incorporated by reference from Exhibit 10 15 of the Company s Form 10-Q filed March 12 2003 *
10.14	Change of Control Severance Agreement dated November 27 2002 entered into by the Company with its Chief Executive Officer Incorporated by reference from Exhibit 10 16 of the Company s Form 10-Q filed March 12, 2003 *
10.15	Agilent Technologies Inc 1999 Stock Plan as amended and restated and Amendment No 1 thereto dated March 5 2003 Incorporated by reference from Exhibit (d)(1) of the Company s Schedule TO filed on May 20 2003 *
10.16	Amendment No 2 to Agilent Technologies Inc 1999 Stock Plan dated May 20 2003 Incorporated by reference from Exhibit 10 18 of the Company s Form 10-Q filed June 4, 2003 *
10.17	English summary of lease between Shanghai WaiGaoQiao Free Trade Zone Dev Co Ltd and Agilent dated June 29 2001 Incorporated by reference from Exhibit 10 19 of the Company s Form 10 K filed December 22 2003
10.18	Agilent Technologies Inc Long Term Performance Program Description for Section 16 Officers effective November 1 2003 Incorporated by reference from Exhibit 10 18 of the Company s Form 10-Q filed March 4 2004 *
10.19	Agilent Technologies Inc 1999 Stock Plan (Amendment and Restatement Effective November 18 2003) Incorporated by reference from Exhibit 10 19 of the Company s Form 10-Q filed March 4 2004 *
10.20	1999 Non Employee Director Stock Plan (Amended and Restated Effective January 20 2004) Incorporated by reference from Exhibit 10 19 of the Company s Form 10-Q filed June 3 2004 *
10.21	Form of Amendment #1 to Change of Control Severance Agreement dated April 2 2004 entered into by the Company with Adrian T Dillon Jean M Halloran, D Craig Nordlund, Young K Sohn William P Sullivan Jack P Trautman Chris van Ingen, Thomas E White and with its Chief Executive Officer Incorporated by reference from Exhibit 10 20 of the Company s Form 10-Q filed June 3 2004 *

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Exhibit Number	Description
10.22	Agilent Technologies Inc Deferred Compensation Plan for Non Employee Directors (Effective as of March 1 2004) Incorporated by reference from Exhibit 10 21 of the Company s Form 10 Q filed June 3 2004 *
10.23	Agilent Technologies Inc Deferred Compensation Plan (Amended and Restated as of March 1 2004) Incorporated by reference from Exhibit 10 22 of the Company s Form 10-Q filed June 3 2004 *
10.24	Agilent Technologies Inc Employee Stock Purchase Plan (Amended and Restated Effective November 1 2004) Incorporated by reference from Exhibit 10 23 of the Company s Form 10-Q filed September 2 2004 *
10.25	Agilent Technologies Inc Non Employee Director Stock Plan (Amended and Restated Effective July 20 2004) Incorporated by reference from Exhibit 10 24 of the Company s 10-Q filed September 2 2004 *
10.26	Form of Award Agreement (U S) for grants under the Agilent Technologies, Inc 1999 Stock Plan Incorporated by reference from Exhibit 10 1 of the Company's 8 K filed November 12, 2004 *
10.27	Form of Award Agreement (Non U S) for grants under the Agilent Technologies Inc 1999 Stock Plan Incorporated by reference from Exhibit 10.2 of the Company s 8 K filed November 12 2004 *
10.28	Form of Stock Option Agreement for grants under the Agilent Technologies Inc 1999 Non Employee Director Stock Plan Incorporated by reference from Exhibit 10 3 of the Company s 8 K filed November 12 2004 *
10.29	Form of Award Agreement (Belgium) for grants under the Agilent Technologies Inc 1999 Stock Plan *
10.30	Form of Award Agreement (Brazil) for grants under the Agilent Technologies Inc 1999 Stock Plan *
10.31	Form of Award Agreement (China) for grants under the Agilent Technologies Inc 1999 Stock Plan *
10.32	Form of Award Agreement (France) for grants under the Agilent Technologies Inc 1999 Stock Plan *
10.33	Form of Award Agreement (Germany) for grants under the Agilent Technologies Inc 1999 Stock Plan *
10.34	Form of Award Agreement (India) for grants under the Agilent Technologies Inc 1999 Stock Plan *
10.35	Form of Award Agreement (Italy) for grants under the Agilent Technologies Inc 1999 Stock Plan *
10.36	Form of Award Agreement (Japan) for grants under the Agilent Technologies Inc 1999 Stock Plan *
10.37	Form of Award Agreement (SAR) for grants under the Agilent Technologies Inc 1999 Stock Plan *
10.38	Form of Award Agreement (Switzerland) for grants under the Agilent Technologies Inc 1999 Stock Plan *
10.39	Form of Award Agreement (restricted stock) for grants under the Agilent Technologies Inc 1999 Stock Plan *

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Exhibit Number	Description
10 40	Asset Purchase Agreement dated October 27 2004 between Flextronics Sales and Marketing (A P) Ltd and Agilent Technologies Inc
10 42	Agilent Technologies Inc 2005 Deferred Compensation Plan Incorporated by reference from Exhibit 10 1 of the Company s 8 K filed November 19 2004 *
10 43	Agilent Technologies Inc 2005 Deferred Compensation Plan for Non Employee Directors Incorporated by reference from Exhibit 10 2 of the Company s 8 K filed November 19 2004 *
11 1	See Note 6 Net Income (Loss) Per Share in Notes to Consolidated Financial Statements on page 92
12.1	Statement of ratio of earnings to fixed charges
13	None
14 1	See Investor Information in Item 1 Business p 26 of this Annual Report on Form 10-K
15	Not applicable
16	None
17	Not applicable
18	None
19 20	Not applicable
21 1	Significant subsidiaries of Agilent Technologies Inc as of October 31 2004
22.	None
23 1	Consent of Independent Registered Public Accounting Firm
24 1	Powers of Attorney Contained in the signature page of this Annual Report on Form 10-K
25 30	Not applicable
31 1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
33 98	Not applicable
99	None

*Indicates management contract or compensatory plan contract or arrangement

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AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT FOR BELGIUM

THIS AGREEMENT dated _("Grant Date ") between Agilent Technologies Inc a Delaware corporation (the "Company "), and _(the Awardee) is entered into as follows

WITNESSETH.

WHEREAS the Company has established the Agilent Technologies Inc 1999 Stock Plan, as amended and restated effective November 18 2003 (the Plan) and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the Prospectus) A copy of the Prospectus Grant Notification and the Belgian Tax Undertaking Agreement is available at http //stockoptions corporate agilent com A copy of the Plan document can be viewed at http //stockoptions corporate agilent.com and will also be made available upon request, and

WHEREAS the Compensation Committee of the Board of Directors of the Company (the "Committee) or its authorized delegate(s) determined that the Awardee shall be granted an option under the Plan as hereinafter set forth

NOW THEREFORE the parties hereby agree that the Company grants the Awardee an option (Option ") to purchase shares of the Company s $0 01 par value voting Common Stock upon the terms and conditions set forth herein

1 This Option is granted under and pursuant to the Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement the terms and conditions of the Plan shall prevail

2 The Option price shall be equal to the Fair Market Value (as defined in the Plan document) of the underlying shares on the Grant Date The Option price shall be _per share

3 This Option is not transferable by the Awardee except by will or the laws of descent and distribution During the Awardee s lifetime only the Awardee can exercise this Option This Option may not be transferred assigned pledged or hypothecated by the Awardee during his or her lifetime whether by operation of law or otherwise and is not subject to execution attachment or similar process

4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan, this Option will vest in whole or in part, in accordance with the following vesting schedule

An Awardee loses status as an Awardee Eligible to Vest when certain events occur including but not limited to termination of employment with the Company or transfer of employment from the Company

5 This Option will expire ten (10) years from the Grant Date unless sooner terminated forfeited or canceled in accordance with the provisions of the Plan This means that the Option must be exercised if at all on or before

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The Awardee is responsible for keeping track of this date and will not receive any prior notification of the expiration date from the Company

6. As set forth in the Prospectus this Option may be accepted by signing this Award Agreement and returning it to the Company The Awardee s shares will not be exercisable until the Company receives this signed Award Agreement

In addition, Smith Barney must receive an executed authorization form accompanied by payment of the full Option price for the underlying shares including applicable taxes Payment may be in cash or shares of the Company s Common Stock or a combination thereof, provided however that any payment in shares shall be in strict compliance with all procedural rules established by the Committee or its authorized delegate(s) In some instances the Committee or its authorized delegate(s) may also permit payment using a cashless method of exercise The Company reserves the right to limit availability of certain methods of exercise as it deems necessary

7 All rights of the Awardee in this Option to the extent that it has not vested shall terminate when Awardee loses status as an Awardee Eligible to Vest except where such status is lost due to the occurrence of certain events as set forth in the Plan For example if status as an Awardee Eligible to Vest is lost because of death retirement due to age or permanent and total disability the vesting of unvested Awards will accelerate

All rights of the Awardee in this Option to the extent that it has vested but has not been exercised shall terminate on the earlier of the expiration date or three (3) months after the Awardee loses status as an Awardee Eligible to Vest except where the Awardee loses such status because of death retirement due to age or permanent and total disability In the event of the Awardee s death his or her legal representative or designated beneficiary shall have the right to exercise all or a portion of the Awardee s right under this Option The representative or designee must exercise the Option before the earlier of the expiration date or one (1) year after the death of the Awardee and shall be bound by the provisions of the Plan In case of retirement due to age or permanent and total disability the Awardee retains rights in this Option until the earlier of the expiration date or three (3) years from the date thereof

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8 The Awardee shall remit to the Company payment for all applicable withholding taxes and required social security contributions at the time the Awardee exercises any portion of this Option

9 By accepting the grant of this Option Awardee acknowledges and agrees that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of an option is a one time benefit which does not create any contractual or other right to receive future grants of options or benefits in lieu of options (iii) all determinations with respect to any such future grants including but not limited to the times when options shall be granted the maximum number of shares subject to each option and the option price will be at the sole discretion of the Company (iv) participation in the Plan is voluntary (v) the value of the option is outside the scope of Awardee s employment contract if any (vi) the value of the option is not part of normal or expected compensation for purposes of calculating any severance resignation redundancy end of service payments bonuses long service awards pension or retirement benefits or similar payments (vii) the vesting of any Option ceases upon termination of employment with the Company or transfer of employment from the Company or other cessation of eligibility to vest for any reason except as may otherwise be explicitly provided in the Plan document or this Agreement (viii) if the underlying stock does not increase in value this Option will have no value nor does the Company guarantee any future value (ix) no claim or entitlement to compensation or damages arises if the Option does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

10 For the exclusive purpose of implementing administering and managing Awardee s stock options Awardee consents to the collection receipt, use retention and transfer in electronic or other form of his or her personal data by and among the Company its subsidiaries affiliates and third party vendors Awardee understands that personal data, including but not limited to name home address telephone number employee number employment status social security number tax identification number job and payroll location data for tax withholding purposes and shares of stocks awarded cancelled, exercised vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of Awardee s stock options and Awardee expressly authorizes such transfer as well as the retention, use and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee s country or elsewhere and that the recipient s country may have different data privacy laws and protections than Awardee s country Awardee understands that data will be held only as long as is necessary to implement administer and manage Awardee s stock option Awardee understands that he or she may at any time request a list with the names and addresses of any potential recipients of the personal data view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein in any case without cost, by contacting in writing the Company s legal department representative Awardee understands however that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee s refusal to consent or withdrawal of consent Awardee may contact the Company s local legal department representative

11 The Plan is incorporated herein by reference The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof and may not be modified adversely to the Awardee s interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws, but not the choice of law rules of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California

12. Neither the Plan nor this Award Agreement nor any provision under either shall be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries and it is expressly agreed and understood that employment is terminable at the will of either party

13 By accepting the grant of this Option evidenced hereby the Awardee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Award Agreement Awardee has reviewed the Prospectus and this Award Agreement in their entirety has had an opportunity to obtain the advice of counsel prior to accepting the Option and fully understands all provisions of the Prospectus and Award Agreement Awardee agrees to accept as binding conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement

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14 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company and that the Awardee s local employer is not a party to this Award Agreement

15 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

16 The Awardee acknowledges that he or she must sign and return this Award Agreement in order for it to be effective

Awardee

FIRST_NM
LAST_NM
EMPL_NR

Agilent Technologies, Inc
By

Edward W Barnholt

Chairman, President and Chief Executive Officer

By

D Craig Nordlund

Senior Vice President, General Counsel and Secretary

Please fax all pages to Shareholder Records, fax number (650) 752-5741

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4. Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan this Option will vest in whole or in part in accordance with the following vesting schedule _

An Awardee loses status as an Awardee Eligible to Vest when certain events occur including but not limited to termination of employment with the Company or transfer of employment from the Company

5 This Option will expire ten (10) years from the Grant Date unless sooner terminated forfeited or canceled in accordance with the provisions of the Plan This means that the Option must be exercised if at all on or before

The Awardee is responsible for keeping track of this date and will not receive any prior notification of the expiration date from the Company

6. As set forth in the Prospectus this Option may be accepted by signing this Award Agreement and returning it to the Company The Awardee s shares will not be exercisable until the Company receives this signed Award Agreement

Notwithstanding the information on the exercise methods set forth in the Prospectus the cash exercise method is not available in Brazil The Awardee must contact Smith Barney and request a cashless method of exercise The Awardee will receive his or her proceeds in cash only

7 All rights of the Awardee in this Option to the extent that it has not vested, shall terminate when Awardee loses status as an Awardee Eligible to Vest except where such status is lost due to the occurrence of certain events as set forth in the Plan For example if status as an Awardee Eligible to Vest is lost because of death retirement due to age or permanent and total disability the vesting of unvested Awards will accelerate

All rights of the Awardee in this Option to the extent that it has vested but has not been exercised shall terminate on the earlier of the expiration date or three (3) months after the Awardee loses status as an Awardee Eligible to Vest except where the Awardee loses such status because of death retirement due to age or permanent and total disability In the event of the Awardee s death his or her legal representative or designated beneficiary shall have the right to exercise all or a portion of the Awardee s right under this Option The representative or designee must exercise the Option before the earlier of the expiration date or one (1) year after the death of the Awardee and shall be bound by the provisions of the Plan In case of retirement due to age or permanent and total disability the Awardee retains rights in this Option until the earlier of the expiration date or three (3) years from the date thereof

8. The Awardee shall remit to the Company payment for all applicable withholding taxes and required social security contributions at the time the Awardee exercises any portion of this Option

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Award Rejection

(Sign and send this only if you wish to reject your Award)

I do not want to receive this Award and hereby reject it

Awardee
FIRST_NM LAST_NM
EMPL_NR

Please fax all pages to Shareholder Records, fax number (650) 752-5741

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT Belgium (bc)

Exhibit 10.30

AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT FOR BRAZIL

THIS AGREEMENT dated (Grant Date) between Agilent Technologies Inc a Delaware corporation (the Company) and _ (the Awardee) is entered into as follows

WITNESSETH

WHEREAS the Company has established the Agilent Technologies Inc 1999 Stock Plan as amended and restated effective November 18 2003 (the Plan) and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the Prospectus) A copy of the Prospectus is available at http //stockoptions corporate agilent com and also on your Smith Barney website A copy of the Plan document can be viewed at http //stockoptions corporate agilent com and will also be made available upon request and

WHEREAS the Compensation Committee of the Board of Directors of the Company (the Committee) or its authorized delegate(s) determined that the Awardee shall be granted an option under the Plan as hereinafter set forth

NOW THEREFORE the parties hereby agree that the Company grants the Awardee an option (Option) to purchase shares of the Company s $0 01 par value voting Common Stock upon the terms and conditions set forth herein

1 This Option is granted under and pursuant to the Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement the terms and conditions of the Plan shall prevail

2. The Option price shall be equal to the Fair Market Value (as defined in the Plan document) of the underlying shares on the Grant Date The Option price shall be _per share

3 This Option is not transferable by the Awardee except by will or the laws of descent and distribution During the Awardee s lifetime only the Awardee can exercise this Option This Option may not be transferred assigned pledged or hypothecated by the Awardee during his or her lifetime whether by operation of law or otherwise and is not subject to execution attachment or similar process

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9 By accepting the grant of this Option Awardee acknowledges and agrees that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of an option is a one time benefit which does not create any contractual or other right to receive future grants of options or benefits in lieu of options (iii) all determinations with respect to any such future grants including but not limited to the times when options shall be granted the maximum number of shares subject to each option and the option price will be at the sole discretion of the Company (iv) participation in the Plan is voluntary (v) the value of the option is outside the scope of Awardee s employment contract if any (vi) the value of the option is not part of normal or expected compensation for purposes of calculating any severance resignation redundancy end of service payments bonuses long service awards pension or retirement benefits or similar payments (vii) the vesting of any Option ceases upon termination of employment with the Company or transfer of employment from the Company or other cessation of eligibility to vest for any reason except as may otherwise be explicitly provided in the Plan document or this Agreement (viii) if the underlying stock does not increase in value this Option will have no value nor does the Company guarantee any future value (ix) no claim or entitlement to compensation or damages arises if the Option does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

10 For the exclusive purpose of implementing administering and managing Awardee s stock options Awardee consents to the collection receipt use retention and transfer in electronic or other form of his or her personal data by and among the Company its subsidiaries affiliates and third party vendors Awardee understands that personal data, including but not limited to name home address telephone number employee number employment status social security number tax identification number job and payroll location data for tax withholding purposes and shares of stocks awarded cancelled exercised vested and unvested) may be transferred to third parties assisting in the implementation administration and management of Awardee s stock options and Awardee expressly authorizes such transfer as well as the retention use and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee s country or elsewhere and that the recipient s country may have different data privacy laws and protections than Awardee s country Awardee understands that data will be held only as long as is necessary to implement administer and manage Awardee s stock option Awardee understands that he or she may at any time request a list with the names and addresses of any potential recipients of the personal data view data request additional information about the storage and processing of data require any necessary amendments to data or refuse or withdraw the consents herein in any case without cost by contacting in writing the Company s legal department representative Awardee understands however that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee s refusal to consent or withdrawal of consent, Awardee may contact the Company s local legal department representative

11 The Plan is incorporated herein by reference The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof and may not be modified adversely to the Awardee s interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws but not the choice of law rules of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California

12. Neither the Plan nor this Award Agreement nor any provision under either shall be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries and it is expressly agreed and understood that employment is terminable at the will of either party

13 By accepting the grant of this Option evidenced hereby the Awardee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Award Agreement Awardee has reviewed the Prospectus and this Award Agreement in their entirety has had an opportunity to obtain the advice of counsel prior to accepting the Option and fully understands all provisions of the Prospectus and Award Agreement Awardee agrees to accept as binding conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement

14 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company and that the Awardee s local employer is not a party to this Award Agreement

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15 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

16 The Awardee acknowledges that he or she must sign and return this Award Agreement in order for it to be effective

Awardee

FIRST_NM LAST_NM

EMPL_NR

Agilent Technologies, Inc

By

Edward W Barnholt

Chairman President and Chief Executive Officer

By

D Craig Nordlund

Senior Vice President General Counsel and Secretary

Please fax all pages to Shareholder Records, fax number (650) 752-5734 or (650) 752 5741

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Award Rejection

(Sign and send this only if you wish to reject your Award)

I do not want to receive this Award and hereby reject it

Awardee
FIRST_NM LAST_NM
EMPL_NR

Please fax all pages to Shareholder Records, fax number (650) 752-5734 or (650) 752 5741

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT Brazil (hc)

AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT FOR CHINA

THIS AGREEMENT dated as of the date of grant indicated in your Smith Barney account the ('Grant Date) between Agilent Technologies Inc a Delaware corporation (the Company ') and you as an individual who has been granted a stock option pursuant to the Agilent Technologies Inc 1999 Stock Plan (the Awardee) is entered into as follows

WITNESSETH

WHEREAS the Company has established the Agilent Technologies Inc 1999 Stock Plan as amended and restated effective November 18 2003 (the Plan) and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the "Prospectus) A copy of the Prospectus is available at http //stockoptions corporate agilent com and also on your Smith Barney website A copy of the Plan document can be viewed at http //stockoptions corporate agilent com and will also be made available upon request and

WHEREAS the Compensation Committee of the Board of Directors of the Company (the 'Committee ') or its authorized delegate(s) determined that the Awardee shall be granted an option under the Plan as hereinafter set forth

NOW THEREFORE the parties hereby agree that the Company grants the Awardee an option (Option) relating to the number of shares of the Company s $0 01 par value voting common stock indicated in the Awardee s Smith Barney account

1 This Option is granted under and pursuant to the Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan shall prevail

2 The Option price shall be equal to the Fair Market Value (as defined in the Plan document) of the underlying shares on the Grant Date The Option price for this grant is indicated in the Awardee s Smith Barney account

3 This Option is not transferable by the Awardee except by will or the laws of descent and distribution During the Awardee s lifetime only the Awardee can exercise this Option This Option may not be transferred assigned, pledged or hypothecated by the Awardee during his or her lifetime whether by operation of law or otherwise, and is not subject to execution attachment or similar process

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4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan this Option will vest in whole or in part, in accordance with the following vesting schedule

An Awardee loses status as an Awardee Eligible to Vest when certain events occur including but not limited to termination of employment with the Company or transfer of employment from the Company

5 This Option will expire ten (10) years from the Grant Date unless sooner terminated forfeited or canceled in accordance with the provisions of the Plan This means that the Option must be exercised if at all on or before the expiration date This expiration date is indicated in the Awardee s Smith Barney account The Awardee is responsible for keeping track of this date and will not receive any prior notification of the expiration date from the Company

6. Notwithstanding the information on the exercise methods set forth in the Prospectus the cash exercise method is not available in China. This Option may only be exercised using the cashless method The Option may be exercised by contacting Smith Barney and following the procedures established by Smith Barney The Awardee will receive his or her proceeds in cash only

7 All rights of the Awardee in this Option to the extent that it has not vested shall terminate when Awardee loses status as an Awardee Eligible to Vest, except where such status is lost due to the occurrence of certain events as set forth in the Plan For example if status as an Awardee Eligible to Vest is lost because of death retirement due to age or permanent and total disability the vesting of unvested Awards will accelerate

All rights of the Awardee in this Option to the extent that it has vested but has not been exercised shall terminate on the earlier of the expiration date or three (3) months after the Awardee loses status as an Awardee Eligible to Vest except where the Awardee loses such status because of death retirement due to age or permanent and total disability In the event of the Awardee s death his or her legal representative or designated beneficiary shall have the right to exercise all or a portion of the Awardee s right under this Option The representative or designee must exercise the Option before the earlier of the expiration date or one (1) year after the death of the Awardee and shall be bound by the provisions of the Plan In case of retirement due to age or permanent and total disability the Awardee retains rights in this Option until the earlier of the expiration date or three (3) years from the date thereof

8 The Awardee shall remit to the Company payment for all applicable withholding taxes and required social security contributions at the time the Awardee exercises any portion of this Option

9 By accepting the grant of this Option Awardee acknowledges and agrees that, (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of an option is a one time benefit which does not create any contractual or other right to receive future grants of options or benefits in lieu of options (iii) all determinations with respect to any

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such future grants including but not limited to the times when options shall be granted the maximum number of shares subject to each option and the option price will be at the sole discretion of the Company (iv) participation in the Plan is voluntary (v) the value of the option is outside the scope of Awardee s employment contract if any (vi) the value of the option is not part of normal or expected compensation for purposes of calculating any severance resignation redundancy end of service payments bonuses long service awards pension or retirement benefits or similar payments (vii) the vesting of any Option ceases upon termination of employment with the Company or transfer of employment from the Company or other cessation of eligibility to vest for any reason except as may otherwise be explicitly provided in the Plan document or this Agreement (viii) if the underlying stock does not increase in value this Option will have no value nor does the Company guarantee any future value (ix) no claim or entitlement to compensation or damages arises if the Option does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

10 For the exclusive purpose of implementing administering and managing Awardee s stock options Awardee consents to the collection receipt, use retention and transfer in electronic or other form of his or her personal data by and among the Company its subsidiaries affiliates and third party vendors Awardee understands that personal data, including but not limited to name home address telephone number employee number employment status social security number tax identification number job and payroll location data for tax withholding purposes and shares of stocks awarded cancelled, exercised, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of Awardee s stock options and Awardee expressly authorizes such transfer as well as the retention use and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee s country or elsewhere and that the recipient s country may have different data privacy laws and protections than Awardee s country Awardee understands that data will be held only as long as is necessary to implement, administer and manage Awardee s stock option Awardee understands that he or she may at any time request a list with the names and addresses of any potential recipients of the personal data view data request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein in any case without cost by contacting in writing the Company s legal department representative Awardee understands however that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee s refusal to consent or withdrawal of consent Awardee may contact the Company s local legal department representative

11 The Plan is incorporated herein by reference The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof and may not be modified adversely to the Awardee s interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws but not the choice of law rules, of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California

12 Neither the Plan nor this Award Agreement nor any provision under either shall be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries and it is expressly agreed and understood that employment is terminable at the will of either party

13 By accepting the grant of this Option evidenced hereby the Awardee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Award Agreement Awardee has reviewed the Prospectus and this Award Agreement in their entirety has had an opportunity to obtain the advice of counsel prior to accepting the Option and fully understands all provisions of the Prospectus and Award Agreement Awardee agrees to accept as binding conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement

14 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company and that the Awardee s local employer is not a party to this Award Agreement

15 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

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16 The Awardee acknowledges that by clicking on the Accept button on the screen titled Step 3 Confirm the Review/Acceptance of your Award the Awardee agrees to be bound by the electronic execution of this Award Agreement

Agilent Technologies, Inc
By

Edward W Barnholt
Chairman President and Chief
Executive Officer

By

D Craig Nordlund
Senior Vice President General Counsel
and Secretary

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT CHINA

Exhibit 10.32

AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT FOR FRANCE

THIS AGREEMENT dated (Grant Date) between Agilent Technologies Inc a Delaware corporation (the Company) and _ (the Awardee) is entered into as follows

WITNESSETH

WHEREAS the Company has established the Agilent Technologies Inc 1999 Stock Plan as amended and restated effective November 18 2003 (the Plan) and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the Prospectus) A copy of the Prospectus is available at http //stockoptions corporate agilent com and also on your Smith Barney website A copy of the Plan document can be viewed at http //stockoptions corporate agilent com and will also be made available upon request and

WHEREAS the Compensation Committee of the Board of Directors of the Company (the Committee) or its authorized delegate(s) adopted the Agilent Technologies Inc 1999 Stock Option Plan for French Employees (the Sub Plan) as amended and restated September 2001 for the purpose of granting options to employees in France A copy of the Sub Plan is available at http //stockoptions corporate agilent com and also on your Smith Barney website and

WHEREAS the Committee determined that the Awardee shall be granted an option under the Plan and Sub Plan as hereinafter set forth

NOW THEREFORE, the parties hereby agree that the Company grants the Awardee an option (Option) to purchase _shares of the Company s $0 01 par value voting Common Stock upon the terms and conditions set forth herein

1 This Option is granted under and pursuant to the Plan and Sub Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and Sub Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan and Sub Plan shall prevail

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2 The Option price shall be _per share

3 This Option is not transferable by the Awardee except by will or the laws of descent and distribution During the Awardee s lifetime only the Awardee can exercise this Option This Option may not be transferred assigned pledged or hypothecated by the Awardee during his or her lifetime whether by operation of law or otherwise and is not subject to execution attachment or similar process

4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan and the Sub Plan and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan this Option will vest in whole or in part in accordance with the following vesting schedule **100% per year after 4 years**

The Committee may in its sole discretion reduce the vesting period in accordance with future changes in French tax law if any An Awardee loses status as an Awardee Eligible to Vest when certain events occur including but not limited to termination of employment with the Company or transfer of employment from the Company

5 This Option will expire ten (10) years from the Grant Date unless sooner terminated forfeited or canceled in accordance with the provisions of the Plan and the Sub Plan This means that the Option must be exercised if at all on or before _

The Awardee is responsible for keeping track of this date and will not receive any prior notification of the expiration date from the Company

6 As set forth in the Prospectus this Option may be accepted by signing this Award Agreement and returning it to the Company The Awardee s shares will not be exercisable until the Company receives this signed Award Agreement

In addition Smith Barney must receive an executed authorization form accompanied by payment of the full Option price for the underlying shares including applicable taxes Payment may be in cash or shares of the Company s Common Stock or a combination thereof provided however that any payment in shares shall be in strict compliance with all procedural rules established by the Committee or its authorized delegate(s) In some instances the Committee or its authorized delegate(s) may also permit payment using a cashless method of exercise The Company reserves the right to limit availability of certain methods of exercise as it deems necessary

7 All rights of the Awardee in this Option to the extent that it has not vested shall terminate when Awardee loses status as an Awardee Eligible to Vest except where such status is lost due to the occurrence of certain events as set forth in the Plan For example if status as an Awardee Eligible to Vest is lost because of death retirement due to age or permanent and total disability the vesting of unvested Awards will accelerate

All rights of the Awardee in this Option to the extent that it has vested but has not been exercised, shall terminate on the earlier of the expiration date or three (3) months after the Awardee loses status as an Awardee Eligible to Vest, except where the Awardee loses such status because of death retirement due to age or permanent and total disability In the event of the Awardee s death his or her legal representative or designated beneficiary shall have the right to exercise all or a portion of the Awardee s right under this Option The representative or designee must exercise the Option before the earlier of the expiration date or one (1) year after the death of the Awardee and shall be bound by the provisions of the Plan In case of retirement due to age or

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permanent and total disability the Awardee retains rights in this Option until the earlier of the expiration date or three (3) years from the date thereof

8. The Awardee shall remit to the Company payment for all applicable withholding taxes and required social security contributions at the time the Awardee exercises any portion of this Option

9 By accepting the grant of this Option Awardee acknowledges and agrees that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of an option is a one time benefit which does not create any contractual or other right to receive future grants of options or benefits in lieu of options (iii) all determinations with respect to any such future grants including but not limited to the times when options shall be granted the maximum number of shares subject to each option and the option price will be at the sole discretion of the Company (iv) participation in the Plan is voluntary (v) the value of the option is outside the scope of Awardee s employment contract if any (vi) the value of the option is not part of normal or expected compensation for purposes of calculating any severance resignation, redundancy end of service payments bonuses long service awards pension or retirement benefits or similar payments (vii) the vesting of any Option ceases upon termination of employment with the Company or transfer of employment from the Company or other cessation of eligibility to vest for any reason except as may otherwise be explicitly provided in the Plan document or this Agreement (viii) if the underlying stock does not increase in value this Option will have no value nor does the Company guarantee any future value (ix) no claim or entitlement to compensation or damages arises if the Option does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

10 For the exclusive purpose of implementing administering and managing Awardee s stock options Awardee consents to the collection receipt, use retention and transfer in electronic or other form of his or her personal data by and among the Company its subsidiaries affiliates and third party vendors Awardee understands that personal data including but not limited to name home address telephone number employee number employment status social security number tax identification number job and payroll location data for tax withholding purposes and shares of stocks awarded cancelled exercised vested and unvested) may be transferred to third parties assisting in the implementation administration and management of Awardee s stock options and Awardee expressly authorizes such transfer as well as the retention use, and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee s country or elsewhere and that the recipient s country may have different data privacy laws and protections than Awardee s country Awardee understands that data will be held only as long as is necessary to implement administer and manage Awardee s stock option Awardee understands that he or she may at any time request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost by contacting in writing the Company s legal department representative Awardee understands however that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee s refusal to consent or withdrawal of consent, Awardee may contact the Company s local legal department representative

11 The Plan and Sub Plan are incorporated herein by reference The Plan Sub Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof and may not be modified adversely to the Awardee s interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws but not the choice of law rules of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California

12. Neither the Plan the Sub Plan nor this Award Agreement nor any provision under these documents shall be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries and it is expressly agreed and understood that employment is terminable at the will of either party

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13 By accepting the grant of this Option evidenced hereby the Awardee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan Sub Plan and this Award Agreement Awardee has reviewed the Prospectus and this Award Agreement in their entirety has had an opportunity to obtain the advice of counsel prior to accepting the Option and fully understands all provisions of the Prospectus and Award Agreement Awardee agrees to accept as binding conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan Sub Plan and Award Agreement

14 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company and that the Awardee s local employer is not a party to this Award Agreement

15 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

16 The Awardee acknowledges that he or she must sign and return this Award Agreement in order for it to be effective

Awardee

FIRST_NM LAST_NM
EMPL_NR

Agilent Technologies, Inc
By

Edward W Barnholt
Chairman President and Chief Executive Officer

Please fax all pages to Shareholder Records,

B
y

fax number (650) 752 5734 or (650) 752-5741

D Craig Nordlund
Senior Vice President, General Counsel and Secretary

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Award Rejection

(Sign and send this only if you wish to reject your Award)

I do not want to receive this Award and hereby reject it

Awardee
FIRST_NM LAST_NM
EMPL_NR

Please fax all pages to Shareholder Records, fax number (650) 752-5734 or (650) 752 5741

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT France (hc)

Exhibit 10.33

AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT FOR GERMANY

THIS AGREEMENT dated ,(Grant Date) between Agilent Technologies Inc a Delaware corporation (the "Company) and (the "Awardee) is entered into as follows

WITNESSETH.

WHEREAS the Company has established the Agilent Technologies Inc 1999 Stock Plan as amended and restated effective November 18 2003 (the Plan) and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the Prospectus) A copy of the Prospectus is available at http //stockoptions corporate agilent.com and also on your Smith Barney website A copy of the Plan document can be viewed at http //stockoptions corporate agilent com and will also be made available upon request and

WHEREAS the Compensation Committee of the Board of Directors of the Company (the "Committee) or its authorized delegate(s) determined that the Awardee shall be granted an option under the Plan as hereinafter set forth

NOW THEREFORE the parties hereby agree that the Company grants the Awardee an option (Option) to purchase shares of the Company s $0 01 par value voting Common Stock upon the terms and conditions set forth herein

1 This Option is granted under and pursuant to the Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement the terms and conditions of the Plan shall prevail

2. The Option price shall be equal to the Fair Market Value (as defined in the Plan document) of the underlying shares on the Grant Date. The Option price shall be per share.

3 This Option is not transferable by the Awardee except by will or the laws of descent and distribution During the Awardee s lifetime only the Awardee can exercise this Option This Option may not be transferred assigned pledged or hypothecated by the Awardee during his or her lifetime whether by operation of law or otherwise and is not subject to execution attachment or similar process

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4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan this Option will vest in whole or in part, in accordance with the following vesting schedule

An Awardee loses status as an Awardee Eligible to Vest when certain events occur including but not limited to termination of employment with the Company or transfer of employment from the Company

5 This Option will expire ten (10) years from the Grant Date unless sooner terminated forfeited or canceled in accordance with the provisions of the Plan Thus means that the Option must be exercised, if at all on or before _____

The Awardee is responsible for keeping track of this date and will not receive any prior notification of the expiration date from the Company

6 As set forth in the Prospectus this Option may be accepted by signing this Award Agreement and returning it to the Company The Awardee s shares will not be exercisable until the Company receives this signed Award Agreement

In addition, Smith Barney must receive an executed authorization form accompanied by payment of the full Option price for the underlying shares including applicable taxes Payment may be in cash or shares of the Company s Common Stock or a combination thereof provided however, that any payment in shares shall be in strict compliance with all procedural rules established by the Committee or its authorized delegate(s) In some instances, the Committee or its authorized delegate(s) may also permit payment using a cashless method of exercise The Company reserves the right to limit availability of certain methods of exercise as it deems necessary

7 All rights of the Awardee in this Option to the extent that it has not vested shall terminate when Awardee loses status as an Awardee Eligible to Vest, except where such status is lost due to the occurrence of certain events as set forth in the Plan For example if status as an Awardee Eligible to Vest is lost because of death retirement due to age or permanent and total disability the vesting of unvested Awards will accelerate

All rights of the Awardee in this Option to the extent that it has vested but has not been exercised, shall terminate on the earlier of the expiration date or three (3) months after the Awardee loses status as an Awardee Eligible to Vest, except where the Awardee loses such status because of death retirement due to age or permanent and total disability In the event of the Awardee s death, his or her legal representative or designated beneficiary shall have the right to exercise all or a portion of the Awardee s right under this Option The representative or designee must exercise the Option before the earlier of the expiration date or one (1) year after the death of the Awardee and shall be bound by the provisions of the Plan In case of retirement due to age or permanent and total disability the Awardee retains rights in this Option until the earlier of the expiration date or three (3) years from the date thereof

8 The Awardee shall remit to the Company payment for all applicable withholding taxes and required social security contributions at the time the Awardee exercises any portion of this Option.

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9 By accepting the grant of this Option Awardee acknowledges and agrees that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of an option is a one time benefit which does not create any contractual or other right to receive future grants of options or benefits in lieu of options (iii) all determinations with respect to any such future grants including but not limited to the times when options shall be granted, the maximum number of shares subject to each option and the option price will be at the sole discretion of the Company (iv) participation in the Plan is voluntary (v) the value of the option is outside the scope of Awardee s employment contract, if any (vi) the value of the option is not part of normal or expected compensation for purposes of calculating any severance resignation redundancy end of service payments bonuses long service awards pension or retirement benefits or similar payments (vii) the vesting of any Option ceases upon termination of employment with the Company or transfer of employment from the Company or other cessation of eligibility to vest for any reason except as may otherwise be explicitly provided in the Plan document or this Agreement (viii) if the underlying stock does not increase in value this Option will have no value nor does the Company guarantee any future value (ix) no claim or entitlement to compensation or damages arises if the Option does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

10 For the exclusive purpose of implementing administering and managing Awardee s stock options Awardee consents to the collection receipt use retention and transfer in electronic or other form of his or her personal data by and among the Company its subsidiaries affiliates and third party vendors Awardee understands that personal data including but not limited to name home address telephone number employee number employment status social security number tax identification number job and payroll location data for tax withholding purposes and shares of stocks awarded cancelled exercised vested and unvested) may be transferred to third parties assisting in the implementation administration and management of Awardee s stock options and Awardee expressly authorizes such transfer as well as the retention use and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee s country or elsewhere and that the recipient s country may have different data privacy laws and protections than Awardee's country Awardee understands that data will be held only as long as is necessary to implement administer and manage Awardee s stock option Awardee understands that he or she may at any time request a list with the names and addresses of any potential recipients of the personal data, view data request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost by contacting in writing the Company s legal department representative Awardee understands however that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee s refusal to consent or withdrawal of consent, Awardee may contact the Company s local legal department representative

11 The Plan is incorporated herein by reference The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof and may not be modified adversely to the Awardee s interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws but not the choice of law rules of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California.

12 Neither the Plan nor this Award Agreement nor any provision under either shall be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries and it is expressly agreed and understood that employment is terminable at the will of either party

13 By accepting the grant of this Option evidenced hereby the Awardee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Award Agreement. Awardee has reviewed the Prospectus and this Award Agreement in their entirety has had an opportunity to obtain the advice of counsel prior to accepting the Option and fully understands all provisions of the Prospectus and Award Agreement Awardee agrees to accept as binding conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement

14 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company and that the Awardee s local employer is not a party to this Award Agreement

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15 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

16 The Awardee acknowledges that he or she must sign and return this Award Agreement in order for it to be effective

Awardee	**Agilent Technologies, Inc.**
	By
FIRST_NM LAST_NM	Edward W Barnholt
EMPL_NR	Chairman President and Chief Executive Officer
	By
	D Craig Nordlund
	Senior Vice President, General Counsel and Secretary

Cross-border payments in excess of EUR 12,500 must be reported monthly to a State Central Bank ("Deutsche Bundesbank") If you use a German commercial bank to effect a cross-border payment in excess of EUR 12,500 in connection with the purchase or sale of securities, the bank will make the report for you

Please fax all pages to Shareholder Records, fax number (650) 752-5734 or (650) 752-5741

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GRANT Germany (hc)

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Award Rejection

(Sign and send this only if you wish to reject your Award)

I do not want to receive this Award and hereby reject it

Awardee
FIRST_NM LAST_NM
EMPL_NR

Please fax all pages to Shareholder Records, fax number (650) 752 5734 or (650) 752 5741

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT Germany (hc)

Exhibit 10.34

AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT FOR INDIA

THIS AGREEMENT dated as of the date of grant indicated in your Smith Barney account the (Grant Date) between Agilent Technologies Inc a Delaware corporation (the "Company) and you as an individual who has been granted a stock option pursuant to the Agilent Technologies Inc 1999 Stock Plan (the Awardee) is entered into as follows

WITNESSETH

WHEREAS the Company has established the Agilent Technologies Inc 1999 Stock Plan as amended and restated effective November 18 2003 (the Plan) and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the Prospectus) A copy of the Prospectus is available at http //stockoptions corporate agilent com and also on your Smith Barney website A copy of the Plan document can be viewed at http //stockoptions corporate agilent com and will also be made available upon request and

WHEREAS the Compensation Committee of the Board of Directors of the Company (the Committee) adopted the Agilent Technologies Inc India Cashless Stock Option Sub Plan (the Sub Plan) for the purpose of granting options in India and

WHEREAS the Committee or its authorized delegate(s) determined that the Awardee shall be granted an option under the Plan and Sub-Plan as hereinafter set forth

NOW THEREFORE, the parties hereby agree that the Company grants the Awardee an option (Option ") to purchase the number of shares of the Company s $0 01 par value voting common stock indicated in the Awardee s Smith Barney account

1 This Option is granted under and pursuant to the Plan and Sub Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and Sub Plan and the terms and conditions of this Award Agreement the terms and conditions of the Plan and Sub Plan shall prevail

2 The Option price shall be equal to the Fair Market Value (as defined in the Plan document) of the underlying shares on the Grant Date The Option price for this grant is indicated in the Awardee s Smith Barney account

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3 This Option is not transferable by the Awardee except by will or the laws of descent and distribution During the Awardee s lifetime only the Awardee can exercise this Option This Option may not be transferred assigned pledged or hypothecated by the Awardee during his or her lifetime whether by operation of law or otherwise and is not subject to execution attachment or similar process

4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan this Option will vest in whole or in part in accordance with the following vesting schedule

An Awardee loses status as an Awardee Eligible to Vest when certain events occur including but not limited to termination of employment with the Company or transfer of employment from the Company

5 This Option will expire ten (10) years from the Grant Date unless sooner terminated forfeited or canceled in accordance with the provisions of the Plan This means that the Option must be exercised if at all on or before the expiration date This expiration date is indicated in the Awardee s Smith Barney account The Awardee is responsible for keeping track of this date and will not receive any prior notification of the expiration date from the Company

6 Notwithstanding the information on the exercise methods set forth in the Prospectus the cash exercise method is not available in India. This Option may only be exercised using the cashless method The Option may be exercised by contacting Smith Barney and following the procedures established by Smith Barney The Awardee will receive his or her proceeds in cash only

7 All rights of the Awardee in this Option to the extent that it has not vested shall terminate when Awardee loses status as an Awardee Eligible to Vest except where such status is lost due to the occurrence of certain events as set forth in the Plan For example if status as an Awardee Eligible to Vest is lost because of death retirement due to age or permanent and total disability the vesting of unvested Awards will accelerate

All rights of the Awardee in this Option to the extent that it has vested but has not been exercised shall terminate on the earlier of the expiration date or three (3) months after the Awardee loses status as an Awardee Eligible to Vest except where the Awardee loses such status because of death retirement due to age or permanent and total disability In the event of the Awardee s death his or her legal representative or designated beneficiary shall have the right to exercise all or a portion of the Awardee s right under this Option The representative or designee must exercise the Option before the earlier of the expiration date or one (1) year after the death of the Awardee and shall be bound by the provisions of the Plan In case of retirement due to age or permanent and total disability the Awardee retains rights in this Option until the earlier of the expiration date or three (3) years from the date thereof

8 The Awardee shall remit to the Company payment for all applicable withholding taxes and required social security contributions at the time the Awardee exercises any portion of this Option

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9 By accepting the grant of this Option Awardee acknowledges and agrees that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of an option is a one time benefit which does not create any contractual or other right to receive future grants of options or benefits in lieu of options (iii) all determinations with respect to any such future grants including but not limited to the times when options shall be granted, the maximum number of shares subject to each option and the option price, will be at the sole discretion of the Company (iv) participation in the Plan is voluntary (v) the value of the option is outside the scope of Awardee s employment contract, if any (vi) the value of the option is not part of normal or expected compensation for purposes of calculating any severance resignation, redundancy end of service payments bonuses long service awards pension or retirement benefits or similar payments (vii) the vesting of any Option ceases upon termination of employment with the Company or transfer of employment from the Company or other cessation of eligibility to vest for any reason except as may otherwise be explicitly provided in the Plan document or this Agreement (viii) if the underlying stock does not increase in value this Option will have no value nor does the Company guarantee any future value (ix) no claim or entitlement to compensation or damages arises if the Option does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

10 For the exclusive purpose of implementing administering and managing Awardee s stock options Awardee consents to the collection receipt, use retention and transfer in electronic or other form of his or her personal data by and among the Company its subsidiaries affiliates and third party vendors Awardee understands that personal data including but not limited to name home address telephone number employee number employment status social security number tax identification number job and payroll location data for tax withholding purposes and shares of stocks awarded cancelled exercised vested and unvested) may be transferred to third parties assisting in the implementation administration and management of Awardee s stock options and Awardee expressly authorizes such transfer as well as the retention use and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee s country or elsewhere and that the recipient s country may have different data privacy laws and protections than Awardee s country Awardee understands that data will be held only as long as is necessary to implement administer and manage Awardee s stock option Awardee understands that he or she may at any time request a list with the names and addresses of any potential recipients of the personal data, view data request additional information about the storage and processing of data require any necessary amendments to data or refuse or withdraw the consents herein in any case without cost by contacting in writing the Company s legal department representative Awardee understands however that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee s refusal to consent or withdrawal of consent Awardee may contact the Company s local legal department representative

11 The Plan and Sub-Plan are incorporated herein by reference The Plan the Sub Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof and may not be modified adversely to the Awardee s interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws but not the choice of law rules of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California

12 The Plan the Sub Plan or this Award Agreement or any provision under any of these documents shall not be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries and it is expressly agreed and understood that employment is terminable at the will of either party

13 By accepting the grant of this Option evidenced hereby the Awardee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan the Sub Plan and this Award Agreement Awardee has reviewed the Prospectus and this Award Agreement in their entirety has had an opportunity to obtain the advice of counsel prior to accepting the Option and fully understands all provisions of the Prospectus and Award Agreement Awardee agrees to accept as binding conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan the Sub Plan and the Award Agreement

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14 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company and that the Awardee s local employer is not a party to this Award Agreement

15 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

16 The Awardee acknowledges that by clicking on the Accept button on the screen titled Step 3 Confirm the Review/Acceptance of your Award the Awardee agrees to be bound by the electronic execution of this Award Agreement

Agilent Technologies, Inc
By
Edward W Barnholt
Chairman President and Chief
Executive Officer
By
D Craig Nordlund
Senior Vice President, General Counsel
and Secretary

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT INDIA

Exhibit 10.35

AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT FOR ITALY

THIS AGREEMENT dated (Grant Date) between Agilent Technologies Inc a Delaware corporation (the Company) and , the Awardee) is entered into as follows

WITNESSETH

WHEREAS the Company has established the Agilent Technologies Inc 1999 Stock Plan as amended and restated effective November 18 2003 (the Plan) and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the Prospectus) A copy of the Prospectus is available at http //stockoptions corporate agilent com and also on your Smith Barney website A copy of the Plan document can be viewed at http //stockoptions corporate agilent com and will also be made available upon request and

WHEREAS the Compensation Committee of the Board of Directors of the Company (the Committee) or its authorized delegate(s) determined that the Awardee shall be granted an option under the Plan as hereinafter set forth

NOW THEREFORE the parties hereby agree that the Company grants the Awardee an option (Option) to purchase shares of the Company s $0 01 par value voting Common Stock upon the terms and conditions set forth herein

1 This Option is granted under and pursuant to the Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement the terms and conditions of the Plan shall prevail

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2. The Option price shall be equal to the higher of (i) the average of the official stock exchange price over the month preceding the grant date (i e the average price during the period ending on the day of the grant of the options to the employees and starting on the same day of the preceding calendar month) or (ii) the _per share

3 This Option is not transferable by the Awardee except by will or the laws of descent and distribution During the Awardee s lifetime only the Awardee can exercise this Option This Option may not be transferred assigned pledged or hypothecated by the Awardee during his or her lifetime whether by operation of law or otherwise and is not subject to execution attachment or similar process

4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan this Option will vest in whole or in part in accordance with the following vesting schedule

An Awardee loses status as an Awardee Eligible to Vest when certain events occur including but not limited to termination of employment with the Company or transfer of employment from the Company

5 This Option will expire ten (10) years from the Grant Date unless sooner terminated forfeited or canceled in accordance with the provisions of the Plan This means that the Option must be exercised if at all on or before

The Awardee is responsible for keeping track of this date and will not receive any prior notification of the expiration date from the Company

6. As set forth in the Prospectus this Option may be accepted by signing this Award Agreement and returning it to the Company The Awardee s shares will not be exercisable until the Company receives this signed Award Agreement

Notwithstanding the information on the exercise methods set forth in the Prospectus the cash exercise method is not available in Italy The Awardee must contact Smith Barney and request a cashless method of exercise The Awardee will receive his or her proceeds in cash only

7 All rights of the Awardee in this Option to the extent that it has not vested shall terminate when Awardee loses status as an Awardee Eligible to Vest except where such status is lost due to the occurrence of certain events as set forth in the Plan For example if status as an Awardee Eligible to Vest is lost because of death retirement due to age or permanent and total disability the vesting of unvested Awards will accelerate

All rights of the Awardee in this Option to the extent that it has vested but has not been exercised shall terminate on the earlier of the expiration date or three (3) months after the Awardee loses status as an Awardee Eligible to Vest except where the Awardee loses such status because of death retirement due to age or permanent and total disability In the event of the Awardee s death his or her legal representative or designated beneficiary shall have the right to exercise all or a portion of the Awardee s right under this Option The representative or designee must exercise the Option before the earlier of the expiration date or one (1) year after the death of the Awardee and shall be bound by the provisions of the Plan In case of retirement due to age or permanent and total disability the Awardee retains rights in this Option until the earlier of the expiration date or three (3) years from the date thereof

8 The Awardee shall remit to the Company payment for all applicable withholding taxes and required social security contributions at the time the Awardee exercises any portion of this Option

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9 By accepting the grant of this Option Awardee acknowledges and agrees that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of an option is a one time benefit which does not create any contractual or other right to receive future grants of options or benefits in lieu of options (iii) all determinations with respect to any such future grants including, but not limited to the times when options shall be granted the maximum number of shares subject to each option and the option price will be at the sole discretion of the Company (iv) participation in the Plan is voluntary (v) the value of the option is outside the scope of Awardee s employment contract if any (vi) the value of the option is not part of normal or expected compensation for purposes of calculating any severance resignation, redundancy end of service payments bonuses long service awards pension or retirement benefits or similar payments (vii) the vesting of any Option ceases upon termination of employment with the Company or transfer of employment from the Company or other cessation of eligibility to vest for any reason except as may otherwise be explicitly provided in the Plan document or this Agreement, (viii) if the underlying stock does not increase in value this Option will have no value nor does the Company guarantee any future value (ix) no claim or entitlement to compensation or damages arises if the Option does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

10 For the exclusive purpose of implementing administering and managing Awardee s stock options Awardee consents to the collection, receipt, use retention and transfer in electronic or other form of his or her personal data by and among the Company its subsidiaries affiliates and third party vendors Awardee understands that personal data, including but not limited to name home address telephone number employee number employment status social security number tax identification number job and payroll location data for tax withholding purposes and shares of stocks awarded cancelled exercised vested and unvested) may be transferred to third parties assisting in the implementation administration and management of Awardee s stock options and Awardee expressly authorizes such transfer as well as the retention use and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee s country or elsewhere and that the recipient s country may have different data privacy laws and protections than Awardee s country Awardee understands that data will be held only as long as is necessary to implement administer and manage Awardee s stock option Awardee understands that he or she may at any time request a list with the names and addresses of any potential recipients of the personal data, view data request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost by contacting in writing the Company s legal department representative Awardee understands however that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee s refusal to consent or withdrawal of consent Awardee may contact the Company s local legal department representative

11 The Plan is incorporated herein by reference The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof and may not be modified adversely to the Awardee s interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws but not the choice of law rules of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California.

12. Neither the Plan nor this Award Agreement nor any provision under either shall be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries and it is expressly agreed and understood that employment is terminable at the will of either party

13 By accepting the grant of this Option evidenced hereby the Awardee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Award Agreement Awardee has reviewed the Prospectus and this Award Agreement in their entirety has had an opportunity to obtain the advice of counsel prior to accepting the Option and fully understands all provisions of the Prospectus and Award Agreement. Awardee agrees to accept as binding conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement.

14 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company and that the Awardee s local employer is not a party to this Award Agreement

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15 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

16 The Awardee acknowledges that he or she must sign and return this Award Agreement in order for it to be effective

Awardee	**Agilent Technologies, Inc**	
	By	
FIRST _ NM LAST_NM		Edward W Barnholt
EMPL _ NR		Chairman President and Chief Executive Officer
	By	
		D Craig Nordlund
		Senior Vice President, General Counsel and Secretary

Please fax all pages to Shareholder Records, fax number (650) 752-5734 or (650) 752 5741

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT Italy (hc)

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Award Rejection

(Sign and send this only if you wish to reject your Award)

I do not want to receive this Award and hereby reject it

Awardee
FIRST_NM LAST_NM
EMPL_NR

Please fax all pages to Shareholder Records, fax number (650) 752-5734 or (650) 752 5741

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT Italy (hc)

Exhibit 10 36

AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT FOR JAPAN

THIS AGREEMENT, dated as of the date of grant indicated in your Smith Barney account the (Grant Date) between Agilent Technologies Inc a Delaware corporation (the Company) and you as an individual who has been granted a stock option pursuant to the Agilent Technologies Inc 1999 Stock Plan (the Awardee) is entered into as follows

WITNESSETH

WHEREAS the Company has established the Agilent Technologies, Inc 1999 Stock Plan as amended and restated effective November 18 2003 (the Plan) and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the Prospectus) In addition country specific information is provided to you in the form of a Japanese Prospectus A copy of the Prospectus and the Japanese Prospectus is available at http //stockoptions corporate agilent com and also on your Smith Barney website A copy of the Plan document can be viewed at http //stockoptions corporate agilent com and will also be made available upon request and

WHEREAS the Japanese effective date is and

WHEREAS the Compensation Committee of the Board of Directors of the Company (the 'Committee) or its authorized delegate(s) determined that the Awardee shall be granted an option under the Plan as hereinafter set forth

NOW THEREFORE the parties hereby agree that the Company grants the Awardee an option ('Option) to purchase the number of shares of the Company s $0 01 par value voting common stock indicated in the Awardee s Smith Barney account

1 This Option is granted under and pursuant to the Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement the terms and conditions of the Plan shall prevail

2. The Option price shall be equal to the Fair Market Value (as defined in the Plan document) of the underlying shares on the Grant Date The Option price for this grant is indicated in the Awardee s Smith Barney account

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3 This Option is not transferable by the Awardee except by will or the laws of descent and distribution During the Awardee s lifetime only the Awardee can exercise this Option This Option may not be transferred assigned pledged or hypothecated by the Awardee during his or her lifetime whether by operation of law or otherwise and is not subject to execution attachment or similar process

4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan this Option will vest in whole or in part in accordance with the following vesting schedule

An Awardee loses status as an Awardee Eligible to Vest when certain events occur including but not limited to termination of employment with the Company or transfer of employment from the Company

5 This Option will expire ten (10) years from the Grant Date unless sooner terminated forfeited or canceled in accordance with the provisions of the Plan This means that the Option must be exercised if at all on or before the expiration date This expiration date is indicated in the Awardee s Smith Barney account The Awardee is responsible for keeping track of this date and will not receive any prior notification of the expiration date from the Company

6 As set forth in the Prospectus this Option may be exercised by following the steps indicated in the Awardee s Smith Barney account In addition Smith Barney must receive an executed authorization form accompanied by payment of the full Option price for the underlying shares including applicable taxes Payment may be in cash or shares of the Company s Common Stock or a combination thereof, provided however that any payment in shares shall be in strict compliance with all procedural rules established by the Committee or its authorized delegate(s) In some instances the Committee or its authorized delegate(s) may also permit payment using a cashless method of exercise The Company reserves the right to limit availability of certain methods of exercise as it deems necessary

7 All rights of the Awardee in this Option to the extent that it has not vested shall terminate when Awardee loses status as an Awardee Eligible to Vest except where such status is lost due to the occurrence of certain events as set forth in the Plan For example if status as an Awardee Eligible to Vest is lost because of death retirement due to age or permanent and total disability the vesting of unvested Awards will accelerate

All rights of the Awardee in this Option to the extent that it has vested but has not been exercised shall terminate on the earlier of the expiration date or three (3) months after the Awardee loses status as an Awardee Eligible to Vest except where the Awardee loses such status because of death retirement due to age or permanent and total disability In the event of the Awardee s death his or her legal representative or designated beneficiary shall have the right to exercise all or a portion of the Awardee s right under this Option The representative or designee must exercise the Option before the earlier of the expiration date or one (1) year after the death of the Awardee and shall be bound by the provisions of the Plan In case of retirement due to age or permanent and total disability the Awardee retains rights in this Option until the earlier of the expiration date or three (3) years from the date thereof

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8 The Awardee shall remit to the Company payment for all applicable withholding taxes and required social security contributions at the time the Awardee exercises any portion of this Option

9 By accepting the grant of this Option Awardee acknowledges and agrees that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of an option is a one time benefit which does not create any contractual or other right to receive future grants of options or benefits in lieu of options (iii) all determinations with respect to any such future grants including but not limited to the times when options shall be granted the maximum number of shares subject to each option and the option price will be at the sole discretion of the Company (iv) participation in the Plan is voluntary (v) the value of the option is outside the scope of Awardee s employment contract if any (vi) the value of the option is not part of normal or expected compensation for purposes of calculating any severance resignation redundancy end of service payments bonuses long service awards pension or retirement benefits or similar payments (vii) the vesting of any Option ceases upon termination of employment with the Company or transfer of employment from the Company or other cessation of eligibility to vest for any reason except as may otherwise be explicitly provided in the Plan document or this Agreement (viii) if the underlying stock does not increase in value this Option will have no value nor does the Company guarantee any future value (ix) no claim or entitlement to compensation or damages arises if the Option does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

10 For the exclusive purpose of implementing administering and managing Awardee s stock options Awardee consents to the collection receipt use retention and transfer in electronic or other form of his or her personal data by and among the Company its subsidiaries affiliates and third party vendors Awardee understands that personal data including but not limited to name home address telephone number employee number employment status social security number tax identification number job and payroll location data for tax withholding purposes and shares of stocks awarded canceled exercised vested and unvested) may be transferred to third parties assisting in the implementation administration and management of Awardee s stock options and Awardee expressly authorizes such transfer as well as the retention use and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee s country or elsewhere and that the recipient s country may have different data privacy laws and protections than Awardee s country Awardee understands that data will be held only as long as is necessary to implement administer and manage Awardee s stock option Awardee understands that he or she may at any time request a list with the names and addresses of any potential recipients of the personal data, view data request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein in any case without cost by contacting in writing the Company s legal department representative Awardee understands however that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee s refusal to consent or withdrawal of consent Awardee may contact the Company s local legal department representative

11 The Plan is incorporated herein by reference The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof and may not be modified adversely to the Awardee s interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws but not the choice of law rules of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California

12 Neither the Plan nor this Award Agreement nor any provision under either shall be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries and it is expressly agreed and understood that employment is terminable at the will of either party

13 By accepting the grant of this Option evidenced hereby the Awardee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Award Agreement Awardee has reviewed the Prospectus and this Award Agreement in their entirety has had an opportunity to obtain the advice of counsel prior to accepting the Option and fully understands all provisions of the Prospectus and Award Agreement. Awardee agrees to accept as binding conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement

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14 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company and that the Awardee s local employer is not a party to this Award Agreement

15 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

16 The Awardee acknowledges that by clicking on the Accept button on the screen titled Step 3 Confirm the Review/Acceptance of your Award the Awardee agrees to be bound by the electronic execution of this Award Agreement

Agilent Technologies, Inc
By
Edward W Barnholt
Chairman President and Chief
Executive Officer
By
D Craig Nordlund
Senior Vice President, General Counsel
and Secretary

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT JAPAN

Exhibit 10.37

AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT FOR STOCK APPRECIATION RIGHTS

THIS AGREEMENT dated (Grant Date) between Agilent Technologies Inc a Delaware corporation (the Company) and _ _ (the Awardee) is entered into as follows

WITNESSETH

WHEREAS the Company has established the Agilent Technologies Inc 1999 Stock Plan as amended and restated effective

November 18 2003 (the Plan) and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the Prospectus) A copy of the Prospectus is available at http //stockoptions corporate agilent com and also on your Smith Barney website A copy of the Plan document can be viewed at http //stockoptions corporate agilent com and will also be made available upon request and

WHEREAS the Compensation Committee of the Board of Directors of the Company (the Committee) or its authorized delegate(s) determined that the Awardee shall be granted a stock appreciation right (SAR) under the Plan as hereinafter set forth

NOW THEREFORE, the parties hereby agree that the Company grants the Awardee _SAR(s) upon the terms and conditions set forth herein

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1 This SAR is granted under and pursuant to the Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan shall prevail

2. The exercise price shall be equal to the Fair Market Value (as defined in the Plan document) of the underlying shares on the Grant Date The exercise price shall be _per SAR

3 This SAR is not transferable by the Awardee except by will or the laws of descent and distribution During the Awardee s lifetime only the Awardee can exercise this SAR This SAR may not be transferred assigned pledged or hypothecated by the Awardee during his or her lifetime whether by operation of law or otherwise and is not subject to execution attachment or similar process

4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan this SAR will vest in whole or in part in accordance with the following vesting schedule

An Awardee loses status as an Awardee Eligible to Vest when certain events occur including but not limited to termination of employment with the Company or transfer of employment from the Company

5 This SAR will expire ten (10) years from the Grant Date unless sooner terminated forfeited, or canceled in accordance with the provisions of the Plan This means that the SAR must be exercised if at all on or before _

The Awardee is responsible for keeping track of this date and will not receive any prior notification of the expiration date from the Company

6. As set forth in the Prospectus this SAR may be accepted by signing this Award Agreement and returning it to the Company The Awardee s SAR will not be exercisable until the Company receives this signed Award Agreement

In addition Smith Barney must receive an executed authorization form accompanied by payment of the full SAR price for the underlying shares including applicable taxes Upon exercise the Awardee will receive a cash payment equivalent to the appreciation in value if any of a fixed number of shares of Company common stock

7 All rights of the Awardee in this SAR to the extent that it has not vested shall terminate when Awardee loses status as an Awardee Eligible to Vest, except where such status is lost due to the occurrence of certain events as set forth in the Plan For example if status as an Awardee Eligible to Vest is lost because of death retirement due to age or permanent and total disability the vesting of unvested Awards will accelerate

All rights of the Awardee in this SAR to the extent that it has vested but has not been exercised shall terminate on the earlier of the expiration date or three (3) months after the Awardee loses status as an Awardee Eligible to Vest except where the Awardee loses such status because of death retirement due to age or permanent and total disability In the event of the Awardee s death his or her legal representative or designated beneficiary shall have the right to exercise all or a portion of the Awardee s right under this SAR The representative or designee must exercise the SAR before the earlier of the expiration date or one (1) year after the death of the Awardee and shall be bound by the provisions of the Plan In case of retirement due to age or permanent and total disability the Awardee retains rights in this SAR until the earlier of the expiration date or three (3) years from the date thereof

8. The Awardee shall remit to the Company payment for all applicable withholding taxes and required social security contributions at the time the Awardee exercises any portion of this SAR

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9 By accepting the grant of this SAR Awardee acknowledges and agrees that, (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of a SAR is a one time benefit which does not create any

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contractual or other right to receive future grants of SARs or benefits in lieu of SARs (iii) all determinations with respect to any such future grants including but not limited to the times when SARs shall be granted the number of SARs and the exercise price will be at the sole discretion of the Company (iv) participation in the Plan is voluntary (v) the value of the SAR is outside the scope of Awardee s employment contract if any (vi) the SAR is not part of normal or expected compensation for purposes of calculating any severance resignation redundancy end of service payments bonuses long service awards pension or retirement benefits or similar payments (vii) the vesting of any SAR ceases upon termination of employment with the Company or transfer of employment from the Company or other cessation of eligibility to vest for any reason except as may otherwise be explicitly provided in the Plan document or this Agreement (viii) if the underlying stock does not increase in value this SAR will have no value nor does the Company guarantee any future value (ix) no claim or entitlement to compensation or damages arises if the SAR does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

10 For the exclusive purpose of implementing administering and managing Awardee s SARs Awardee consents to the collection receipt use retention and transfer in electronic or other form of his or her personal data by and among the Company its subsidiaries affiliates and third party vendors Awardee understands that personal data, including but not limited to name home address telephone number employee number employment status social security number tax identification number job and payroll location data for tax withholding purposes and shares of stocks awarded cancelled exercised vested and unvested) may be transferred to third parties assisting in the implementation administration and management of Awardee s SARs and Awardee expressly authorizes such transfer as well as the retention use and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee s country or elsewhere and that the recipient s country may have different data privacy laws and protections than Awardee s country Awardee understands that data will be held only as long as is necessary to implement administer and manage Awardee s SAR Awardee understands that he or she may at any time request a list with the names and addresses of any potential recipients of the personal data view data, request additional information about the storage and processing of data require any necessary amendments to data or refuse or withdraw the consents herein in any case without cost by contacting in writing the Company s legal department representative Awardee understands however that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee s refusal to consent or withdrawal of consent Awardee may contact the Company s local legal department representative

11 The Plan is incorporated herein by reference The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof and may not be modified adversely to the Awardee s interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws but not the choice of law rules of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California

12. Neither the Plan nor this Award Agreement nor any provision under either shall be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries and it is expressly agreed and understood that employment is terminable at the will of either party

13 By accepting the grant of this SAR evidenced hereby the Awardee and the Company agree that this SAR is granted under and governed by the terms and conditions of the Plan and this Award Agreement Awardee has reviewed the Prospectus and this Award Agreement in their entirety has had an opportunity to obtain the advice of counsel prior to accepting the SAR and fully understands all provisions of the Prospectus and Award Agreement Awardee agrees to accept as binding conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement

14 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company and that the Awardee s local employer is not a party to this Award Agreement.

15 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

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16 The Awardee acknowledges that he or she must sign and return this Award Agreement in order for it to be effective

Awardee

FIRST_NM LAST_NM
EMPL_NR

Agilent Technologies, Inc
By

Edward W Barnholt
Chairman President and Chief Executive Officer

By

D Craig Nordlund
Senior Vice President General Counsel and Secretary

Please fax all pages to Shareholder Records, fax number (650) 752-5734 or (650) 752-5741

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Award Rejection

(Sign and send this only if you wish to reject your Award)

I do not want to receive this Award and hereby reject it

Awardee
FIRST_NM LAST_NM
EMPL_NR

Please fax all pages to Shareholder Records, fax number: (650) 752-5734 or (650) 752 5741

PLEASE PRINT AND KEEP A COPY FOR YOUR RECORDS

GRANT SAR (lx)

Exhibit 10 38

AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT FOR SWITZERLAND

THIS AGREEMENT dated (Grant Date) between Agilent Technologies Inc a Delaware corporation (the Company) and _ _ (the "Awardee) is entered into as follows

WITNESSETH

WHEREAS the Company has established the Agilent Technologies Inc 1999 Stock Plan as amended and restated effective November 18 2003 (the Plan) and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the Prospectus) A copy of the Prospectus is available at http //stockoptions corporate agilent com and also on your Smith Barney website A copy of the Plan document can be viewed at http //stockoptions corporate agilent com and will also be made available upon request and

WHEREAS the Compensation Committee of the Board of Directors of the Company (the Committee) or its authorized delegate(s) determined that the Awardee shall be granted an option under the Plan as hereinafter set forth

NOW THEREFORE the parties hereby agree that the Company grants the Awardee an option (Option) to purchase shares of the Company s $0 01 par value voting Common Stock upon the terms and conditions set forth herein

1 This Option is granted under and pursuant to the Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement the terms and conditions of the Plan shall prevail

2. The Option price shall be equal to the Fair Market Value (as defined in the Plan document) of the underlying shares on the Grant Date The Option price shall be _per share

3 This Option is not transferable by the Awardee except by will or the laws of descent and distribution During the Awardee s lifetime only the Awardee can exercise this Option This Option may not be transferred assigned pledged or hypothecated by the Awardee during his or her lifetime whether by operation of law or otherwise and is not subject to execution, attachment or similar process

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4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan this Option will vest in whole or in part in accordance with the following vesting schedule

An Awardee loses status as an Awardee Eligible to Vest when certain events occur including but not limited to termination of employment with the Company or transfer of employment from the Company

5 This Option will expire ten (10) years and six (6) months from the Grant Date unless sooner terminated forfeited or canceled in accordance with the provisions of the Plan This means that the Option must be exercised if at all on or before

The Awardee is responsible for keeping track of this date and will not receive any prior notification of the expiration date from the Company

6 As set forth in the Prospectus this Option may be accepted by signing this Award Agreement and returning it to the Company The Awardee s shares will not be exercisable until the Company receives this signed Award Agreement

In addition Smith Barney must receive an executed authorization form accompanied by payment of the full Option price for the underlying shares including applicable taxes Payment may be in cash or shares of the Company s Common Stock or a combination thereof provided however that any payment in shares shall be in strict compliance with all procedural rules established by the Committee or its authorized delegate(s) In some instances the Committee or its authorized delegate(s) may also permit payment using a cashless method of exercise The Company reserves the right to limit availability of certain methods of exercise as it deems necessary

7 All rights of the Awardee in this Option to the extent that it has not vested shall terminate when Awardee loses status as an Awardee Eligible to Vest except where such status is lost due to the occurrence of certain events as set forth in the Plan For example if status as an Awardee Eligible to Vest is lost because of death retirement due to age or permanent and total disability the vesting of unvested Awards will accelerate

All rights of the Awardee in this Option to the extent that it has vested but has not been exercised, shall terminate on the earlier of the expiration date or three (3) months after the Awardee loses status as an Awardee Eligible to Vest, except where the Awardee loses such status because of death retirement due to age or permanent and total disability In the event of the Awardee s death his or her legal representative or designated beneficiary shall have the right to exercise all or a portion of the Awardee s right under this Option The representative or designee must exercise the Option before the earlier of the expiration date or one (1) year after the death of the Awardee and shall be bound by the provisions of the Plan In case of retirement due to age or permanent and total disability the Awardee retains rights in this Option until the earlier of the expiration date or three (3) years from the date thereof

GRANT SWITZERLAND (lx)

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8. The Awardee shall remit to the Company payment for all applicable withholding taxes and required social security contributions at the time the Awardee exercises any portion of this Option

9 By accepting the grant of this Option Awardee acknowledges and agrees that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of an option is a one time benefit which does not create any contractual or other right to receive future grants of options or benefits in lieu of options (iii) all determinations with respect to any such future grants including but not limited to the times when options shall be granted the maximum number of shares subject to each option and the option price will be at the sole discretion of the Company (iv) participation in the Plan is voluntary (v) the value of the option is outside the scope of Awardee s employment contract if any (vi) the value of the option is not part of normal or expected compensation for purposes of calculating any severance resignation redundancy end of service payments bonuses long service awards pension or retirement benefits or similar payments (vii) the vesting of any Option ceases upon termination of employment with the Company or transfer of employment from the Company or other cessation of eligibility to vest for any reason except as may otherwise be explicitly provided in the Plan document or this Agreement (viii) if the underlying stock does not increase in value this Option will have no value nor does the Company guarantee any future value (ix) no claim or entitlement to compensation or damages arises if the Option does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

10 For the exclusive purpose of implementing administering and managing Awardee s stock options Awardee consents to the collection, receipt, use retention and transfer in electronic or other form of his or her personal data by and among the Company its subsidiaries affiliates and third party vendors Awardee understands that personal data including but not limited to name home address telephone number employee number employment status social security number tax identification number job and payroll location data for tax withholding purposes and shares of stocks awarded cancelled exercised vested and unvested) may be transferred to third parties assisting in the implementation administration and management of Awardee s stock options and Awardee expressly authorizes such transfer as well as the retention use and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee s country or elsewhere and that the recipient s country may have different data privacy laws and protections than Awardee s country Awardee understands that data will be held only as long as is necessary to implement administer and manage Awardee s stock option Awardee understands that he or she may at any time request a list with the names and addresses of any potential recipients of the personal data, view data request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein in any case without cost by contacting in writing the Company s legal department representative Awardee understands however that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee s refusal to consent or withdrawal of consent Awardee may contact the Company s local legal department representative

11 The Plan is incorporated herein by reference The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof and may not be modified adversely to the Awardee s interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws but not the choice of law rules of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California

12. Neither the Plan nor this Award Agreement nor any provision under either shall be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries and it is expressly agreed and understood that employment is terminable at the will of either party

13 By accepting the grant of this Option evidenced hereby the Awardee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Award Agreement. Awardee has reviewed the Prospectus and this Award Agreement in their entirety has had an opportunity to obtain the advice of counsel prior to accepting the Option and fully understands all provisions of the Prospectus and Award Agreement Awardee agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement

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14 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company and that the Awardee s local employer is not a party to this Award Agreement

15 The Awardee acknowledges that he or she may be executing part or all of the Award Agreement in English and agrees to be bound accordingly

16 The Awardee acknowledges that he or she must sign and return this Award Agreement in order for it to be effective

Awardee	**Agilent Technologies, Inc**	
	By	
FIRST_NM LAST_NM		Edward W Barnholt
EMPL_NR		Chairman President and Chief Executive Officer
	By	
		D Craig Nordlund
		Senior Vice President General Counsel and Secretary

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Award Rejection

(Sign and send this only if you wish to reject your Award)

I do not want to receive this Award and hereby reject it

Awardee
FIRST_NM LAST_NM
EMPL_NR

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GRANT SWITZERLAND (hc)

Exhibit 10.39

AGILENT TECHNOLOGIES, INC.

1999 STOCK PLAN

AWARD AGREEMENT (RESTRICTED STOCK)

THIS AGREEMENT dated , the (Grant Date) between Agilent Technologies Inc a Delaware corporation (the "Company") and , employee number (the Awardee) is entered into as follows

WITNESSETH:

WHEREAS the Company has established the Agilent Technologies Inc 1999 Stock Plan as amended and restated effective November 18 2003 (the Plan) and a description of the terms and conditions of the Plan is set forth in the U S Plan prospectus (the Prospectus) A copy of the Prospectus is attached and is also available at http //stockoptions corporate agilent com A copy of the Plan document can be viewed at http //stockoptions corporate agilent com Both the Plan and the Plan prospectus will also be available upon request and

WHEREAS the Compensation Committee of the Board of Directors of the Company (the "Committee) or its authorized delegate(s) determined that the Awardee shall be granted restricted stock under the Plan as hereinafter set forth

NOW THEREFORE the parties hereby agree that the Company grants the Awardee shares of the Company s $0 01 par value voting common stock (the Stock) subject to the restrictions stated below and in accordance with the terms and conditions of the Plan

1 This Stock is granted under and pursuant to the Plan and is subject to each and all of the provisions thereof In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement the terms and conditions of the Plan shall prevail

2. The Stock or rights awarded hereunder may not be be transferred assigned pledged or hypothecated whether by operation of law or otherwise and is not subject to execution attachment or similar process until the Stock becomes vested in accordance with the vesting schedule set forth below

3 The period of time between the date hereof and the date that the Stock becomes vested is referred to herein as the Restriction Period If the Awardee s employment with the Company is terminated for any reason other than retirement due to age or permanent and total disability prior to the lapse of the Restriction Period all unvested Stock granted hereunder shall be forfeited by the Awardee and ownership transferred back to the Company

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4 Subject to accelerated vesting upon the occurrence of certain events as set forth in the Plan and so long as the Awardee retains status as an Awardee Eligible to Vest as such term is defined in the Plan the Stock will vest in whole or in part, and accordingly the Restriction Period will lapse in accordance with the following vesting schedule

An Awardee loses status as an Awardee Eligible to Vest when certain events occur including but not limited to termination of employment with the Company or transfer of employment from the Company

5 All rights of the Awardee in the Stock, to the extent that it has not vested and the Restriction Period has not lapsed shall terminate when the Awardee loses status as an Awardee Eligible to Vest, except where such status is lost due to retirement due to age or permanent and total disability

6 If the Awardee ceases to be an Awardee Eligible to Vest as a result of his retirement due to age in accordance with the Company s U S retirement policy or total and permanent disability the Stock shall continue to vest, provided the following conditions are met

(Awardee shall not render services for any organization or engage directly or indirectly in any business which, in the opinion of the Plan Administrator competes with, or is in conflict with the interest of the Company

(Awardee shall not, without prior written authorization from the Company use in other than the Company s business, any confidential information or material relating to the business of the Company either during or after employment with the Company
)

(ii Awardee shall disclose promptly and assign to the Company all right title and interest in any invention or idea patentable or) not made or conceived by Awardee during employment by the Company relating in any manner to the actual or anticipated business research or development work of the Company and shall do anything reasonably necessary to enable the Company to secure a patent where appropriate in the United States and in foreign countries and

(Awardee shall render as an independent contractor and not as an employee such advisory or consultative services to the Company as shall be reasonably requested by the Company consistent with the Awardee s health and any employment or other activities in which the Awardee may be engaged
)

GRANT (RESTRICTED STOCK)

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7 All certificates representing any shares of Stock of the Company subject to the provisions of Award Agreement shall have endorsed thereon the following legend The shares represented by this certificate are subject to an agreement between the Corporation and the registered holder a copy of which is on file at the principal office of the Corporation

8 The certificates representing any shares of Stock of the Company subject to the provisions of this Award Agreement shall be held by the Company as Escrow Agent in this transaction Alternatively the Stock may be held in a restricted book entry account in the name of the Awardee Such certificate or such book entry shares are to be held by the Escrow Agent until the expiration of the Restriction Period

9 During the Restriction Period the Awardee shall have all the rights of a shareholder with respect to the Stock except for the right to transfer the Stock as set forth in paragraph 2 herein Accordingly the Awardee shall have the right to vote the Stock and to receive any cash dividends paid to or made with respect to the Stock

10 Awardee shall be liable for any and all taxes including withholding taxes arising out of this grant or the vesting of Stock hereunder

11 By accepting the grant of Stock Awardee acknowledges and agrees that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time (ii) the grant of the Stock is a one time benefit which does not create any contractual or other right to receive future grants of stock, stock options or benefits in lieu thereof (iii) all determinations with respect to any such future grants including but not limited to the times when stock or stock options shall be granted the maximum number of shares subject to each grant the option price and the time or times when each Award shall vest or be exercisseable will be at the sole discretion of the Company (iv) participation in the Plan is voluntary (v) the value of the Stock is outside the scope of Awardee s employment contract, if any (vi) the value of the Stock is not part of normal or expected compensation for purposes of calculating any severance, resignation redundancy, end of service payments bonuses long service awards pension or retirement benefits or similar payments (vii) the vesting of Stock ceases upon termination of employment with the Company or transfer of employment from the Company or other cessation of eligibility to vest for any reason except as may otherwise be explicitly provided in the Plan document or this Agreement (viii) if the underlying stock does not increase in value the Stock will have no value nor does the Company guarantee any future value (ix) no claim or entitlement to compensation or damages arises if the Stock does not increase in value and Awardee irrevocably releases the Company and its subsidiaries from any such claim that does arise

12. For the exclusive purpose of implementing administering and managing Awardee s Stock, Awardee consents to the collection, receipt, use retention and transfer in electronic or other form of his or her personal data by and among the Company its subsidiaries affiliates and third party vendors Awardee understands that personal data, including but not limited to name home address, telephone number employee number employment status social security number tax identification number job and payroll location, data for tax withholding purposes and shares of stocks awarded cancelled exercised vested and unvested) may be transferred to third parties assisting in the implementation administration and management of Awardee s stock options and Awardee expressly authorizes such transfer as well as the retention use and the subsequent transfer of the data by the recipient(s) Awardee understands that these recipients may be located in Awardee's country or elsewhere and that the recipient s country may have different data privacy laws and protections than Awardee s country Awardee understands that data will be held only as long as is necessary to implement, administer and manage Awardee s Stock Awardee understands that he or she may at any time request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein in any case without cost by contacting in writing the Company s legal department representative Awardee understands however that refusing or withdrawing his or her consent may affect his or her ability to accept an Award under the Plan For more information on the consequences of Awardee s refusal to consent or withdrawal of consent, Awardee may contact the Company s local legal department representative

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13 The Plan is incorporated herein by reference The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Awardee with respect to the subject matter hereof and may not be modified adversely to the Awardee s interest except by means of a writing signed by the Company and the Awardee This agreement is governed by the internal substantive laws but not the choice of law rules, of the state of Delaware Any proceeding arising out of or relating to this Award Agreement or the Plan may be brought only in the state or federal courts located in the Northern District of California

14 Neither the Plan nor this Award Agreement nor any provision under either shall be construed so as to grant the Awardee any right to remain in the employ of the Company or any of its subsidiaries and it is expressly agreed and understood that employment is terminable at the will of either party

15 By accepting the grant of Stock evidenced hereby the Awardee and the Company agree that the Stock is granted under and governed by the terms and conditions of the Plan and this Award Agreement Awardee has reviewed the Prospectus and this Award Agreement in their entirety has had an opportunity to obtain the advice of counsel prior to accepting the Stock and fully understands all provisions of the Prospectus and Award Agreement Awardee agrees to accept as binding conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement.

16 The Awardee acknowledges that this Award Agreement is between the Awardee and the Company and that the Awardee s local employer is not a party to this Award Agreement.

17 The Awardee acknowledges that he or she may be executing, part or all of the Award Agreement in English and agrees to be bound accordingly

GRANT (RESTRICTED STOCK)

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Agilent Technologies, Inc
By

Awardee
FIRST_NM LAST_NM
EMPL NUM

Edward W Barnholt
Chairman President and Chief Executive Officer

By

D Craig Nordlund
Senior Vice President, General Counsel and Secretary

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EMPL_NR

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GRANT (RESTRICTED STOCK)

Exhibit 10 40

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Under 17 C F R 200 80(b)(4),

200 83 and 240.24b-2

ASSET PURCHASE AGREEMENT

among

FLEXTRONICS SALES AND MARKETING (A P) LTD

and

AGILENT TECHNOLOGIES INC

Dated October 27 2004

Omitted portions of this document are marked with a [*]

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ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (Agreement) is entered into as of October 27 2004 by and among Flextronics Sales and Marketing (A P) Ltd a Mauritius corporation (Buyer) and Agilent Technologies Inc a Delaware corporation (Seller) The Buyer and the Seller may be referred to herein individually as a Party and collectively as the Parties

RECITALS

WHEREAS the Seller and its subsidiaries own and operate a business which develops manufactures and markets camera module products within its Sensor Solutions Division of its Semiconductor Products Group and

WHEREAS the Seller and certain of its subsidiaries (collectively the Selling Entities) wish to sell to the Buyer and/or certain of its Affiliates (such entities to be collectively referred to as the Buying Entities) and the Buying Entities wish to purchase from the Selling Entities certain assets of such business and in connection therewith the Buying Entities are willing to assume certain specified liabilities of the Selling Entities relating thereto all upon the terms and subject to the conditions set forth herein

NOW THEREFORE in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged the Parties hereto agree as follows

AGREEMENT

1 DEFINITIONS

Capitalized terms in this Agreement are used as defined in this Article 1 or elsewhere in this Agreement (such terms to be equally applicable to the singular and plural forms thereof)

Affiliate means with respect to any Person a Person that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with such Person

Agilent Intellectual Property means the Intellectual Property licensed to the Buying Entity designated in the License Agreement by the Selling Entities designated under the License Agreement

[*] Agreement means the Manufacturing Agreement between [*] and Agilent Technologies (M) Sdn Bhd dated as of February 1 2004

Assumed Contracts has the meaning set forth in Section 2 1(a)(iii)

Assumed Liabilities has the meaning set forth in Section 2.2(a)

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Books and Records shall mean (i) current equipment manuals technical bulletins application notes, project history files and decision point check in presentations (ii) current sales and promotional literature used by Seller or its Subsidiaries within the 12-month period prior to the date of this Agreement and (iii) written customer service records related to open escalations received or sent by Seller or its Subsidiaries within the 12 month period prior to the date of this Agreement in each case of clauses (i) through (iii) to the extent such items relate exclusively to the Products the Purchased Assets or the Assumed Liabilities and to the extent each of such items are in the possession of Seller or its Subsidiaries

Benefit Plan means any bonus incentive compensation deferred compensation material consulting or other personal services arrangement any flexible time off arrangement, pension profit sharing retirement, stock purchase stock option stock ownership stock appreciation rights leave of absence layoff vacation day or dependent care cafeteria, life health accident disability workmen s compensation or other insurance severance separation employment agreement (other than employment agreements in non U S countries entered into in the Ordinary Course of Business) or other employee benefit plan of any kind or policies establishing plans described above whether written or oral, in each case (i) which has been established by a Selling Entity or Affiliate thereof or any predecessor of any Selling Entity or Affiliate thereof and exists at the Closing Date and (ii) to which any Selling Entity or any Affiliate thereof contributes or has contributed on behalf of any employee under which any employee or any beneficiary thereof is covered is eligible for coverage or has benefit rights

Business means the Camera Module business which develops manufactures and markets the Products as conducted within the Module Imaging Business of the Sensor Solutions Division of the Seller and its Subsidiaries Semiconductor Products Group excluding the Image Sensor Business

Business Day means every day except Saturday Sunday and any United States federal holiday

Buyer Parent means Flextronics International Ltd a corporation incorporated under the laws of Singapore

Buying Indemnitee(s) has the meaning set forth in Section 9 2(a)

Camera Module means a module for capturing images primarily for human viewing A Camera Module includes an Image Sensor a lens and an aperture and may include an IR filter and other additional components For the avoidance of doubt the combination of an Image Sensor and a lens and aperture is defined as a Camera Module regardless of the method of integration or combination

Cause means only the following (1) an employee s failure to perform his/her duties and responsibilities at an acceptable level and such failure continues without improvement as required by and set forth in a probation notice addressed to the employee by his/her management (2) an employee's acts of misconduct that involve or affect his/her employer or occur on the employer's property which include (a) involvement with illegal drugs or controlled substances

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(b) unauthorized use or possession of alcohol or being under the influence of alcohol (c) physical violence threats intimidation harassment or coercion or (d) other circumstances constituting cause under an employer s employment policies

Closing has the meaning set forth in Section 3.6

Closing Date has the meaning set forth in Section 3.6

Closing Statement has the meaning set forth in Section 3.2

Code means the Internal Revenue Code of 1986 as amended

Consent means any approval consent ratification permission waiver or authorization (including any Governmental Authorization)

Contract means with respect to any Person any written or oral agreement contract lease license understanding arrangement instrument note guaranty deed assignment power of attorney certificate purchase order work order commitment covenant assurance or undertaking of any nature to which such Person is a party or by which its properties or assets are bound

Damages shall include any loss damage injury Liability claim demand settlement judgment award fine penalty Tax fee (including any reasonable legal fee expert fee accounting fee or advisory fee) charge cost (including any reasonable cost of investigation) or expense of any nature

Disclosure Schedule means the schedule (dated as of the date of this Agreement) and as defined in Article 4 delivered to the Seller a copy of which is attached to this Agreement and incorporated in this Agreement by reference

Disputes has the meaning set forth in Section 11.4(a)

Encumbrance means any lien pledge hypothecation charge mortgage security interest encumbrance equity trust equitable interest claim preference right of possession lease tenancy license encroachment covenant Order proxy option right of first refusal community property interest lapand defect impediment exception impairment imperfection of title condition or restriction of any nature (including any restriction on the voting of any security any restriction on the transfer of any security or other asset any restriction on the receipt of any income derived from any asset any restriction on the use of any asset and any restriction on the possession exercise or transfer of any other attribute of ownership of any asset)

Entity means any corporation (including any non profit corporation) general partnership limited partnership limited liability partnership limited liability limited partnership joint venture estate trust cooperative foundation company (including any limited liability company or joint stock company) firm or other enterprise association organization or other entity

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Excluded Assets has the meaning set forth in Section 2.1(c)

Fixed Assets has the meaning set forth in Section 2.1(a)(n)

GAAP means United States generally accepted accounting principles consistently applied

Governmental Authorization means any (a) Permit license certificate franchise concession approval Consent ratification permission clearance confirmation endorsement waiver certification designation rating registration qualification or authorization that is or has been issued granted given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Law or (b) right under any Contract with any Governmental Body

Governmental Body shall mean any (a) nation principality state commonwealth province territory county municipality district or other jurisdiction of any nature (b) federal state local municipal foreign or other government (c) governmental or quasi governmental authority of any nature (including any governmental division subdivision department agency bureau branch office commission council board instrumentality officer official representative organization unit body or Entity and any court or other tribunal) (d) international multi national organization or body or (e) individual Entity or body exercising or entitled to exercise any executive legislative judicial administrative regulatory police military or taxing authority or power of any nature

Image Processor means a processor for correcting the output signal from an Image Sensor such as for example to demosaic color balance gamma correct or otherwise compensate the signal

Image Sensor means a photosensitive silicon array having an analog or digital output An Image Sensor may also include an on board A/D converter and an Image Processor that is either on board or separate

Image Sensor Business shall mean the business of developing manufacturing and marketing of Image Sensors as conducted within the Mobile Imaging Business of the Sensor Solutions Division of the Seller and its Subsidiaries Semiconductor Products Group

Intellectual Property means all patents and invention registrations of any type trademarks trade names brand names logos slogans inventions processes formulae copyrights trade dress product names trade secrets mask works industrial models processes designs plans proposals methodologies invention proposals computer programs (including all source codes) and related documentation technical data and information manufacturing engineering and technical drawings know how all pending applications for and registrations of patents trademarks service marks and copyrights and all other intellectual property licenses and proprietary rights with respect to any of the foregoing whether or not subject to statutory registration or protection For the avoidance of doubt Intellectual Property does not include and Internet domain names web sites or meta tags

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Indemnified Party has the meaning set forth in Section 9.3(a)

Indemnifying Party has the meaning set forth in Section 9.3(a)

Inventory shall mean inventories raw materials work in process parts packaging materials and other accessories finished goods and products related thereto

Knowledge of the Seller or Seller s Knowledge shall mean those facts and circumstances actually known by Young Sohn Jason Hardove Jeff Henderson Jack Wenstrand Doug Kundrat Floyd Anderson Kathie Lee Roger Katz Linda Lackay and Nadine Melanson and facts and circumstances of which such person in his or her reasonably prudent exercise of his or her duties in the ordinary course of business should be aware without any obligation to make investigation or inquiry beyond the prudent exercise of his or her duties in the ordinary course of business

Law means any federal state local municipal foreign or other law statute legislation constitution principle of common law resolution ordinance code edict decree proclamation treaty convention rule regulation ruling directive pronouncement requirement specification determination decision opinion or interpretation that is or has been issued enacted adopted passed approved promulgated made implemented or otherwise put into effect by or under the authority of any Governmental Body

Liability means any debt obligation duty or liability of any nature (including any unknown undisclosed unmatured unaccrued unasserted contingent indirect conditional implied vicarious derivative joint several or secondary liability)

License Agreement means that certain License Agreement substantially in the form attached hereto as Exhibit A

Material Adverse Effect on Buyer shall be deemed to occur if any event change or effect individually or in the aggregate with such other events changes or effects has occurred which has had or would reasonably be expected to have a material adverse effect on the ability of any Buying Entities to consummate the Transactions

Material Adverse Effect on Seller shall be deemed to occur if any event change or effect individually or in the aggregate with such other events changes or effects has occurred which has had or would reasonably be expected to have a material adverse effect (i) on the Purchased Assets (ii) on the Business or (iii) on the ability of any Selling Entities to consummate the Transactions

Net Book Value as of any given time means the book value of the asset minus the book value of any related Liability as of such time determined in accordance with GAAP consistently applied by the Seller in accordance with Seller s accounting policies For avoidance of doubt obsolete Inventory and Fixed Assets as determined in accordance with GAAP consistently applied by the Seller shall be attributed no Net Book Value

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Order means any (a) order judgment injunction edict decree ruling pronouncement determination decision opinion verdict sentence subpoena writ or award that is or has been issued made entered rendered or otherwise put into effect by or under the authority of any court administrative agency or other Governmental Body or any arbitrator or arbitration panel or (b) Contract with any Governmental Body that is or has been entered into in connection with any Proceeding

Ordinary Course Of Business means an action taken by or on behalf of a Person that (a) is consistent with such Person s past practices and is taken in the ordinary course of such Person s normal day to day operations and (b) is not required to be authorized by such Person s owners or board of directors or any committee thereof

Patents has the meaning set forth in Section 4.5(c)

Permits mean any permits issued by a Governmental Body or other Governmental Authorization relating to the conduct of business or ownership possession occupation or use of assets or properties

Permitted Encumbrance means (i) Encumbrances for Taxes not yet due and payable or being contested in good faith by appropriate proceedings and for which there are adequate reserves on the books and (ii) mechanic s materialman s supplier s vendor s or similar Encumbrances arising in the Ordinary Course of Business securing amounts that are not delinquent

Person means any individual Entity or Governmental Body

Pre-Closing Period means the period commencing as of the date of this Agreement and ending on the Closing Date

Proceeding means any action suit litigation arbitration proceeding (including any civil criminal administrative investigative or appellate proceeding and any informal proceeding) prosecution contest hearing inquiry inquest audit examination or investigation that is or has been commenced brought conducted or heard by or before or that otherwise has involved or may involve any Governmental Body or any arbitrator or arbitration panel

Products means those set forth on Schedule 1.1(a) of this Agreement

Purchase Price has the meaning set forth in Section 3.1

Purchased Assets has the meaning set forth in Section 2.1(a)

Purchased Inventory has the meaning set forth in Section 2.1(a)(i.)

Representatives means as to any particular party the officers directors employees attorneys accountants advisors and representatives of such party

Required Consents has the meaning set forth in Section 7.2

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Retained Liabilities has the meaning set forth in Section 2 2(b)

Selling Indemnitee(s) has the meaning set forth in Section 9 2(b)

Subsidiary of any Person means any Entity of which such Person owns directly or indirectly more than 50% of the stock or other equity interests the holder of which is generally entitled to vote for the election of the board of directors or other governing body of such Entity

Tax means any tax (including any income tax, franchise tax capital gains tax estimated tax gross receipts tax value added tax surtax excise tax ad valorem tax transfer tax, stamp tax sales tax use tax property tax business tax occupation tax inventory tax occupancy tax withholding tax or payroll tax) levy assessment, tariff impost, imposition toll duty (including any customs duty) deficiency or fee and any related charge or amount (including any fine penalty additional tax or interest)

Tax Return means any return (including any information return) report, statement declaration, estimate, schedule notice notification form, election certificate or other document or information that is or has been filed with or submitted to or required to be filed with or submitted to any Governmental Body in connection with the determination assessment collection or payment of any Tax or in connection with the administration implementation or enforcement of or compliance with any Legal Requirement relating to any Tax.

Third Party Claims has the meaning set forth in Section 9 3(b)

Threshold has the meaning set forth in Section 9.2(c)

Trade Secret has the meaning set forth in Section 4 5(e)

Transaction Agreements means collectively this Agreement, the License Agreement Transition Services Agreement the Local Asset Transfer Agreements and the Supply Agreement in a form reasonably satisfactory to Buyer and Seller

Transactions means all of the transactions contemplated by the Transaction Agreements

Transferred Employees has the meaning set forth in Section 6 8(a)

Transition Services Agreement means a Transition Services Agreement in a form reasonably satisfactory to Buyer and Seller which will provide for agreed upon transition services to be provided to Buyer and/or certain of its Subsidiaries by Seller and/or certain of its Subsidiaries at cost

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2. SALE OF ASSETS, RELATED TRANSACTIONS

2 1 Sale of Assets

(a) On the terms and subject to the conditions set forth in this Agreement, at the Closing the Seller hereby agrees to and shall cause the Selling Entities to sell transfer convey assign and deliver to the Buying Entities designated by Buyer free and clear of all Encumbrances and the Buyer hereby agrees to cause the Buying Entities designated by Buyer to purchase the following and only the following properties and assets (collectively the Purchased Assets ")

(i) The Inventory that is initially set forth on Schedule 2.1(a)(i) as the same may be augmented or depleted in the Ordinary Course of Business prior to the Closing Date and as will be amended in accordance with Section 2.1(d), and all warranties and licenses issued to the Seller and its Subsidiaries in connection with the foregoing (collectively the Purchased Inventory)

(ii) The computer hardware equipment, supplies machinery tools prototypes and other tangible personal property set forth on Schedule 2.1(a)(ii), as the same will be amended in accordance with Section 2.1(e) (collectively the Fixed Assets "),

(iii) All rights of the Seller and its Subsidiaries under the Contracts set forth on Schedule 2.1(a)(iii) (collectively the Assumed Contracts ");

(iv) A copy of the Books and Records

(v) All rights under the [*] Agreement related exclusively to the Business as such will be reflected in the agreement to be negotiated in accordance with Section 6 14 of this Agreement between the Buying Entities and [*] and

(vi) All warranty rights and associated claims of the Seller and its Subsidiaries with respect to all manufacturers warranties covering the applicable Fixed Assets

(b) Licensed Assets At the Closing the Seller shall and/or shall cause the relevant Selling Entities to and the Buyer shall and/or shall cause the relevant Buying Entities to enter into the License Agreement.

(c) Excluded Assets Notwithstanding anything in this Agreement to the contrary all of the assets not specifically identified in Section 2.1(a) shall be retained by the Seller and its Subsidiaries and shall be excluded from and shall not constitute Purchased Assets (all such assets being referred to collectively as the " Excluded Assets) For avoidance of doubt all assets related to or used by the Image Sensor Business or any other business of the Seller and its Subsidiaries not specifically identified in Section 2.1(a) shall be retained by the Seller and its Subsidiaries and shall be excluded from and shall not constitute Purchased Assets

(d) Section 2 1 Schedules Update Between the date hereof and November 9 2004 pursuant to Section 6.1 at Buyer s request, Buyer and Seller shall conduct meetings with Seller s customers and Buyer shall review Schedule 2.1(a)(i) delivered as of the date hereof (the Original Schedule 2.1(a)(i)) and shall make reasonable determinations of whether any

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Inventory on Schedule 2.1(a)(i) is not saleable solely based on the customer s feedback from such meetings No later than noon PST on November 9 2004 the Buyer shall deliver proposed edits to the Original Schedule 2 1(a)(i) based on such feedback All of the Inventory set forth on Schedule 2 1(a)(i) as agreed upon by the Parties as of November 9 2004 (the Updated Schedule 2.1(a)(i) ") shall be deemed saleable At the close of four (4) business days prior to the Closing the Seller shall propose and deliver updates to the Section 2 1 Schedules as of the Closing Date provided, however that Schedule 2.1(a)(i) shall only be updated from the Updated Schedule 2 1(a)(i) to the extent depleted in the Ordinary Course of Business and shall not be augmented except for the Inventory acquired after the date of the Original Schedule 2 1(a)(i) and specifically designated for the Products or the Business The Parties shall agree on the amended Section 2 1 Schedules and such amended Section 2 1 Schedules agreed upon by Seller and Buyer shall constitute the definitive Section 2 1 Schedules for purposes of Section 2 1 Buyer agrees that its approval shall not be unreasonably withheld with respect to any Inventory that have been acquired after the date of such schedules and specifically designated for the Products or the Business in compliance with Section 6 2 including all Inventory acquired in accordance with Section 6 2 after the date set forth on the Original Schedule specifically designated for the Products or the Business that are saleable as supported in Buyer s reasonable discretion by purchase orders or demand forecasts

(e) Based on Buyer s review of Fixed Assets during the pre Closing Period following delivery of the Section 2 1 Schedules the Parties shall mutually agree on an amended and restated Schedule 2 1(a)(ii) which shall constitute the definitive Schedule 2 1(a)(ii) for purposes of Section 2 1

(f) Between the date hereof and November 9 2004 the Buyer shall have the opportunity to review and edit Schedule 2 1(a)(iii) as delivered on the date hereof provided however the Buyer may not delete the following Assumed Contracts set forth on such Schedule 2 1(a)(iii) (i) the Assumed Contracts set forth on Schedule 7 2 and the [*] Contract and (ii) Assumed Contracts related exclusively to the Business unless the obligations the Buying Entities would be required to assume under such Assumed Contract would in Buyer s good faith determination likely result in a material breach of performance by or other material penalty assessed against the Buying Entities

2.2 Assumption of and Retention of Liabilities

(a) In connection with the sale of the Purchased Assets pursuant to this Agreement at Closing the Buyer shall cause certain designated Buying Entities to assume and agree to pay perform and discharge when due the following and only the following Liabilities of the Seller and its Subsidiaries as the same shall exist on the Closing Date (the Assumed Liabilities ")

(i) all Liabilities to the extent they accrue and arise out of ownership use and operation of the Purchased Assets or the sale or manufacture of the Products by the Buyer Parent and its Subsidiaries after the Closing Date and for avoidance of doubt, accrual for Tax Liabilities shall be accrual under GAAP

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(ii) the limited Employee Assumed Liabilities as defined and set forth in Section 6.8 and all Liabilities relating to the employment of the Transferred Employees by the Buyer Parent and its Subsidiaries

(iii) (x) except as set forth in Section 6 15 the warranty support, repair return and upgrade Liabilities of the Products sold prior to or on the Closing Date and (y) the warranty support repair return and upgrade Liabilities of the Products sold after the Closing Date

(iv) the Liabilities of the Seller and its Subsidiaries under the Assumed Contracts, but only to the extent such Liabilities (A) do not arise from or relate to any pre-Closing breach violation or default by the Seller and its Subsidiaries of any provision of any of the Assumed Contracts (B) do not arise from or relate to any event circumstance or condition occurring or existing on or prior to the Closing Date that, with notice or lapse of time would constitute or result in a breach violation or default of Assumed Contracts and (C) are ascertainable (in nature and form) solely by reference to the express terms of the Assumed Contracts

(v) except for Liabilities that are not assumed under Assumed Contracts in (iv) above the Liabilities under the [*] Agreement to the extent they relate exclusively to the Business including amortization per unit for the [*] clean room while Buying Entities use such clean room and are reflected in the agreement to be negotiated in accordance with Section 6.14 of this Agreement between the Buying Entities and [*] and

(vi) any replacement costs for warranty support, repair return and upgrade obligations (a Warranty Obligation) of Products sold prior to or on the Closing Date up to $150 000 00

(b) Notwithstanding the foregoing and notwithstanding anything to the contrary contained in this Agreement, the Assumed Liabilities shall not include and the Buyer and its Subsidiaries shall not be required to assume or to perform or discharge any Liabilities of the Seller and its Subsidiaries not included as an Assumed Liability including but not limited to the following all of which shall be retained by the Seller and its Subsidiaries following the Closing (Retained Liabilities ")

(i) other than as specifically set forth in Sections 2 2(a)(iii) and 2 2(a)(iv) all Liabilities to the extent they accrue and arise out of ownership use and operation of the Purchased Assets or the manufacture or sale of Products on or prior to the Closing Date and for avoidance of doubt accrual for Tax Liabilities shall be accrual under GAAP

(ii) any Liability of any stockholders of the Seller

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(iii) any pre payment penalties premiums on debt and any other Liability of the Seller and its Subsidiaries arising out of or relating to the execution delivery or performance of any of the Transaction Agreements

(iv) any Liability of the Seller and its Subsidiaries for any fees costs or expenses of the type referred to in Section 11.1 of this Agreement.

(v) any Liability of the Seller and its Subsidiaries arising from or relating to any action taken by the Seller and its Subsidiaries at any time after the Closing Date

(vi) any Liability of the Seller and its Subsidiaries arising from or relating to any claim or Proceeding against the Seller and its Subsidiaries (other than claims or Proceedings arising and accruing post Closing out of the Assumed Liabilities)

(vii) other than as set forth in Section 3 3 any Liability of the Seller and its Subsidiaries for the payment of any Tax (other than Taxes accruing and related to the ownership use or operation of the Purchased Assets by the Buyer Parent and its Subsidiaries solely after the Closing Date)

(viii) other than as set forth in Section 2 2(a)(vi) any Liability of the Seller and its Subsidiaries (a) to any employee or former employee of the Seller and its Subsidiaries under or with respect to any Benefit Plan or for severance pay (b) under any Benefit Plan including without limitation all contributions and insurance premiums relating thereto and any Liability under Title IV of ERISA or foreign equivalent or (c) arising from any employee s employment with the Seller and its Subsidiaries prior to the Closing Date

(ix) all Warranty Obligations of Products sold prior to or on the Closing Date in excess of $150 000 00

(x) the Liabilities under the [*] Agreement, except Liabilities to the extent they relate exclusively to the Business including amortization per unit for the [*] clean room while Buying Entities use such clean room, and are reflected in the agreement to be negotiated in accordance with Section 6 14 of this Agreement between the Buying Entities and [*] provided in any event Seller retains all Liability for amortization per unit for the [*] clean room upon and after Buying Entities discontinued use of such clean room and

(xi) any other Liability that is not referred to specifically in Section 2 2(a)

3. PURCHASE PRICE, CLOSING, DELIVERY

3 1 Purchase Price. As consideration for the Purchased Assets the Buyer shall and/or shall cause the relevant Buying Entities to (a) assume the Assumed Liabilities and (b) pay to the Seller the aggregate purchase price of (i) $12 000 000 00 plus (ii) the Net Book Value of the

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Purchased Inventory and Fixed Assets at the Closing Date subject to adjustments set forth in Section 3 2 (the Purchase Price) The Purchase Price shall be allocated among the Purchased Assets in accordance with Section 3.5 and shall be payable as follows

(a) Within fifteen (15) calendar days following the end of each of the twelve (12) fiscal quarters of the Buyer Parent following the Closing Date the Buying Entities designated by Buyer will pay to the Seller in cash or by wire transfer $1 000 000 00 as may be adjusted pursuant to Section 3 2(d)

(b) At the Closing the Buyer shall pay or shall cause its designated Buying Entities to pay to Seller (where it is acting as Seller) and otherwise as agent for each of the relevant other Selling Entities in cash or by wire transfer a total of the estimated Net Book Value of the Fixed Assets as of the last day of the month immediately preceding the Closing Date as provided by the Seller to the Buyer four (4) business days prior to the Closing and as calculated in accordance with Section 3.2(a) (" Estimated Fixed Assets Value)

(c) Within fifteen (15) calendar days following the end of each fiscal quarter following the Closing the Buying Entities designated by Buyer shall pay to the Seller or the Selling Entities designated by Seller in cash or by wire transfer an amount equal to the Net Book Value of the Purchased Inventory measured as of the Closing Date in accordance with Section 3.2(a) (Closing Date Inventory Amount) that is sold by the Buying Entities to its customers or otherwise used by the Buying Entities during such fiscal quarter as may be adjusted pursuant to Section 3 2(d) provided however any portion of the Closing Date Inventory Amount that has not been paid by the Buying Entities prior to December 31 2005 shall be fully payable on December 31 2005 Until the Closing Statement is finally determined in accordance with Section 3 2(a) any payments due hereunder shall be made based on the estimated Net Book Value of Purchased Inventory as of the last day of the month immediately preceding the Closing Date as provided by the Seller to the Buyer four (4) business days prior to the Closing and as calculated in accordance with Section 3 2(a) and any resulting adjustments shall be made in the next quarter payment after the final determination of the Net Book Value of Purchased Inventory in accordance with Section 3 2(a)

3.2 Adjustment Based on Closing Date Audit

(a) Within thirty (30) days following Closing a Representative of the Buyer and a Representative of the Seller shall calculate the amount of the Net Book Value of the Purchased Inventory and the Fixed Assets as of the Closing which shall be prepared in accordance with GAAP and on a basis consistent with the Net Book Value of Purchased Inventory and Fixed Assets as of the last day of the month immediately preceding the Closing Date (the Closing Statement) Promptly after completing the Closing Statement the Representatives shall deliver the Closing Statement to the Parties for their review and approval within seven (7) days of delivery If either Party does not provide written notice of any objection to the Closing Statement within such 7 day period such Party shall be deemed to accept the Closing Statement If the Representatives (during their 30-day period) or Parties (within their 7-day period) have provided a written objection or otherwise do not agree on the Closing Statement the Parties shall attempt to resolve their differences with respect thereto within thirty

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(30) days after either Party provides written notice of their disagreement Any disputes not resolved within such thirty (30) day period regarding the Closing Statement shall be resolved by a major accounting firm jointly selected by Seller and Buyer and with no prior or current service to either Buyer or Seller (the Firm) The Firm shall make a determination in accordance with this Agreement on the disputes so submitted as well as such modifications if any to the Closing Statement as reflect such determination and the same shall be conclusive and binding upon the Parties The determination of the Firm for any item in dispute cannot however be in excess of nor less than the greatest or lowest value respectively claimed by the Parties for that particular item in the Closing Statement The Seller shall bear and pay 50% of the fees and other amounts payable in connection with the foregoing and the Buyer shall bear and pay the remaining 50% of such fees and other amounts Notwithstanding anything in the foregoing the Net Book Value of the Inventory set forth on the Updated Schedule 2 1(a)(i) as set forth on such schedule shall be binding and shall not be subject to adjustment

(b) If the Net Book Value of the Fixed Assets on the Closing Statement (Actual Fixed Assets Value) is less than the Estimated Fixed Assets Value then within ten (10) days after the final determination of the Closing Statement, the Seller shall pay to the Buying Entities designated by Buyer in cash or by wire transfer the amount by which the Estimated Fixed Assets Value exceeds the Actual Fixed Assets Value If the Actual Fixed Assets Value is greater than the Estimated Fixed Assets Value then within ten (10) days after the final determination of the Closing Statement, the Buying Entities designated by Buyer shall pay to the Seller in cash or by wire transfer the amount by which the Actual Fixed Assets Value exceeds the Estimated Actual Fixed Assets Value

(c) The Net Book Value of the Purchased Inventory on the Closing Statement shall be the Closing Date Inventory Amount

(d) Notwithstanding anything to the contrary herein in the event that the aggregate cost of the Purchased Inventory as reflected on the definitive Schedule 2 1(a)(i) exceeds the aggregate market value of such Purchased Inventory as of the Closing Date by $2 000 000 or more Seller shall pay to Buyer such excess amount or at the Buying Entities election, the Buying Entities may make deduction of such excess amount against the amount payable by Buying Entities under pursuant Section 3 1(a) and Section 3 1(c) Within thirty (30) days after the Closing the Buyer shall provide the Seller a statement setting forth the market value of each item of the Inventory on the definitive Schedule 2 1(a)(i) (" Market Value Statement) If the Seller does not provide written notice of any objection to the Market Value Statement within ten (10) days Seller shall be deemed to accept the Market Value Statement If the Seller provides a written objection to the Market Value Statement the Parties shall attempt to resolve their differences with respect thereto within thirty (30) days after Seller provides written notice of its disagreement Any disputes not resolved within such thirty (30) day period regarding the Market Value Statement shall be determined in accordance with Section 11.4

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3.3 Contingent Consideration. In addition to the Purchase Price the Selling Entities shall be eligible for and if certain thresholds are satisfied the Buyer shall cause the applicable Buying Entities to pay contingent consideration (Contingent Consideration) up to a maximum of $13 000 000 00 as follows

(a) For purposes of the Contingent Consideration calculations revenue shall be based on GAAP and shall include the revenue of Buyer s Parent and its consolidated Affiliates from its camera module business which shall include revenue attributable to the Purchased Assets following Closing as calculated on GAAP (Combined CM Business Revenue) The Combined CM Business Revenue shall be calculated each year over a three year period following Closing Year 1 shall be the Closing Date through October 31 2005 with any Year 1 payment earned being due and payable by within 15 days of the final determination of the Year 1 Contingent Consideration pursuant to Section 3 3(e) Year 2 shall be November 1 2005 through October 31 2006 with any Year 2 payment earned being due and payable within 15 days of the final determination of the Year 2 Contingent Consideration pursuant to Section 3 3(e) Year 3 shall be November 1 2006 through October 31 2007 with any Year 3 payment earned being due and payable within 15 days of the final determination of the Year 3 Contingent Consideration pursuant to Section 3 3(e)

(b) The Year 1 Contingent Consideration shall be determined in the following manner

(i) If the Combined CM Business Revenue for Year 1 is greater than [*] (Year 1 Base Threshold) then the Buying Entities designated by Buyer shall pay three percent (3%) of the Combined CM Business Revenue that exceeds [*] but only up to a maximum payment of $3 million (Maximum Year 1 Base Contingent Consideration)

(ii) In year 1 if the Combined CM Business Revenue is greater than [*] (Year 1 Stretch Threshold) then in addition to the payment in (i) above the Buying Entities designated by Buyer shall pay two percent (2%) of the Combined CM Business Revenue that exceeds [*] but only up to a maximum payment of $2 million (Maximum Year 1 Stretch Contingent Consideration)

(iii) If the Year 1 Base Threshold is not met in Year 1 no Contingent Consideration will be earned in Year 1 The amount by which the actual Year 1 revenue is less than the Year 1 Base Threshold shall be referred to as the Year 1 Deficit Amount

(c) The Year 2 Contingent Consideration shall be determined in the following manner

(i) If the Combined CM Business Revenue for Year 2 is equal to or greater than [*] (Year 2 Base Threshold) then the Buying Entities shall pay $3 million (Maximum Year 2 Base Contingent Consideration)

(ii) If the Year 1 Base Threshold is met in Year 1 and the Year 2 Base Threshold was met then the Buying Entities designated by Buyer shall pay 1 43% of the Combined CM Business Revenue that exceeds [*] but only up to a maximum payment of $2 million (Maximum Year 2 Stretch Contingent Consideration)

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(iii) If the Year 1 Base Threshold is not met in Year 1 then 50% of the Year 1 Deficit Amount (Year 2 Additional Amount) shall be added to the Year 2 Base Threshold to total the Year 2 Adjusted Base Revenue Threshold If in Year 2, the Year 2 Base Threshold is met then the Buying Entities designated by Buyer shall pay an amount equal to the lesser of (x) $1 5 million and (y) $1 5 million multiplied by (A) the Combined CM Business Revenue less Year 2 Base Threshold divided by (B) Year 2 Additional Amount If in Year 2 the Year 2 Adjusted Base Revenue Threshold is met, then the Buying Entities designated by Buyer shall pay an amount equal to the lesser of (a) $2 0 million and (b) $2 0 million multiplied by (1) the Combined CM Business Revenue less Year 2 Adjusted Base Revenue Threshold divided by (2) [*] less Year 2 Adjusted Base Revenue Threshold

(d) The Year 3 Contingent Consideration shall be determined in the following manner

(i) If the Combined CM Business Revenue for Year 3 is equal to or greater than [*] (Year 3 Base Threshold) then the Buying Entities designated by Buyer shall pay $2 million (Maximum Year 3 Base Contingent Consideration ")

(ii) If Year 1 Base Threshold is met and the Year 3 Base Threshold was met then Buying Entities designated by Buyer shall pay 0 53% of the Combined CM Business Revenue that exceeds [*] but only up to a maximum payment of $1 million (Maximum Year 3 Stretch Contingent Consideration)

(iii) If the Year 1 Base Threshold is not met in Year 1 then 50% of the Year 1 Deficit Amount (Year 3 Additional Amount ") shall be added to the Year 3 Base Threshold to total the Year 3 Adjusted Base Revenue Threshold If in Year 3 the Year 3 Base Threshold is met, then the Buying Entities designated by Buyer shall pay an amount equal to the lesser of (x) $1.5 million and (y) $1 5 million multiplied by (A) the Combined CM Business Revenue less Year 3 Base Threshold divided by (B) Year 3 Additional Amount If in Year 3 the Year 3 Adjusted Base Revenue Threshold is met then the Buying Entities designated by Buyer shall pay an amount equal to the lesser of (a) $1 0 million and (b) $1 0 million multiplied by (1) the Combined CM Business Revenue less Year 3 Adjusted Base Revenue Threshold divided by (2) [*] less Year 3 Adjusted Base Revenue Threshold

(e) Review Within ninety (90) days following the end of each year Buyer shall deliver to the Seller a statement setting forth Combined CM Business Revenue for such year and the calculation of the Contingent Consideration for such year (the Contingent Consideration Statement) If the Seller does not provide written notice of any objection to the Contingent Consideration Statement within thirty (30) days Seller shall be deemed to accept the Contingent Consideration Statement If the Seller provides a written objection to the Contingent Consideration Statement, the Parties shall attempt to resolve their differences with respect thereto within thirty (30) days after Seller provides written notice of its disagreement Any disputes not resolved within such thirty (30) day period regarding the Contingent Consideration Statement shall be resolved by the Firm The Firm shall make a determination in accordance with this

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Agreement on the disputes so submitted as well as such modifications if any to the Contingent Consideration Statement as reflect such determination, and the same shall be conclusive and binding upon the Parties The Seller shall bear and pay 50% of the fees and other amounts payable in connection with the foregoing and the Buyer shall bear and pay the remaining 50% of such fees and other amounts During the review process, the Buyer shall and shall cause its Affiliates to (i) provide commercially reasonable efforts to provide the Seller and its Representatives with reasonable access during normal business hours and upon reasonable advance notice to the books and records necessary or useful in reviewing the Contingent Consideration Statement and (ii) reasonably cooperate with Seller and its Representatives including by providing on a timely basis all information necessary or useful in reviewing the Contingent Consideration Statement

(f) Buyer agrees that Buyer Parent and its Subsidiaries shall use commercially reasonable efforts in accordance with its normal and ordinary course business practices to achieve maximum Combined CM Business Revenue

3.4 Sales Taxes, VAT. The Selling Entities shall bear and pay and the Buying Entities shall reimburse the Selling Entities for fifty percent of any Taxes documentary charges recording fees or charges fees or expenses (the "Transaction Taxes ") that result from the transfer of assets located in the United States The Buying Entities shall bear and pay all Transaction Taxes that result from transfers of assets located outside the United States unless such Transaction Taxes are not recoverable by the Buying Entities in which case Selling Entity shall reimburse Buying Entity for 50% of any such non recoverable Transaction Taxes The Buying Entities and the Selling Entities shall work together to minimize Transaction Taxes including non recoverable Transaction Taxes

3.5 Allocation. At or prior to the Closing the Buyer and the Seller shall mutually agree upon a statement setting forth the determination of the manner in which the consideration referred to in Section 3.1 is to be allocated among the Purchased Assets The allocation prescribed by such statement shall be conclusive and binding upon the Seller for all purposes The Seller shall not, and shall cause its Subsidiaries not to file any Tax Return or other document with, or make any statement or declaration to any Governmental Body that is inconsistent with such allocation

3.6 Closing.

(a) The closing of the transactions contemplated by this Agreement (the Closing ") shall take place at 10 00 a.m on the date on which all of the conditions specified in Article 7 and Article 8 have been satisfied or waived by the applicable Party and shall occur at the offices of Agilent Technologies Inc located at 395 Page Mill Road Palo Alto California, or at such other time or places as the Parties may mutually agree (such date is hereinafter referred to as the Closing Date ")

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(b) At the Closing

(i) the Selling Entities designated by Seller shall execute and deliver to the Buying Entities designated by Buyer such bills of sale endorsements assignments and other documents as may (in the reasonable judgment of the Buying Entities or their counsel) be necessary or appropriate to assign convey transfer and deliver to the Buying Entities good and valid title to the Purchased Assets free of any Encumbrances and an assumption of the Assumed Liabilities in the jurisdictions in which such transfers are to be made Such transfer and assumption agreements shall be in a form satisfactory to both Buyer and Seller (the Local Asset Transfer Agreement) with only such deviations therefrom as are required by local law and shall be executed no later than at or as of the Closing

(ii) Seller shall deliver to the Buying Entities the original of each of the Assumed Contracts (or counterpart, as appropriate) (other than purchase orders) or copies thereof where originals are not available as duly signed or executed by or behalf of the relevant Selling Entity and

(iii) the Buying Entities designated by Buyer shall pay to the Selling Entities designated by Seller an amount equal to the Estimated Fixed Assets Value in cash or by wire transfer as contemplated by Section 3 1

(c) At Closing the Parties shall have executed and delivered the Transaction Agreements (other than this Agreement) to which they are a party

3.7 Currency. All payments made hereunder shall be calculated and made in US dollars

4. REPRESENTATIONS AND WARRANTIES OF THE SELLING ENTITIES

Except as specifically set forth in the disclosure schedules attached hereto (each, a Schedule and collectively the Disclosure Schedule) which are numbered to correspond to the Section numbers of this Agreement provided however that any matter disclosed in one section or subsection of the Disclosure Schedule shall be deemed disclosed for purposes of the other sections or subsections of the Disclosure Schedule (and shall be deemed to modify the representations and warranties related thereto) if it is reasonably apparent from the text of such disclosure that such matter falls within the scope of such section or subsection the Seller hereby represents and warrants to the Buyer as follows

4.1 Organization, Good Standing and Qualification. The Seller is a corporation duly organized validly existing and in good standing under the Laws of the State of Delaware Each of the other Selling Entities is a corporation duly organized validly existing and in good standing under the Laws of the jurisdiction of its organization Each of the Selling Entities is duly qualified to conduct business and is in good standing under the Laws of each jurisdiction in which the failure to be so qualified could reasonably be expected to have a Material Adverse Effect on Seller The Selling Entities have never conducted any business under or otherwise used for any purpose or in any jurisdiction any fictitious name, assumed name trade name or other name other than those set forth on Schedule 4.1

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4.2 Authorization. All corporate action on the part of each Selling Entity its officers directors and the Stockholders necessary for the authorization, execution and delivery of this Agreement and the other Transaction Agreements and the performance of all obligations of each Selling Entity hereunder and thereunder has been taken or with respect to the Transaction Agreements will be taken prior to the execution thereof This Agreement constitutes and each Transaction Agreement will constitute when executed and delivered as provided in this Agreement the valid and legally binding obligations of each Selling Entity (to the extent such Selling Entity is a party thereto) enforceable in accordance with their respective terms except (a) as limited by applicable bankruptcy insolvency reorganization moratorium and other Laws of general application affecting enforcement of creditors' rights generally and (b) as limited by Laws relating to the availability of specific performance injunctive relief or other equitable remedies

4.3 Consents. No Consent notice registration qualification designation declaration or filing to or with any third party or any Governmental Body on the part of any Selling Entity is required in connection with the consummation of the Transactions except for (a) those listed on Schedule 4.3, (b) that of each Selling Entity s board of directors and stockholders and (c) any required filings under any applicable foreign antitrust, fair trade or other similar laws and the expiration or termination of waiting periods thereunder

4.4 Litigation. Except as set forth on Schedule 4.4, there is no pending Proceeding and to the Knowledge of the Seller no Person has threatened to commence any Proceeding (i) that involves any of the Purchased Assets Agilent Intellectual Property or the Business or (ii) that challenges or that may have the effect of preventing delaying making illegal or otherwise interfering with, any of the Transactions There is no Order to which any of the Purchased Assets or the Business is subject The Seller has not received any notice of any proposed Order that, if issued or otherwise put into effect (a) would reasonably be expected either individually or in the aggregate to have a Material Adverse Effect on Seller or (u) may have the effect of preventing delaying making illegal or otherwise interfering with any of the Transactions

4.5 Intellectual Property

(a) Except as set forth on Schedule 4.5(a) to the Knowledge of the Seller the Business as currently operated by the Seller and its Subsidiaries the Products and the Agilent Intellectual Property are not infringing misappropriating or making any unlawful use of and the Business as currently operated by the Seller and its Subsidiaries the Products and the Agilent Intellectual Property have not at any time infringed misappropriated or made any unlawful use of or received any notice or other communication of any actual alleged possible or potential infringement misappropriation or unlawful use of any Intellectual Property owned or used by any other Person The Selling Entities have not received any written indication that any other Person is infringing misappropriating, or making any unlawful use of any Agilent Intellectual Property

(b) The Seller and/or one of its Subsidiaries is the owner of all right title and interest in and to each of the Agilent Intellectual Property free and clear of all Encumbrances (other than Permitted Encumbrances) equities and other adverse claims and has the right to use all of the Agilent Intellectual Property

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(c) Schedule 4.5(c) contains a complete and accurate list of all patents and patent applications included in the Agilent Intellectual Property (" Patents) One or more of the Seller and its Subsidiaries is the owner of all right, title and interest in and to each of the Patents free and clear of all Encumbrances and other adverse claims All of the issued Patents are currently in compliance with Laws (including payment of filing examination, and maintenance fees and proofs of working or use) and have been properly maintained No Patent has been or is now involved in any interference reissue reexamination or opposition proceeding

(d) Schedule 4.5(d) contains a complete and accurate list and summary description of all registered copyrights and copyright applications included in the Agilent Intellectual Property (Copyrights) The Seller and/or one of its Subsidiaries is the owner of all right title, and interest in and to each of the copyrights and copyright applications included in the Agilent Intellectual Property free and clear of all Encumbrances (other than Permitted Encumbrances) and other adverse claims All of the registered Copyrights are currently in compliance with Laws and have been properly maintained

(e) The documentation relating to each trade secret included in the Agilent Intellectual Property (Trade Secret) is current accurate and reasonably sufficient in detail and content to identify and explain it and to allow its full and proper use without reliance on the knowledge or memory of any individual The Seller and its Subsidiaries have taken all reasonable precautions to protect the secrecy confidentiality, and value of the Trade Secrets The Seller and/or one of its Subsidiaries has good title and an absolute (but not necessarily exclusive) right to use the Trade Secrets The Trade Secrets are not part of the public knowledge or literature and to the Knowledge of the Seller have not been used divulged or appropriated either for the benefit of any Person (other than one or more of its Subsidiaries) or to the detriment of the Seller and its Subsidiaries To the Knowledge of the Seller no Trade Secret is subject to any adverse claim or has been challenged or threatened in any way Each employee or consultant of each Selling Entity signs proprietary information agreements to protect the Trade Secrets

4 6 Non-Contravention. Except as set forth in Schedule 4.6 , neither the execution and delivery of this Agreement or the other Transaction Agreements nor the consummation or performance of any of the Transactions will directly or indirectly (with or without notice or lapse of time) (a) contravene conflict with or result in a violation of or give any Governmental Body or other Person the right to challenge any of the Transactions or to exercise any remedy or obtain any relief under any Law or any Order to which any Selling Entity the Business or the Purchased Assets are subject (b) contravene conflict with or result in a violation of any of the terms or requirements of or give any Governmental Body the right to revoke withdraw suspend cancel terminate or modify any Governmental Authorization that is included in the Purchased Assets or the Business except for such contravention conflict or violation that does not have a Material Adverse Effect on Seller (c) contravene or conflict with the articles of incorporation by laws or other constitutive documents of any Selling Entity (d) materially contravene materially conflict with or result in a material violation or material breach of or result in a material default under any provision of any Assumed Contract (e) give any Person the right to

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(i) declare a material default or exercise any material remedy under any Assumed Contracts (ii) accelerate the maturity or performance of any Assumed Contract or (iii) cancel terminate or materially modify any Assumed Contract, or (f) result in the imposition or creation of any Encumbrance other than Permitted Encumbrances upon or with respect to any of the Purchased Assets

4 7 Contracts, Action

(a) Schedule 4.7(a) identifies each Assumed Contract other than purchase orders that contemplates or involves (A) the payment or receipt of cash or other consideration in an amount or having a value in excess of $50 000 (B) indebtedness for borrowed money or Encumbrance of Purchased Assets other than Permitted Encumbrances (C) guarantee of any obligation for borrowed money or otherwise (D) lending or investing of funds (E) lease of any real property (F) any agreement with any material customer or supplier of the Business or (G) prohibition of a Selling Entity from freely engaging in business anywhere in the world (collectively the Material Contracts)

(b) Each Assumed Contract is valid and in full force and effect and is enforceable by the applicable Selling Entity in accordance with its terms except (a) as limited by applicable bankruptcy insolvency reorganization moratorium and other Laws of general application affecting enforcement of creditors rights generally and (b) as limited by Laws relating to the availability of specific performance injunctive relief or other equitable remedies

(c) Except as set forth on Schedule 4.7(c) (i) no Selling Entity has violated or breached or is in default under or has received notice that it has breached violated or defaulted under any Material Contract and to the Knowledge of the Seller no third party has violated or breached or declared or committed any default under any Material Contract (ii) to the Seller s Knowledge no event has occurred and no circumstance or condition exists that would reasonably be expected (with or without notice or lapse of time) to result in a violation or breach of any of the provisions of any Material Contract or to give any Person the right to declare a default or exercise any remedy in respect of a default accelerate the maturity or performance or cancel terminate or modify any right under any Material Contract

(d) No Assumed Contract prohibits a Selling Entity from freely engaging in the Business anywhere in the world

(e) No Selling Entity has waived any of its material rights under any Material Contract on Seller

(f) No Person is renegotiating any material amount paid or payable to the Selling Entities under any Assumed Contract or any other material term or provision of any Assumed Contract

4.8 Related Party Transactions. The Assumed Contracts do not include any agreements understandings or proposed transactions between any Selling Entity and any of their Affiliates

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4.9 Tax Matters. All Taxes required to have been withheld or paid and Tax Returns filed by the Seller or any of its Subsidiaries with respect to the Purchased Assets and the Business have been timely paid (or withheld and paid) or extensions for payment have been properly obtained There are no Encumbrances for Taxes (other than for current Taxes not yet due and payable) on the Purchased Assets None of the Purchased Assets to be transferred by the Selling Entities is a United States real property interest within the meaning of Section 897(c) of the Code

4 10 Governmental Authorizations. Each Selling Entity has all Governmental Authorizations necessary for the conduct of the Business the lack of which could reasonably be expected to have a Material Adverse Effect on Seller No Selling Entity is in default in any material respect under any of such Governmental Authorization

4.11 Corporate Documents. The certificate or articles of incorporation and bylaws and equivalent charter documents of each Selling Entity are in the form previously provided to counsel for the Buying Entities

4.12 Inventory. The Net Book Value of the Inventory set forth on Original Schedule 2 1(a)(i) is accurate as of the date hereof All of the Selling Entities Purchased Inventory set forth on Original Schedule 2 1(a)(i) is saleable as of the date hereof All of Selling Entities Purchased Inventory is free of any material defect or deficiency

4.13 Title to Property and Assets. The Selling Entities own and have good valid and marketable title to all Purchased Assets free and clear of all Encumbrances (except Permitted Encumbrances) The Fixed Assets are in good operating condition and repair ordinary wear and tear excepted and are free of any material defects Schedule 4.13 set forth the location of all Fixed Assets The Fixed Assets are used in the Business

4 14 Employment Matters.

(a) When delivered pursuant to Section 6 8 the Employee List will be accurate

(b) No Selling Entity is bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral express or implied contract commitment or arrangement with any labor union relating to the Identified Employees and no labor union has requested or to Seller s Knowledge has sought to represent any of the Identified Employees There is no strike or other labor dispute involving any Selling Entity pending or to the Seller s Knowledge threatened that could have a Material Adverse Effect nor is Seller aware of any labor organization activity involving the Identified Employees To the Knowledge of the Seller no Identified Employee intends to terminate his or her employment with Seller or any of its Subsidiaries nor does Seller or any of its Subsidiaries have a present intention to terminate any Identified Employee Each Selling Entity has complied in all material respects with all applicable Laws related to employment of the Identified Employees The employment of each Identified Employee who is employed in the United States by the Selling Entities is "at will

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4 15 Compliance With Laws. Except as set forth in Schedule 4.15 (a) each Selling Entity is in compliance in all material respects with each Law that is applicable to the ownership or use of any of the Purchased Assets and operation of the Business and (b) no Selling Entity has received any notice or other communication (in writing or otherwise) pending from any Governmental Body or any other Person regarding any actual alleged possible or potential material violation of or material failure to comply with any Law that is applicable to the ownership or use of any of the Purchased Assets or operation of the Business

4 16 Sale of Products, Warranties. None of the Products is subject to any guaranty warranty or other indemnity of a Selling Entity materially beyond the applicable standard terms and conditions of sales agreements or license agreements to which it is a party Each Product that has been sold by the Selling Entities to any Person and for which any warranty obligations are being assumed by Buyer pursuant to Section 2 2(a)(iii) conformed and complied in all material respects with any applicable specifications which were in effect at the time such Product was sold and did not contain any defects in materials or workmanship No Product has been the subject of any recall or other similar action and to the Knowledge of Seller there is no reasonable basis for the same

4 17 Certain Payments. With respect to the Business or the Purchased Assets neither the Selling Entities nor to the Knowledge of the Seller any director officer agent or employee thereof or any other Person associated with or acting for or on behalf of any Selling Entity has directly or indirectly made any contribution gift bribe rebate payoff influence payment, kickback or other payment to any Person private or public regardless of form whether in money property or services (i) to obtain favorable treatment in securing business (ii) to pay for favorable treatment for business secured (iii) to obtain special concessions or for special concessions already obtained for or in respect of any Selling Entity or any Affiliate of any Selling Entity or (iv) in violation of any Law

4 18 Finders and Brokers. The Selling Entities have not agreed or become obligated to pay or has taken any action that might result in any Person claiming to be entitled to receive any brokerage commission finder s fee or similar commission or fee in connection with any of the Transactions

5. REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer hereby represents and warrants to the Seller as follows

5 1 Organization, Good Standing and Qualification. The Buyer is a corporation duly organized validly existing and in good standing under the Laws of Mauritius Each of the other Selling Entities is a corporation duly organized validly existing and in good standing under the Laws of the jurisdiction of its organization Each Buying Entity is duly qualified to conduct business and is in good standing under the Laws of each jurisdiction in which the failure to be so qualified could reasonably be expected to have a Material Adverse Effect on Buyer

5 2 Authorization. All corporate action on the part of each Buying Entity its officers and directors necessary for the authorization execution and delivery of this Agreement and the

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other Transaction Agreements and the performance of all obligations of each Buying Entity hereunder and thereunder has been taken This Agreement constitutes and when executed and delivered as provided in this Agreement, each Transaction Agreement (to which a Buying Entity is a party) will constitute the valid and legally binding obligation of such Buying Entity enforceable in accordance with its terms except (a) as limited by applicable bankruptcy insolvency reorganization moratorium and other Laws of general application affecting enforcement of creditors rights generally and (b) as limited by Laws relating to the availability of specific performance injunctive relief or other equitable remedies

5.3 Consents. No Consent notice registration, qualification designation declaration or filing to or with any third party or any Governmental Body on the part of any Buying Entity is required in connection with the consummation of the Transactions except for (a) those listed on Schedule 5.3 (b) that of each Buying Entity s board of directors (c) any required filings under any applicable foreign antitrust fair trade or other similar laws and the expiration or termination of waiting periods thereunder and (d) those the failure to obtain or file would not have a Material Adverse Effect on Buyer

5.4 Litigation. There is no pending Proceeding and to the knowledge of the Buyer no Person has threatened to commence any Proceeding that challenges or that may have the effect of preventing delaying making illegal or otherwise interfering with any of the Transactions The Buyer Parent and its Subsidiaries have not received any notice of any proposed Order that if issued or otherwise put into effect may have the effect of preventing delaying making illegal or otherwise interfering with any of the Transactions

5.5 Non-Contravention. Neither the execution and delivery of this Agreement or the other Transaction Agreements nor the consummation or performance of any of the Transactions will directly or indirectly (with or without notice or lapse of time) contravene or conflict with the articles of incorporation by laws or other constitutive documents of any Buying Entity

5.6 Finders and Brokers. The Buying Entities have not agreed and will not become obligated to pay or has not taken any action that might result in any Person claiming to be entitled to receive any brokerage commission, finder s fee or similar commission or fee in connection with any of the Transactions

6. COVENANTS OF THE SELLER AND THE BUYER

6.1 Access and Investigation. During the Pre-Closing Period the Seller shall use commercially reasonable efforts to provide the Buying Entities and their Representatives with reasonable access during normal business hours and upon reasonable advance notice to all existing books records Tax Returns work papers and other documents and information relating to the Purchased Assets and Business as well as permit Buyer to have conversations with the customers of the Business and the Identified Employees so long as such conversations have been specifically coordinated by the Seller and the Seller is permitted to attend all meetings or other conversations with such customers and Identified Employees

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6.2 Operation of Business. During the Pre Closing Period except for actions taken in furtherance of the Transaction Agreements or as otherwise requested and reasonably consented to in writing in advance by the Buyer the Seller shall and shall cause its Subsidiaries to use commercially reasonable efforts to

(a) conduct the Business in the Ordinary Course of Business and in the same manner as such operations have been conducted prior to the date of this Agreement

(b) maintain with respect to the Business, their relations and good will with all suppliers customers and creditors of the Business the Identified Employees and other Persons having business relationships with the Business

(c) not make any capital expenditure that would become a Purchased Asset except for capital expenditures that are made in the Ordinary Course of Business and that when added to all other capital expenditures made on behalf of the Seller and its Subsidiaries during the Pre-Closing Period do not exceed $250 000 in the aggregate

(d) not permit any of the Purchased Assets to become bound by any Encumbrance except Permitted Encumbrances or become bound by a Contract that would become an Assumed Contract other than purchase orders entered into in the Ordinary Course of Business and

(e) not agree commit or offer (in writing or otherwise) and not attempt to take any of the actions described in clauses (a)-(d) of this Section 6.2

6.3 Filings and Consents. The Parties shall use commercially reasonable efforts to ensure that

(a) each filing or notice required to be made or given (pursuant to any applicable Law Order or Assumed Contract, or otherwise including any filing or notice required under any applicable antitrust Law) by any such Party in connection with the execution and delivery of this Agreement or any of the other Transaction Agreements or in connection with the consummation or performance of any of the transactions contemplated herein or therein is made or given as soon as possible after the date of this Agreement

(b) each Consent required to be obtained (pursuant to any applicable Law Order or Assumed Contract or otherwise) by each such Party in connection with the execution and delivery of this Agreement or any of the Transaction Agreements or in connection with the consummation or performance of any of the transactions contemplated herein or therein is obtained as soon as practicable after the date of this Agreement and remains in full force and effect through the Closing Date.

(c) a copy of each filing made each notice given and each Consent obtained by such Party during the Pre-Closing Period is promptly made available to the other Parties and

(d) during the Pre Closing Period their respective Representatives cooperate with the other Parties and prepare and make available such documents and take such other actions as the other Parties may request in good faith in connection with any filing notice or Consent that the other Parties are required or elect to make give or obtain

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6.4 Notification.

(a) During the Pre Closing Period the Seller shall promptly notify the Buyer and the Buyer shall promptly notify the Seller in writing of

(i) the discovery of any event condition fact or circumstance that occurred or existed on or prior to the date of this Agreement and that caused or constitutes a breach of any representation or warranty made by any Party in this Agreement such that the conditions set forth in Sections 7.1 or 8.1 as applicable would not be satisfied as of the time of such breach

(ii) any event condition fact or circumstance that occurs arises or exists after the date of this Agreement and that would cause or constitute a breach of any representation or warranty made by a party in this Agreement if (A) such representation or warranty had been made as of the time of the occurrence existence or discovery of such event, condition, fact or circumstance or (B) such event condition fact or circumstance had occurred, arisen or existed on or prior to the date of this Agreement such that the conditions set forth in Sections 7.1 or 8.1 as applicable would not be satisfied as of the time of such breach

(iii) its or the other Selling Entities or the other Buying Entities as the case may be breach of any covenant or obligation set forth in this Agreement such that the conditions set forth in Section 7.2 or 8.3 as applicable would not be satisfied as of the time of such breach and

(iv) any event condition fact or circumstance that may make the timely satisfaction of any of the conditions set forth in Article 7 or Article 8 impossible or unlikely

(b) If any event condition fact or circumstance that is required to be disclosed pursuant to Section 6.4(a) requires any change in the Disclosure Schedule or if any such event, condition fact or circumstance would require such a change assuming the Disclosure Schedule were dated as of the date of the occurrence existence or discovery of such event condition fact or circumstance then the Seller shall promptly deliver to the Buyer an update to the Disclosure Schedule specifying such change No such update shall be deemed to supplement or amend the Disclosure Schedule for the purpose of (i) determining the accuracy of any of the representations and warranties made by the Selling Entities in this Agreement or (ii) determining whether any of the conditions set forth in Article 7 has been satisfied provided however that they shall be deemed an amendment to the Disclosure Schedule for purposes of Article 9 hereof if the Parties proceed to a Closing notwithstanding such supplement or amendment

6.5 Commercially Reasonable Efforts. During the Pre Closing Period Selling Entities shall use their respective commercially reasonable efforts to cause the conditions set

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forth in Article 7 and Buying Entities shall use its commercially reasonable efforts to cause the conditions set forth in Article 8 to be satisfied on a timely basis and not intentionally take any action that it actually knew would reasonably be expected to result in any of the representations and warranties made by Seller under this Agreement becoming untrue

6.6 Confidentiality, No Shop. All Parties to this Agreement shall ensure that, during the Pre-Closing Period

(a) Each Party and its respective Representatives and Affiliates complies with the Confidentiality Agreement dated September 14 2004 which shall continue in full force and effect in accordance with its terms and

(b) From the date of this Agreement through the earlier of (i) the date that this Agreement is terminated or (ii) the Closing Date the Seller shall not, and shall cause its Subsidiaries and their Representatives not to directly or indirectly encourage, solicit engage in discussions with or provide any information to any person or group concerning any sale or other disposition of all or a material portion of the Purchased Assets other than inventory sales in the Ordinary Course of Business The Seller shall promptly communicate to the Buyer any unsolicited offer or proposal concerning any such transaction that it and its Subsidiaries receive.

6.7 Bulk Transfer Laws. Each of the Parties agree to waive compliance by the other with the provisions of the bulk sales law of any jurisdiction

6.8 Employees

(a) Buyer and Seller acknowledge and agree that Buyer Parent and/or its Subsidiaries will by November 9 2004 make offers of employment to certain employees of the Business to be mutually identified by the Buyer and Seller and ultimately selected by Buyer (the Identified Employees) Promptly after Buyer has selected the Identified Employees to the extent permitted by applicable Laws (and where not so permitted after consent for disclosure is solicited by Seller and received from Seller s Identified Employee(s)) the Seller shall deliver to the Buyer a list (the Employee List) that will set forth with respect to each Identified Employee (i) the name and title of such employee (ii) the aggregate dollar amounts (in the local currency for such employee) of the compensation (including wages salary commissions director s fees fringe benefits bonuses profit sharing payments and other payments) received by such employee from the Seller and its Subsidiaries as of September 30 2004 (iii) such employee s annualized compensation as of the date of this Agreement (iv) the number of hours of sick time which such employee has accrued as of the date hereof and the aggregate dollar amount thereof if applicable (v) the number of hours of vacation time which such employee has accrued as of the date hereof and the aggregate amount thereof and (vi) the amount of severance that will be due and payable by the Selling Entities upon termination of the Identified Employees The Buyer shall and shall cause its relevant Affiliates to offer employee benefits and base compensation that are substantially similar in the aggregate to those provided by the Seller and its relevant Subsidiaries to the extent that such employee benefits are not greater or more favorable than the Buyer s and its relevant Affiliates current compensation and benefit package that is generally available for its similarly situated employees in the same geographic market.

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subject to any union or other Laws The Buyer and its relevant Affiliates will not assume any options of the Seller but may make option grants in accordance with the Buyer and its relevant Affiliates general policies and the terms of the Buyer and its relevant Affiliates equity incentive plan including that the per share exercise price of the options will be equal to the fair market value of Buyer Parent s ordinary shares on the Closing Date or the date the option is granted whichever is later The effective date for participation in the Buyer and its relevant Affiliates employee benefit plans shall be the Closing Date or the earliest practicable date thereafter Identified Employees of the Seller and its Subsidiaries who become employed by the Buyer Parent and/or its Subsidiaries in connection with this Transaction are referred to as Transferred Employees

(b) Payment of Severance Pay Each Selling Entity shall make payment in full to all Transferred Employees of all severance pay bonuses vacation pay other accrued employment benefit payments on or before the due date for such payment under applicable Laws and otherwise in a manner in accordance with applicable Laws If Buyer Parent and/or any of its Subsidiaries are required to assume any of these amounts such amount assumed shall be reimbursed by Seller or may be a Purchase Price adjustment or offset at Buyer s election

(c) Employee Liabilities Except for Employee Assumed Liabilities (defined below) the Seller and its Subsidiaries shall be responsible for any Liabilities related to their employees that have accrued prior to the Closing Date including but not limited to any Liabilities associated with the seniority of employees who will become Transferred Employees For the avoidance of doubt the Buyer Parent and its Subsidiaries shall not assume and the Seller and its Subsidiaries shall retain as Liabilities any unpaid salary accrued severance pay allowances bonuses and any other remuneration or monetary benefits and any other obligations owed to the employees of the Seller and its Subsidiaries arising from or in connection with their employment by the Seller and its Subsidiaries or any current or former Affiliate of the Seller and its Subsidiaries The following liabilities with respect to the Transferred Employees will be considered Employee Assumed Liabilities any pre-closing Liability relating to a Transferred Employee that the Buyer Parent and the relevant Subsidiary is required strictly by Law to assume (and not as a result of violation of Law or other contractual or Benefit Plan obligation by Seller) In addition, the Buyer Parent and its Subsidiaries will recognize the Transferred Employee s term of service with the Seller and its Subsidiaries for the purpose of calculating the eligibility for short term disability benefits under Buyer Parent and its Subsidiaries employee Benefit Plans as well as vacation and paid time accrual

(d) The Parties agree that nothing in this Agreement shall limit the Buying Entities ability to terminate the employment of any Transferred Employee provided however that Buyer shall and shall cause its Affiliates to pay a severance payment to any Transferred Employee whom Buyer or its Affiliates terminates without Cause prior to twelve (12) months from the Closing Date in the amount of two (2) weeks of base salary per year of service with a minimum payment of two (2) months of base salary and a maximum payment of six (6) months of base salary per employee (the Minimum Severance Payment) Years of service will be calculated based on the combination of Buyer Parent and its Subsidiaries and Seller and its Subsidiaries years of service In the event that the applicable Buyer Parent and/or its Subsidiaries severance payment to the relevant Transferred Employee (which shall be at least as

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much as generally paid to similarly situated employees in the same geographic market subject to any union or the Laws) is less than the Minimum Severance Amount, Seller promptly shall pay the deficiency within fifteen (15) days following written notice of such deficiency is provided by a Buying Entity

(e) Nothing in this Section 6 8 express or implied is intended to confer upon any Person including without limitation any Identified Employee or Transferred Employee other than the Parties hereto or their respective successors and assigns any rights remedies obligations or liabilities under or by reason of this Agreement

6 9 Communications Received After Closing The Selling Entities authorize and empower Buying Entities on and after the Closing Date to receive and open all mail received by the Buying Entities relating to the Business or the Purchased Assets and to deal with the contents of such communications in any proper manner Seller shall and shall cause its Subsidiaries to promptly deliver to the Buyer any mail or other communication received by them after the Closing Date pertaining to the Business or the Purchased Assets and any cash checks or other instruments of payment to which the Buying Entities are entitled Buyer shall and shall cause its Affiliates and the Buyer Parent to promptly deliver to Seller any mail or other communication received by it after the Closing Date pertaining to the assets and liabilities not transferred to the Buying Entities and any cash checks or other instruments of payment in respect thereof

6 10 Asset Returns In the event the Buying Entities receive any assets of the Seller and its Subsidiaries that are not intended to be transferred pursuant to the terms of this Agreement, whether or not related to the Business Buyer agrees to and shall cause the Buying Entities to promptly return such assets to Seller or its Subsidiaries at Seller s direction and expense In the event that following the Closing Seller receives or finds in its or its Subsidiaries possession any Purchased Assets that were intended to be but were not transferred pursuant to this Agreement at the Closing Seller shall promptly notify Buyer to such effect and shall comply with its obligations in respect thereof

6 11 Removal of Assets The Purchased Assets shall be removed in accordance with the provisions of the Transition Services Agreement

6 12 Consents Except for Required Consents which shall not be subject to this Section 6 12 (unless Buyer waives Section 7 2 with respect to a Required Consent)

(a) To the extent that any Consents needed to assign to the Buying Entities any of the Purchased Assets have not been obtained on or prior to the Closing Date despite each Party s commercially reasonable efforts to obtain such Consents pursuant to Section 6 3 of this Agreement this Agreement shall not constitute an assignment or attempted assignment thereof if such assignment or attempted assignment would constitute a breach thereof If any Consents shall not be obtained on or prior to the Closing then Seller and Buyer shall use their commercially reasonable efforts in good faith to obtain such Consent as promptly as practicable thereafter and if in the reasonable judgment of both Buyer and Seller such Consent may not be obtained the parties shall use commercially reasonable efforts in good faith to cooperate and to cause each of their respective Subsidiaries to cooperate in any lawful arrangement designed to provide for the Buying Entities the benefits under any such Purchased Assets

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(b) If Seller requests the Buyer shall and shall cause its Affiliates to sell Products to Seller or its Subsidiaries at Seller s list price as of the Closing Date for the shortest period necessary after Closing to enable Seller or its Affiliates to meet its minimum obligations under any Contract or obligation of Seller which requires the delivery of Products but which has not yet been transferred to a Buying Entity despite each Party s commercially reasonable efforts to obtain such Consents pursuant to Section 6 3 of this Agreement or terminated

(c) Notwithstanding any other provision of this Agreement Seller retains the right to terminate any Assumed Contract after Closing if such Contract cannot be transferred to the Buying Entities within a reasonable time frame despite each Party s commercially reasonable efforts to obtain such Consents of the other parties thereto to transfer such Contract pursuant to Section 6 3 of the Agreement, taking into account the terms of such Contract (including automatic renewal provisions)

6 13 Supply Contracts Prior to the Closing the Buyer shall and shall cause its Buying Entities to use commercially reasonable efforts to negotiate in good faith to enter into supply agreements necessary for the Business with [*] and [*] provided that in the event that the Buying Entities are not able to reach agreement after good faith negotiations with such Persons the Buyer and/or its Affiliates agree to negotiate in good faith with Seller for the supply of materials supplied currently by such Persons to the Business

6.14 [*] agreement Prior to the Closing the Buyer shall and shall cause its Buying Entities to use commercially reasonable effort to negotiate in good faith to enter into a manufacturing agreement with [*] or one of its Affiliates which agreement shall reflect the transfer and assumption of the certain rights and certain Liabilities as set forth in Section 2 1(a)(v) and Section 2 2(a)(v) provided that in the event that the Buying Entities are not able to reach agreement after good faith negotiations with [*] the Buyer and/or its Affiliates agree to negotiate in good faith with Seller for such manufacturing currently provided by [*] to the Business

6.15 Warranty and Return Liabilities

(a) In the event that any Buying Entity incurs Warranty Obligations of Products sold prior to or on the Closing Date in excess of $150 000 in accordance with Section 2.2(b)(ix) Seller shall be responsible for such Warranty Obligations

(b) The Buying Entity shall provide written notice to the Selling Entities setting forth in reasonable detail the nature of and the replacement costs incurred for any of the Selling Entities Warranty Obligation under Section 2.2(b)(ix), and Selling Entities shall promptly reimburse for any such Warranty Obligations unless such reimbursement is subject to dispute in accordance with the following sentence then any reimbursement due following such dispute resolution shall be paid promptly after the dispute is finally resolved If Selling Entities dispute the Warranty Obligations under such notice and the disputes are not resolved within a thirty (30) day period such disputes shall be resolved in accordance with Section 11 4 During the review process the Buying Entity shall (i) use commercially reasonable efforts to provide the Seller and their Representatives with reasonable access during normal business hours and upon reasonable

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advance notice to the books and records related to such Warranty Obligation and (ii) reasonably cooperate with Seller and its Representatives including by providing on a timely basis all information necessary or useful within its control to such Warranty Obligation

7 CONDITIONS PRECEDENT TO THE OBLIGATIONS OF THE BUYER

The obligation of the Buyer hereunder to consummate the transactions contemplated hereby shall be subject to the satisfaction of the following conditions as of the Closing Date

7 1 Representations and Warranties The representations and warranties of the Seller contained in this Agreement which are qualified by materiality shall be true and correct on and as of the Closing Date and the representations and warranties of the Seller contained in this Agreement which are not qualified by materiality shall be true and correct in all material respects on and as of the Closing Date except for representations and warranties that are made only as of a specific date which shall be true and correct as of such specified date

7.2 Consents and Approvals All required Consents to the assignment of the Assumed Contracts identified on Schedule 7 2 (Required Consents) and board of director and stockholder approvals if necessary of the Selling Entities shall have been obtained and written evidence of the same shall be provided to Buyer

7.3 Performance The Selling Entities shall have performed and complied in all material respects with all agreements obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing Date

7 4 No Material Adverse Change There shall not have been a Material Adverse Effect on Seller whether or not resulting from a breach in any representation warranty or covenant in this Agreement except to the extent resulting from (i) any change resulting from the compliance with the terms and conditions of this Agreement or any of the Transaction Agreements (ii) any change or effect that results or arises from the announcement or pendency of the transactions contemplated by this Agreement or any of the Transaction Agreements or (iii) any change or effect that results or arises from changes generally affecting the United States or general worldwide economies or the camera module industry

7.5 Execution of Transaction Agreements Each Party to each of the Transaction Agreements shall have executed and delivered the same

7.6 Antitrust Laws, Governmental Approvals Any applicable waiting period under any applicable antitrust Laws shall have expired or terminated and all Governmental Authorization required to consummate the Transaction shall have been received

7 7 Identified Employees [*] percent ([*]%) of the Identified Employee shall have accepted an offer of employment from the applicable Buying Entities and shall have executed the Buying Entities standard proprietary information and inventions agreement

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7 8 Supply Contract One or more Buying Entities shall have entered into supply agreements with [*] and [*] in accordance with Section 6 13 and a manufacturing agreement with [*] in accordance with Section 6 14 or in either case Seller

7 9 Delivery of Legal Opinion Buying Entities shall have received the legal opinion of Seller in a form reasonably acceptable to the Buyer

7 10 Compliance Certificate Seller shall have delivered to the Buyer a certificate executed by an authorized person of Seller dated as of the Closing Date certifying that each of the conditions set forth in Sections 7 1 7 3 and 7 4 has been satisfied

8. CONDITIONS PRECEDENT TO THE OBLIGATIONS OF THE SELLER

The obligation of the Seller hereunder to consummate the transactions contemplated hereby shall be subject to the satisfaction of the following conditions as of the Closing Date

8 1 Representations and Warranties The representations and warranties of the Buyer contained in this Agreement which are qualified by materiality shall be true and correct on and as of the Closing Date and the representations and warranties of the Buyer contained in this Agreement which are not qualified by materiality shall be true and correct in all material respects on and as of the Closing Date except for representations and warranties that are made only as of a specific date which shall be true and correct as of such specified date

8.2 Purchase Price The Buying Entities shall have delivered to the Selling Entities the Purchase Price as specified in Section 3.1

8.3 Performance The Buying Entities shall have performed and complied in all material respects with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing Date

8.4 Execution of Transaction Agreements Each Party to the Transaction Agreements shall have executed and delivered the same

8.5 Antitrust Laws Any applicable waiting period under any applicable antitrust Laws shall have expired or terminated and all Governmental Authorization required to consummate the Transaction shall have been received

8 6 Compliance Certificate Buyer shall have delivered to the Seller a certificate executed by an authorized person of Buyer dated as of the Closing Date certifying that each of the conditions set forth in Sections 8 1 and 8 3 has been satisfied

9 INDEMNIFICATION, ETC.

9 1 Survival of Representations and Covenants

(a) All covenants and obligations of the Parties shall survive and continue until the dates specified therein or if not so specified until the applicable statute of limitation

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period or periods legally applicable to them All representations and warranties made by the Seller and the Buyer in this Agreement and in any certificates delivered pursuant to Section 7 10 and Section 8 6 of this Agreement shall survive the Closing Date for a period of eighteen (18) months following the Closing Date provided however that any representation or warranty set forth in Sections 4 1 and 4 2 shall survive indefinitely and any representation or warranty set forth in Sections 4 10 and 4 15 shall survive for the applicable statute of limitation period Any Party s right to commence a claim for indemnification under Section 9.2 for a breach of any representation or warranty shall be made on or prior to the date, if any on which the survival period for such representation or warranty expires

(b) The representations warranties, covenants and obligations of the respective Parties and the rights and remedies that may be exercised by any of them shall not be limited or otherwise affected by or as a result of any information furnished to or any investigation made by or knowledge of any of the Parties or any of their Representatives

9.2 Indemnification

(a) The Seller shall indemnify defend and hold harmless Buyer its Subsidiaries, Buyer Parent and each of their officers directors employees agents and Representatives (collectively the Buying Indemnitees and individually each a Buying Indemnitee) from and against and shall compensate and reimburse each of the Buying Indemnitees for any Damages which are suffered or incurred by any of the Buying Indemnitees or to which any of the Buying Indemnitees may otherwise become subject at any time (regardless of whether or not such Damages relate to any third party claim) and which arise from or as a direct or indirect result of or are directly or indirectly connected with

(i) any breach of any representation or warranty made by the Seller in this Agreement

(ii) any breach of any covenant or obligation of any Seller in this Agreement

(iii) any Liability relating to the operation of the Business or ownership of the Purchased Assets prior to the Closing other than Assumed Liabilities

(iv) any Liability and Proceedings but only as to any Liability accruing prior to the Closing Date, with respect to the [*] request for indemnification from Seller and [*]

(v) payments if any required to be made by Selling Entities under Section 3 2(b)

(vi) payments if any required to be made by Selling Entities under Section 6.8(b) and (c)

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(vii) any Liability related to Image Sensors (other than as provided in Section 2 2(a)(iii)) and the Agilent Image Sensor Business including without limitation Liability and Proceedings related to [*] and

(viii) any Retained Liability

(b) The Buyer shall defend and hold harmless Seller and its Subsidiaries and each of their officers directors employees agents and Representatives (collectively the Selling Indemnitees and individually each an Selling Indemnitee) from and against and shall compensate and reimburse each of the Selling Indemnitees for any Damages which are suffered or incurred by any of the Selling Indemnitees or to which any of the Selling Indemnitees may otherwise become subject at any time (regardless of whether or not such Damages relate to any third party claim) and which arise from or as a direct or indirect result of or are directly or indirectly connected with

(i) any breach of any representation or warranty made by the Buyer in this Agreement

(ii) any breach of any covenant or obligation of the Buyer in this Agreement

(iii) any Liability relating to the operation of the Business or ownership of the Purchased Assets on or after the Closing including all Liabilities attributable to Assumed Liabilities which were not in existence on the date of Closing

(iv) payments if any required to be made by Buying Entities under Section 3.2(b) and

(v) all Assumed Liabilities

(c) Notwithstanding the other provisions of this Article 9 in no event shall the Seller be required to indemnify the Buyer for Damages based on Section 9 2(a)(i) and (ii) (or Proceeding related thereto) until the aggregate amount of such Damages sustained by the Buyer exceeds 1% of Purchase Price (Threshold) at which point the Seller shall be liable for all Damages sustained by the Indemnitees For avoidance of doubt the Threshold shall not apply to the Selling Entities indemnification obligations for Damages based on Section 9 2(a)(iii), (iv), (v) (vi), (vii) and (viii) Except for fraud the aggregate amount which all Buyer Indemnitees are entitled to recover from the Seller Entities based on Section 9.2(a)(i) and (ii) (or Proceeding related thereto) in the aggregate will not exceed [*] % of Purchase Price (Cap) For avoidance of doubt, the Cap shall not apply to the Selling Entities indemnification obligations for Damages based on Section 9 2(a)(iii), (iv), (v), (vi), (vii) and (viii)

(d) Except in the cases of fraud no Party shall be liable for any special incidental consequential or punitive damages hereunder including without limitation lost profits unless the same are included in a third party claim

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(e) Except in the cases of fraud, the indemnity provide in Article 9 shall be the sole and exclusive remedy of the Buying Indemnitees and the Selling Indemnitees

(f) Any payment made pursuant to the indemnification obligations under this Section 9 shall be treated as an adjustment to the Purchase Price

9.3 Indemnification Procedures

(a) For purposes of this Section 9.3, Indemnified Party shall mean (i) each Selling Indemnitee when being indemnified by any Buying Entity pursuant to Section 9 2(b) and (ii) each Buying Indemnitee when being indemnified by any Selling Entity pursuant to Section 9 2(a) and " Indemnifying Party shall mean (x) any Selling Entity when indemnifying any Buying Indemnitee pursuant to Section 9.2(a) and (y) any Buying Entity when indemnifying any Selling Indemnitee pursuant to Section 9.2(b)

(b) The obligations and Liabilities of an Indemnifying Party under this Article 9 with respect to Damages arising from claims of any third party which are subject to the indemnification provided for under Section 9.2 (Third Party Claims) shall be governed by and contingent upon the following terms and conditions if an Indemnified Party shall receive notice of any Third Party Claim the Indemnified Party shall notify each Indemnifying Party promptly of such Third Party Claim specifying the nature of such claim and the amount or the estimated amount thereof to the extent then feasible (which estimate shall not be conclusive of the final amount of such claim Notwithstanding the foregoing a delay or failure to provide such notice shall not release the Indemnifying Party from any of its obligations under this Article 9 unless (and then solely to the extent) the Indemnifying Party is prejudiced by the delay or failure Any Indemnifying Party will have the right to defend the Indemnified Party against the Third Party Claim so long as the Indemnifying Party notifies the Indemnified Party in writing within thirty (30) days after the Indemnified Party has given notice of the Third Party Claim that the Indemnifying Party will undertake the defense of such claim and the Indemnifying Party uses its commercially reasonable efforts to conduct the defense of the Third Party Claim in a manner reasonably consistent with its defense of its own direct claims The Indemnified Party may participate in but not control the defense of such claim with counsel of its choice provided however that the fees and expenses of the Indemnified Party s participation including of its counsel shall be at the expense of the Indemnified Party unless (A) the Indemnifying Party has agreed in writing to pay such fees and expenses (B) the Indemnifying Party has failed to assume the defense as provided herein or (C) a claim shall have been brought or asserted against the Indemnifying Party as well as the Indemnified Party and such Indemnified Party shall have been advised in writing by counsel that there may be one or more factual or legal defenses available to it that are in conflict with those available to the Indemnifying Party in which case such counsel shall be at the expense of the Indemnifying Party, provided, however, that the Indemnifying Party will not be required to pay the fees and expenses of more than one separate principal counsel (and one appropriate local counsel) for all Indemnified Parties If within such 30-day period the Indemnifying Party does not assume the defense of such matter or fails to defend the matter in the manner set forth above the Indemnified Party may defend against the matter in any manner that it reasonably may deem appropriate and the Indemnifying Party will reimburse the Indemnified Party promptly and periodically for the costs of defending against such claim

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(including reasonable attorneys fees and expenses) and the Indemnifying Party will remain responsible for the Liability the Indemnified Party may suffer resulting from arising out of relating to in the nature of, or caused by the claim to the fullest extent provided herein provided however that the Indemnified Party may not consent to the entry of any judgment with respect to the matter or enter into any settlement with respect to such matter without the written consent of the Indemnifying Party which consent may not be unreasonably withheld In the event the Indemnifying Party exercises the right to undertake any defense against any a Third Party Claim as provided above the Indemnified Party shall cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party at the Indemnifying Party s expense all witnesses pertinent records materials and information in the Indemnified Party s possession or under the Indemnified Party s control relating thereto as is reasonably required by the Indemnifying Party Similarly in the event the Indemnified Party is conducting the defense against any such Third Party Claim, the Indemnifying Party shall cooperate with the Indemnified Party in such defense and make available to the Indemnified Party at the Indemnifying Party s expense all such witnesses records materials and information in the Indemnifying Party s possession or under the Indemnifying Party's control relating thereto as is reasonably required by the Indemnified Party

(c) An Indemnified Party shall give each Indemnifying Party notice of any matter (other than a Third Party Claim) which an Indemnified Party has determined has given or would reasonably be expected to give rise to a right of indemnification under Section 9 2 , within sixty (60) days of such determination stating the amount of the Damages if known and method of computation thereof a brief description of the facts upon which such claim is based and containing a reference to the provisions of this Agreement in respect of which such right of indemnification is claimed or arises provided however that the delay or failure to provide such notice shall not release the Indemnifying Party from any of its obligations under this Article 9 unless (and then solely to the extent) the Indemnifying Party is prejudiced by the delay or failure

(d) If after the amount of the claim is specified by the Indemnified Party the Indemnifying Party objects to any such claim it may give written notice to the Indemnified Party within thirty (30) days of the later of receipt of the Indemnified Party s notice of claim or the specification by the Indemnified Party of the amount of the claim advising the Indemnified Party of its objection If no such notice is timely received from the Indemnifying Party by the Indemnified Party the Indemnified Party will be entitled to payment from the Indemnifying Party in the amount of the Damages arising out of the claim specified in its notice of claim If the Indemnifying Party advises the Indemnified Party within such thirty (30) day period that it objects to such claim the Indemnified Party and the Indemnifying Party shall promptly meet and attempt in good faith to settle the dispute in writing. Unless both parties waive such timeline if the Indemnified Party and the Indemnifying Party are unable to reach agreement within sixty (60) days after the Indemnifying Party objects to the claim then the disputed portion of the claim shall be submitted to arbitration in accordance with Section 11 4 If the arbitrator shall determine that the Indemnified Party is entitled to indemnification with respect to the dispute submitted the Indemnified Party will be entitled to obtain payment from the Indemnifying Party within thirty (30) days in the amount determined by the arbitrator

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9 4 Non-Compete, Non Solicitation

(a) For a period of [*] following the Closing Date (Non-Compete Period) the Seller shall not, and the Seller shall cause its Subsidiaries not to, without the prior written consent of the Buyer directly or indirectly own manage control participate in or in any manner engage in the business of developing distributing selling and marketing Camera Module products that are configured and intended for inclusion in a personal portable handheld device for human voice communication over a cellular network (a Competitive Activity) within any Restricted Territory provided however that notwithstanding the foregoing the Seller and its Subsidiaries shall be able to engage in the following activities (i) the acquisition or ownership of securities of no more than five percent (5%) of the outstanding voting power of any competitor which are listed on any national securities exchange or traded in the national over the counter market (ii) the acquisition merger or any other business combination with or investments in any Person whose primary business is not a Competitive Activity so long as after such acquisition the Seller and its Subsidiaries shall not engage in the Competitive Activity (iii) existing or future licenses or other dispositions of Agilent Intellectual Property so long as such licenses and dispositions are in accordance with Section 2 12 of the License Agreement (iv) Seller s actions under Contracts pursuant to Section 6 12 hereof until such Contracts can be transferred to the Buying Entities or terminated or (v) actions taken pursuant to the Transaction Agreements For the avoidance of doubt, the Parties agree that this Section 9 4 shall not in any way limit the Seller and its Subsidiaries from engaging in the business of developing manufacturing or marketing of Imaging Sensors As used in this Agreement Restricted Territory means the areas in the world in which any Buyer s Parent or its Affiliates are doing business

(b) During the Non Compete Period the Seller and its Subsidiaries shall refrain from either alone or in conjunction with any other Person directly or indirectly inducing or attempting to induce any Transferred Employee to leave the employ or engagement of the Buyer Parent or its Subsidiaries or induce or attempt to induce any customer supplier contractor licensor or licensee of the Combined CM Business of Buyer Parent or its Subsidiaries to cease doing business with the Buyer Parent or its Subsidiaries as it relates solely to the Combined CM Business During the Non-Compete Period the Buyer Parent and its Subsidiaries shall not induce or attempt to induce any employee of Seller s Sensor Solutions Division of the Semiconductor Products Group of the Seller and its Subsidiaries including without limitation the employees of the Image Sensor Business, to leave the employ or engagement of any the Seller and its Subsidiaries Notwithstanding the foregoing, the restrictions set forth in this Section 9 4(b) shall not apply in the event that any employee is involuntarily terminated by a Party

(c) If any court of competent jurisdiction declares any provision of Section 9 4 invalid or unenforceable the remainder of this Agreement shall remain fully enforceable To the extent that any court concludes that any provision of Section 9 4 is void or voidable the court shall reform such provision(s) to render the provision(s) enforceable but only to the extent necessary to render the provision(s) enforceable and only in view of the Parties' express desire that the Buyer and its Affiliates be protected to the greatest extent possible under applicable Law from improper competition and/or the misuse or disclosure of the Purchased Assets The Parties hereto acknowledge that money damages would be an inadequate remedy for any breach of Section 9 4 Therefore in the event of a breach or threatened breach of Section 9 4 any Buying Entity or its respective successors or assigns may in addition to other rights and remedies existing in their favor apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce or prevent any violations of the provisions of Section 9 4 (without posting a bond or other security)

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10. TERMINATION

10 1 Termination This Agreement may be terminated at any time prior to the Closing

(a) by either Party if the Closing shall not have occurred by ninety (90) days following the date hereof provided however that the right to terminate this Agreement under this Section 10 1(a) shall not be available to any Party whose failure to fulfill any obligation under this Agreement shall have been the cause of or shall have resulted in the failure of the Closing to occur on or prior to such date

(b) by a Party (the Non Defaulting Party) upon a breach of any representation or warranty of the other Party (the Defaulting Party) or any covenant or agreement in this Agreement or if any representation or warranty of the Defaulting Party in this Agreement shall have become untrue in either case such that the conditions set forth in Section 7.1 or 7 2 or Section 8 1 or 8.3 , as the case may be would not be satisfied as of the time of such breach or as of the time such representation or warranty shall have become untrue provided that if such inaccuracy in the Defaulting Party s representations and warranties or breach by the Defaulting Party is curable by the Defaulting Party through the exercise of its commercially reasonable efforts within ten (10) days then Non Defaulting Party may not terminate this Agreement under this Section 10.1(b) prior to the tenth (10 th) day following the date on which notice of such breach was provided by the Non Defaulting Party to the Defaulting Party provided the Defaulting Party continues to exercise commercially reasonable efforts to cure such breach during such period provided further that the Defaulting Party remains liable following termination for such breach or

(c) by either Party in the event that any Governmental Body shall have issued an Order or taken any other action restraining enjoining or otherwise prohibiting the Transactions contemplated by this Agreement and such Order or other action shall have become final and nonappealable or

(d) by the mutual written consent of both Parties

10 2 Effect of Termination. In the event of termination of this Agreement as provided in Section 10 1, this Agreement shall forthwith become void and there shall be no Liability on the part of either Party hereto except (i) as set forth in Sections 6.6(a) and 11 1 (ii) that nothing herein shall relieve either Party from Liability for any breach of this Agreement and (iii) that the Buyer shall and shall cause its Affiliates to return all materials and medium containing any information of any nature relating to the Seller and its Subsidiaries including proprietary and confidential information within five (5) Business Days of termination

11 MISCELLANEOUS

11 1 Transaction Expenses. Each Party shall bear and pay its own fees costs and expenses including but not limited to all legal accounting banking or broker fees

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commissions and expenses that such Party incurs in connection with the negotiation preparation and review of the Transaction Agreements Notwithstanding the foregoing the Buyer and the Seller shall pay for 50% of the total fees and expenses incurred in connection with the preparation and submission of any filing or notice required to be made or given to any Governmental Body (including any filing required by applicable antitrust Laws) in connection with any of the Transactions

11.2 Successors and Assigns. Except as otherwise provided herein the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties Nothing in this Agreement express or implied is intended to confer upon any Party other than the Parties hereto or their respective successors and assigns any rights remedies obligations or liabilities under or by reason of this Agreement except as expressly provided in this Agreement

11.3 Governing Law. This Agreement shall be governed by and construed under the Laws of the State of California as applied to agreements among California residents entered into and to be performed entirely within California

11 4 Disputes Resolution, Waiver of Jury Trial

(a) Except as otherwise provided in this Agreement, the following dispute resolution procedures shall be used by the Parties to resolve all disputes differences controversies and claims under this Agreement that arise out of or relate to this Agreement or the interpretation or breach thereof (other than those set forth in Section 11 4(g) hereof) (collectively Disputes) For purposes of this Section 11 4 Parties means Buyer on the one hand and the Sellers on the other hand Either Party may by written notice to the other Party refer any Disputes for resolution in the manner set forth below

(b) Any such Disputes shall be referred to arbitration under the rules of the American Arbitration Association to the extent such rules are not inconsistent with this Section 11 4. Unless the Parties agree on the name of a single arbitrator the arbitration panel shall consist of three (3) arbitrators one of whom shall be appointed by Buyer and one of whom shall be appointed by the Sellers The two arbitrators thus appointed shall choose the third arbitrator provided however that if the two arbitrators are unable to agree on the appointment of the third arbitrator either arbitrator may petition the American Arbitration Association to make the appointment Neither Party nor any arbitrator may disclose the existence content or results of any arbitration hereunder without the prior written consent of the Buyer and the Seller The provisions contained in this Section shall survive termination and/or expiration of this Agreement

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(c) Unless otherwise mutually agreed to by the Parties the place of arbitration shall be San Jose, California Unless otherwise mutually agreed to by the parties for each Dispute referred to arbitration pursuant to this Section 11 4 each Party shall allow and participate in discovery as follows

(i) Non Expert Discovery Each Party may (1) conduct three (3) non-expert depositions of no more than five (5) hours of testimony each with any deponents employed by any party to appear for deposition in San Jose California (unless otherwise mutually agreed by the Parties) (2) propound a single set of requests for production of documents containing no more than twenty (20) individual requests (3) propound up to twenty written interrogatories and (4) propound up to ten (10) requests for admission

(ii) Expert Disclosure If scientific technical or other specialized knowledge will assist the arbitrator each Party may select a single witness who is retained or specially employed to provide such expert testimony In addition each Party may select an additional retained or specially employed expert witness to testify with respect to damages issues if any Expert discovery shall consist of the following (1) the Parties shall exchange complete reports on all information to be provided by the expert(s) at the hearing no later than thirty (30) days before the first day of the hearing (2) the parties shall produce complete rebuttal reports if any no later than ten (10) days before the first day of the hearing and (3) the Parties shall be required to produce any and all documents reviewed by their expert(s) in performing work relating to the arbitration

(iii) Additional Discovery The Arbitrator may on application by either Party, authorize additional discovery only if deemed essential to avoid injustice In the event that remote witnesses might otherwise be unable to attend the arbitration arrangements shall be made to allow their live testimony by video conference during the arbitration hearing

(d) The arbitral tribunal shall render its award within six (6) months after acceptance of its appointment by the third arbitrator This period may be extended by mutual agreement of the Parties The decision of the arbitration panel shall be final and binding on all of the Parties hereto and non appealable and the Parties hereby waive any right of appeal to any court of any Disputes resolved pursuant to this Section 11.4 However the provisions of this Section 11.4 may be enforced in any court having jurisdiction over the award or any of the Parties pursuant to Section 11.4(f) hereof and judgment on the award (including without limitation, equitable remedies) granted in any Disputes resolution hereunder may be entered in any such court

(e) Each Party shall pay its own expenses in connection with the resolution of Disputes pursuant to this Section 11 4 including attorneys fees The fees and expenses of the arbitration panel shall be (A) borne equally by the Buyer on the one hand and the Seller on the other hand if and to the extent that the arbitration panel determines that such result would be fair and equitable under the circumstances or (B) borne by the Buyer on the one hand and the Seller on the other hand in inverse proportion to the amount that the arbitration panel s award in favor of the Buyer on the one hand, and the Seller on the other hand bears to the total amount of the items in dispute (for illustration purposes for this Section 11.4(e) only (X) if the total amount of items in dispute by the Buying Entities is $1 000 000 00 and the Buying Entities are awarded $500 000 00 by the arbitration panel the Buying Entities on the one hand and the Selling Entities on the other hand shall bear the arbitration panel s fees and expenses equally or (Y) if the total amount of items in dispute by the Buying Entities is $1 000 000 00 and the Buying Entities are awarded $250 000 00 by the arbitration panel the Buying Entities shall bear 75% and the Selling Entities shall bear 25% of the arbitration panel s fees and expenses)

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(f) Any judicial proceeding brought pursuant to Section 11 4(d) or (g) hereof must be brought in any court of competent jurisdiction in the county of Santa Clara, California and by execution and delivery of this Agreement each Party (i) accepts generally and unconditionally the exclusive jurisdiction of such courts and any related appellate court and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement, (ii) irrevocably waives any objection it may now or hereafter have as to the venue of any such suit, action or proceeding brought in such a court or that such court is an inconvenient forum and (iii) waives personal service of process and consents to service of process upon it by certified or registered mail return receipt requested at its address specified or determined in accordance with Section 11 4 hereof and service so made shall be deemed completed on the third Business Day after such service is deposited in the mail Nothing in this Section 11.4 shall affect the right of any Party hereto to serve process in any other manner permitted by applicable Law

(g) The foregoing provisions shall not apply to Disputes as to breaches or threatened breach of Sections 6 6 or 9 4 hereof The Parties hereto acknowledge that money damages would be an inadequate remedy for any breach of Sections 6 6 or 9 4 and a breach thereof would cause irreparable damage to the Buying Entities Therefore in the event of a breach or threatened breach of Sections 6 6 or 9 4 the Buying Entities or their respective successors or assigns may in addition to other rights and remedies existing in their favor apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce or prevent any violations of the provisions of Sections 6 6 or 9 4

(h) Notwithstanding anything contained in this Section 11 4 to the contrary in the event of any Dispute prior to referring such Dispute to arbitration pursuant to Section 11.4(b) hereof Seller and Buyer shall attempt in good faith to resolve any and all controversies or claims relating to such Disputes promptly by negotiation commencing within ten (10) calendar days of the written notice of such Disputes by either Party including referring such matter to Seller s then-current general manager of its Semiconductor Products Group and Buyer Parent and its Subsidiaries then current President of Design and ODM Business The representatives of the Parties shall meet at a mutually acceptable time and place and thereafter as often as they reasonably deem necessary to exchange relevant information and to attempt to resolve the Dispute for a period of four (4) weeks In the event that the parties are unable to resolve such Dispute pursuant to this Section 11.4(h), the provisions of Section 11.4(b) through (f) hereof inclusive shall apply

(i) **IN THE EVENT OF ANY JUDICIAL PROCEEDINGS, THE PARTIES KNOWINGLY AND VOLUNTARILY, AND HAVING HAD AN OPPORTUNITY TO CONSULT WITH COUNSEL, WAIVE ALL RIGHTS TO TRIAL BY JURY, AND AGREE THAT ANY AND ALL MATTERS SHALL BE DECIDED BY A JUDGE WITHOUT A JURY TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW**

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11.5 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement

11 6 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given (a) upon personal delivery to the Party to be notified (b) when sent by confirmed telex or facsimile if sent during normal business hours of the recipient, if not, then on the next Business Day (c) five days after having been sent by registered or certified mail return receipt requested, postage prepaid or (d) one day after deposit with a nationally recognized overnight courier specifying next day delivery with written verification of receipt. All communications shall be sent to the address as set forth on the signature page hereof or at such other address as such Party may designate by ten days advance written notice to the other Parties hereto

11 7 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of Seller and Buyer Any amendment or waiver effected in accordance with this paragraph shall be binding upon each Party hereto

11 8 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable Law such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms

11 9 Entire Agreement. This Agreement including the Exhibits Schedules and the other Transaction Agreements constitutes the entire agreement among the Parties and supercedes all prior agreements and understandings oral and written, between the Parties hereto including without limitation the Letter dated October 4 2004 from Buyer and Seller No Party shall be liable or bound to any other Party in any manner by any covenants or representations or warranties express or implied at common law by statute or otherwise except as specifically those representations warranties and covenant set forth herein or in the Transaction Agreements and the Seller and its Subsidiaries hereby disclaim all implied warranties including warranties of merchantability or fitness for a particular purpose

11 10 Public Disclosures. Unless otherwise required by law prior to the Closing Date no news release or other public announcement pertaining to the transactions contemplated by this Agreement will be made by or on behalf of any Party without the prior approval of the other party If in the judgment of either Party such a news release or public announcement is required by law the Party intending to make such release or announcement shall provide prior notice to the other Party of the contents of such release or announcement and shall consult with the other Party with respect thereto

11 11 Counterparts, Facsimile. This Agreement may be executed in any number of counterparts each of which shall be an original but all of which together shall constitute one instrument This Agreement (or any counterpart hereof) may be delivered by a Party by facsimile which facsimile delivery shall be effective as if the original counterpart had been delivered

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11 12 Further Assurances. The Parties agree to execute such further documents and instruments and to take such further actions as may be reasonably necessary to carry out the purposes and intent of this Agreement

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF the parties have executed this Asset Purchase Agreement as of the date first above written

AGILENT TECHNOLOGIES, INC.		FLEXTRONICS SALES AND MARKETING (A P) LTD	
By:	/s/ Young Sohn	By:	/s/ Manny A/L Marimuthu
Name:	Young Sohn	Name:	Manny A/L Marimuthu
Title:	President	Title:	
Semiconductor Products Group			
Address:	Agilent Technologies Inc Semiconductor Products Group 350 West Trimble Road MS 90MG San Jose, CA 95131 Fax No: Attention: General Manager	Address:	Flextronics Sales and Marketing (A P) Ltd Suite 802 St James Court St Denis Street, Port Louis Mauritius Attention: Carrie L. Schiff General Counsel
With a copy to:	Agilent Technologies Inc 395 Page Mill Road MS A3 10 Palo Alto CA 94306 United States of America Fax No: (650) 752 Attention: General Counsel	With a copy to:	Flextronics International USA Inc. 2090 Fortune Drive San Jose California 95131 United States of America Attention: Duncan Robertson Fax No: (408) 428-0859 And Davis Graham & Stubbs LLP 1550 17th Street Suite 500 Denver Colorado 80202 United States of America Attention: Ronald R. Levine II Fax No: (303) 893 1379

[SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT]

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Exhibit A

Confidential Treatment Requested

under 17 C.F.R. 200.80(b)(4),

200.83 and 240.24b-2

LICENSE AGREEMENT

This License Agreement ("Agreement") is entered into and made effective on the Closing Date by and between Agilent Technologies Inc., a Delaware corporation ("Agilent") and Flextronics Sales and Mktg (A P) Ltd., a Mauritius corporation ("Flextronics") (Agilent and Flextronics may each be referred to in this Agreement individually as "Party" and collectively as the "Parties").

Whereas, in connection with this Agreement, Agilent is selling to Flextronics certain assets and IP licenses relating to Agilent's camera module business under the terms of the separate Asset Purchase Agreement; and

Whereas, Agilent is willing to grant such IP licenses subject to the terms and conditions of this Agreement.

Now, Therefore, in consideration of the foregoing premises and the mutual promises, covenants and conditions contained in this Agreement, Agilent and Flextronics agree as follows:

1. Definitions. The following capitalized terms shall have the meanings indicated for purposes of this Agreement:

1.1 "Affiliate" means, as to any person or entity, any other person or entity controlling, under common control with or controlled by such first referenced person or entity. For purposes of this definition, "control" means direct or indirect beneficial ownership of more than 50% of the voting or income interest in the relevant business entity, or the contractual ability to direct the vote of more than 50% of the voting or income interest in such relevant business entity. Such a person or entity will be considered an Affiliate for only as long as such control exists.

1.2 "Agilent Camera Module Patents" means (i) any patents or patent applications listed in the attached Exhibit A, foreign counterparts thereof, any patent applications or patents claiming priority thereto, and any extension of any such patent and (ii) all inventions disclosures prepared on or before the Closing Date that are subsequently filed as patent applications and result in patents having claims that read on Camera Modules.

1.3 "Agilent IP Materials" means the items and materials of the Agilent Camera Module business as summarized on Exhibit B.

1.4 "Asset Purchase Agreement" means the Asset Purchase Agreement between Agilent and Flextronics entered into concurrently with this Agreement and to which this Agreement is attached as an exhibit. Any section or exhibit of the Asset Purchase Agreement that is referenced in this Agreement shall be deemed incorporated into this Agreement by reference.

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1.5 "Camera Module" means a module for capturing photographic or video type images. A Camera Module includes an Image Sensor, a lens, and an aperture and may include an IR filter and other additional components. For the avoidance of doubt, the combination of an Image Sensor and a lens and aperture is defined as a Camera Module regardless of the method of integration or combination.

1.6 "Cellular Telephone Handset" means a personal, portable, handheld device for human voice communication over a cellular network.

1.7 "Closing Date" has the meaning set forth in the Asset Purchase Agreement.

1.8 "Flextronics Field of Use" means Camera Module products that are configured and intended for inclusion in Cellular Telephone Handsets. The Flextronics Field Of Use includes Image Sensors only to the extent that they are made for Flextronics and are assembled by Flextronics into Camera Module products that are configured and intended for inclusion in Cellular Telephone Handsets.

1.9 "Image Processor" means a processor for correcting the output signal from an Image Sensor such as, for example, to demosaic, color balance, gamma correct or otherwise compensate the signal.

1.10 "Image Sensor" means a photosensitive silicon array having an analog or digital output. An Image Sensor may also include an I/O, on board A/D converter and an Image Processor that is either on board or separate.

1.11 "Third Party" means any party other than Flextronics or Agilent or an Affiliate of either of them.

2. Intellectual Property.

2.1 Patents. Agilent hereby grants to Flextronics and its Affiliates a personal, world wide, non-exclusive, irrevocable (except that this license may be revoked in the event of an uncured breach by Flextronics) on last payment made under the Asset Purchase Agreement, fully paid up and transferable license (but transferable only to an entity that assumes substantially all of the assets of Flextronics' Camera Module product line and such assignee agrees to the terms of this agreement) under the Agilent Camera Module Patents to make (including the right to practice methods, processes and procedures), have made, have designed, use, lease, sell, offer to sell, and import products that incorporate a Camera Module.

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2Copyrights Agilent hereby grants to Flextronics and its Affiliates a personal world wide non-exclusive irrevocable (except that this license may be revoked in the event of an uncured breach by Flextronics) on last payment made under the Asset 2Purchase Agreement fully paid up and transferable license (but transferable only to an entity that assumes substantially all of the assets of Flextronics Camera Module product line and such assignee agrees to the terms of this agreement) under any copyright owned by Agilent or an Agilent Affiliate (whether registered or unregistered) that is embodied in a work of authorship that is included in copyright items delivered to Flextronics in the Agilent IP Materials For the avoidance of doubt, the copyrights licensed hereunder includes the Agilent software used in the camera module business Such license grants to Flextronics and its Affiliates the right within the Flextronics Field Of Use to use reproduce distribute create derivative works of and display such work of authorship Flextronics shall not remove any copyright notices from any materials having a copyright notice thereon without the prior written permission of Agilent

2Mask Work Registrations Agilent hereby grants to Flextronics and its Affiliates a personal, world wide non-exclusive irrevocable (except that this license may be revoked in the event of an uncured breach by Flextronics) on last payment made 3under the Asset Purchase Agreement, fully paid up and transferable license (but transferable only to an entity that assumes substantially all of the assets of Flextronics Camera Module product line and such assignee agrees to the terms of this agreement) under any mask work registration owned by Agilent or an Agilent Affiliate that protects a mask work that is included in the mask works delivered to Flextronics in the Agilent IP Materials Such license grants to Flextronics and its Affiliates the right, within the Flextronics Field Of Use to reproduce the mask work and to import or distribute semiconductor chip products in which the mask work is embodied.

2Trade Secrets Agilent hereby grants to Flextronics and its Affiliates a personal world wide non exclusive irrevocable (except that this license may be revoked in the event of an uncured breach by Flextronics) on last payment made under the Asset 4Purchase Agreement fully paid up and transferable license (but transferable only to an entity that assumes substantially all of the assets of Flextronics Camera Module product line and such assignee agrees to the terms of this agreement) under any trade secret owned by Agilent or an Agilent Affiliate that is embodied in any item or information that is included in the trade secrets delivered to Flextronics in the Agilent IP Materials Such license grants to Flextronics and its Affiliates the right to make (including the right to practice methods processes and procedures) have madehave designed use lease sell offer to sell and import products that incorporate a Camera Module

2Non assert. In the event that Flextronics should source Image Sensors from Agilent, or an Agilent approved source Agilent covenants that it will not assert any Agilent Camera Module Patents against Flextronics its Affiliates its suppliers its 5customers its distributors dealers agents customers and users (whether direct or indirect)

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2Trademarks Agilent hereby grants to Flextronics and its Affiliates for a period of five (5) years from the Closing Date, a personal worldwide non exclusive and transferable license (but transferable only to an entity that assumes substantially all of 6the assets of Flextronics Camera Module product line and such assignee agrees to the terms of this agreement) under any Agilent name or logo or part numbers (hereinafter Marks) in the Flextronics Field of Use, that is currently embodied in any Camera Module or any portion thereof or any Image Processor or Image Sensor that was developed by Agilent, or any existing customer documentation and presentation materials as well as existing internal reference documentation For the avoidance of doubt no Internet domain names web sites or meta tags are licensed hereunder

(Flextronics acknowledges and agrees that it is not authorized under this Agreement to apply the Marks to any products or parts manufactured with manufacturing equipment or molds not provided to Flextronics by Agilent, or to any documentation not 7provided by Agilent or to any advertising or other materials connected with the Camera Module business

(Flextronics may distribute documentation that bears the Marks until December 31 2005 so long as such documentation bears a 1prominent sticker on the front cover identifying Flextronics as the source of such documentation and stating that references to 1Agilent in such documentation should be interpreted as references to Flextronics
)

Trademark License Restrictions

(a Once Flextronics abandons the use of all Marks on a particular product then Flextronics agrees that the license granted) hereunder with respect to that product shall thereupon terminate

(Flextronics may not make any use whatsoever in whole or in part of the Marks or any other mark owned by Agilent, in 7connection with Flextronics corporate doing business as or fictitious name without the prior written consent of Agilent

(Flextronics may not use any Mark in direct association with another mark such that the two appear to be a single mark or in any)other composite manner with any Marks of Flextronics or any Third Party

(d) In all respects Flextronics usage of the Marks pursuant to the license granted hereunder shall be in a manner consistent with 1the Trademark Usage Guidelines to the extent commercially reasonable and any usage by Flextronics that is inconsistent with the foregoing shall be deemed to be outside the scope of the license granted hereunder As a condition to the

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license granted hereunder Flextronics shall at all times present, position and promote the Camera Modules marked with one or more of the Marks in a manner consistent with the Trademark Usage Guidelines to the extent commercially reasonable

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(iv) Trademark Usage Guidelines

(Flextronics shall use the Marks only in a manner that is consistent with the Trademark Usage Guidelines [Agilent Web Site]

(TRADEMARK REVIEWS At Agilent s reasonable request, Flextronics agrees to furnish or make available for inspection to Agilent one or more reasonable number of samples of Camera Modules and collateral materials of Flextronics that are marked with one or more of the Marks If Flextronics is notified or determines that it or any of its Affiliates is not complying with any Trademark Usage Guidelines it shall notify Agilent in writing

(Trademark Usage Guideline Enforcement If Agilent becomes aware that Flextronics or any of its Affiliates is not complying with any Trademark Usage Guidelines Agilent shall notify Flextronics in writing setting forth in reasonable detail a written)description of the noncompliance and any requested action for curing such noncompliance Flextronics shall then have thirty (30) days after receipt of such notice to correct such noncompliance or submit to Agilent a commercially reasonable written plan to correct such noncompliance which written plan is reasonably acceptable to Agilent

(vi) Quality Standards Flextronics acknowledges Agilent s representation that the Camera Modules and collateral material permitted by this Agreement to be marked with one or more of the Marks must continue to be of sufficiently high quality as to provide protection of the Marks and the goodwill they symbolize and Flextronics further acknowledges Agilent s representation that the maintenance of the high quality standards associated with such products is of the essence of the license to the Marks

(v Quality Control Reviews At Agilent s reasonable request, Flextronics agrees to furnish or make available to Agilent for u) inspection one or more reasonable number of sample Camera Module and collateral materials marked with one or more of the Marks If Flextronics is notified or determines that it or any of its Affiliates is not complying with any Trademark Usage Guidelines it shall notify Agilent in writing

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a) Initial Cure Period If Agilent becomes aware that Flextronics or any of its Affiliates are not complying with any quality standards consistent with those in the cell phone industry Agilent shall notify Flextronics in writing setting forth in reasonable detail a written description of the noncompliance and any requested action for curing such noncompliance Following receipt of such notice Flextronics shall make an inquiry promptly and in good faith concerning each instance of noncompliance described in the notice Unless Flextronics reasonably determines that the noncompliance described in the notice is not in fact, a material deviation from the applicable quality standards and so notifies Agilent in writing within fourteen (14) days of receipt of such notice Flextronics shall then have thirty (30) days after receipt of such notice to correct such noncompliance or submit to Agilent a reasonable written plan to correct such noncompliance which written plan is reasonably acceptable to Agilent

(viii) Protection Of Marks

a) OWNERSHIP AND RIGHTS Flextronics agrees not to challenge the ownership or validity of the Marks Flextronics shall not disparage dilute or adversely affect the validity of the Marks Flextronics use of the Marks shall inure exclusively to the benefit of Agilent, and Flextronics shall not acquire or assert any rights therein Flextronics recognizes Agilent s representation that the value of the goodwill associated with the Marks and that the Marks may have acquired secondary meaning in the minds of the public

b) PROTECTION OF MARKS Flextronics shall assist Agilent at Agilent s request and expense in the procurement and maintenance of Agilent s intellectual property rights in the Marks Flextronics will not grant or attempt to grant a security interest in the Marks or to record any such security interest in the United States Patent and Trademark Office or elsewhere against any trademark application or registration belonging to Agilent Flextronics agrees to and to cause Affiliates to execute all documents reasonably requested by Agilent to effect further registration of maintenance and renewal of the Marks recordation of the license relationship between Agilent and Flextronics and recordation of Flextronics as a registered user Agilent makes no warranty or representation that trademark registrations have been or will be applied for secured or maintained in the Marks throughout, or anywhere within the world Flextronics shall cause to appear on all Camera Modules and collateral materials such reasonable legends markings and notices as may be required by applicable law or reasonably requested by Agilent

d) SIMILAR MARKS Flextronics agrees not to use or register in any country any Mark that infringes Agilent s rights in the Marks If any application for registration is or has been filed in any country by Flextronics which relates to any Mark that infringes Agilent s rights in the Marks Flextronics shall immediately abandon any

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such application or registration or assign it to Agilent Flextronics shall not challenge Agilent s ownership of or the validity of the Marks or any application for registration thereof throughout the world Flextronics shall not use or register in any country any copyright domain name telephone number or any other intellectual property right whether recognized currently or in the future or other designation which would affect the ownership or rights of Agilent in and to the Marks or otherwise to take any action which would adversely affect any of such ownership rights or assist anyone else in doing so Flextronics shall cause its Affiliates to comply with the provisions of this Paragraph

d) Neither party or any of its Affiliates is obligated to (a) file any application for registration of any Mark or to secure any rights in any Marks (b) to maintain any Mark registrations or (c) to provide any assistance except for the obligations expressly assumed in this Agreement

2Nothing in this agreement shall be construed as imposing on Agilent any obligation to institute any suit or action for infringement of any of the intellectual property licensed hereunder or to defend any suit or action brought by a third party 7which challenges or concerns the validity of any of the licensed Intellectual Property nor impose a requirement that either party file any patent or copyright application or obtain any patent or copyright registration or maintain any of the foregoing

2Pre-Existing IP Both Parties shall retain all of their pre-existing intellectual property rights and this Agreement shall not be deemed or construed to transfer ownership of any such pre-existing intellectual property
8

2Release For Past Patent Infringement Agilent hereby releases Flextronics its Affiliates and its customers from any claims that Agilent or an Agilent Affiliate may have for infringement of an Agilent Camera Module Patent owned by Agilent or an Agilent 9Affiliate to the extent that such claim arises out of activities by Flextronics or a Flextronics Affiliate or its customers for the manufacture use sale offer for sale import or export of products containing Camera Modules before the Closing Date

2. Indemnification By Flextronics Except for any of the following that are Agilent Retained Liabilities or are Agilent s 10 indemnification or other obligations under the Asset Purchase Agreement Flextronics agrees to defend indemnify and hold harmless Agilent and its Affiliates employees agents officers and directors from and against any judgments settlements damages awards costs (including attorneys fees and costs) and other expenses arising out of any claims actions or other proceedings by a Third Party alleging that, after the Closing Date Flextronics or a Flextronics Affiliate s conduct of its camera module business based on the intellectual property licensed hereunder infringes or has misappropriated a Third Party intellectual property

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2. The obligations set forth in this section shall survive the expiration or termination of this Agreement
11

2. Non Enablement For a period of five (5) years from the Closing Date Agilent agrees that it will not license the Agilent Camera 12. Module Patents and trade secrets as a group to a third party for the primary purpose of enabling that third party in the field of Camera Modules Provided however in the event that Agilent licensed these patents for the purpose of avoiding or settling any intellectual property infringement or misuse litigation or threat of litigation such license is permitted hereunder For the avoidance of doubt Agilent may license the Agilent Camera Module Patents as a part of patent license or cross license wherein the Agilent Camera Module Patents are not licensed primarily to enable a third party in Camera Modules even though an affect is to enable such a third party in the field of Camera Modules In addition the optical mouse sensor or the optical mouse sensor business shall not be deemed to be within the scope of Camera Modules

2.13 License of Other Intellectual Property

In the event that Flextronics and Agilent reasonably determine that Agilent has failed to license intellectual property of the camera module business to Flextronics under this Agreement which intellectual property existed at the Closing Date and which intellectual property is necessary or was used in the operation of the Camera Module Business then consistent with the license terms herein Agilent shall license such intellectual property to Flextronics Agilent shall have no such duty to license any improvements made to such intellectual property if such improvements were made after the Closing Date

2. Agilent agrees that it will use good faith efforts to maintain the Agilent Camera Module Patents in accordance with its past 14 practices and Agilent shall not be in violation of this Section 2 14 for inadvertently missing a maintenance fee or report deadline with respect to the Agilent Camera Module Patents unless Flextronics has provided thirty (30) days prior written notice of any such deadline

2.15 Excluded Warranties

Nothing in this Agreement is or shall be construed as (i) a warranty that anything made used sold or otherwise disposed of under any license granted under this Agreement is or will be free from infringement or misappropriation of patents copyrights trade secrets and other rights of third parties or (ii) a warranty or representation by either Party as to the validity or scope of any patent patent application or other intellectual property right, except that Agilent warrants that it has the right to grant the license hereunder made Notwithstanding the foregoing nothing herein is intended to or shall be deemed to limit any representations or warranties made by Agilent in the Asset Purchase Agreement

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2. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR THE ASSET PURCHASE AGREEMENT NEITHER 16 PARTY MAKES ANY REPRESENTATION OR EXTENDS ANY WARRANTY OF ANY KIND EITHER EXPRESS OR IMPLIED THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR REGARDING INFRINGEMENT OR MISAPPROPRIATION OF ANY PATENT COPYRIGHT TRADE SECRET TRADEMARK, OR ANY OTHER RIGHT OF A THIRD PARTY OR ANY OTHER EXPRESS OR IMPLIED WARRANTY

2. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT NEITHER PARTY WILL BE 17 LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT UNDER ANY CONTRACT NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR (i) ANY INDIRECT INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OR LOST PROFITS OR (ii) COST OF PROCUREMENT OF SUBSTITUTE GOODS TECHNOLOGY OR SERVICES NOTWITHSTANDING THE FOREGOING NOTHING HEREIN IS INTENDED TO OR SHALL BE DEEMED TO LIMIT ANY OBLIGATIONS OF AGILENT OR FLEXTRONICS IN THE ASSET PURCHASE AGREEMENT

3 Term And Termination

3Term. The term of this Agreement shall commence upon the Closing Date and shall expire as of the date of the last to expire patent of the Agilent Camera Module Patents
1

3Termination And Effect. The licenses granted herein may be terminated before the end of the term in the event that Flextronics fails to cure a material breach of the terms of Section 2 Intellectual Property, within sixty (60) days of receiving written notice of 2such breach

4 General Provisions

4Amendments. No amendment change modification or alteration of the terms and conditions of this Agreement shall be binding upon either Party unless in writing and signed by both Parties
1

4Assignment. This Agreement is not assignable by either Party without the prior written consent of the other Party However such other Party will not unreasonably withhold such consent if the assignment is to a successor to substantially all of the 2business of such Party to which this Agreement relates whether in merger sale of stock, sale of assets or other transaction

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4Choice Of Law. The choice of law provisions of the Asset Purchase Agreement are hereby incorporated by reference

3

4Confidentiality. The confidentiality provisions of the Asset Purchase Agreement are hereby incorporated by reference

4

4Counterparts. This Agreement may be executed in any number of counterparts each of which shall be deemed an original and all of which together shall constitute one and the same instrument.
5

4Entire Agreement. This Agreement including the attached exhibits constitutes the entire understanding between the Parties with respect to the subject matter contained herein and supersedes any and all prior agreements understandings and 6arrangements whether oral or written relating to the subject matter hereof

4Force Majeure. Neither party will be held liable to the other for any delay or failure of performance where such delay or failure results from events beyond that party s control including without limitation acts of God earthquakes fires floods civil 7disturbance strikes labor disputes and lawful governmental action

4Headings. The headings appearing in this Agreement have been inserted solely for the convenience of the Parties and shall not affect the construction meaning or interpretation of this Agreement or any of its terms and conditions
8

4Independent Contractors. Both Parties are independent contractors and are engaged in the operation of their own respective businesses and neither Party is to be considered the agent or partner of the other Party for any purpose whatsoever Neither 9Party has any authority to enter into any contracts or assume any obligations for the other Party or to make any warranties or representations on behalf of the other Party

4Non Waiver. The waiver by either of the Parties of any breach of any provision hereof by the other Party shall not be construed to be a waiver of any succeeding breach of such provision or a waiver of the provision itself
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4Notices. The notice provisions of the Asset Purchase Agreement are hereby incorporated by reference

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1

4Partial Invalidity. If and to the extent that any court or tribunal of competent jurisdiction holds any of the terms or provisions of this Agreement or the application thereof to any circumstances to be invalid or unenforceable in a final nonappealable order 1the Parties shall use their best efforts to reform the portions of this Agreement declared invalid to realize the intent of the parties 2as fully as practicable and the remainder of this Agreement and the application of such invalid term or provision to

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circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each of the remaining terms and provisions of this Agreement shall remain valid and enforceable to the fullest extent of the law

In Witness Whereof the Parties have caused this Agreement to be executed by their duly authorized representatives

Agilent Technologies Inc	Flextronics Sales and Mktg (A P) Ltd
By	By
Name	Name
Title	Title.
Date	Date

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Confidential Treatment Requested

EXHIBIT A

AGILENT CAMERA MODULE PATENTS

Case Number	Sub Case	Cty	Appn Status	AppnNumber	Pubn Number	PatentNumber	Appn Title
10003645	01	US	Published	10087278	0165023		Telecentric Singlet Having A Small Height Requirement
10003645	02	JP	Published	P2003-049158	2003262791		Telecentric Singlet Having A Small Height Requirement
10003645	03	EP	Published	02023492.8	1353207		Telecentric Singlet Having A Small Height Requirement
10003971	02	JP	Published	P2001 307448	2002152596		System Solution For Amorphous LAG Problem
[*]	[*]	[*]	[*]	[*]			[*]
10003971	05	TW	Granted	90120731	552799	186863	System Solution For Amorphous LAG Problem
10003971	06	DE	Granted	011211877	1195987	601025407	System Solution For Amorphous LAG Problem
10003971	07	FR	Granted	011211877	1195987	1195987	System Solution For Amorphous LAG Problem
10003971	08	GB	Granted	011211877	1195987	1195987	System Solution For Amorphous LAG Problem
10004419	01	US	Granted	09/919562		6435882	A Socketable Flexible Circuit Based Electronic Device Module And A Socket For The Same
10004419	02	JP	Published	P2002-219387	2003133021		A Socketable Flexible Circuit Based Electronic Device Module And A Socket For The Same
10004419	03	TW	Granted	91103451	540437	177672	A Socketable Flexible Circuit Based Electronic Device Module And A Socket For The Same
10004419	04	EP	Pending	020130118	1280240		A Socketable Flexible Circuit Based Electronic Device Module And A Socket For The Same

*

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[*]	[*]	[*]	[*]	[*]			[*]
10011231	02	US	Published	10/260186	0032523		CMOS Image Sensor Using Gradient Index Chip Scale Lenses
10011231	03	JP	Published	P2003 293248	2004080039		CMOS Image Sensor Using Gradient Index Chip Scale Lenses
10011231	04	EP	Pending	03007806 7	1389804		CMOS Image Sensor Using Gradient Index Chip Scale Lenses
10011280	01	US	Granted	10/184154	0002179	6744109	Glass Attachment Over Micro lens Arrays
10011280	02	JP	Published	P2003 146149	2004031939		Glass Attachment Over Micro lens Arrays
10011280	03	GB	Published	0312936.8	2391707		Glass Attachment Over Micro lens Arrays
10011280	04	US	Granted	10/634594	0036069	6794218	Glass Attachment Over Micro lens Arrays
10020062	01	US	Published	10/266538	0066463		Multifunction Lens
[*]	[*]	[*]	[*]	[*]			[*]
[*]	[*]	[*]	[*]	[*]			[*]
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[*]	[*]	[*]	[*]	[*]			[*]
[*]	[*]	[*]	[*]				[*]
[*]	[*]	[*]	[*]	[*]			[*]
10970902	01	US	Granted	09/139692		6037641	An Optical Device Package Including An Aligned Lens (As Amended)
10982203	01	US	Granted	09/183143		6593961	A Test Efficient Method Of Classifying Image Quality Of An Optical Sensor Using Three Categories Of Pixels
[*]	[*]	[*]	[*]	[*]			[*]
10982203	03	EP	Published	991154923	0997845		Test Efficient Method Of Classifying Image Quality Of An Optical Sensor Using Three Categories Of Pixels
10990726	02	US	Granted	09/717185		6683298	Image Sensor Packaging With Package Cavity Scaled By The Imaging Optics
10990995	01	US	Granted	09/356560		6326601	Optical Barrier
[*]	[*]	[*]	[*]	[*]			[*]
10990995	04	DE	Published	10033144 0	10033144		Optical Barrier
[*]	[*]	[*]	[*]	[*]			[*]
10991727	01	US	Granted	09/513797		6396116	Integrated Circuit Packaging For Optical Sensor Devices
[*]	[*]	[*]	[*]	[*]			[*]
[*]	[*]	[*]	[*]	[*]			[*]

*

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EXHIBIT B

EXISTING AGILENT IP MATERIALS

(1) Image capture/Image sensor/Camera Module Materials

External Reference specifications and technical manuals

•Application notes

Customer support materials

Sales training materials

•Final test specifications and code for camera module functions

Image pipe calibration tools

(2) Embedded Module Auto function Control Firmware (e g auto exposure auto white balance)

•Source code

•Related documentation

(3) Config files (text files for configuring product operation)

Preferred config file for each module

•Customer specific config files that may exist

(4) ROM for image sensor tuning

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•hardware and firmware for controlling image tuning

(5) Sample driver code

•Code useful to customers writing drivers to allow hardware to communicate with a camera module

(6) Demo board/application code (PC interface to display camera module images for test)

Board layout

•schematics

hardware design notes

•software design notes

application software

customer documentation

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(7) Camera module opto mechanical design

•Mechanical specifications design documents and computer models

•Optical specifications design documents and computer models

Flex design documents specifications and design rules

•Manufacturing process flow description

Assembly and inspection specifications

•Final test code test equipment specifications and CM specifications

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EXHIBIT 12 1

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for the periods indicated

	Years Ended October 31,						
	2004	2003	2002	2001	2000	1999	1998
Ratio of earnings to fixed charges	5.7 x	(a)	(a)	(a)	31.8 x	14.6 x	6.5 x

(a) In fiscal year 2003 2002 and 2001 our ratio of earnings to fixed charges was less than one to one due to our loss from operations in those periods In order to cover fixed charges in those periods our earnings from operations would have had to increase by $690 million $1,547 million and $477 million respectively

For purposes of determining the ratio of earnings to fixed charges earnings are defined as income from continuing operations before income taxes plus fixed charges Fixed charges consist of interest expense on all indebtedness and that portion of operating lease rental expense that is a reasonable approximation of the interest factor

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We hereby consent to the incorporation by reference in the following Registration Statements on Form S 8 of Agilent Technologies Inc of our report dated December 17 2004 relating to the consolidated financial statements which appears in this Form 10-K

Registration Statement No 333 91121

Registration Statement No 333 35016

Registration Statement No 333 38080

Registration Statement No 333 38194

Registration Statement No 333-47024

Registration Statement No 333 88864

Registration Statement No 333 116400

/s/ PricewaterhouseCoopers LLP

San Jose California

December 17 2004

Exhibit 31 1

CERTIFICATION PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I Edward W Barnholt certify that

I have reviewed this Form 10-K of Agilent Technologies Inc

•Based on my knowledge this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made in light of the circumstances under which such statements were made not misleading with respect to the period covered by this report,

•Based on my knowledge the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition results of operations and cash flows of the registrant as of and for the periods presented in this report

•The registrant s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules13a 15(e) and 15d 15(e)) for the registrant and have

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Exhibit 21 1

SIGNIFICANT SUBSIDIARIES

	Organized Under the Laws of
Agilent Technologies World Trade Inc	Delaware
Agilent Technologies Sales & Services GmbH & Co KG	Germany
Agilent Technologies R&D and Marketing GmbH & Co KG	Germany
MV Research Limited	Ireland
Agilent Technologies Mauritius Limited	Mauritius
Objective Systems Integrators Inc	Delaware
Agilent Technologies Netherlands B V	Netherlands
Agilent Technologies Inter Americas Inc	Delaware
Agilent Technologies Brasil Ltda	Brazil
Agilent Technologies Europe B V (Holding)	Netherlands
Agilent Technologies Spain S L	Spain
Agilent Technologies Europe B V Meyrin Branch	Switzerland
Agilent Technologies Leman S A R L	Switzerland
Agilent Technologies Australia Pty Ltd	Australia
Agilent Technologies Shanghai Company Limited	China
Agilent Technologies International Japan Ltd	Japan
Agilent Technologies Taiwan Ltd	Taiwan
Agilent Technologies Belgium S A /N V	Belgium
Agilent Technologies Canada Inc	Canada
Agilent Technologies Korea Limited	South Korea
Agilent Technologies U K Limited	England&Wales
Agilent Technologies Ireland Limited	Ireland
Agilent Technologies Italia S p A	Italy
Agilent Technologies Microwave Products (M) Sdn Bhd	Malaysia
Agilent Technologies Mexico S de R L de C V	Mexico
Agilent Technologies International B V	Netherlands
Agilent Technologies Netherlands Investments B V	Netherlands
Agilent Technologies Singapore (Sales) Pte Ltd	Singapore
Agilent Technologies Singapore Vision Operation Pte Ltd	Singapore
Agilent Technologies (Thailand) Limited	Thailand
Agilent Technologies (Barbados) limited	Barbados
Agilent Technologies France S A S	France
Agilent Technologies Japan Ltd	Japan
Yokogawa Analytical Systems Inc	Japan
Agilent Technologies Company Limited	China
Agilent Technologies Cayman Islands Inc	CaymanIslands
Agilent Technologies SARL	Switzerland
Agilent Technologies (Malaysia) Sdn Bhd	Malaysia
Agilent Technologies International SARL	Switzerland
Agilent Technologies Coordination Center S C /C V	Belgium
Agilent Technologies Deutschland Holding GmbH	Germany
Agilent Technologies Deutschland Alpha GmbH	Germany
Agilent Technologies Sanigt B V	Netherlands
Agilent Technologies Deutschland GmbH	Germany
Agilent Technologies Ireland Finance Limited	Ireland
Agilent Technologies Deutschland GmbH & Co Immobilien KG	Germany

Exhibit 23 1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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•Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant including its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared

•Evaluated the effectiveness of the registrant s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation and

•Disclosed in this report any change in the registrant s internal control over financial reporting that occurred during the registrant s most recent fiscal quarter (the registrant s fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect, the registrant s internal control over financial reporting and

•The registrant s other certifying officer(s) and I have disclosed based on our most recent evaluation of internal control over financial reporting to the registrant s auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions)

•All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant s ability to record process summarize and report financial information and

•Any fraud whether or not material that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date December 21 2004

/s/ EDWARD W BARNHOLT
Edward W Barnholt
Chairman, President and Chief Executive Officer

Exhibit 31 2

CERTIFICATION PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I Adrian T Dillon certify that

I have reviewed this Form 10 K of Agilent Technologies Inc

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Based on my knowledge this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made in light of the circumstances under which such statements were made not misleading with respect to the period covered by this report

Based on my knowledge the financial statements and other financial information included in this report fairly present in all material respects the financial condition results of operations and cash flows of the registrant as of and for the periods presented in this report

The registrant s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d 15(e)) for the registrant and have

Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant including its consolidated subsidiaries is made known to us by others within those entities particularly during the period in which this report is being prepared

Evaluated the effectiveness of the registrant s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation and

Disclosed in this report any change in the registrant s internal control over financial reporting that occurred during the registrant s most recent fiscal quarter (the registrant s fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect the registrant s internal control over financial reporting and

The registrant s other certifying officer(s) and I have disclosed based on our most recent evaluation of internal control over financial reporting to the registrant s auditors and the audit committee of the registrant s board of directors (or persons performing the equivalent functions)

All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant s ability to record process summarize and report financial information and

Any fraud whether or not material that involves management or other employees who have a significant role in the registrant s internal control over financial reporting

Date December 21 2004 /s/A DRIAN T D ILLON

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The information contained in the Report fairly presents in all material respects the financial condition and results of operations of the Company

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request

Date December 21 2004 /s/A DRIAN T D ILLON
Adrian T Dillon
Executive Vice President and Chief Financial Officer

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Adrian T Dillon
Executive Vice President and Chief Financial Officer

Exhibit 32 1

CERTIFICATION PURSUANT TO

18 U.S.C SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Agilent Technologies (the 'Company) on Form 10 K for the period ended October 31 2004 as filed with the Securities and Exchange Commission on the date hereof (the Report) I Edward W Barnholt, Chief Executive Officer of the Company certify pursuant to 18 U S C Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and

The information contained in the Report fairly presents in all material respects the financial condition and results of operations of the Company

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request

Date December 21 2004 /s/E DWARD W B ARNHOLT
Edward W Barnholt
Chairman President and Chief Executive Officer

Exhibit 32 2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Agilent Technologies (the Company) on Form 10-K for the period ended October 31 2004 as filed with the Securities and Exchange Commission on the date hereof (the Report) I Adrian T Dillon Chief Financial Officer of the Company certify pursuant to 18 U S C Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that

The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and

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End of Filing

© 2004 EDGAR Online, Inc

UNIFIED PROGRAM CONSOLIDATED FORM
HAZARDOUS WASTE

CERTIFICATION OF FINANCIAL ASSURANCE

FOR PERMIT BY RULE AND CONDITIONALLY AUTHORIZED ONSITE TREATERS

700 ☐ a Initial Certification ☐ b Amended Certification ☒ c Annual Certification | Page ___ of ___

I. FACILITY IDENTIFICATION

(Put an asterisk in the left margin next to the amended information)

BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As) 3

Agilent Technologies

FACILITY ID# 1 | FACILITY EP ID# CAT 000 611 400 2

TYPE OF OPERATION ☒ a PBR-FTU ☒ b CA ☐ c Other 701

II. ESTIMATED CLOSURE COSTS

NOTE In addition to the dollar figure below, a written estimate of closure costs must be attached when you submit this section of this page

ESTIMATED CLOSURE COSTS $ 145,656 702

III. EXEMPTION FROM FINANCIAL ASSURANCE REQUIREMENTS

I am not required to provide a mechanism because

☐ a I certify that my closure cost estimate is less than or equal to $10,000, or 703

☐ b Specify other reasons _____ 704

☐ c As a PBR owner or operator, I have not operated more than thirty days in a calendar year (Does not apply to Conditional Authorization) 705

IV. CLOSURE FINANCIAL ASSURANCE MECHANISM

☒ I am required to provide a mechanism and it is attached to this page 706

EFFECTIVE DATE OF CLOSURE ASSURANCE MECHANISM 1/1/2004 707

MECHANISM ID NUMBER(S) 708

I

MECHANISM TYPE (Check one item only) 709

☐ a Closure Trust Fund ☐ b Surety Bond ☐ c Closure Letter of Credit ☐ d Closure Insurance ☒ e Financial test and Corporate Guarantee ☐ f Alternative Mechanism ☐ g Multiple Financial Mechanisms ☐ h Certificate of Deposit ☐ i Savings Account

FINANCIAL INSTITUTION, INSURANCE OR SURETY COMPANY/OTHER ORGANIZATION 710

Agilent Technologies

ADDRESS 5301 Stevens Creek Blvd 711

CITY Santa Clara 712 | STATE CA 713 | ZIP CODE 95051 714

V. OWNER OR OPERATOR CERTIFICATION

SIGNER OF THIS CERTIFICATION ☐ a Owner ☒ b Operator 715

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate and complete I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations (22 CCR Section 66270 11)

SIGNATURE OF OWNER/OPERATOR

DATE 716

3/1/04

NAME OF OWNER/OPERATOR (Print) 717

Steven Wolf

TITLE OF OWNER/OPERATOR 718

San Jose Site Manager

Agilent Technologies

350 West Trimble Road
San Jose, CA 95131
(408) 435-4205

RECEI
ENVIRONMENTAL HEALTH
HMCD

MAR 4 7 47 PM '04

CERTIFIED MAIL ARTICLE # 7099 3400 0016 2568 9076

March 1, 2004

Ms. Nicole Pullman
County of Santa Clara
Department of Environmental Health
1555 Berger Drive, Suite 300
San Jose, CA 95112

Subject: Agilent's Financial Assurance Submittal
Agilent Technologies, Inc.
350 West Trimble Road
San Jose, CA 95131
EPA ID# CAT 000 611 400

Dear Ms. Pullman;

Enclosed is the financial assurance information for the site located at 350 West Trimble Road in San Jose, California.

The enclosed information includes
1. CFO Letter and Financial Test (DTSC Form 1159)
2. Unidocs form UPCF hwf1232
3. A copy of the 2003 Annual Report
4. A copy of the 2003 SEC Form 10-K
5. A copy of the Pricewaterhouse Coopers Independent Review

If you have any questions regarding this submittal, please call me at (408) 435-4205.

Sincerely,

Mitch Cole
Environmental Specialist

Enclosure
cc: Mr. Jan Radimsky, Chief
Attn: Tiered Permitting Notification for Variance
Permit Streamlining Branch
P.O. Box 806
Sacramento, CA 95812-0806

UNIFIED PROGRAM CONSOLIDATED FORM
HAZARDOUS WASTE

CERTIFICATION OF FINANCIAL ASSURANCE

FOR PERMIT BY RULE AND CONDITIONALLY AUTHORIZED ONSITE TREATERS

700

☐ a. Initial Certification ☐ b Amended Certification ☒ c. Annual Certification | Page ____ of ____

I. FACILITY IDENTIFICATION

(Put an asterisk in the left margin next to the amended information)

BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As) 3

Agilent Technologies

FACILITY ID# 1 | FACILITY EP ID# CAT 000 611 400 2

TYPE OF OPERATION ☒ a PBR-FTU ☒ b CA ☐ c Other 701

II. ESTIMATED CLOSURE COSTS

NOTE In addition to the dollar figure below, a written estimate of closure costs must be attached when you submit this section of this page

ESTIMATED CLOSURE COSTS $ 142,800 702

III. EXEMPTION FROM FINANCIAL ASSURANCE REQUIREMENTS

I am not required to provide a mechanism because

☐ a I certify that my closure cost estimate is less than or equal to $10,000, or 703

☐ b Specify other reasons _____ 704

☐ c As a PBR owner or operator, I have not operated more than thirty days in a calendar year (Does not apply to Conditional Authorization) 705

IV. CLOSURE FINANCIAL ASSURANCE MECHANISM

☒ I am required to provide a mechanism and it is attached to this page 706

EFFECTIVE DATE OF CLOSURE ASSURANCE MECHANISM 1/1/2003 707

MECHANISM ID NUMBER(S). 708

I

MECHANISM TYPE (Check one item only) 709

☐ a Closure Trust Fund ☐ b Surety Bond ☐ c Closure Letter of Credit ☐ d Closure Insurance ☒ e Financial test and Corporate Guarantee ☐ f Alternative Mechanism ☐ g Multiple Financial Mechanisms ☐ h Certificate of Deposit ☐ i Savings Account

FINANCIAL INSTITUTION, INSURANCE OR SURETY COMPANY/OTHER ORGANIZATION 710

Agilent Technologies

ADDRESS 5301 Stevens Creek Blvd 711

CITY Santa Clara 712 | STATE CA 713 | ZIP CODE 95051 714

V. OWNER OR OPERATOR CERTIFICATION

SIGNER OF THIS CERTIFICATION ☐ a Owner ☒ b Operator 715

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate and complete I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations (22 CCR Section 66270 11)

SIGNATURE OF OWNER/OPERATOR Robert J Method 716

DATE 2/20/03

NAME OF OWNER/OPERATOR (Print) 717

Bob Method

TITLE OF OWNER/OPERATOR 718

San Jose Region Workplace Services Manager

UNIFIED PROGRAM CONSOLIDATED FORM
HAZARDOUS WASTE

CERTIFICATION OF FINANCIAL ASSURANCE

FOR PERMIT BY RULE AND CONDITIONALLY AUTHORIZED ONSITE TREATERS

700

☐ a. Initial Certification ☒ b. Amended Certification ☐ c Annual Certification Page ____ of ____

I. FACILITY IDENTIFICATION

(Put an asterisk in the left margin next to the amended information)

BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As) 3

Agilent Technologies

FACILITY ID# 1 FACILITY EP ID# CAT 000 611 400 2

TYPE OF OPERATION ☒ a. PBR-FTU ☒ b CA ☐ c Other 701

II. ESTIMATED CLOSURE COSTS

NOTE In addition to the dollar figure below, a written estimate of closure costs must be attached when you submit this section of this page

ESTIMATED CLOSURE COSTS $ 140,000 702

III. EXEMPTION FROM FINANCIAL ASSURANCE REQUIREMENTS

I am not required to provide a mechanism because

☐ a I certify that my closure cost estimate is less than or equal to $10,000, or 703

☐ b Specify other reasons _____ 704

☐ c As a PBR owner or operator, I have not operated more than thirty days in a calendar year (Does not apply to Conditional Authorization) 705

IV. CLOSURE FINANCIAL ASSURANCE MECHANISM

☒ I am required to provide a mechanism and it is attached to this page 706

EFFECTIVE DATE OF CLOSURE ASSURANCE MECHANISM 707

MECHANISM ID NUMBER(S) 708

MECHANISM TYPE (Check one item only) 709

☐ a Closure Trust Fund ☐ b Surety Bond ☐ c Closure Letter of Credit ☐ d Closure Insurance ☒ e Financial test and Corporate Guarantee ☐ f Alternative Mechanism ☐ g Multiple Financial Mechanisms ☐ h Certificate of Deposit ☐ i Savings Account

FINANCIAL INSTITUTION, INSURANCE OR SURETY COMPANY/OTHER ORGANIZATION 710

Agilent Technologies

ADDRESS 5301 Stevens Creek Blvd 711

CITY Santa Clara 712 | STATE CA 713 | ZIP CODE 95051 714

V. OWNER OR OPERATOR CERTIFICATION

SIGNER OF THIS CERTIFICATION ☐ a. Owner ☒ b Operator 715

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate and complete I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations (22 CCR Section 66270 11)

SIGNATURE OF OWNER/OPERATOR Bob Method 716

DATE 11/16/01

NAME OF OWNER/OPERATOR (Print) 717

Bob Method

TITLE OF OWNER/OPERATOR 718

Facilities Manager, San Jose Site

Agilent Technologies Inc
5301 Stevens Creek Boulevard
Santa Clara California 95051

www.agilent.com

Agilent Technologies
Innovating the HP Way

January 17, 2001

Director
Department of Toxic Substances Control
Financial Responsibility Unit
P.O Box 806
Sacramento, California 95812-0806

I am the Chief Financial Officer of Agilent Technologies, Inc., 395 Page Mill Road, Palo Alto, CA 94306.

This letter is in support of this firm's use of the Financial Test to demonstrate financial assurance for closure and/or post-closure costs, as specified in California Code of Regulations (Cal. Code of Regs.), Title 22, Division 4 5. Chapter 14 and 15, Article 8.

1. This firm is the owner/operator of the following facilities/TTUs for which financial assurance for closure and/or post-closure costs is demonstrated through the Financial Test as specified in Sections 66264 143(f), 66264.145(f), 66265.143(e), and 66265.145(e) of Cal. Code of Regs., Title 22, Division 4.5, of Chapters 14 and 15, Article 8. The current closure and/or post-closure cost estimates covered by the test are shown for each facility/TTU: (See Exhibit I).

2. This firm guarantees through the corporate guarantee as specified in Sections 66264.143(f), 66264 145(f), 66265.143(e), and 66265.145(e) of Cal. Code of Regs., Title 22, Division 4.5, of Chapters 14 and 15, Article 8, the closure and/or post-closure care of the following facilities/TTUs owned or operated by subsidiaries of this firm. The current cost estimates for the closure and/or post-closure care so guaranteed are shown for each facility/TTU: (None).

3 In states where the U.S. Environmental Protection Agency is not administering the financial requirement of Subpart H, Title 40 CFR, Parts 264 and 265, this firm, as owner, operator or guarantor is demonstrating financial assurance for closure and/or post-closure care of the following facilities/TTUs through the use of a test equivalent or substantially equivalent to the financial test specified Section 66264 143(f), 66264.145(f), and 66265.143(e), and 66265.145(e) of Cal. Code of Regs , Title 22, Division 4.5, of Chapters 14 and 15, Article 8 The current closure and/or post-closure cost estimates covered by such a test are shown for each facility/TTU: (See Exhibit I).

4 This firm is the owner or operator of the following facilities/TTUs for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to U.S. Environmental Protection Agency or a State through the financial test or any other financial assurance mechanism as specified in Cal. Code of Regs., Title 22, Division 4.5, of Chapters 14 and 15, Article 8 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility/TTU. (None).

5 This firm is the owner or operator of the following Underground Injection Control facilities for which financial assurance for plugging and abandonment is required under 40 CFR Part 144. The current closure cost estimates are shown for each facility. (None)

This firm is required to file a Form 10-K with the Securities and Exchange Commission [SEC] for the latest fiscal year

The fiscal year of this firm ends on October 31 The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended October 31, 2000

This firm is using Alternative I.

EXHIBIT I

CLOSURE COST ESTIMATES FOR FIXED TREATMENT UNITS AS PER 22 CCR 67450.13

Site	EPA ID#	EPA Region	Closure Cost Est.	Post-Closure Cost Est.
Agilent Technologies, Inc. 39201 Cherry Street Newark, CA 94560	CAD 980895155	9	$66,000	N/A
Agilent Technologies, Inc. 3500 Deer Creek Road Palo Alto, CA 94304	CAR 000058560	9	$182,000	N/A
Agilent Technologies, Inc. 350 West Trimble Road San Jose, CA 95131	CAT 000611400	9	# 140,000 mc ~~$56,940~~	N/A
Agilent Technologies, Inc. 3175 Bowers Ave Santa Clara, CA 95054	CAR 000058552	9	$58,000	N/A
Agilent Technologies, Inc. 5301 Stevens Creek Blvd. Santa Clara, CA 95051	CAR 000058545	9	$300,000	N/A
Agilent Technologies, Inc. 1400 Fountain Grove Pkwy Santa Rosa, CA 95401	CAR 000058537	9	$292,000	N/A

ALTERNATIVE 1
Fiscal Year 2000 (M=$Milliions)

nvl

1	Sum of current closure and post-closure cost estimates (Total of all cost estimates)		1,038 M ~~$ 954,940~~
*2	Total liabilities (if any potion of the closure or post-closure cost estimate is included in total liabilities, you may deduct the amount of that portion from this line and add that amount to lines 3 and 4)		$ 3,160 M
*3.	Tangible Net Worth		$ 4,708 M
*4	Net Worth		$ 5,265 M
*5.	Current assets		$ 5,655 M
*6	Current liabilities		$ 2,758 M
7.	Net working capital (line 5 minus line 6)		$ 2,897 M
*8	The sum of net income plus depreciation, depletion and amortization.		$ 1,252 M
*9	Total assets in U.S. (required only if less than 90 percent of assets are located in the U.S.)		$ 4,548 M
10.	Is line 3 at least $10 million?	YES _X__	NO ____
11.	Is line 3 at least 6 times line 1?	YES _X__	NO ____
12	Is line 7 at least 6 times line 1?	YES _X__	NO ____
13	Are at least 90 percent of assets located in the U.S.? If not, complete line 14.	YES ____	NO _X _
14	Is line 9 at least 6 times line 1?	YES _X__	NO ____
15	Is line 2 divided by line 4 less than 2.0?	YES _X__	NO ____
16	Is line 8 divided by 2 greater than 0.1?	YES _X__	NO ____
17	Is line 5 divided by line 6 greater than 1.5?	YES _X__	NO ____

I hereby certify that this letter is worded as specified by the Department of Toxic Substances Control and is being executed in accordance with the requirements of Cal. Code of Regs. Title 22, Division 4 5, of Chapter 14 and 15, Article 8.

R R Walker
Signature

Robert R Walker
Typed or Printed Name

Executive Vice President & Chief Financial Officer
Title

17 Jan 2001
Date

DTSC 1159 (05/95)(Formerly DHS8105)

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Ten Almaden Boulevard
Suite 1600
San Jose CA 95113
Telephone (408) 817 3700
Facsimile (408) 817 5050

Report of Independent Accountants
On Applying Agreed-Upon Procedures

January 17, 2001

To the Board of Directors of
Agilent Technologies, Inc.
and
the California Department of
Toxic Substances Control

We have performed the procedures enumerated below, which were agreed to by Agilent Technologies, Inc. and its subsidiaries (the "Company"), to certain disclosures included in the Alternative I schedule of the attached letter dated January 17, 2001 from the Company to the California Department of Toxic Substances Control solely to assist the Company in their evaluation of specified financial tests established to demonstrate financial assurance as specified in California Code of Regulations, Title 22, Division 4.5. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of Agilent Technologies, Inc. and the California Department of Toxic Substances Control. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

Item 2
We compared Item 2., total liabilities, of $3,160 million to the sum of Total current liabilities and Other liabilities disclosed in the Company's Consolidated Balance Sheet at October 31, 2000, which appears in the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended October 31, 2000 (the "Consolidated Financial Statements"), and found such amounts to be in agreement.

Item 3
We compared Item 3., tangible net worth, of $4,708 million to the difference between total tangible assets of $7,868 million (which is the difference between total assets of $8,425 million as disclosed in the Consolidated Balance Sheet and

the net book value of Goodwill and other intangible assets, net of $557 million as disclosed in the Consolidated Balance Sheet) and Item 2 ($3,160 million), and found such amounts to be in agreement.

Item 4
We compared Item 4., net worth, of $5,265 million to Total Stockholders' Equity disclosed in the Consolidated Balance Sheet and found such amounts to be in agreement.

Item 5
We compared Item 5., Current assets, of $5,655 million to the total current assets disclosed in the Consolidated Balance Sheet and found such amounts to be in agreement.

Item 6
We compared Item 6., Current liabilities, of $2,758 million to Total current liabilities disclosed in the Consolidated Balance Sheet and found such amounts to be in agreement.

Item 7
We compared Item 7., net working capital, of $2,897 million to the difference between Item 5 ($5,655 million) and Item 6 ($2,758 million) and found such amounts to be in agreement.

Item 8
We compared Item 8., the sum of net income plus depreciation, depletion and amortization, of $1,252 million to the sum of net earnings of $757 million as disclosed in the Consolidated Statement of Earnings and depreciation and amortization of $495 million as disclosed in the Consolidated Statement of Cash Flows included in the Consolidated Financial Statements and found such amounts to be in agreement.

Item 9
We compared Item 9., Total assets in the U.S., of $4,548 million to the total assets located in the U.S. as set forth in the Company's accounting records and found such amounts to be in agreement.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly,

we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Company and the California Department of Toxic Substances Control and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

PricewaterhouseCoopers LLP

UNIFIED PROGRAM CONSOLIDATED FORM
HAZARDOUS WASTE

CERTIFICATION OF FINANCIAL ASSURANCE

FOR PERMIT BY RULE AND CONDITIONALLY AUTHORIZED ONSITE TREATERS

700 ☐ a. Initial Certification ☐ b Amended Certification ☒ c. Annual Certification | Page 1 of 1

I. FACILITY IDENTIFICATION

(Put an asterisk in the left margin next to the amended information)

BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As) 3

Agilent Technologies 350 W. Trimble Rd, S.J.

FACILITY ID# 1 | FACILITY EP ID# CAT00611400 2

TYPE OF OPERATION ☒ a. PBR-FTU ☒ b CA ☐ c Other 701

II. ESTIMATED CLOSURE COSTS

NOTE In addition to the dollar figure below, a written estimate of closure costs must be attached when you submit this section of this page

ESTIMATED CLOSURE COSTS $ 56,940 702

III. EXEMPTION FROM FINANCIAL ASSURANCE REQUIREMENTS

I am not required to provide a mechanism because

☐ a I certify that my closure cost estimate is less than or equal to $10,000, or 703

☐ b Specify other reasons _____ 704

☐ c As a PBR owner or operator, I have not operated more than thirty days in a calendar year (Does not apply to Conditional Authorization) 705

IV. CLOSURE FINANCIAL ASSURANCE MECHANISM

☒ I am required to provide a mechanism and it is attached to this page 706

EFFECTIVE DATE OF CLOSURE ASSURANCE MECHANISM 1/1/01 707

MECHANISM ID NUMBER(S) 708

MECHANISM TYPE (Check one item only) 709

☐ a. Closure Trust Fund ☐ b Surety Bond ☐ c Closure Letter of Credit ☐ d Closure Insurance ☒ e Financial test and Corporate Guarantee ☐ f Alternative Mechanism ☐ g Multiple Financial Mechanisms ☐ h Certificate of Deposit ☐ i Savings Account

FINANCIAL INSTITUTION, INSURANCE OR SURETY COMPANY/OTHER ORGANIZATION 710

Agilent Technologies

ADDRESS 5301 Stevens Creek Boulevard 711

CITY Santa Clara 712 | STATE CA 713 | ZIP CODE 95051 714

V. OWNER OR OPERATOR CERTIFICATION

SIGNER OF THIS CERTIFICATION ☐ a. Owner ☒ b Operator 715

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate and complete I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations (22 CCR Section 66270 11)

SIGNATURE OF OWNER/OPERATOR Barrie G Simpson

DATE 716 1/10/01

NAME OF OWNER/OPERATOR (Print) 717 Barrie Simpson

TITLE OF OWNER/OPERATOR 718 Environmental Manager

UNIFIED PROGRAM CONSOLIDATED FORM

HAZARDOUS WASTE

CERTIFICATION OF FINANCIAL ASSURANCE

FOR PERMIT BY RULE AND CONDITIONALLY AUTHORIZED ONSITE TREATERS

☐ a Initial Certification ☐ b Amended Certification ☒ c Annual Certification 700

I. FACILITY IDENTIFICATION (Put an asterisk in the left margin next to the amended information)

BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As) 3

Agilent Technologies, Inc

FACILITY ID# 1 | FACILITY EP ID# 2

TYPE OF OPERATION ☒ a PBR-FTU ☐ b CA ☐ c Other _____ 701

II. ESTIMATED CLOSURE COSTS

NOTE In addition to the dollar figure below, a written estimate of closure costs must be attached when you submit this section of this page

ESTIMATED CLOSURE COSTS $ 56,941.50 702

III. EXEMPTION FROM FINANCIAL ASSURANCE REQUIREMENTS

1 I am not required to provide a mechanism because

☐ a I certify that my closure cost estimate is less than or equal to $10,000, or 703

704

☐ b Specify other reasons _____

☐ 2 As a PBR owner or operator, I have not operated more than thirty days in a calendar year (Does not apply to Conditional Authorization) 705

IV. CLOSURE FINANCIAL ASSURANCE MECHANISM

☒ I am required to provide a mechanism and it is attached to this page 706

EFFECTIVE DATE OF CLOSURE ASSURANCE MECHANISM 11/8/1999 707

MECHANISM ID NUMBER(S) 708

MECHANISM TYPE (Check one item only) 709

☐ a Closure Trust Fund ☐ b Surety Bond ☐ c Closure Letter of Credit ☐ d Closure Insurance ☒ e Financial test and Corporate Guarantee ☐ f Alternative Mechanism ☐ g Multiple Financial Mechanisms ☐ h Certificate of Deposit ☐ i Saving Account

FINANCIAL INSTITUTION, INSURANCE OR SURETY COMPANY/ OTHER ORGANIZATION 710

Hewlett-Packard Company

ADDRESS 3000 Hanover Street

CITY Palo Alto 712 | STATE CA 713 | ZIP CODE 94304 714

V. OWNER OR OPERATOR CERTIFICATION

SIGNER OF THIS CERTIFICATION ☐ a Owner ☒ b Operator 715

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate and complete I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations (22 CCR Section 66270 11)

SIGNATURE OF OWNER/OPERATOR

DATE 716

3/9/2000

NAME OF OWNER/OPERATOR (Print) 717

Jerry Thorne

TITLE OF OWNER/OPERATOR 718

Semiconductor Products Group Operations Manager

AGILENT TECHNOLOGIES, INC.

Financial Responsibility for Closure:

The total cost estimate for completing closure is approximately $56,100 (1999 dollars). Attached is a copy of the recent financial test letter demonstrating financial responsibility for closure. The following table presents a breakdown of the closure costs by treatment unit.

FTU Closure Cost Estimation

PBR/CA Unit	NS-1
Removal, treatment, or disposal of waste	$100
Decontamination of equipment and structure	$3,000
Demolition and removal of containment system components	$35,000
Transportation and Disposal costs	$12,000
Sampling & Lab Analysis	$5,000
Certification of Decontamination	$1,000
Less Assets	N.A.
TOTAL COST	$56,100

Closure Cost Adjustment 3/2000:
Inflation factor = implicit price deflator 1999/implicit price deflator 1998 = 104.19/102.69 = 1.015
$56,100 x 1.015 = **$56,941.50**

Notification of Closure:

DTSC shall be notified of closure at least 15 days prior to completion of closure.

Certification of Closure:

A certification of closure shall be signed by Agilent Technologies, Inc., and by an independent, professional engineer registered in California that the closure has been completed in accordance with the closure plan and that the closure plan meets or exceeds the applicable requirements of title 22, California Code of Regulations, Division 4.5.

UNIFIED PROGRAM CONSOLIDATED FORM

HAZARDOUS WASTE

CERTIFICATION OF FINANCIAL ASSURANCE

FOR PERMIT BY RULE AND CONDITIONALLY AUTHORIZED ONSITE TREATERS

☐ a Initial Certification ☐ b Amended Certification ☒ c Annual Certification 700

I. FACILITY IDENTIFICATION (Put an asterisk in the left margin next to the amended information)

BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As) 3

Agilent Technologies, Inc

FACILITY ID# | | | - | | | | | | | | | | | | FACILITY EP ID# 2

TYPE OF OPERATION ☒ a PBR-FTU ☐ b CA ☐ c Other 701

II. ESTIMATED CLOSURE COSTS

NOTE In addition to the dollar figure below, a written estimate of closure costs must be attached when you submit this section of this page

ESTIMATED CLOSURE COSTS $56,100 702

III. EXEMPTION FROM FINANCIAL ASSURANCE REQUIREMENTS

I I am not required to provide a mechanism because

☐ a I certify that my closure cost estimate is less than or equal to $10,000, or 703

☐ b Specify other reasons _____ 704

☐ 2 As a PBR owner or operator, I have not operated more than thirty days in a calendar year (Does not apply to Conditional Authorization) 705

IV. CLOSURE FINANCIAL ASSURANCE MECHANISM

☒ I am required to provide a mechanism and it is attached to this page 706

EFFECTIVE DATE OF CLOSURE ASSURANCE MECHANISM 11/8/1999 707

MECHANISM ID NUMBER(S) 708

MECHANISM TYPE (Check one item only) 709

☐ a Closure Trust Fund ☐ b Surety Bond ☐ c Closure Letter of Credit ☐ d Closure Insurance ☒ e Financial test and Corporate Guarantee ☐ f Alternative Mechanism ☐ g Multiple Financial Mechanisms ☐ h Certificate of Deposit ☐ i Saving Account

FINANCIAL INSTITUTION, INSURANCE OR SURETY COMPANY/ OTHER ORGANIZATION 710

Hewlett-Packard Company

ADDRESS 3000 Hanover Street

CITY Palo Alto 712 | STATE CA 713 | ZIP CODE 94304 714

V. OWNER OR OPERATOR CERTIFICATION

SIGNER OF THIS CERTIFICATION ☐ a Owner ☒ b Operator 715

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate and complete I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations (22 CCR Section 66270 11)

SIGNATURE OF OWNER/OPERATOR

DATE 716

12/22/1999

NAME OF OWNER/OPERATOR (Print) 717

Kamel Shalhoub (SPG Facilities Mgr.) for Jerry Thorne

TITLE OF OWNER/OPERATOR 718

Semiconductor Products Group Operations Manager

Financial Responsibility for Closure:

The total cost estimate for completing closure is approximately $56,100 (1999 dollars). Attached is a copy of the recent financial test letter demonstrating financial responsibility for closure. The following table presents a breakdown of the closure costs by treatment unit.

FTU Closure Cost Estimation

PBR/CA Unit	NS-1
Removal, treatment, or disposal of waste	$100
Decontamination of equipment and structure	$3,000
Demolition and removal of containment system components	$35,000
Transportation and Disposal costs	$12,000
Sampling & Lab Analysis	$5,000
Certification of Decontamination	$1,000
Less Assets	N.A.
TOTAL COST	$56,100

Notification of Closure:

DTSC shall be notified of closure at least 15 days prior to completion of closure.

Certification of Closure:

A certification of closure shall be signed by Agilent Technologies, Inc., and by an independent, professional engineer registered in California that the closure has been completed in accordance with the closure plan and that the closure plan meets or exceeds the applicable requirements of title 22, California Code of Regulations, Division 4.5.

UNIFIED PROGRAM CONSOLIDATED FORM

HAZARDOUS WASTE

CERTIFICATION OF FINANCIAL ASSURANCE

FOR PERMIT BY RULE AND CONDITIONALLY AUTHORIZED ONSITE TREATERS

☐ a Initial Certification ☒ b Amended Certification ☐ c Annual Certification 700 Page 19 of 101

I. FACILITY IDENTIFICATION (Put an asterisk in the left margin next to the amended information)

BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As) 3

Agilent Technologies, Inc.

FACILITY ID# 1 FACILITY EP ID# 2

TYPE OF OPERATION ☒ a PBR-FTU ☒ b CA ☐ c Other 701

II. ESTIMATED CLOSURE COSTS

NOTE In addition to the dollar figure below, a written estimate of closure costs must be attached when you submit this section of this page

ESTIMATED CLOSURE COSTS $78,200 702

III. EXEMPTION FROM FINANCIAL ASSURANCE REQUIREMENTS

1 I am not required to provide a mechanism because

☐ a I certify that my closure cost estimate is less than or equal to $10,000, or 703

704

☐ b Specify other reasons _____

☐ 2 As a PBR owner or operator, I have not operated more than thirty days in a calendar year (Does not apply to Conditional Authorization) 705

IV. CLOSURE FINANCIAL ASSURANCE MECHANISM

☒ I am required to provide a mechanism and it is attached to this page 706

EFFECTIVE DATE OF CLOSURE ASSURANCE MECHANISM October 1, 1998 707

MECHANISM ID NUMBER(S) 708

MECHANISM TYPE (Check one item only) 709

☐ a Closure Trust Fund ☐ b Surety Bond ☐ c Closure Letter of Credit ☐ d Closure Insurance ☒ e Financial test and Corporate Guarantee ☐ f Alternative Mechanism ☐ g Multiple Financial Mechanisms ☐ h Certificate of Deposit ☐ i Saving Account

FINANCIAL INSTITUTION, INSURANCE OR SURETY COMPANY/ OTHER ORGANIZATION 710

Hewlett-Packard Company

ADDRESS 3000 Hanover Street

CITY Palo Alto 712 | STATE CA 713 | ZIP CODE 94304 714

V. OWNER OR OPERATOR CERTIFICATION

SIGNER OF THIS CERTIFICATION ☐ a Owner ☒ b Operator 715

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate and complete I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations (22 CCR Section 66270 11)

SIGNATURE OF OWNER/OPERATOR

DATE 10/22/99 716

NAME OF OWNER/OPERATOR (Print) 717

Jerry Thorne

TITLE OF OWNER/OPERATOR 718

Semiconductor Products Group Operations Manager

Financial Responsibility for Closure:

The total cost estimate for completing closure is approximately $78,200 (1999 dollars). Attached is a copy of the recent financial test letter demonstrating financial responsibility for closure. The following table presents a breakdown of the closure costs by treatment unit.

FTU Closure Cost Estimation

PBR/CA Unit	NS-1	SS-2	TOTAL
Removal, treatment, or disposal of waste	$100	$100	$200
Decontamination of equipment and structure	$3,000	$500	$3,500
Demolition and removal of containment system components	$50,000	N.A.	$50,000
Transportation and Disposal costs	$12,000	$500	$12,500
Sampling & Lab Analysis	$5,000	$5,000	$10,000
Certification of Decontamination	$1,000	$1,000	$2,000
Less Assets	N.A.	N.A.	N.A.
TOTAL COST	$71,100	$7,100	$78,200

Notification of Closure:

DTSC shall be notified of closure at least 15 days prior to completion of closure.

Certification of Closure:

A certification of closure shall be signed by Agilent Technologies, Inc., and by an independent, professional engineer registered in California that the closure has been completed in accordance with the closure plan and that the closure plan meets or exceeds the applicable requirements of title 22, California Code of Regulations, Division 4.5.

County of Santa Clara
Environmental Resources Agency
Department of Environmental Health
Hazardous Materials Compliance Division
1555 Berger Drive, Suite 300
San Jose, California 95112-2716
(408) 918-3400 FAX (408) 280-6479
www EHinfo org

FILE

November 16, 2005

EPA ID: CAT000611400
Initial Auth: 3/22/2000

Mr. Mitch Cole
Agilent Technologies Inc.
350 West Trimble Road
San Jose, CA 95131

Facility Address.
370 West Trimble Road
San Jose, CA 95131

Re: Notification Of Release Of Financial Assurance Under Permit By Rule Requirements Pursuant To Title 22 Of The California Code Of Regulations(CCR), Section 67450.13.

Dear Mr. Mitch Cole·

This department has been made aware of a transfer of ownership of two PBR treatment units (NS-1, MPU-1) from Agilent Technologies, Inc., located at 370 West Trimble Road, San Jose, 95131 to Lumileds Lighting, U.S. LLC.

As the Certified Unified Program Agency (CUPA), the Santa Clara County Department of Environmental Health is notifying you, as the previous owner of that facility, that you are no longer required to maintain financial assurance for closure of the onsite treatment units.

If you have any questions regarding this letter please call Lead Hazardous Materials Specialist Ruben Williams at (408) 918-1985.

Sincerely,

Nicole Pullman

Nicole Pullman, R.E.H.S.
Hazardous Materials Program Manager
Hazardous Materials Compliance Division

Board of Supervisors Donald F Gage, Blanca Alvarado, Pete McHugh, James T Beall, Jr , Liz Kniss
County Executive Peter Kutras, Jr

Agilent Technologies

RECEIVED BY:
SANTA CLARA COUNTY
DEPT. OF ENV. HEALTH

CERTIFIED MAIL ARTICLE NUMBER: 7099 3400 0016 25[illegible]2005 OCT 12 PM 2:48

October 11, 2005

Mr. Michael Balliet
Hazardous Materials Specialist
Department of Environmental Health
1555 Berger Drive, Suite 300
San Jose, CA 95112-2716

No need to permit separately for 30 days. Spoke w/ Nicole Pilman. - will process new application for Avago.

Subject: Amended PBR Initial Notification

Mr. Balliet:

Because of the delay in the transfer of ownership from Agilent to Avago, I have enclosed an amended initial notification of the wastewater treatment operations NS-2 at the San Jose facility located at 350 West Trimble Road, San Jose, California 95131. With the complexity of the worldwide arrangements, this unforeseen delay was announced last Friday.

The delay will move the effective date for the Agilent/Avago ownership/name change from 11/1/05 to 12/1/05.

The startup of NS-2 is still scheduled for 11/1/05 to pretreat the wastewaters before they commingle with the Lumileds NS-1 wastewaters. This delay has no effect on the transfer of ownership of Lumileds from a Joint Venture to a wholly owned company of Phillips. Therefore, the Variance will still terminate on 11/1/05 – so we need to pretreat this wastewater starting that day.

Included in this package is a replacement sheet for the Avago Technologies U.S. Inc., initial notification with a revised date of 12/1/2005. This is form UPCF hwf2730 for the business owner/operator identification.

I've enclosed the Unified Program Forms.

- Business Activities
- Business Owner/Operator Identification (Agilent)
- Onsite Hazardous Waste Treatment Notification- Facility Page
- Onsite Hazardous Waste Treatment Notification – Unit Page NS-2
- Permit By Rule (PBR) Page – NS-2
- System Schematic
- Plot Plan
- Tank Certifications
- Business Owner/Operator Identification (Avago)

The financial assurance documentation will be sent to you under a different cover by 11/1/2005. for Agilent Technologies and by 12/1/2005 for Avago Technologies, U.S., Inc.

Thanks for your patience through this transition. If you have any questions, please call me at 408-435-4205.

Sincerely,

Mitch Cole
Environmental Engineer
enclosure

cc: Mr. Jan Radimsky, DTSC
Permit Streamlining Branch
P.O. Box 806
Sacramento, CA 95812-0806

RECEIVED BY:
SONOMA COUNTY
DEPT. OF ENV. HEALTH
2005 OCT 12 PM 2:48

UNIFIED PROGRAM CONSOLIDATED FORM
FACILITY INFORMATION
BUSINESS ACTIVITIES

I. FACILITY IDENTIFICATION

FACILITY ID #	1	EPA ID # (Hazardous Waste Only)	2
		CAT000611400	

BUSINESS NAME (Same as Facility Name or DBA - Doing Business As) 3

Agilent Technologies, Inc.

II. ACTIVITIES DECLARATION

NOTE: If you check YES to any part of this list, please submit the Business Owner/Operator Identification page (OES Form 2730).

Does your facility	If Yes, please complete these pages of the UPCF	
A HAZARDOUS MATERIALS Have on site (for any purpose) hazardous materials at or above 55 gallons for liquids, 500 pounds for solids, or 200 cubic feet for compressed gases (include liquids in ASTs and USTs), or the applicable Federal threshold quantity for an extremely hazardous substance specified in 40 CFR Part 355, Appendix A or B, or handle radiological materials in quantities for which an emergency plan is required pursuant to 10 CFR Parts 30, 40 or 70?	☒ YES ☐ NO 4	HAZARDOUS MATERIALS INVENTORY – CHEMICAL DESCRIPTION (OES 2731)
B UNDERGROUND STORAGE TANKS (USTs)		UST FACILITY (Formerly SWRCB Form A)
1 Own or operate underground storage tanks?	☐ YES ☒ NO 5	UST TANK (one page per tank) (Formerly Form B)
2 Intend to upgrade existing or install new USTs?	☐ YES ☒ NO 6	UST FACILITY UST TANK (one per tank) UST INSTALLATION - CERTIFICATE OF COMPLIANCE (one page per tank) (Formerly Form C)
3 Need to report closing a UST?	☐ YES ☒ NO 7	UST TANK (closure portion – one page per tank)
C ABOVE GROUND PETROLEUM STORAGE TANKS (ASTs) Own or operate ASTs above these thresholds ---any tank capacity is greater than 660 gallons, or ---the total capacity for the facility is greater than 1,320 gallons?	☐ YES ☒ NO 8	NO FORM REQUIRED TO CUPAs
D HAZARDOUS WASTE		
1 Generate hazardous waste?	☒ YES ☐ NO 9	EPA ID NUMBER – provide at the top of this page
2 Recycle more than 100 kg/month of excluded or exempted recyclable materials (per H&SC §25143 2)?	☐ YES ☒ NO 10	RECYCLABLE MATERIALS REPORT (one per recycler)
3 Treat hazardous waste on site?	☒ YES ☐ NO 11	ONSITE HAZARDOUS WASTE TREATMENT – FACILITY (Formerly DTSC Forms 1772) ONSITE HAZARDOUS WASTE TREATMENT – UNIT (one page per unit) (Formerly DTSC Forms 1772 A,B,C,D and L)
4 Treatment subject to financial assurance requirements (for Permit by Rule and Conditional Authorization)?	☒ YES ☐ NO 12	CERTIFICATION OF FINANCIAL ASSURANCE (Formerly DTSC Form 1232)
5 Consolidate hazardous waste generated at a remote site?	☐ YES ☒ NO 13	REMOTE WASTE / CONSOLIDATION SITE ANNUAL NOTIFICATION (Formerly DTSC Form 1196)
6 Need to report the closure/removal of a tank that was classified as hazardous waste and cleaned onsite?	☐ YES ☒ NO 14	HAZARDOUS WASTE TANK CLOSURE CERTIFICATION (Formerly DTSC Form 1249)

E LOCAL REQUIREMENTS (You may also be required to provide additional information by your CUPA or local agency.) 15

UNIFIED PROGRAM CONSOLIDATED FORM
FACILITY INFORMATION

BUSINESS OWNER/OPERATOR IDENTIFICATION

Page ___ of ___

I. IDENTIFICATION

FACILITY ID # *(Agency Use Only)* 1		BEGINNING DATE 100: 11/1/2005	ENDING DATE 101:
BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As) 3: Agilent Technologies, Inc			BUSINESS PHONE 102: (408) 435-5959
BUSINESS SITE ADDRESS 103: 350 West Trimble Road			
CITY 104: San Jose	CA		ZIP CODE 105: 95131
DUN & BRADSTREET 106: 084963177			SIC CODE (4 digit #) 107: 3674
COUNTY 108: Santa Clara			
BUSINESS OPERATOR NAME 109: Agilent Technologies, Inc.			BUSINESS OPERATOR PHONE 110: (408) 435-5959

II. BUSINESS OWNER

OWNER NAME 111: Agilent Technologies, Inc			OWNER PHONE 112: (408) 435-5959
OWNER MAILING ADDRESS 113: 350 West Trimble Road			
CITY 114: San Jose	STATE 115: CA	ZIP CODE 116: 95131	

III. ENVIRONMENTAL CONTACT

CONTACT NAME 117: Mitch Cole			CONTACT PHONE 118: 408-435-4205
CONTACT MAILING ADDRESS 119: 370 West Trimble Road			
CITY 120: San Jose	STATE 121: CA	ZIP CODE 122: 95131	

IV. EMERGENCY CONTACTS

-PRIMARY-		-SECONDARY-	
NAME 123: Mitch Cole		NAME 128: Phil Lopez	
TITLE 124: Environmental Engineer		TITLE 129: San Jose Site Facilities Manager	
BUSINESS PHONE 125: 408-435-4205		BUSINESS PHONE 130: 408-590-5164	
24-HOUR PHONE* 126: 408-435-5959		24-HOUR PHONE* 131: 408-435-5959	
PAGER # 127: 408-592-3222		PAGER # 132: n/a	

ADDITIONAL LOCALLY COLLECTED INFORMATION 133

Property Owner: Agilent Technologies Inc. Phone No.: 877-424-4536

Billing Address: 5301 Stevens Creek Blvd
Santa Clara, CA 95051-7201

Certification Based on my inquiry of those individuals responsible for obtaining the information, I certify under penalty of law that I have personally examined and am familiar with the information submitted and believe the information is true, accurate, and complete

SIGNATURE OF OWNER/OPERATOR OR DESIGNATED REPRESENTATIVE	DATE 134	NAME OF DOCUMENT PREPARER 135
	10/11/05	Mitch Cole
NAME OF SIGNER (print) 136: Steven Wolf	TITLE OF SIGNER 137: WPS San Jose Site Manager	

* See Instructions on next page

UNIFIED PROGRAM CONSOLIDATED FORM
HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION – FACILITY PAGE

I. FACILITY IDENTIFICATION

BUSINESS NAME (Same as FACILITY NAME or DBA - Doing Business As) 3	FACILITY ID# 1
Agilent Technologies Inc	

II. STATUS

NOTIFICATION STATUS 600	PERMIT STATUS (Check all that apply) 601	
☐ a Amended	☐ a Facility Permit	☐ d Variance
☒ b Initial	☐ b Interim Status	☐ e Consent Agreement
☐ c Renewal (PBR Only)	☐ c Standardized Permit	

III. NUMBER OF UNITS AT FACILITY

(Indicate the number of units you operate in each tier Attach one unit notification page for each unit except CE-CL)

602

A	_____	Conditionally Exempt – Small Quantity Treatment (CESQT) (May not function under any other tier)
B	_____	Conditionally Exempt Specified Wastestream (CESW)
C	_____	Conditionally Authorized (CA)
D	1	Permit by Rule (PBR)
E	_____	Conditionally Exempt – Limited (CEL)
F	_____	Conditionally Exempt Commercial Laundry (CE-CL) (No unit page is required for laundries)
G	1	TOTAL UNITS (Must equal the number of unit notification pages attached plus the number of CE-CL units)

IV. CERTIFICATION AND SIGNATURE

Waste Minimization - I certify that I have a program in place to reduce the volume, quantity and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment

Tiered Permitting Certification - I certify that the unit or units described in these documents meet the eligibility and operating requirements of state statutes and regulations for the indicated permitting tier, including generator and secondary containment requirements I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate, and complete

I am aware that there are substantial penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations

SIGNATURE OF OWNER/OPERATOR	DATE 603
	10/11/05
NAME OF OWNER/OPERATOR 604	TITLE OF OWNER/OPERATOR 605
Steven Wolf	WPS San Jose Site Manager

REQUEST FOR SHORTENED REVIEW PERIOD (CE and CA only) ☐ Yes ☒ No

State Reason for Request

V. ATTACHMENTS (Check if attached)

ALL tiers except CE-CL (Laundries) must submit	PBR ONLY
☒ 1 One unit specific notification page and one treatment process page per unit	☒ 1 Tank and container certifications, if required
☒ 2 Plot Plan (or other grid/map)	☐ 2 Notification of local agency or agencies
	☐ 3 Notification of property owner, if different from business owner
PBR & CA ONLY	
☐ 1 Closure Financial Assurance (formerly DTSC form 1232)	
☐ Self Certified (< $10,000) ☐ Other mechanism	
☐ 2 Prior Enforcement History, if applicable	

UNIFIED PROGRAM CONSOLIDATED FORM
HAZARDOUS WASTE

ONSITE HAZARDOUS WASTE TREATMENT NOTIFICATION – UNIT PAGE

(One page and attachments per unit)

Page ___ of ___

FACILITY ID#	1	BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As)	3
		Agilent Technologies, Inc.	

I. TREATMENT UNIT

UNIT ID# 606	UNIT TYPE/TIER 607	NUMBER OF TANKS 608	NUMBER OF CONTAINERS/ TREATMENT AREAS 609
NS-2	☐ a CESQT ☐ b CESW ☐ c CA ☒ d PBR ☐ e CEL	2	
UNIT NAME 610		**MONTHLY TREATMENT VOLUME 611**	**UNIT OF MEASURE 612**
Neutralization System - 2		90,000	☐ a Pounds ☒ b Gallons

SPECIFIC WASTE TYPE TREATED (narrative) 613

Inorganic Acidic and Alkaline wastewaters

TREATMENT PROCESS DESCRIPTION (narrative) 614

Single stage elementary neutralization system, using automatic injection of sodium hydroxide for neutralization purposes.

(NOTE For each treatment unit, complete and attach the appropriate Waste and Treatment Process Combinations page)

II. BASIS FOR NOT NEEDING FEDERAL PERMIT (Check all that apply)

☐ a The treated waste is not a hazardous waste under federal law (California-only waste)

☒ b Treated in waste water treatment units (tanks) and discharged to a publicly owned treatment works (POTW)/sewering agency or under an NPDES permit

☒ c Treatment in elementary neutralization units

☐ d Treatment in a totally enclosed treatment facility

☐ e Federal conditionally exempt small quantity generator (generated 100 kg , approximately 27 gallons, or less of hazardous waste in a calendar month)

☐ f Treatment in an accumulation tank or container within 90 days for over 1,000 kg /month generators and 180 or 270 days for generators of 100 to 1,000 kg /month 615

☐ g Recyclable materials are reclaimed to recover silver or other precious metals

☐ h Empty container rinsing and/or treatment

☐ i Other (specify below)

III. RESIDUALS MANAGEMENT DESCRIPTION (Check all that apply)

☒ a Discharge non-hazardous aqueous waste to POTW or sewer

☐ b Discharge non-hazardous aqueous waste under a NPDES permit

☐ c Dispose of non-hazardous solid waste residues at an offsite location

Residual hazardous waste hauled offsite by a registered hauler 616

☐ d Offsite recycling
☐ e Thermal treatment
☐ f Disposal to land
☐ g Further treatment
☐ h Other method of disposal (describe below)

SECONDARY CONTAINMENT INSTALLATION DATE (If required) 617

UNIFIED PROGRAM CONSOLIDATED FORM
ONSITE TIERED PERMITTING
PERMIT BY RULE (PBR) PAGE
WASTE AND TREATMENT PROCESS COMBINATIONS

(One page per treatment unit Check all that apply)

606	1	
UNIT ID# NS-2	Facility ID#	Page ___ of ___

1 Aqueous wastes containing hexavalent chromium may be treated by the following process 630

Reduction of hexavalent chromium to trivalent chromium with sodium bisulfite, sodium metabisulfite, sodium thiosulfate, ferrous sulfate, ferrous sulfide or sulfur dioxide provided

☐ a both pH and addition of the reducing agent are automatically controlled

2. Aqueous wastes containing metals listed in Title 22, CCR, Section 66261.24 (a)(2) and/or fluoride salts may be treated by the following technologies:

☐ a pH adjustment or neutralization
☐ b Precipitation or crystallization
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d Ion exchange
☐ e Reverse osmosis
☐ f Metallic replacement
☐ g Plating the metal onto an electrode
☐ h Electrodialysis
☐ i Electrowinning or electrolytic recovery
☐ j Chemical stabilization using silicates and/or cementitious types of reactions
☐ k Evaporation
☐ l Adsorption

3. Aqueous wastes with total organic carbon less than 10% as measured by EPA Method 9060 and less than 1% total volatile organic compounds as measured by EPA Method 8240 may be treated by the following technologies.:

☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
☐ b Adsorption
☐ c Distillation
☐ d Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms
☐ e Photodegradation using ultraviolet light, with or without the addition of hydrogen peroxide or ozone, provided the treatment is conducted in an enclosed system.
☐ f Air stripping or steam stripping

4 Sludges, dusts, solid metal objects and metal workings which contain or are contaminated with metals listed in Title 22, CCR, Section 66261 24 (a)(2) and/or fluoride salts may be treated by the following technologies:

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Physical processes which change only the physical properties of the waste such as grinding, shredding, crushing or compacting
☐ c Drying to remove water
☐ d Separation based on differences in physical properties such as size, magnetism or density

5 Alum, gypsum, lime, sulfur or phosphate sludges may be treated by the following technologies·

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling

6. Wastes identified in Title 22, CCR, Section 66261.120, that meet the criteria and requirements for special waste classification in Section 66261 122 may be treated by the following technologies.

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d Screening to separate components based on size
☐ e Separation based on differences in physical properties such as size, magnetism or density

7. Wastes, except asbestos, which have been classified by the Department as special wastes pursuant to Title 22, CCR, Section 66261.124, may be treated by the following technologies:

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Drying to remove water
☐ c Phase separation by filtration, centrifugation or gravity settling
☐ d Magnetic separation

8. Inorganic acid or alkaline wastes may be treated by the following technology:

☒ a pH adjustment or neutralization

9. Soils contaminated with metals listed in Title 22, CCR, Section 66261.24(a)(2), (Persistent and Bioaccumulative Toxic Substances) may be treated by the following technologies:

☐ a Chemical stabilization using silicates and/or cementitious types of reactions
☐ b Screening to separate components based on size
☐ c Magnetic separation

10 Used oil, unrefined oil waste, mixed oil, oil mixed with water and oil/water separation sludges may be treated by the following technologies

☐ a Phase separation by filtration, centrifugation or gravity settling, but excluding super critical fluid extraction
☐ b Distillation
☐ c Neutralization
☐ d Separation based on differences in physical properties such as size, magnetism or density
☐ e Reverse osmosis
☐ f Biological processes conducted in tanks or containers and utilizing naturally occurring microorganisms

11. Containers of 110 gallons or less capacity which are not constructed of wood, paper, cardboard, fabric, or any other similar absorptive material, which have been emptied as specified in Title 40 of the Code of Federal Regulations, section 261.7 or inner liners removed from empty containers that once held hazardous waste or hazardous material and which are not excluded from regulation may be treated by the following technologies provided the treated containers and rinseate are managed in compliance with applicable requirements

☐ a Rinsing with a suitable liquid capable of dissolving or removing the hazardous constituents which the container held
☐ b Physical processes such as crushing, shredding, grinding or puncturing, that change only the physical properties of the container or inner liner, provided the container or inner liner is first rinsed and the rinseate is removed from the container or inner liner

12. Multi-component resins may be treated by the following process:

☐ a Mixing the resin components in accordance with the manufacturer's instructions

13 A waste stream technology combination certified by the Department pursuant to Section 25200 1.5 of the Health and Safety Code as appropriate for authorization under Permit by Rule

☐ Certified Technology Number _____

CERTIFICATION

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to ensure that qualified personnel properly gather and evaluate the information submitted. Based upon my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations.

I certify that the hazardous waste tank systems (the acid rinse waste treatment system, the hydrofluoric acid waste treatment system, and the solvent waste accumulation system) at Agilent Technologies have sufficient structural integrity, are compatible with the wastes, and are acceptable for transferring, accumulating, and treating hazardous wastes.

There were no significant cracks, leaks, or corrosion visible during the tank system examination. The tanks and secondary containment are suitably designed to achieve the tank design and operating requirements described in Title 22 of the California Code of Regulations, Section 66265.192 (22 CCR 66265.192). This report is being conditionally certified by the professional engineer due to the Limitations listed in Section 1.1 of the report (i.e., flow conditons, inaccessiblity, etc.). The certification is based on the following:

1. A visual examination of the tank systems and piping on March 14, 2005 and May 17, 2005.
2. Interviews with the facility technicians responsible for maintaining the tank systems.
3. Ultrasonic thickness testing of the steel tanks W2, W3, W16, and W30b on May 17, 2005.

Michael J. Zimmerman, P.E., R.E.A.
Senior Project Manager
Environmental Services

Jon A. Rosso, P.E.
Director
Environmental Services
June 23, 2005

Greene Engineers

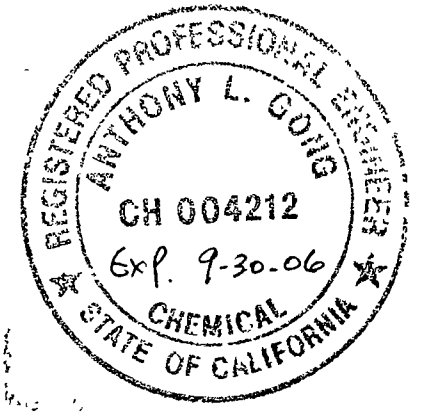
CERTIFICATION

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to ensure that qualified personnel properly gather and evaluate the information submitted. Based upon my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations.

I certify that the hazardous waste tank (Floc Tank - acid rinse waste treatment tank – W32) at Agilent Technologies has sufficient structural integrity, are compatible with the wastes, and are acceptable for transferring, accumulating, and treating hazardous wastes.

There are no significant cracks, leaks, or corrosion visible during the tank system examination. The tanks and secondary containment are suitably designed to achieve the tank design and operating requirements described in Title 22 of the California Code of Regulations, Section 66265 192 (22 CCR 66265.192). The certification is based on the following:

1. A visual examination of the tank on August 19, 2005 and August 22, 2005.
2. Interviews with the facility technicians responsible for maintaining the tank.
3. Hydrotesting of the tank between August 19, 2005 and August 22, 2005.



Anthony Gong
Principal
September 23, 2005

UNIFIED PROGRAM CONSOLIDATED FORM
FACILITY INFORMATION

BUSINESS OWNER/OPERATOR IDENTIFICATION

I. IDENTIFICATION

FACILITY ID # (Agency Use Only)	1	BEGINNING DATE 100	ENDING DATE 101
		12/1/2005	

BUSINESS NAME (Same as FACILITY NAME or DBA – Doing Business As) 3	BUSINESS PHONE 102
Avago Technologies U.S. Inc	(408) 435-5959

BUSINESS SITE ADDRESS 103
350 West Trimble Road

CITY 104		ZIP CODE 105
San Jose	CA	95131

DUN & BRADSTREET 106	SIC CODE (4 digit #) 107
	3674

COUNTY 108
Santa Clara

BUSINESS OPERATOR NAME 109	BUSINESS OPERATOR PHONE 110
Avago Technologies U S Inc	(408) 435-5959

II. BUSINESS OWNER

OWNER NAME 111	OWNER PHONE 112
Avago Technologies U.S. Inc	(408) 435-5959

OWNER MAILING ADDRESS 113
350 West Trimble Road

CITY 114	STATE 115	ZIP CODE 116
San Jose	CA	95131

III. ENVIRONMENTAL CONTACT

CONTACT NAME 117	CONTACT PHONE 118
Mitch Cole	408-435-4205

CONTACT MAILING ADDRESS 119
370 West Trimble Road

CITY 120	STATE 121	ZIP CODE 122
San Jose	CA	95131

IV. EMERGENCY CONTACTS

-PRIMARY-	-SECONDARY-
NAME 123	NAME 128
Mitch Cole	Phil Lopez
TITLE 124	TITLE 129
Environmental Engineer	San Jose Site Facilities Manager
BUSINESS PHONE 125	BUSINESS PHONE 130
408-435-4205	408-590-5164
24-HOUR PHONE* 126	24-HOUR PHONE* 131
408-435-5959	408-435-5959
PAGER # 127	PAGER # 132
408-592-3222	n/a

ADDITIONAL LOCALLY COLLECTED INFORMATION 133

Property Owner: Agilent Technologies Inc Phone No 877-424-4536

Billing Address: 5301 Stevens Creek Blvd
Santa Clara, CA 95051-7201

Certification Based on my inquiry of those individuals responsible for obtaining the information, I certify under penalty of law that I have personally examined and am familiar with the information submitted and believe the information is true, accurate, and complete

SIGNATURE OF OWNER/OPERATOR OR DESIGNATED REPRESENTATIVE	DATE 134	NAME OF DOCUMENT PREPARER 135
	9/30/05	Mitch Cole
NAME OF SIGNER (print) 136	TITLE OF SIGNER 137	
Phil Lopez	San Jose Site Facilities Manager	

* See Instructions on next page

Agilent Technologies

350 West Trimble Road
San Jose, CA 95131
Phone 408-435-4205
Fax 408-435-4155
Mobile 408-592-3222

CERTIFIED MAIL ARTICLE NUMBER: 7099 3400 0016 2568 6273

October 4, 2005

U.S. EPA Region 9
RCRA Notifications
75 Hawthorne Street
San Francisco, CA 94105

RECEIVED BY:
SANTA CLARA COUNTY
DEPT OF ENV. HEALTH
2005 OCT -5 PM 12:49

Subject: Company Name Change: EPA ID# CAT 000 611 400

Dear Sir:

Enclosed is the Subsequent Notification of Regulated Waste Activity associated with the operations at 350 West Trimble Road, San Jose, California.

Agilent is in the process of selling the division operating under this EPA ID number. The new company will be called Avago Technologies U.S. Inc., and continue to operate at that facility.

There will be no operations under this EPA ID number associated with the Agilent name after 11/1/2005.

If you have any question, please contact me at 408-435-4205.

Sincerely,

Mitch Cole
Environmental Specialist

Enclosure

cc: Michael Balliet
CUPA County of Santa Clara
1555 Berger Drive, Suite 300
San Jose, CA 95112-2716

Agilent Technologies

RECEIVED BY:
SANTA CLARA COUNTY
DEPT. OF ENV. HEALTH

2005 SEP -7 PM 2:12

350 West Trimble Road
San Jose, California 95131
Phone 408-435-4205
Mobile 408-592-3222
Fax 408-435-4155

CERTIFIED MAIL ARTICLE#:7002 0860 0002 4213 0146

September 2, 2005

Mr. Michael Balliet
Hazardous Materials Specialist
Department of Environmental Health
1555 Berger Drive, Suite 300
San Jose, California 95112-2716

Subject: Notification of New Activities at the Agilent Facility – San Jose

Dear Mr. Balliet:

The purpose of this letter is to followup our discussion on the hazardous waste treatment operational changes and ownership modifications.

As you know, we've been operating under Variance #01-H-VAR-01 relative to the commingling of hazardous wastewaters from Agilent and Lumileds operations for several years now. Recently, Agilent announced its intentions to sell off the Semiconductor Products Group to an outside investment firm. This is the business group making up the Agilent operations at this facility. Additionally, Agilent has decided to sell off its portion of the Lumileds joint venture to the other parent company- Phillips Lighting.

The effective date for these changes is 11/1/05. On this day, there will be no Agilent operations on site.

The language of the variance dictates that it will terminate at the change of ownership of either contributing party. Therefore we need to segregate these wastes from each company prior to 11/1/05.

The names of both of these companies will be changing moving forward. At this time – I do not have the legal entity name identified for either party. For the purpose of clarity – I'll be referring to the onsite operations that were Agilent as SPG, and the Lumileds operations as Lumileds.

The ownership of the physical facility and land will likely transfer to Lumileds. This isn't finalized yet.

Lumileds will be accepting the owner/operator status of the existing NS-1 and MPU-1 PBR FTUs. We will be submitting all of the appropriate forms for this application as soon as the name of the company is finalized. This is expected by 9/16/2005.

The SPG operations have been the smaller of the two companies for some time now and the plan is to move wet fab operations offsite by April of 2006. So, from November 2005 to April 2006, we need to address the D002 and D004 wastewaters from these operations separate from Lumileds.

For the D002 wastewater, we are installing a treatment system for elementary pH neutralization named NS-2. The operational tier for this FTU has not been defined yet. This single stage system will neutralize the corrosive wastewaters to non-hazardous levels. The discharge from NS-2 will enter the first stage of NS-1 as non-hazardous industrial water. I'm currently working with James Stettler and Mickey Pierce at DTSC to address your concerns that this constitutes dilution as a treatment technology relative to the operation of NS-1. Unlike concentration based contaminants like Arsenic, pH is a balance of hydronium and hydroxyl ions in an aqueous solution – the introduction of additional neutral water has little effect on the overall pH.

The formal application for this FTU will be submitted on about 9/16/05 when I get the official company name.

A set of schematics for the three hazardous waste treatment systems are attached.

The SPG wastes currently treated in the MPU-1 treatment system (fluorides and D004) will be collected. The HF is now manually collected in bottles at each of the workstations for eventual offsite disposal. The other D004/D002 waste containing H_2O_2, NH_4OH, As and H_2O, will be collected in a series of manifolded drums in the basement. This manifold system will have wastefeed cutoff, automatic solenoid valves to change containers and a remote DI cutoff at the workstation in the event that the system capacity is reached.

When full, these drums of waste will be shipped offsite to a permitted TSDF for treatment.

If you have any questions, please give me a call at 408-435-4205.

Sincerely,

Mitch Cole
Environmental Specialist

enclosure

cc: Mr. Jan Radimsky
Permit Streamlining Branch
PO Box 806
Sacramento, California 95812-0806

Alan C Lloyd, Ph D
Agency Secretary
Cal/EPA

Department of Toxic Substances Control

1001 "I" Street
P O Box 806
Sacramento, California 95812-0806

Arnold Schwarzenegger
Governor

September 14, 2005

RECEIVED BY:
SANTA CLARA COUNTY
DEPT. OF ENV. HEALTH
2005 SEP 16 PM 12: 38

Mr. Mitch Cole, Environmental Specialist
Agilent Technologies/Lumileds Lighting U.S , LLC
350-370 West Trimble Road
San Jose, California 95131

PROPOSED REVOCATION OF DTSC VARIANCE #01-H-VAR-01

Dear Mr. Cole.

The Department of Toxic Substance Control (DTSC) granted a Variance (Variance number 01-H-VAR-01) to Agilent Technologies / Lumileds Lighting U.S., LLC on July 23, 2001. This Variance was an administrative variance from the definition of on-site facility as defined in Health and Safety Code section 25117.12 and California Code of Regulations, title 22, section 666260.10. This Variance allowed two separate legal entities to operate as one facility based on a Joint Venture Agreement signed by the two companies on December 29, 2000. Under this Variance, specified treatment activities at the facility were allowed under a California lower authorization tier known as Permit-by-Rule.

Pursuant to the terms of the Variance a termination of the Joint Venture Agreement between the two legal entities, Agilent Technologies and Lumileds Lighting U S , LLC, would result in the revocation of the Variance. As stated in your letter of September 2, 2005 to Mr. Michael Balliet at the San Jose Department of Environmental Health, the Joint Venture Agreement is going to terminate on November 1, 2005. Therefore, this Variance will be revoked on November 1, 2005.

If you have any questions regarding the revocation of this Variance, please contact Mr. David Wright of my staff at (916) 322-0584.

Sincerely,

Mr Jan Radimsky, P.E., Chief
Program Support Branch
Hazardous Waste Management Program

cc: Mr. Michael Balliet
Hazardous Materials Specialist
Department of Environmental Health
1555 Berger Drive, Suite 300
San Jose, California 95112-2716

Printed on Recycled Paper

County of Santa Clara

Environmental Resources Agency
Department of Environmental Health
Hazardous Materials Compliance Division
1555 Berger Drive, Suite 300
San Jose, CA 95112-2716
(408) 918-3400 Fax (408) 280-6479 www EHinfo org

CO/PR/TA ID		SC	Time

Reviewed By
Date 6/20/05

OFFICIAL NOTICE OF INSPECTION

Facility Name.	Agilent Technologies		Inspection Date. 5/4/05
Site Address	350 W. Trimble Rd. San Jose		Employee No.: 10088
Contact Person(s):	Mitch Cole		Samples Taken? ☐ Yes, ☒ No Photographs Taken? ☐ Yes, ☐ No
Inspection Type.	☒ Hazardous Materials ☒ Hazardous Waste ☐ Tiered Permit	☐ Toxic Gas ☐ Cal-Accidental Release Prevention Program ☐ Other	Hazardous Waste Generator Type ☐ < 1,000 Kg /mo ☒ ≥ 1,000 Kg /mo ☐ CESQG ☐ Satellite Only

VIOLATIONS: Codes noted below in the "Violation Code" column represent specific violations of State law and/or local Ordinance. These codes are defined in the attached Violation Codes document(s). Time granted for correction of violations does not preclude any enforcement action by this Department or other agencies. This facility may be subject to reinspection at any time.

Violation Codes	Summary of Violations, Notice to Comply, Observations, and Required Corrective Actions	Corrective Actions Taken
	~~Inspection began on 04/25/05, continued on 04/26/05 and concluded today.~~	
~~2201~~	~~The following waste determinations have not been made:~~	See attached cover letter
	~~- Acid wipes are still being rinsed. Apparently this is different than what occurred during the last inspection and is now part of the process. Provide more information on what is different and how the process has changed since the last inspection.~~	
	~~- Fomblin waste is being recycled out-of-state, but not being managed as a hazardous waste. Typically, used oil is listed as a hazardous waste. You must perform a waste determination of this waste and provide our office a copy of the determination as required.~~	
	~~- FOPD Wafer Fab: Cyanide rinse water is being discharged to the AWN treatment system. You must perform a hazardous waste determination of this waste. Cyanide wastes cannot be treated under the current PBR regulations if it is hazardous waste. Provide our office a copy of the determination. In order to treat cyanide wastes you will have to obtain a cyanide consent order from DTSC.~~	ENTERED LSP 6/21/05

All violations must be corrected within 30 days of the inspection date unless noted otherwise, above. Section 25187.8 of the State Health and Safety Code (H&SC) requires that you write a brief description of the corrective actions you have taken to bring this facility into compliance and submit it to this Department within 5 days of achieving compliance, or within 35 days of the inspection date, whichever comes first. ***(Note: Detailed instructions on actions you must take are printed on the reverse side of this page.)***

Received by: _____ Inspected by. M Gallier Entered by: _____

Certification: I certify under penalty of perjury that this facility has complied with directives specified in this Notice to Comply.

Signature of Owner/Operator _____ Title _____ Date ___/___/___

FACILITY SENDS YELLOW COPY TO AGENCY, KEEPS PINK COPY.

THE OFFICIAL NOTICE OF INSPECTION EXPLAINED

This Official Notice of Inspection (Notice of Inspection) describes the findings made during the inspection, including all violations and any actions that must be taken by the facility to correct the violations All violations must be corrected within 30 days of the inspection date unless noted otherwise by the inspector

Within five working days of achieving compliance, or within 35 days of the inspection, whichever comes first, you must submit a written response which describes the corrective actions you have taken or - for those violations which are impossible to correct within 30 days - propose to take in order to bring your facility into compliance. Where proposed corrective actions are described, you must specify a date by which you expect each violation to be corrected After you have addressed each violation, complete the certification box located at the bottom of page 1 of the Notice of Inspection. Your description of corrective actions taken, along with your signed certification of the Notice of Inspection and any required supporting documents, will serve as your written response to the inspection. Your response must be mailed to the Santa Clara County Hazardous Materials Compliance Division (HMCD) at 1555 Berger Drive, Suite 300, San Jose, CA 95112-2716

What Does the Information in Each Column Mean?

Violation Code: Codes listed in this column identify specific violations of laws, regulations, or codes which were observed during this inspection. Definitions of Violation Codes are listed on the attached Violation Codes document(s).

Summary of Violations, Notice to Comply, Observations, and Required Corrective Actions: Information noted in this column describes the circumstances of any violations noted in the first column and describes how the violations may be corrected. Additionally, the inspector may use this space to note any additional observations resulting from the inspection.

Corrective Actions Taken: This column on the Notice of Inspection has been provided so that you can note how you have corrected or propose to correct each violation. Where proposed corrective actions are described, you must specify a date by which you expect each violation to be corrected If more space is needed, attach additional pages

Why Were Two Copies of the Notice of Inspection Given to Me?

You have been given two copies so you will have a copy for your own records after you submit your written response to HMCD Do not separate the copies until you have described all of your corrective actions and signed the certification box on page 1 The yellow copy of each page must be submitted to HMCD. The pink copy is for your records.

What if I Disagree With a Violation Noted on the Notice of Inspection?

If you disagree with any violation listed in this Notice of Inspection, you must submit a written Notice of Disagreement, within 35 days of the inspection date, to the inspector who cited the violation In your Notice of Disagreement, you must explain in detail why the violation does not exist If there is sufficient space, you may use the "Corrective Actions Taken" column of this Notice of Inspection to dispute violations

What About Photographs or Samples Taken During the Inspection?

Since this Notice of Inspection was prepared and given to you at the end of the inspection, any photographs and sampling or laboratory results associated with the inspection were not yet available A copy of any photographs and/or analytical results from sampling taken during this inspection will be provided to you upon written request. Other pertinent information derived from the inspection is attached to this Notice of Inspection Photographs and sample results may be withheld in the event of a criminal investigation or other ongoing investigation

****

Hazardous Waste Violations

- **Per H&SC §25187.8(g)(1), failure to sign the certification on this Notice of Inspection and return it to this Department is a violation of State law.**
- **Per H&SC §25191, a false statement that compliance has been achieved is a violation of State law punishable by a fine of not less than $2,000 or more than $25,000 and/or imprisonment in the county jail for up to one year.**
- **Per H&SC §25187.8(j), this Department has the right to acquire the submittal of reasonable and necessary documentation in support of any claim of compliance made by your facility.**

County of Santa Clara
Environmental Resources Agency
Department of Environmental Health
Hazardous Materials Compliance Division

Berger Drive, Suite 300
San Jose, CA 95112-2716
(408) 918-3400 Fax (408) 280-6479
www EHinfo org

06/20/05

OFFICIAL NOTICE OF INSPECTION

(Continuation Page)

Facility Name: Agilent Technologies **Inspection Date:** 05/04/05

Violation Codes	Summary of Violations, Notice to Comply, Observations, and Required Corrective Actions	Corrective Actions Taken
	- Various oxidizer wastes are being discharged to the PBR units.	
	These include the potassium permanganate waste and hydrogen	
	peroxide wastes. You must perform a hazardous waste	
	determination of all oxidizer wastes that are discharged to the	
	PBR units. Provide our office a copy of the determination.	
2218	Several manifests for the solvent waste did not have an RQ	See attached cover
	listed in the shipping description. For example, manifest	letter
	20061094 dated 7/14/04 did not have an RQ. Some of the	
	manifests for the same waste did have an RQ. Determine the	
	applicability of the RQ and properly apply to all manifests.	
2299	Hazardous waste tank certifications for the various tanks have	
	not been done as required. The last cert on-file is from 1993.	
	You must perform tank certs as required.	
2165	The waste analysis plan needs to be updated to reflect waste	
	streams that have not been previously identified and are being	
	treated in the PBR systems (i.e. cyanide rinse, oxidizers). You	
	are required to characterize all waste going into the treatment	
	systems and maintain the analysis as required. Update this plan.	
2277	Observed a battery accumulation container that was not properly	
	labeled in the 1BQ5 Stock room. Ensure all universal waste	
	battery containers are properly labeled as required.	
	Note: Provide more information on how janitorial staff are trained	SP 6/21/05
	in universal waste management standards since they pick up	
	the batteries.	
	Note: I recommend replacing the garden hose in the MTU with	
	hard pipe. This is to transfer liquid waste from one tank back to	
	the first tank.	
	Note: I would recommend keeping an operating record for the	
	AWN PBR unit.	

Received by _____ Inspected by M. Balliet

FACILITY SENDS YELLOW COPY TO AGENCY, KEEPS PINK COPY.

County of Santa Clara
Environmental Resources Agency
Department of Environmental Health
Hazardous Materials Compliance Division

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OFFICIAL NOTICE OF INSPECTION

(Continuation Page)

Facility Name: Agilent Technologies **Inspection Date:** 05/04/05

Violation Codes	Summary of Violations, Notice to Comply, Observations, and Required Corrective Actions	Corrective Actions Taken
	Note: I would recommend updating the inspection records to reflect the inspection done on the HF tank systems.	
	Note: Training records for former employees must be kept for at least 3 years after their departure date.	
	Note: The HF accumulation tank should be managed as an accumulation tank since the system is not a "flow-thru" system. The system has a manual transfer that occurs when it gets to a certain level.	see attached inspection letter

Received by _____ Inspected by M. Balliet

FACILITY SENDS YELLOW COPY TO AGENCY, KEEPS PINK COPY.

Agilent Technologies

350 West Trimble Road MS 90LO
San Jose California 95131
Office 408 435 4205
Fax 408 435 4155
Mobile 408 592 3222

June 7, 2005

Mr. Michael Balliet
Hazardous Materials Specialist
Environmental Resources Agency
Department of Environmental Health
Hazardous Materials Compliance Division
1555 Berger Drive, Suite 300
San Jose, CA 95112-2716

Subject: Follow up from the inspection on 5/4/05 for the Agilent operations

Dear Mr. Balliet:

The purpose of this letter is to summarize the responses to issues discovered during the compliance inspection starting 4/25 and ending on 5/4 of 2005.

Code 2201, Waste determinations not being made - Acid wipes:

On the prior inspection in 2002, these wastes were being rinsed and the residual materials were disposed of as nonhazardous waste. Initially, we modified the procedure to collect these D002 wastes in containers similar to the organic contaminated wipes. The problem was with employee exposure to the fumes as HCl and other inorganics volatilized into the room. This problem was solved by changing the process within the hood to incorporate a maintenance step to remove most of the chemicals from the wipe. The process includes maintaining the hood and wiping down the internal surfaces. The wiper contaminated with inorganic chemicals is rinsed with water and reused to wipe down the internal surfaces of the workstation. This wiper is then disposed of as a hazardous waste due to any residual from both operations.

Code 2201, Waste determinations not being made - Fomblin Waste:

Fomblin oil is a California only hazardous waste and we are now managing it as such.

Code 2201, Waste determinations not being made – Cyanide rinse water:

Per your suggestion, the initial rinse from the bath has been changed from a cascade draining to the neutralization system to a beaker operation which is collected and disposed of as a hazardous waste. This process is to prepare the surface of the wafer prior to steps involving bonding and deposition operations. The chemical: Technistrip Au, contains Potassium Cyanide and Lead Oxide.

After talking to Asha Aurora with DTSC, I developed a sampling plan to make the waste determination. I collected 4 samples from the rinsate associated with this stripping solution. They are currently being analyzed at Sequoia Analytical with results in about 3

weeks. We are analyzing these samples for total Cyanide under EPA method 9010, an abbreviated fish bio-assay, total Lead under EPA method 200.7 for, and finally the reactivity test for Cyanides outlined under Chapter 7 of SW846 from the Federal EPA. If the results on the fish bio-assay and the D003 reactivity test are negative, and the lead concentration is less than 5 mg/l – then the rinsate is not a RCRA or California Hazardous Waste. If so, we will resume the discharge of the first pass rinse water to the neutralization system. Otherwise, it is either a RCRA or California only depending on which test the rinsate fails and be managed as such.

Code 2201, Waste determinations not being made – Oxidizer wastes to PBR units:

The definition of a D001 hazardous waste no longer references the correct code location in 49CFR. It lists the definition for oxidizing wastes as 49CFR 173.151. Looking at 49CFR, this section references Exceptions for Class 4. Apparently, when the Department of Transportation updated the codes to HM181, California never updated the references to the new locations in the codes. Therefore under the letter of the law, none of the wastes feeding into the PBR unit are D001 wastes according to the regulations in California.

To further evaluate whether or not material is a 49 CFR 173.127 oxidizer:
We use a couple different oxidizing solutions to etch Arsenic, Gallium arsenide, and phosphorous. The processes using hydrogen peroxide are mixed with ammonium hydroxide and water. We use several different solutions, but the one with the most H_2O_2 is a 1:1:1 solution of water, H_2O_2 and NH_4OH. Estimates from process engineering indicate that between 50% and 90%of the chemical strength is consumed during the etching processes. Each of these etch solutions is evacuated from the bath using water aspirators which dilute the concentrated bath solutions by a factor of 10. So, at the end of the process, where the waste enters the drainage system, the strength of the oxidizing component is greatly reduced.

Original strength of the H_2O_2: 30%
Amount of 30% H_2O_2in the solution: 33%
Consumption in process: 50%
Concentration post Aspirator: 10%
(0.30 x 0.33 x 0.50 x 0.1)=0.495% of H_2O_2

Based on Hazardous Materials Table in 49CFR, Hydrogen Peroxide does not exhibit the characteristic of an oxidizer in concentrations < 8%. Therefore, this waste is not a D001 hazardous waste due to the oxidizing component.

The etching solution containing Potassium Permanganate ($KMNO_4$) is more challenging because there are no percentages associated with the hazardous materials table for this compound in solution. The hazardous materials table only references pure $KMNO_4$ as a solid. Therefore, this used solution was tested using the criteria listed in 173.127 (a)(2) *A liquid material is classified as a Division 5.1 material if, when tested in accordance with the UN Manual of Tests and Criteria, it spontaneously ignites or it's mean time for*

pressure rise from 690 kPa to 2070 kPa gauge is less than the time of a 1:1 nitric acid (65%)/cellulose mixture

A sample of the spent etchant mixed with water in identical ratios to the water aspirator will be sent to a State Certified Laboratory for evaluation relative to this standard. Our standard lab cannot take it due to the HF content. At the time of this letter, I have not found a laboratory to complete this test.

Code 2218 Manifesting:

The manifests had inconsistently applied the RQ designation for solvent wastes. As a D001 waste, the RQ is 100 pounds and therefore all shipments should have had the RQ designation within the DOT shipping name on the manifest. I discussed this with our hazardous waste vendor to make sure they understand and apply the appropriate codes to the manifest. Moving forward, all future manifests will be more closely scrutinized by Agilent staff to verify appropriate shipping documentation.

Code 2299 Hazardous waste tank certifications:

At the time of the inspection, the hazardous waste storage and treatment tanks were undergoing certification by a third party PE certified in the State of California. The report for this certification should be here soon.

Code 2165 Waste Analysis Plan

The waste analysis plan has been updated. The changes include a more detailed description of incoming materials, the change in management from Lumileds to Agilent of all PBR systems, and the elimination of non-existing systems (NS-2 and SS-1).

Code 2277 Universal Waste Battery Collection Labeling

The waste collection location with the incorrect label has received the correct labeling. At the time of the inspection, this pickup location was not on the list for the Janitorial staff. With regards to training of the Janitorial staff for this universal waste, they are informed of why we collect the batteries, where they go, and where they are.

This should resolve the issues discovered during your inspection. If you'd like a copy of the integrity certifications, please let me know and I'll provide you with a copy.

Sincerely,

Mitch Cole
Environmental Specialist

<mitchell.cole@agilent .com>

06/08/2005 11 21 AM

To: <michael balliet@deh co santa-clara.ca.us>
cc.
Subject Potassium Permanganate solutions D001? (Agilent)

Mike,

I sent the response to you yesterday – so you haven't seen it yet This is a follow-up of the remaining oxidizer question for the D001 wastewater and the KMnO4 solutions

MW of KMnO4: 154 g

The etch bath is:
24 liters of 1.0 Normal KMnO4 (24 moles or 3,696 g of KMnO4)
12 liters of 49% HF
350 grams of KMnO4 solid
0.1L of Acetic Acid

Total volume of solution 36 1 L
Volume of water from Aspirator: 361 L
Approximate mass of liquid. 397,100 g
Total KMnO4: 4046 g
Concentration of KMnO4: (4046 / 397,100 = 0.010) or 1% by weight

1% solution (10 g/l) is a 0 0065 Normal Solution (10g/MW 154)

The attached MSDS lists a 0 1 Normal solution a non-regulated per DOT. (page 4)

Therefore, the KMnO4 solution that we're draining to the MPU-1 is not a D001 hazardous waste.

Do you concur?

Mitch Cole
Environmental Specialist

Country Infrastructure Services
Agilent Technologies
350 West Trimble Road
San Jose, California 95131

408-435-4205 office
408-592-3222 mobile
408-435-4155 fax

KMnO4 0 1N solution.pc

Item Details

Material Safety Data Sheet

acc. to OSHA and ANSI

Printing date 08/13/2004 Reviewed on 06/22/2004

1 Identification of substance:

- **Product details:**
- **Product name:** Potassium permanganate, 0.1N solution
- **Stock number:** 35590
- **Manufacturer/Supplier:**
  Alfa Aesar, A Johnson Matthey Company
  Johnson Matthey Catalog Company, Inc.
  30 Bond Street
  Ward Hill, MA 01835-8099
  Emergency Phone: (978) 521-6300
  CHEMTREC: (800) 424-9300
  Web Site: www.alfa.com
- **Information Department:** Health, Safety and Environmental Department
- **Emergency information:**
  During normal hours the Health, Safety and Environmental Department. After normal hours call Chemtrec at (800) 424-9300.

2 Composition/Data on components:

- **Chemical characterization:**
  Description: (CAS#)
  Potassium permanganate (CAS# 7722-64-7); 0.316%
  Water (CAS# 7732-18-5); 99.684%
- **Identification number(s):**
- **EINECS Number:** 231-760-3

3 Hazards identification

- **Hazard description:** · Not applicable
- **Information pertaining to particular dangers for man and environment**
  Not applicable
- **Classification system**
- **HMIS ratings (scale 0-4)**

  (Hazardous Materials Identification System)
  Health (acute effects) = 1
  Flammability = 0
  Reactivity = 0

4 First aid measures

- **After inhalation**
  Supply fresh air. If required, provide artificial respiration. Keep patient warm.

Seek immediate medical advice.

- **After skin contact**
  Immediately wash with water and soap and rinse thoroughly.
  Seek immediate medical advice.
- **After eye contact**
  Rinse opened eye for several minutes under running water. Then consult a doctor.
- **After swallowing** Seek medical treatment.

5 Fire fighting measures

- **Suitable extinguishing agents**
  Product is not flammable. Use fire fighting measures that suit the surrounding fire.
- **Protective equipment:**
  Wear self-contained respirator.
  Wear fully protective impervious suit.

6 Accidental release measures

- **Person-related safety precautions:**
  Wear protective equipment. Keep unprotected persons away.
  Ensure adequate ventilation
- **Measures for environmental protection:**
  Do not allow material to be released to the environment without proper governmental permits.
- **Measures for cleaning/collecting:**
  Absorb with liquid-binding material (sand, diatomite, acid binders, universal binders, sawdust).
- **Additional information:**
  See Section 7 for information on safe handling
  See Section 8 for information on personal protection equipment.
  See Section 13 for disposal information.

7 Handling and storage

- **Handling**
- **Information for safe handling:**
  Keep container tightly sealed.
  Store in cool, dry place in tightly closed containers.
  No special precautions are necessary if used correctly.
- **Information about protection against explosions and fires:**
  No special measures required.

- **Storage**
- **Requirements to be met by storerooms and receptacles:**
  No special requirements.
- **Information about storage in one common storage facility:** Not required.
- **Further information about storage conditions:**
  Keep container tightly sealed.
  Store in cool, dry conditions in well sealed containers.

8 Exposure controls and personal protection

- **Additional information about design of technical systems:**
  Properly operating chemical fume hood designed for hazardous chemicals and having an average face velocity of at least 100 feet per minute.

Components with limit values that require monitoring at the workplace:

Manganese, elemental & inorganic compounds (as Mn)

	mg/m3
ACGIH TLV	0.2
Austria MAK	5
Belgium TWA	1; 3-STEL (fume)
Denmark TWA	2.5

Finland TWA	0.5
France VME	1 (fume)
Germany MAK	0.55
Japan OEL	0.3 (respirable dust)
Korea TLV	0.2
Netherlands MAC-TGG	1; 3-MAC-K
Norway TWA	1
Russia	0.2-STEL (fume)
Sweden NGV	1, 2.5-TGV (resp. dust)
	2 5; 5-TGV (total dust)
Switzerland MAK-W	5
	1 (fume)
United Kingdom TWA	5
	1; 3-STEL (fume)
USA PEL	5-Ceiling (fume)

- **Additional information:** No data

- **Personal protective equipment**
- **General protective and hygienic measures**
  The usual precautionary measures for handling chemicals should be followed.
  Keep away from foodstuffs, beverages and feed.
  Remove all soiled and contaminated clothing immediately.
  Wash hands before breaks and at the end of work.
- **Breathing equipment:**
  Use suitable respirator when high concentrations are present.
- **Protection of hands:** Impervious gloves
- **Eye protection:** Safety glasses
- **Body protection:** Protective work clothing.

9 Physical and chemical properties:

- **General Information**

- **Form:** Solution
- **Color:** Violet
- **Odor:** Odorless

	Value/Range	Unit	Method
Change in condition			
Melting point/Melting range:	Not determined		
Boiling point/Boiling range:	Not determined		
Sublimation temperature / start:	Not determined		
Flash point: Not determined	Not applicable		
Ignition temperature:	Not determined		
Decomposition temperature:	Not determined		

- **Danger of explosion:**
  Product does not present an explosion hazard.

Explosion limits:	
Lower:	Not determined
Upper:	Not determined
Vapor pressure:	Not determined
Density:	Not determined
Solubility in / Miscibility with	
Water:	Fully miscible

10 Stability and reactivity

- **Thermal decomposition / conditions to be avoided:**
  Decomposition will not occur if used and stored according to specifications.
- **Materials to be avoided:**
  Aqueous solutions are incompatible with alkali and alkaline earth metals and many reactive organic and inorganic chemicals.
- **Dangerous reactions**
  Reacts with alkali metals
  Reacts with alkaline earth metals
- **Dangerous products of decomposition:**
  No dangerous decomposition products known

11 Toxicological information

- **Acute toxicity:**
- **Primary irritant effect:**
- **on the skin:** May cause irritation
- **on the eye:** May cause irritation
- **Sensitization:** No sensitizing effects known.
- **Subacute to chronic toxicity:**
  Chronic exposure to manganese may cause impairment to the central nervous system. Symptoms include sluggishness, sleepiness, muscle weakness, loss of facial muscle control, edema, emotional disturbances, spastic gait and falling. Chronic manganese poisoning may develop after as little as three months of heavy exposure but usually cases develop after one to three years of exposure,
- **Additional toxicological information:**
  To the best of our knowledge the acute and chronic toxicity of this substance is not fully known.
  EPA-D: Not classifiable as to human carcinogenicity: inadequate human and animal evidence of carcinogenicity or no data are available.

12 Ecological information:

- **General notes:**
  Do not allow material to be released to the environment without proper governmental permits.

13 Disposal considerations

- **Product:**
- **Recommendation**
  Consult state, local or national regulations to ensure proper disposal.

- **Uncleaned packagings:**
- **Recommendation:**
  Disposal must be made according to official regulations.
- **Recommended cleansing agent:** Water, if necessary with cleansing agents.

14 Transport information

Not a hazardous material for transportation.

- **DOT regulations:**
- **Hazard class:** None

- **Land transport ADR/RID (cross-border)**
- **ADR/RID class:** None

- **Maritime transport IMDG:**
- **IMDG Class:** None

- **Air transport ICAO-TI and IATA-DGR:**

- **ICAO/IATA Class:** None

- **Transport/Additional information:**
  Not dangerous according to the above specifications.

15 Regulations

- **Product related hazard informations:**
  Observe the general safety regulations when handling chemicals

- **National regulations**
  All components of this product are listed in the U.S. Environmental Protection Agency Toxic Substances Control Act Chemical substance Inventory

- **Information about limitation of use:**
  For use only by technically qualified individuals.
  This product contains manganese and is subject to the reporting requirements of section 313 of the Emergency Planning and Community Right to Know Act of 1986 and 40CFR372.

16 Other information:

Employers should use this information only as a supplement to other information gathered by them, and should make independent judgement of suitability of this information to ensure proper use and protect the health and safety of employees. This information is furnished without warranty, and any use of the product not in conformance with this Material Safety Data Sheet, or in combination with any other product or process, is the responsibility of the user.

- **Department issuing MSDS:** Health, Safety and Environmental Department.
- **Contact:** Darrell R. Sanders

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County of Santa Clara
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CO/PR/TA ID		SC	Time
PR0312781	2208	OB	65
PR0367957	2261	OB	65
PR0371042	2261	OB	65

OFFICIAL NOTICE OF INSPECTION

Facility Name	Agilent Technologies		Inspection Date: 5/4/05
Site Address.	350 W. Trimble Rd. San Jose		Employee No.: 10088
Contact Person(s):	Mitch Cole		Samples Taken? ☐ Yes, ☒ No Photographs Taken? ☐ Yes, ☐ No
Inspection Type	☐ Hazardous Materials ☒ Hazardous Waste ☐ Tiered Permit	☐ Toxic Gas ☐ Cal-Accidental Release Prevention Program ☐ Other	Hazardous Waste Generator Type ☐ < 1,000 Kg /mo ☒ ≥ 1,000 Kg /mo ☐ CESQG ☐ Satellite Only

VIOLATIONS: Codes noted below in the "Violation Code" column represent specific violations of State law and/or local Ordinance. These codes are defined in the attached Violation Codes document(s). Time granted for correction of violations does not preclude any enforcement action by this Department or other agencies. This facility may be subject to reinspection at any time.

Violation Codes	Summary of Violations, Notice to Comply, Observations, and Required Corrective Actions	Corrective Actions Taken
	Inspection began on 04/25/05, continued on 04/26/05 and concluded today.	
2201	The following waste determinations have not been made:	
	- Acid wipes are still being rinsed. Apparently this is different than what occurred during the last inspection and is now part of the process. Provide more information on what is different and how the process has changed since the last inspection.	
	- Fomblin waste is being recycled out-of-state, but not being managed as a hazardous waste. Typically, used oil is listed as a hazardous waste. You must perform a waste determination of this waste and provide our office a copy of the determination as required.	
	- FOPD Wafer Fab: Cyanide rinse water is being discharged to the AWN treatment system. You must perform a hazardous waste determination of this waste. Cyanide wastes cannot be treated under the current PBR regulations if it is hazardous waste. Provide our office a copy of the determination. In order to treat cyanide wastes you will have to obtain a cyanide consent order from DTSC.	

All violations must be corrected within 30 days of the inspection date unless noted otherwise, above. Section 25187.8 of the State Health and Safety Code (H&SC) requires that you write a brief description of the corrective actions you have taken to bring this facility into compliance and submit it to this Department within 5 days of achieving compliance, or within 35 days of the inspection date, whichever comes first. ***(Note: Detailed instructions on actions you must take are printed on the reverse side of this page.)***

Received by: _____ Inspected by: M. Balliet Entered by: _____ 5/11/05

Certification: I certify under penalty of perjury that this facility has complied with directives specified in this Notice to Comply.

Signature of Owner/Operator. _____ Title _____ Date: ___/___/___

FACILITY SENDS YELLOW COPY TO AGENCY, KEEPS PINK COPY.

THE OF IAL NOTICE OF INSPECTION F 'LAINED

This Official Notice of Inspection (Notice of Inspection) describes the findings made during the inspection, including all violations and any actions that must be taken by the facility to correct the violations All violations must be corrected within 30 days of the inspection date unless noted otherwise by the inspector.

Within five working days of achieving compliance, or within 35 days of the inspection, whichever comes first, you must submit a written response which describes the corrective actions you have taken or - for those violations which are impossible to correct within 30 days - propose to take in order to bring your facility into compliance. Where proposed corrective actions are described, you must specify a date by which you expect each violation to be corrected After you have addressed each violation, complete the certification box located at the bottom of page 1 of the Notice of Inspection Your description of corrective actions taken, along with your signed certification of the Notice of Inspection and any required supporting documents, will serve as your written response to the inspection. Your response must be mailed to the Santa Clara County Hazardous Materials Compliance Division (HMCD) at 1555 Berger Drive, Suite 300, San Jose, CA 95112-2716

What Does the Information in Each Column Mean?

Violation Code: Codes listed in this column identify specific violations of laws, regulations, or codes which were observed during this inspection Definitions of Violation Codes are listed on the attached Violation Codes document(s)

Summary of Violations, Notice to Comply, Observations, and Required Corrective Actions: Information noted in this column describes the circumstances of any violations noted in the first column and describes how the violations may be corrected. Additionally, the inspector may use this space to note any additional observations resulting from the inspection

Corrective Actions Taken: This column on the Notice of Inspection has been provided so that you can note how you have corrected or propose to correct each violation. Where proposed corrective actions are described, you must specify a date by which you expect each violation to be corrected. If more space is needed, attach additional pages

Why Were Two Copies of the Notice of Inspection Given to Me?

You have been given two copies so you will have a copy for your own records after you submit your written response to HMCD. Do not separate the copies until you have described all of your corrective actions and signed the certification box on page 1. The yellow copy of each page must be submitted to HMCD. The pink copy is for your records.

What if I Disagree With a Violation Noted on the Notice of Inspection?

If you disagree with any violation listed in this Notice of Inspection, you must submit a written Notice of Disagreement, within 35 days of the inspection date, to the inspector who cited the violation In your Notice of Disagreement, you must explain in detail why the violation does not exist. If there is sufficient space, you may use the "Corrective Actions Taken" column of this Notice of Inspection to dispute violations

What About Photographs or Samples Taken During the Inspection?

Since this Notice of Inspection was prepared and given to you at the end of the inspection, any photographs and sampling or laboratory results associated with the inspection were not yet available. A copy of any photographs and/or analytical results from sampling taken during this inspection will be provided to you upon written request. Other pertinent information derived from the inspection is attached to this Notice of Inspection Photographs and sample results may be withheld in the event of a criminal investigation or other ongoing investigation

****

Hazardous Waste Violations

- **Per H&SC §25187.8(g)(1), failure to sign the certification on this Notice of Inspection and return it to this Department is a violation of State law.**
- **Per H&SC §25191, a false statement that compliance has been achieved is a violation of State law punishable by a fine of not less than $2,000 or more than $25,000 and/or imprisonment in the county jail for up to one year.**
- **Per H&SC §25187.8(j), this Department has the right to acquire the submittal of reasonable and necessary documentation in support of any claim of compliance made by your facility.**

County of Santa Clar.
Environmental Resources Agency
Department of Environmental Health
Hazardous Materials Compliance Division

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(408) 918-3400 Fax (408) 280-6479
www EHinfo org

OFFICIAL NOTICE OF INSPECTION

(Continuation Page)

Facility Name: Agilent Technologies **Inspection Date:** 05/04/05

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2299	Hazardous waste tank certifications for the various tanks have not been done as required. The last cert on-file is from 1993. You must perform tank certs as required.	
2165	The waste analysis plan needs to be updated to reflect waste streams that have not been previously identified and are being treated in the PBR systems (i.e. cyanide rinse, oxidizers). You are required to characterize all waste going into the treatment systems and maintain the analysis as required. Update this plan.	
2277	Observed a battery accumulation container that was not properly labeled in the 1BQ5 Stock room. Ensure all universal waste battery containers are properly labeled as required.	
	Note: Provide more information on how janitorial staff are trained in universal waste management standards since they pick up the batteries.	
	Note: I recommend replacing the garden hose in the MTU with hard pipe. This is to transfer liquid waste from one tank back to the first tank.	
	Note: I would recommend keeping an operating record for the AWN PBR unit.	

Received by _____ Inspected by: M. Balliet

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Violation Codes	Summary of Violations, Notice to Comply, Observations, and Required Corrective Actions	Corrective Actions Taken
	Note: I would recommend updating the inspection records to reflect the inspection done on the HF tank systems.	
	Note: Training records for former employees must be kept for at least 3 years after their departure date.	
	Note: The HF accumulation tank should be managed as an accumulation tank since the system is not a "flow-thru" system. The system has a manual transfer that occurs when it gets to a certain level.	

Received by _____ Inspected by M. Balliet

FACILITY SENDS YELLOW COPY TO AGENCY, KEEPS PINK COPY.

County of Santa Clar
Environmental Resources Agency
Department of Environmental Health
Hazardous Materials Compliance Division
1555 Berger Drive, Suite 300
San Jose, CA 95112-2716
(408) 918-3400 Fax (408) 280-6479 www EHinfo.org

CO/PR/TA ID	E	SC	Time
PR0312781	2208	01	110
PR0367957	2261	01	110
PR0371042	2261	01	110

OFFICIAL NOTICE OF INSPECTION

Facility Name	Agilent Technologies	Inspection Date:	04/25/05
Site Address:	350 W. Trimble Rd. SJ	Employee No.	10086
Contact Person(s):	Mitch Cole	Samples Taken? ☐ Yes, ☒ No Photographs Taken? ☐ Yes, ☒ No	
Inspection Type:	☐ Hazardous Materials ☐ Toxic Gas ☒ Hazardous Waste ☐ Cal-Accidental Release Prevention Program ☒ Tiered Permit ☐ Other	Hazardous Waste Generator Type ☐ < 1,000 Kg /mo ☒ ≥ 1,000 Kg /mo ☐ CESQG ☐ Satellite Only	

VIOLATIONS: Codes noted below in the "Violation Code" column represent specific violations of State law and/or local Ordinance. These codes are defined in the attached Violation Codes document(s). Time granted for correction of violations does not preclude any enforcement action by this Department or other agencies. This facility may be subject to reinspection at any time.

Violation Codes	Summary of Violations, Notice to Comply, Observations, and Required Corrective Actions	Corrective Actions Taken
	Inspection began today & will continue tomorrow.	

All violations must be corrected within 30 days of the inspection date unless noted otherwise, above. Section 25187.8 of the State Health and Safety Code (H&SC) requires that you write a brief description of the corrective actions you have taken to bring this facility into compliance and submit it to this Department within 5 days of achieving compliance, or within 35 days of the inspection date, whichever comes first. ***(Note: Detailed instructions on actions you must take are printed on the reverse side of this page.)***

Received by: _____ Inspected by. M. Barbieri Entered by: _____

Certification: I certify under penalty of perjury that this facility has complied with directives specified in this Notice to Comply.

Signature of Owner/Operator: _____ Title: _____ Date ___/___/___

FACILITY SENDS YELLOW COPY TO AGENCY, KEEPS PINK COPY.

THE OFFICIAL NOTICE OF INSPECTION EXPLAINED

This Official Notice of Inspection (Notice of Inspection) describes the findings made during the inspection, including all violations and any actions that must be taken by the facility to correct the violations All violations must be corrected within 30 days of the inspection date unless noted otherwise by the inspector.

Within five working days of achieving compliance, or within 35 days of the inspection, whichever comes first, you must submit a written response which describes the corrective actions you have taken or - for those violations which are impossible to correct within 30 days - propose to take in order to bring your facility into compliance. Where proposed corrective actions are described, you must specify a date by which you expect each violation to be corrected After you have addressed each violation, complete the certification box located at the bottom of page 1 of the Notice of Inspection Your description of corrective actions taken, along with your signed certification of the Notice of Inspection and any required supporting documents, will serve as your written response to the inspection. Your response must be mailed to the Santa Clara County Hazardous Materials Compliance Division (HMCD) at 1555 Berger Drive, Suite 300, San Jose, CA 95112-2716

What Does the Information in Each Column Mean?

Violation Code: Codes listed in this column identify specific violations of laws, regulations, or codes which were observed during this inspection Definitions of Violation Codes are listed on the attached Violation Codes document(s).

Summary of Violations, Notice to Comply, Observations, and Required Corrective Actions: Information noted in this column describes the circumstances of any violations noted in the first column and describes how the violations may be corrected. Additionally, the inspector may use this space to note any additional observations resulting from the inspection.

Corrective Actions Taken: This column on the Notice of Inspection has been provided so that you can note how you have corrected or propose to correct each violation Where proposed corrective actions are described, you must specify a date by which you expect each violation to be corrected If more space is needed, attach additional pages.

Why Were Two Copies of the Notice of Inspection Given to Me?

You have been given two copies so you will have a copy for your own records after you submit your written response to HMCD Do not separate the copies until you have described all of your corrective actions and signed the certification box on page 1. The yellow copy of each page must be submitted to HMCD. The pink copy is for your records.

What if I Disagree With a Violation Noted on the Notice of Inspection?

If you disagree with any violation listed in this Notice of Inspection, you must submit a written Notice of Disagreement, within 35 days of the inspection date, to the inspector who cited the violation. In your Notice of Disagreement, you must explain in detail why the violation does not exist If there is sufficient space, you may use the "Corrective Actions Taken" column of this Notice of Inspection to dispute violations.

What About Photographs or Samples Taken During the Inspection?

Since this Notice of Inspection was prepared and given to you at the end of the inspection, any photographs and sampling or laboratory results associated with the inspection were not yet available. A copy of any photographs and/or analytical results from sampling taken during this inspection will be provided to you upon written request. Other pertinent information derived from the inspection is attached to this Notice of Inspection. Photographs and sample results may be withheld in the event of a criminal investigation or other ongoing investigation

****

Hazardous Waste Violations

- **Per H&SC §25187.8(g)(1), failure to sign the certification on this Notice of Inspection and return it to this Department is a violation of State law.**
- **Per H&SC §25191, a false statement that compliance has been achieved is a violation of State law punishable by a fine of not less than $2,000 or more than $25,000 and/or imprisonment in the county jail for up to one year.**
- **Per H&SC §25187.8(j), this Department has the right to acquire the submittal of reasonable and necessary documentation in support of any claim of compliance made by your facility.**

County of Santa Clara
Environmental Resources Agency
Department of Environmental Health
Hazardous Materials Compliance Division
1555 Berger Drive, Suite 300
San Jose, CA 95112-2716
(408) 918-3400 Fax (408) 280-6479 www.EHinfo org

CO/PR/TA ID	PE	SC	Time
PR0312781	2108	02	120
PR0367457	2761	02	120
PR0370492	2761	02	120

OFFICIAL NOTICE OF INSPECTION

Facility Name. Agilent Technologies	Inspection Date 04/26/05
Site Address: 350 W. Trimble Rd. SJ	Employee No. C0088
Contact Person(s): Mitch Cole	Samples Taken? ☐ Yes, ☒ No Photographs Taken? ☐ Yes, ☒ No
Inspection Type ☐ Hazardous Materials ☐ Toxic Gas ☒ Hazardous Waste ☐ Cal-Accidental Release Prevention Program ☒ Tiered Permit ☐ Other	Hazardous Waste Generator Type ☐ < 1,000 Kg /mo ☒ ≥ 1,000 Kg /mo ☐ CESQG ☐ Satellite Only

VIOLATIONS: Codes noted below in the "Violation Code" column represent specific violations of State law and/or local Ordinance. These codes are defined in the attached Violation Codes document(s). Time granted for correction of violations does not preclude any enforcement action by this Department or other agencies. This facility may be subject to reinspection at any time.

Violation Codes	Summary of Violations, Notice to Comply, Observations, and Required Corrective Actions	Corrective Actions Taken
	Inspection ~~continued~~ today & will continue	
	on Monday 05/2/05	
	Provide training records for all employees	
	at this time.	

All violations must be corrected within 30 days of the inspection date unless noted otherwise, above. Section 25187.8 of the State Health and Safety Code (H&SC) requires that you write a brief description of the corrective actions you have taken to bring this facility into compliance and submit it to this Department within 5 days of achieving compliance, or within 35 days of the inspection date, whichever comes first. ***(Note: Detailed instructions on actions you must take are printed on the reverse side of this page.)***

Received by. _____ Inspected by. M. Ballard Entered by _____

Certification: I certify under penalty of perjury that this facility has complied with directives specified in this Notice to Comply.

Signature of Owner/Operator _____ Title _____ Date ___/___/___

FACILITY SENDS YELLOW COPY TO AGENCY, KEEPS PINK COPY.

THE OF. IAL NOTICE OF INSPECTION F 'LAINED

This Official Notice of Inspection (Notice of Inspection) describes the findings made during the inspection, including all violations and any actions that must be taken by the facility to correct the violations. All violations must be corrected within 30 days of the inspection date unless noted otherwise by the inspector

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Since this Notice of Inspection was prepared and given to you at the end of the inspection, any photographs and sampling or laboratory results associated with the inspection were not yet available. A copy of any photographs and/or analytical results from sampling taken during this inspection will be provided to you upon written request. Other pertinent information derived from the inspection is attached to this Notice of Inspection. Photographs and sample results may be withheld in the event of a criminal investigation or other ongoing investigation

****

Hazardous Waste Violations

- **Per H&SC §25187.8(g)(1), failure to sign the certification on this Notice of Inspection and return it to this Department is a violation of State law.**
- **Per H&SC §25191, a false statement that compliance has been achieved is a violation of State law punishable by a fine of not less than $2,000 or more than $25,000 and/or imprisonment in the county jail for up to one year.**
- **Per H&SC §25187.8(j), this Department has the right to acquire the submittal of reasonable and necessary documentation in support of any claim of compliance made by your facility.**

County of Santa Clara

Environmental Resources Agency
Department of Environmental Health

Hazardous Materials Compliance Division
1555 Berger Drive Suite 300
San Jose California 95112-2716
(408) 918-3400 FAX (408) 280-6479
www EHinfo org

Date: April 11, 2005
To: Mitch Cole, Agilent Technologies / Lumileds Lighting
From: Michael Balliet, SCC-HMCD
Re: Hazardous Waste Inspection, Tiered Permit Inspection at 350 and 370 W. Trimble Ave., SJ
Date/Time of Inspection: April 25, 26 at 09:30am

HAZARDOUS WASTE GENERATOR LIST OF RECORDS TO BE REVIEWED:

Hazardous Waste Generator Inspection:

- Disposal Records (01/2003 to present): ✓
  - Hazardous waste manifests ✓
  - Disposal receipts of waste oil, if any ✓
  - Land disposal notifications ✓
  - Universal Waste Disposal Records, if any (fluorescent lamps, batteries, CRT's) ✓
- Emergency Action Plan:
  - Contingency plan (90-day waste accumulation areas) ✓
- Hazardous Materials Business Plan ✓
- Hazardous Waste Training Records 0
- Weekly Inspection Records (90-day accumulation areas for containers, 01/2003 to present) ✓
- Daily Inspections Records (tanks, 01/2003 to present) ✓
- Biennial Reports (2002) ✓
- Spill Records (including releases to the POTW) ✓
- Permits - hazardous materials storage, industrial wastewater, air emission ✓
- Hazardous Waste Determination Documentation (includes analytical results and hazardous waste profile sheets) ✓
- Recycling Notification, if any ✓
- BOE Tax payments for hazardous waste

Hazardous Waste Treatment Inspection (Tiered Permit):

- Hazardous Waste Treatment Notification and other supporting documents ✓
- Inspection Schedule and Records (01/2003 to present)- in binder ✓
- Operating Records and Instructions (01/2003 to present) ✓
- Wastewater Discharge Records including records/reports of non-compliance (01/2003 to present) ✓
- Financial Assurance Records ✓ ✓
- Phase I Assessment ✓ ✓
- Closure Cost Estimates and other supporting documents (latest) ✓ ✓
- Waste Analysis Plan and Records ✓ ✓
- Secondary Containment Certification - in tank integrity cert ✓ ✓
- Closure Plan ✓ ✓

Board of Supervisors Donald F Gage, Blanca Alvarado, Pete McHugh, James T Beall, Jr , Liz Kniss
County Executive Peter Kutras, Jr

County of Santa Clara

Environmental Resources Agency
Department of Environmental Health
Hazardous Materials Compliance Division
1555 Berger Drive Suite 300
San Jose, California 95112-2716
(408) 918-3400 FAX (408) 280-6479
www EHinfo org

January 28, 2005

MITCH COLE
AGILENT TECHNOLOGIES INC
350 W TRIMBLE RD
SAN JOSE CA 951311008

CAT000611400
Site address:
350 W TRIMBLE RD
SAN JOSE CA 951311008

RE: 2005 PBR ANNUAL RENEWAL

Dear Sir or Madam:

This information package is provided by your Certified Unified Program Agency (CUPA), the County of Santa Clara, Department of Environmental Health, in order to help facilitate your renewal as an onsite hazardous waste treatment facility operating a fixed treatment unit under Permit by Rule (PBR).

All of the required Unified Program Consolidated Forms (UPCF) pertaining to your onsite treatment units were submitted last year by your facility. Therefore, this year you are requested to **complete only the following certification pages requiring a signature along with the Business Activities page and return them to our office by March 30, 2005:**

1. Business Activities (Unified Program Consolidated Form)
2. Business Owner/Operator Identification (Facility information).
3. Onsite Hazardous Waste Treatment Notification-Facility page.
4. Certification of Financial Assurance (Annual Certification).

The requested UPCF forms are enclosed in this package. If changes related to your onsite treatment unit(s) occurred last year, in addition to the above noted forms, please submit the Unit page and Permit by Rule page of the UPCF forms to reflect those changes. Templates for all UPCF forms are available on the following website: www.unidocs.org.

Board of Supervisors Donald F Gage, Blanca Alvarado, Pete McHugh, James T Beall, Jr , Liz Kniss
County Executive Peter Kutras, Jr

As a reminder, facilities are required to adjust their closure cost estimates for inflation by March 1st of each year. It is advisable that you use last year's inflation factor of **1.016** per cent since the Bureau of Economic Affairs doesn't publish the Implicit Price Deflator for the last quarter of year 2004 until April of 2005. The estimated closure costs that is updated yearly with the inflation factor must be noted on Section II of the Certificate of Financial Assurance Form.

You are requested to submit a copy of your updated closure cost estimate to this office only if you previously self certified that the closure cost was less than $10,000.00 and now, due to updating, it exceeds that amount. In addition, for all facilities that claim salvage value for resale of equipment under the closure cost estimate, please send documentation supporting the true market value of the salvage/reclaimed equipment.

After updating your closure cost estimate, we recommend that you evaluate the financial mechanism and verify that it is adequate to cover the current closure cost estimate. For facilities that have filed under the mechanism of Financial Test and Corporate Guarantee, in order to maintain eligibility for this closure assurance mechanism, annual updated information must be submitted to this department within ninety days of the close of the firm's fiscal year.

Do not send an annual notification fee with this renewal form. You will be receiving an invoice either from our Department or from your local fire department for the annual permit to operate your treatment unit(s).

Once you have completed and submitted the PBR renewal forms as instructed above, you will have complied with the 2005 annual notification requirements as noted in the California Code of Regulations, Title 22, Section 67450.3(c).

If you have any questions regarding this letter, please contact Ruben Williams at (408) (408) 918-1985.

Sincerely,

Nicole Pullman

Nicole Pullman, R.E.H.S.
Hazardous Materials Program Manager
Hazardous Materials Compliance Division

Enclosure

Units authorized to operate at this location:

UNDER PERMIT BY RULE: MPU-1, NS-1

County of Santa Clara

Environmental Resources Agency
Department of Environmental Health
Hazardous Materials Compliance Division
1555 Berger Drive Suite 300
San Jose California 95112-2716
(408) 918-3400 FAX (408) 280-6479
www EHinfo org

FILE

May 26, 2004

MITCH COLE
AGILENT TECHNOLOGIES INC
350 W TRIMBLE RD,
SAN JOSE, CA 951311008

EPA ID: CAT000611400
Initial Authorization: 10/28/1999
Renewal Date: May 26, 2004

Site Address: 350 W TRIMBLE RD SAN JOSE

Dear Onsite Treatment Facility:

The County of Santa Clara Hazardous Materials Compliance Division (HMCD) has received and reviewed your facility's PBR Renewal Notification to ensure it is administratively complete. It has not been reviewed for technical adequacy. The technical review will be conducted during a facility inspection by this office. A copy of the Hazardous Waste Tiered Permit Audit Checklist-Permit By Rule can be found on website: www.unidocs.org.

The treatment unit (s) listed below is / are hereby authorized pursuant to Title 22 of the California Code of Regulations (CCR). **Your authorization continues until you notify this office that you have stopped treating wastes and have fully closed the unit(s) pursuant to all applicable closure requirements of CCR Title 22 and your closure plan.**

Violeta Mislang with the state Department of Toxic Substances Control (DTSC) can be contacted at (714) 484-5387 for questions concerning the Phase I Environmental Assessment/Corrective Action Program. If you have any questions regarding this letter please contact Nicole Pullman at (408) 918-1984.

Sincerely,

Gordon McPhaill, R.E.H.S.
Hazardous Materials Program Manager
Hazardous Materials Compliance Division

Units authorized to operate at this location:

UNDER PERMIT BY RULE: MPU-1, NS-1

Board of Supervisors Donald F Gage, Blanca Alvarado, Pete McHugh, James T Beall, Jr., Liz Kniss
County Executive Peter Kutras, Jr

County of Santa Clara

Environmental Resources Agency
Department of Environmental Health
Hazardous Materials Compliance Division
1555 Berger Drive, Suite 300
San Jose, California 95112-2716
(408) 918-3400 FAX (408) 280-6479
www EHinfo org

FILE

May 13, 2003

STEVE LAFIRENZA
AGILENT TECHNOLOGIES INC
350 W TRIMBLE RD,
SAN JOSE, CA 951311008

EPA ID: CAT000611400
Initial Authorization: 10/28/1999
Renewal Date: May 13, 2003

Site Address: 350 W TRIMBLE RD SAN JOSE

Dear Onsite Treatment Facility:

The County of Santa Clara Hazardous Materials Compliance Division (HMCD) has received and reviewed your facility's PBR Renewal Notification to ensure it is administratively complete. It has not been reviewed for technical adequacy. The technical review will be conducted during a facility inspection by this office. A copy of the Hazardous Waste Tiered Permit Audit Checklist-Permit By Rule can be found on website: www.unidocs.org.

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Sincerely,

Gordon McPhaill, R.E.H.S.
Hazardous Materials Program Manager
Hazardous Materials Compliance Division

Units authorized to operate at this location:

UNDER PERMIT BY RULE: MPU-1, NS-1

Board of Supervisors Donald F Gage, Blanca Alvarado, Pete McHugh, James T Beall, Jr Liz Kniss
County Executive Richard Wittenberg

Michael Balliet
11/21/2002 07:31 AM

To: mitchell_cole@agilent.com
cc:
Subject: Acid Wipes .

Dear Mr. Cole

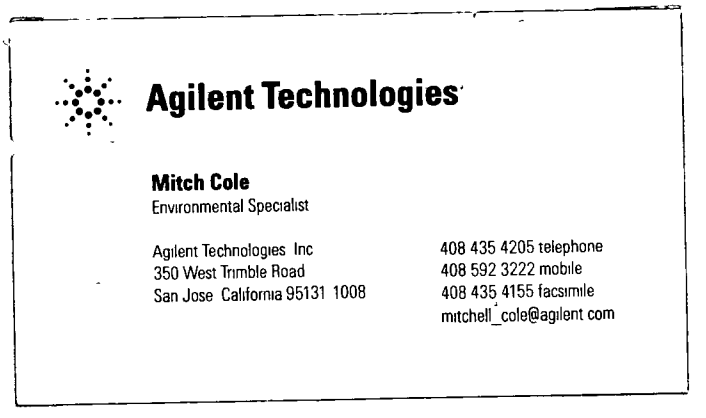
In response to your letter dated November 5, 2002 and per our conversation on November 20, 2002, absorbant materials do not meet the definition of a "container" under Title 22. These are actually defined under "sorbent" which is found in section 66260 10 and states:

"sorbent" means a material that is used to soak up free liquids by either adsorption or absorbtion, or both
See also "sorb"
"sorb" means to either adsorb or absorb , or both

Therefore, you cannot rinse the acid wipes under current regulations. I would recommend contacting DTSC directly to find out if a variance would be a possibility.

If you have any other questions, please feel free to contact me at the number listed below

Michael Balliet
Hazardous Materials Specialist
County of Santa Clara
Department of Environmental Health
1555 Berger Drive Suite 300
San Jose, CA 95112-2716
(408) 918-1976 Direct
(408) 280-6479 Fax
www.ehinfo.org
www.unidocs.org



Agilent Technologies

November 5, 2002

Mr. Mike Balliet
County of Santa Clara
Department of Environmental Health
2220 Moorpark Avenue
San Jose, CA 95159

Subject: Inspection of Agilent & Lumileds 5/16/02

Dear Mr. Balliet:

We're having some troubles dealing with the acid contaminated wipes as hazardous waste. The movement of the wipes from the surface of the workstation to the container has caused worker exposure and contamination of the floor. While it is possible to engineer a solution to the situation at substantial cost, I would like to run another proposal past your group.

I would like to classify this absorbent media as a container. Under 66260.10, the definition of container reads:

> "Container" means any device that is open or closed, and portable in which a material can be stored, handled, treated, transported, recycled or disposed of.

These absorbent media are in place to prevent the migration of acids as the wafer boat is moved from the etch bath to the rinse bath. The drips of acidic materials are absorbed into the wipe which keeps the contamination localized. The wipe meets the above definition because it is a portable device which is open and it stores the acidic material which we have been treating.

The value of this interpretation is that containers holding 5 gallons or less can be rinsed to remove contaminants without a treatment permit under section 66261.7. This would allow us to rinse the wipes to remove the contamination to make them safe to handle. It increases the safety of our personnel by keeping all acidic materials within a ventilated enclosure. It also reduces our hazardous waste generation in accordance with the waste minimization certifications and the California Hazardous Waste Source Reduction and Management Review Act of 1989.

So please respond in writing to let me know if you concur with this interpretation. If you do not, please indicate where the interpretation of the regulation is incorrect.

If you'd like to discuss this in further detail, please give me a call at 408-435-4205.

Sincerely,

mitchell_cole@agilent.com

Mitch Cole
Environmental Representative

Agilent Technologies

November 4, 2002

Mr. Mike Balliet
County of Santa Clara
Department of Environmental Health
2220 Moorpark Avenue
San Jose, CA 95159

Subject: Inspection of Agilent & Lumileds 5/16/02

Dear Mr. Balliet:

I was reviewing the internal corrective action reports and noticed that you were interested in the tons of waste for Agilent and Lumileds for 2001 to verify the correct tier of generator fee was paid. This information was not included in the original inspection response from June 13th. The total for Agilent is 51.2 tons and the total for Lumileds is 104.4 tons.

Attached is the spreadsheet of the shipments for the year.

If you'd like any additional information, please give me a call at 408-435-4205.

Sincerely,

Mitch Cole
Environmental Representative

enclosure

Agilent CAT000611400

Date	Pounds	Gallons	Total	
12/19		1203	10029.41	
11/12	85		85	
11/12	6342		6342	
10/18		320	2667.84	
10/11	1140		1140	
9/20		929	7745.073	
8/24	1442		1442	
8/24	3750		3750	
8/24	3150		3150	
8/24	30		30	
7/9	960		960	
6/18		1143	9529.191	
6/13	2340		2340	
6/4	5044		5044	
4/13	2000		2000	
4/9	4260		4260	
4/2		218	1817.466	
3/29		1008	8403.696	
3/16	9941		9941	
3/16	175		175	
3/9		605	5043.885	
3/5	1330		1330	
2/18	250		250	
2/6	150		150	
2-Feb	1750		1750	
1/25/2001		1135	9462.495	
22-Jan	2260		2260	
4-Jan	1360		1360	
			102458.1	pounds
			51.2	tons

Lumileds CAR000058081

Date	Pounds	Gallons	Total
12/26/2001		312	2601.144
12/14/2001	3380		3380
12/6/2001		405	3376.485
11/12/2001	3130		3130
11/16/2001		737	6144.369
11/12/2001	450		450
10/25/2001		708	5902.596
10/11/2001	2760		2760
10/4/2001	2880		2880
10/4/2001		709	5910.933
9/13/2001		700	5835.9
8/30/2001		54	450.198
8/27/2001	3740		3740
8/24/2002	746		746
8/24/2002	28067		28067
8/2/2001		599	4993.863
7/20/2002		737	6144.369
7/18/2001	2960		2960
6/27/2001		695	5794.215
6/13/2001	2700		2700
6/7/2001	595		595
6/7/2001		25	208.425
6/6/2001		1118	9320.766
6/4/2001	455		455
6/4/2001	19500		19500
6/4/2001	6253		6253
5/18/2001		709	5910.933
4/30/2001		575	4793.775
4/17/2001	2800		2800
4/16/2001	1160		1160
4/9/2001	3940		3940
4/2/2001		606	5052.222
3/16/2001	1555		1555
3/16/2001	3925		3925
3/14/2001		38	316.806
3/9/2001		635	5293.995
3/5/2001	30000		30000
2/2/2001	80		80
1/30/2001	1185		1185
1/25/2001		682	5685.834
1/10/2001	2800		2800
		Total	208797.8
		Tons	104.3989

County of Santa Clara

Department of Environmental Health
Hazardous Materials Compliance Division
2220 Moorpark Avenue
P O Box 28070
San Jose, CA 95159-8070
(408) 299-6930 Fax (408) 280-6479

FILE

Program Record ID		SC	Time
	Reviewed By		
	Date 06/25/02		

OFFICIAL NOTICE OF INSPECTION

Facility Name: **Agilent Technologies**			Inspection Date: **05/16/02**
Site Address: **350 W. Trimble Road, San Jose**			Work Area
Contact Person(s). **Steve LaFirenza**			Employee No **10088**
Inspection Type	☐ Hazardous Materials	☐ Cal-Accidental Release Prevention Program	Samples Taken? ☐ Yes, ☐ No
	☐ Hazardous Waste	☐ Medical Waste Storage/Treatment	Photographs Taken? ☐ Yes, ☐ No
	☐ Toxic Gas	☐ Medical Waste Generator	

VIOLATIONS: Codes noted below in the "Violation Code" column represent specific violations of State law and/or local Ordinance. These codes are defined in the attached Violation Codes document(s). Time granted for correction of violations does not preclude any enforcement action by this Department or other agencies. This facility may be subject to reinspection at any time.

Violation Codes	Summary of Violations, Notice to Comply, Observations, and Required Corrective Actions	Corrective Actions Taken
2201	Acid wipes in the Gemini Area are being rinsed with water and	See attached letter
	disposed of as non-haz waste. A waste determination could not be	
	found for this waste. You must perform a waste determination and	
	provide our office a copy of that determination.	
2205	Acid contaminated wipes are being rinsed with water and the liquid	See attached letter
	waste being discharged to the Acid Waste Neutralization system. This	
	may be considered treatment under the definition of treatment. This	
	process changes the physical and chemical characteristics of the	
	waste and results in the removal and/or the reduction of hazardous	
	properties of the waste. Cease this process until a waste	
	determination has been made on the wipes and this process.	
2219	Observed manifest number 21545919 dated 4/15/02 that has not yet	See attached letter
	been mailed to DTSC. You are required to notify DTSC of hazardous	
	waste shipments within 30 days of shipping the waste. Mail this copy	
	to DTSC.	
2220	Observed manifest number 21204990 dated 11/12/01 that was not	See attached letter
	signed by the TSDF as required. You are required to obtain a copy	

All violations must be corrected within 30 days of the inspection date unless noted otherwise, above. Section 25187.8 of the State Health and Safety Code (H&SC) requires that you write a brief description of the corrective actions you have taken to bring this facility into compliance and submit it to this Department within 5 days of achieving compliance, or within 35 days of the inspection date, whichever comes first. *(Note: Detailed instructions on actions you must take are printed on the reverse side of this page.)*

Received by: _____ Inspected by. M. Ballet Entered by Done

Certification: I certify under penalty of perjury that this facility has complied with directives specified in this Notice to Comply.

Signature of Owner/Operator: _____ Title EHS Rep Date: 6/14/02

FACILITY SENDS YELLOW COPY TO AGENCY, KEEPS PINK COPY.

THE OFI .AL NOTICE OF INSPECTION E. .AINED

This Official Notice of Inspection (Notice of Inspection) describes the findings made during the inspection, including all violations and any actions that must be taken by the facility to correct the violations. All violations must be corrected within 30 days of the inspection date unless noted otherwise by the inspector

Within five working days of achieving compliance, or within 35 days of the inspection, whichever comes first, you must submit a written response which describes the corrective actions you have taken or - for those violations which are impossible to correct within 30 days - propose to take in order to bring your facility into compliance. Where proposed corrective actions are described, you must specify a date by which you expect each violation to be corrected After you have addressed each violation, complete the certification box located at the bottom of page 1 of the Notice of Inspection. Your description of corrective actions taken, along with your signed certification of the Notice of Inspection and any required supporting documents, will serve as your written response to the inspection Your response must be mailed to the Santa Clara County Hazardous Materials Compliance Division (HMCD) at P O Box 28070, San Jose, CA 95159-8070

What Does the Information in Each Column Mean?

Violation Code: Codes listed in this column identify specific violations of laws, regulations, or codes which were observed during this inspection. Definitions of Violation Codes are listed on the attached Violation Codes document(s)

Summary of Violations, Notice to Comply, Observations, and Required Corrective Actions: Information noted in this column describes the circumstances of any violations noted in the first column and describes how the violations may be corrected Additionally, the inspector may use this space to note any additional observations resulting from the inspection

Corrective Actions Taken: This column on the Notice of Inspection has been provided so that you can note how you have corrected or propose to correct each violation Where proposed corrective actions are described, you must specify a date by which you expect each violation to be corrected If more space is needed, attach additional pages

Why Were Two Copies of the Notice of Inspection Given to Me?

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If you disagree with any violation listed in this Notice of Inspection, you must submit a written Notice of Disagreement, within 35 days of the inspection date, to the inspector who cited the violation In your Notice of Disagreement, you must explain in detail why the violation does not exist If there is sufficient space, you may use the "Corrective Actions Taken" column of this Notice of Inspection to dispute violations.

What About Photographs or Samples Taken During the Inspection?

Since this Notice of Inspection was prepared and given to you at the end of the inspection, any photographs and sampling or laboratory results associated with the inspection were not yet available. A copy of any photographs and/or analytical results from sampling taken during this inspection will be provided to you upon written request. Other pertinent information derived from the inspection is attached to this Notice of Inspection. Photographs and sample results may be withheld in the event of a criminal investigation or other ongoing investigation.

****

Hazardous Waste Violations

- **Per H&SC, Section 25187.8(g)(1), failure to sign the certification on this Notice of Inspection and return it to this Department is a violation of State law.**
- **Per H&SC, Section 25191, a false statement that compliance has been achieved is a violation of State law punishable by a fine of not less than $2,000 or more than $25,000 and/or imprisonment in the county jail for up to one year.**
- **Per H&SC, Section 25187.8(j), this Department has the right to acquire the submittal of reasonable and necessary documentation in support of any claim of compliance made by your facility.**

County of Santa Clara
Department of Environmental Health
Hazardous Materials Compliance Division

2220 Moorpark Avenue
P O. Box 28070
San Jose, CA 95159-8070
(408) 299-6930 Fax (408) 280-6479

OFFICIAL NOTICE OF INSPECTION 06/25/02

(Continuation Page)

Facility Name: Agilent Technologies **Inspection Date:** 05/16/02

Violation Codes	Summary of Violations, Notice to Comply, Observations, and Required Corrective Actions	Corrective Actions Taken
	signed by the TSDF and keep on file for 3 years. Obtain the	
	signed copy of this manifest.	
2251	Observed manifest number 21545919 dated 4/15/02 that was	See attached letter
	signed by Andy Wan. Training records for Mr. Wan related	
	to hazardous waste manifesting procedures could not be found.	
	You are required to train employees who manage haz waste	
	in procedures relevent to the positions in which they are	
	employed. If Mr. Wan is not trained in proper procedures for	
	signing a manifest, he should not sign the manifest. Provide our	
	office clarification on this issue and how he is trained.	
	This inspection began on 05/15/02 and concluded 05/16/02.	
	PBR inspection performed on this date for two PBR units.	
	No violations of the Tiered Permit program were noted during	
	this inspection.	
2218	An Agilent solvent shipment was shipped on 8/2/01 under the	See attached letter
	Lumileds name and EPA ID# on manifest number 21237333.	
	You must ship waste off-site using a properly completed	
	manifest. Properly ship this waste in the future. Provide our	
	office with a description of how and why this happened and	
	how you will prevent it in the future. Notify DTSC as applicable.	
	Please provide our office updated information on total haz waste	
	tonnage for Agilent and Lumileds for year 2001.	
		Done

Received by [signature] Inspected by. M. Balliet

FACILITY SENDS YELLOW COPY TO AGENCY, KEEPS PINK COPY.

Agilent Technologies

RECEIVED BY
ENVIRONMENTAL HEALTH
JUN 19 9 28 AM '02

CERTIFIED MAIL ARTICLE #7099 3400 0016 2568 2206

June 13, 2002

Mr. Mike Balliet
County of Santa Clara
Department of Environmental Health
2220 Moorpark Avenue
San Jose, CA 95159

Subject: Inspection of Agilent & Lumileds 5/16/02

Dear Mr. Balliet:

This is in response to the CUPA program inspection conducted on 5/16/02 at the Agilent/Lumileds facility located at 350-370 West Trimble Road, San Jose, California.

Agilent Findings:

Violation Code	Summary	Corrective actions taken:
2201	Acid wipes in the Gemini Area are being rinsed with water and disposed of as non-haz waste. A waste determination could not be found for this waste. You must perform a waste determination and provide our office a copy of this determination.	Waste determination: This waste is hazardous (D002) due to the low pH of the liquids contaminating the paper or fabric based wipe. These wastes were rinsed three times with clean water to remove the low pH material in an effort to reduce waste in conformance with SB-14 (1989 hazardous waste reduction act). This is hazardous waste treatment. Because this is not an authorized treatment technology under permit-by-rule regulations, to continue this operation would require full RCRA TSDF standard permit. Therefore this treatment process has been terminated and all waste is now collected and shipped offsite to a TSDF.
2205	Acid contaminated wipes are being rinsed with water and the liquid waste being discharged to the Acid Waste Neutralization system. This may be considered treatment under the definition of treatment. This process changes the physical and chemical characteristics of the waste and results in the removal and/or the reduction of hazardous properties of the waste. Cease this process until a waste determination has been made on the wipes and this process.	This process has been terminated. Wipes are being collected for disposal as Hazardous Waste under profile #548706.

Violation Code	Summary	Corrective actions taken:
3219	Observed manifest number 21545919 dated 4/15/02 has not been mailed to DTSC. Your are required to notify DTSC of hazardous waste shipments within 30 days of shipping the waste. Mail this copy to DTSC.	This manifest was mailed to DTSC on 5/20/02.
2220	Observed manifest number 21204990 dated 11/12/01 that was not signed by the TSDF as required. You are required to obtain a copy signed by the TSDF and keep it on file for 3 years. Obtain the signed copy of the manifest.	A signed copy of the TSDF page was faxed to our office on 5/20/02. It has been filed with the rest of them.
2251	Observed manifest number 21545919 dated 4/15/02 that was signed by Andy Wan. Training records for M. Wan related to hazardous waste manifesting procedures could not be found. You are required to train employees who manage hazardous waste in procedures relevant to the positions in which they are employed. If Mr. Wan is not trained in proper procedures for signing a manifest, he should not sign the manifest. Provide out office clarification on this issue and how he is trained.	Andy Wan was not authorized to sign hazardous waste manifests. This was an internal communication issue within Agilent (one Department unaware of the requirements) which has been resolved. Only those personnel trained in Hazardous Waste Management and DOT hazardous materials shipment requirements are and will be signing manifests.

2218	An Agilent solvent shipment was shipped on 8/2/01 under the Lumileds name and EPA ID# on the manifest number 21237333. You must ship waste off site using a properly completed manifest. Properly ship this waste in the future. Provide our office with a description of how and why this happened and how you will prevent it in the future. Notify DTSC as applicable.	Prior to the formation of the joint venture between Agilent and Phillips Lighting, the operations at this facility were under a single legal business. The tanks for collecting the solvent wastes were collected at the same time in a single compartment tanker truck and managed as a single waste. The solvent wastes from both buildings were essentially identical and were commingled. With the creation of the new legal entity, Lumileds, the wastes from each business were separated by virtue of the fact that each business is in a different building. Lumileds in bldg 91, and Agilent in 90. In July of 2001, Agilent received a variance (01-H-VAR-01) from DTSC. This variance authorized Agilent to treat hazardous wastewaters from Lumileds under the PBR permit program. There was an incorrect interpretation of this variance by Agilent to include the commingling of solvent wastes for disposal. Once this was discovered to be incorrect, this management method was halted.

Lumileds Findings:

Violation Code	Summary	Corrective actions taken:
2206	Observed 1 x 55 gallon vacuum dust waste in the process cooling basement that was not labeled with the accumulation start date (ASD) Observed 1 x EP2 cake waste that had an ASD of 08/19/02. This is not the correct date. Observed 1 x gal wafer scrap near column 11R9 in the fab room that did not have an ASD. Observed 1 x gal C-35 waste and 2 x gal indium GAS waste near sink 11N701 in the fab that did not have an ASD. Observed 1 x gal waste container in the waste pass thru 11H6 that did not have a label. All hazardous waste containers must be properly labeled at all times. Label these containers.	All container labeling issues were corrected by 5/20/02. In addition, we have modified out chemical safety/haz comm training to emphasize the labeling and container requirements to the fab personnel.

2212	Observed spillage of oil/solvent in the cabinet that holds the transfer equipment for the solvent tank. All spills and leaks must be cleaned up immediately to minimize the possibility of an unplanned release to the environment. Clean up this area.	The cabinet contained rags used in clean up after solvent pickups. This cabinet is not weatherproof, and rainwater mixed with the rags to make a mess. The cabinet was cleaned on 5/17/02. Further review determined that the cabinet wasn't necessary in the area so it was removed. ✓
2265	Observed 2 x 15 gal empty hazardous materials containers that were empty near the waste area. These were not marked properly. You must mark empty drums >5 gallon with the date they became empty and manage within 1 year.	Labels were placed on the containers on 5/17/02. ✓

If you have any other questions, please call me at (408) 435-4205.

Sincerely,

Mitch Cole
Environmental Representative

County of Santa Clara

Department of Environmental Health
Hazardous Materials Compliance Division
2220 Moorpark Avenue
P O. Box 28070
San Jose, CA 95159-8070
(408) 299-6930 Fax (408) 280-6479

Program Record ID		SC	Time
312381	2208	01	1/2
3679957	2261	01	1/2
~~3679957~~			
371402	2261	01	1/4

OFFICIAL NOTICE OF INSPECTION

Facility Name	Agilent Technologies		Inspection Date: 05/15/02
Site Address	350 W. Trimble Rd, San Jose		Work Area —
Contact Person(s)	Steve La Fuenza		Employee No 10088
Inspection Type:	☐ Hazardous Materials ☒ ~~Hazardous~~ Waste ☐ Toxic Gas	☐ Cal-Accidental Release Prevention Program ☐ Medical Waste Storage/Treatment ☐ Medical Waste Generator	Samples Taken? ☐ Yes, ☒ No Photographs Taken? ☐ Yes, ☒ No

VIOLATIONS: Codes noted below in the "Violation Code" column represent specific violations of State law and/or local Ordinance. These codes are defined in the attached Violation Codes document(s). Time granted for correction of violations does not preclude any enforcement action by this Department or other agencies. This facility may be subject to reinspection at any time.

Violation Codes	Summary of Violations, Notice to Comply, Observations, and Required Corrective Actions	Corrective Actions Taken
	Inspection began 05/15/02	
	& will conclude 05/16/02	

All violations must be corrected within 30 days of the inspection date unless noted otherwise, above. Section 25187.8 of the State Health and Safety Code (H&SC) requires that you write a brief description of the corrective actions you have taken to bring this facility into compliance and submit it to this Department within 5 days of achieving compliance, or within 35 days of the inspection date, whichever comes first. ***(Note: Detailed instructions on actions you must take are printed on the reverse side of this page.)***

Received by: NOT AVAIL Inspected by: M. Ballard Entered by 10129 6/5/02

Certification: I certify under penalty of perjury that this facility has complied with directives specified in this Notice to Comply.

Signature of Owner/Operator. _____ Title _____ Date: ___/___/___

FACILITY SENDS YELLOW COPY TO AGENCY, KEEPS PINK COPY.

THE O CIAL NOTICE OF INSPECTION LAINED

This Official Notice of Inspection (Notice of Inspection) describes the findings made during the inspection, including all violations and any actions that must be taken by the facility to correct the violations All violations must be corrected within 30 days of the inspection date unless noted otherwise by the inspector

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****

Hazardous Waste Violations

- **Per H&SC, Section 25187.8(g)(1), failure to sign the certification on this Notice of Inspection and return it to this Department is a violation of State law.**
- **Per H&SC, Section 25191, a false statement that compliance has been achieved is a violation of State law punishable by a fine of not less than $2,000 or more than $25,000 and/or imprisonment in the county jail for up to one year.**
- **Per H&SC, Section 25187.8(j), this Department has the right to acquire the submittal of reasonable and necessary documentation in support of any claim of compliance made by your facility.**

County of Santa Clara

Department of Environmental Health
Hazardous Materials Compliance Division
2220 Moorpark Avenue
P.O. Box 28070
San Jose, CA 95159-8070
(408) 299-6930 Fax (408) 280-6479

Program Record ID	1	SC	Time
312781	2208	02	83
367957	2261	02	83
371402	2261	02	81

OFFICIAL NOTICE OF INSPECTION

Facility Name: **Agilent Technologies**			Inspection Date **05/16/02**
Site Address **350 W. Trimble Road, San Jose**			Work Area
Contact Person(s): **Steve LaFirenza**			Employee No **10088**
Inspection Type: ☐ Hazardous Materials ☒ Hazardous Waste ☐ Toxic Gas	☐ Cal-Accidental Release Prevention Program ☐ Medical Waste Storage/Treatment ☐ Medical Waste Generator		Samples Taken? ☐ Yes, ☒ No Photographs Taken? ☐ Yes, ☒ No

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Received by _____ Inspected by M. Ballet Entered by 10/29 6/5/02

Certification: I certify under penalty of perjury that this facility has complied with directives specified in this Notice to Comply.

Signature of Owner/Operator. _____ Title: _____ Date: ___/___/___

FACILITY SENDS YELLOW COPY TO AGENCY, KEEPS PINK COPY.

THE C CIAL NOTICE OF INSPECTION PLAINED

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Hazardous Waste Violations

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County of Santa Clara
Department of Environmental Health
Hazardous Materials Compliance Division

2220 Moorpark Avenue
P.O Box 28070
San Jose, CA 95159-8070
(408) 299-6930 Fax (408) 280-6479

OFFICIAL NOTICE OF INSPECTION

(Continuation Page)

Facility Name: Agilent Technologies **Inspection Date:** 05/16/02

Violation Codes	Summary of Violations, Notice to Comply, Observations, and Required Corrective Actions	Corrective Actions Taken
	signed by the TSDF and keep on file for 3 years. Obtain the	
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2251	Observed manifest number 21545919 dated 4/15/02 that was	
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	You are required to train employees who manage haz waste	
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	signing a manifest, he should not sign the manifest. Provide our	
	office clarification on this issue and how he is trained.	
	This inspection began on 05/15/02 and concluded 05/16/02.	
	PBR inspection performed on this date for two PBR units.	
	No violations of the Tiered Permit program were noted during	
	this inspection.	
2218	An Agilent solvent shipment was shipped on 8/2/01 under the	
	Lumileds name and EPA ID# on manifest number 21237333.	
	You must ship waste off-site using a properly completed	
	manifest. Properly ship this waste in the future. Provide our	
	office with a description of how and why this happened and	
	how you will prevent it in the future. Notify DTSC as applicable.	
	Please provide our office updated information on total haz waste	
	tonnage for Agilent and Lumileds for year 2001.	

Received by [signature] Inspected by. M. Balliet

FACILITY SENDS YELLOW COPY TO AGENCY, KEEPS PINK COPY.

County of Santa Clara

Environmental Resources Agency
Department of Environmental Health

Hazardous Materials Compliance Division
2220 Moorpark Avenue, East Wing, Room 204
San Jose California 95128-2690
(408) 299-6930 FAX 280-6479
www ehinfo org

Mailing Address
Department of Environmental Health
Hazardous Materials Compliance Division
P O Box 28070
San Jose, California 95159-8070

Date: April 29, 2002
To: Steve LaFirenza, Agilent Technologies
From: Michael Balliet, SCC-HMCD
Re: Hazardous Waste Inspection, Tiered Permit Inspection at 350 and 370 W. Trimble Ave., SJ
Date/Time of Inspection: May 15 and 16, 2002 at 09:30am

HAZARDOUS WASTE GENERATOR LIST OF RECORDS TO BE REVIEWED:

Hazardous Waste Generator Inspection:

- Disposal Records (01/2000 to present):
  - Hazardous waste manifests
  - Disposal receipts of waste oil, if any
  - Land disposal notifications
  - Universal Waste Disposal Records, if any (fluorescent lamps, batteries, CRT's)
- Emergency Action Plan:
  - Contingency plan (90-day waste accumulation areas)
- Hazardous Materials Business Plan
- Hazardous Waste Training Records
- Weekly Inspection Records (90-day accumulation areas for containers, 01/2000 to present)
- Daily Inspections Records (tanks, 01/2000 to present)
- Biennial Reports (2000)
- Spill Records (including releases to the POTW)
- Permits - hazardous materials storage, industrial wastewater, air emission
- Hazardous Waste Determination Documentation (includes analytical results and hazardous waste profile sheets)
- Recycling Notification, if any

Hazardous Waste Treatment Inspection (Tiered Permit):

- Hazardous Waste Treatment Notification and other supporting documents
- Inspection Schedule and Records (01/2000 to present)
- Operating Records and Instructions (01/2000 to present)
- Wastewater Discharge Records including records/reports of non-compliance (01/2000 to present)
- Financial Assurance Records
- Phase I Assessment
- Closure Cost Estimates and other supporting documents (latest)
- Waste Analysis Plan and Records
- Secondary Containment Certification
- Closure Plan

Board of Supervisors Donald F Gage Blanca Alvarado Pete McHugh, James T Beall Jr , Liz Kniss
County Executive Richard Wittenberg

County of Santa Clara

Environmental Resources Agency
Department of Environmental Health

Hazardous Materials Compliance Division
2220 Moorpark Avenue East Wing Room 204
San Jose California 95128-2690
(408) 299-6930 FAX 280-6479
www ehinfo org

Mailing Address
Department of Environmental Health
Hazardous Materials Compliance Division
P O Box 28070
San Jose California 95159-8070

November 26, 2001

FILE

EPA ID: CAT000611400

Steve LaFirenza
Agilent Technologies, Inc.
350 West Trimble Road
San Jose, CA 95131

For facility located at

350 West Trimble Road
San Jose, CA 95131

Initial Authorization Date: 10/28/99
Amended. 11/26/01

Dear Permit by Rule Facility:

AUTHORIZATION TO OPERATE FIXED TREATMENT UNITS PURSUANT TO PERMIT BY RULE

The County of Santa Clara Hazardous Materials Compliance Division has received your facility specific **amended** notification forms. They are administratively complete, but have not been reviewed for technical adequacy. A technical review of your notifications will be conducted when an inspection is performed. At any time, you may be inspected and could be subject to penalty if violations of laws or regulations are found. A copy of the checklist used by our office for PBR inspections is enclosed.

Pursuant to Title 22, California Code of Regulations (CCR), Section 67450.2(b), you are hereby authorized to operate the fixed treatment Unit(s) listed on the last page of this letter under permit by rule. Your authorization to operate under permit by rule expires one year after the authorization date shown above unless this office changes your period of authorization in writing pursuant to Title 22, CCR, Section 67450.3(c)(1).

You must notify this office annually under the current Permit by Rule regulations either by March 1 or when requested by this office to re-notify. Renewal packages will be sent to all operators of permit by rule units on or about February 1 of each subsequent year.

You must notify this office 60 days before first treating hazardous wastes in any new unit. You must also notify this office whenever any of the information you provided in these notification changes. To revise information, mail a cover letter to the above address explaining the changes, attach only the pages of your notification package that have changed, and re-sign and date at the signature space on Facility page of Unified Program Consolidated Form (UPCF). As set forth in Title 22, CCR section 67450.9(d), this authorization is contingent upon the accuracy of information submitted by you in the notifications mentioned above.

Board of Supervisors Donald F Gage, Blanca Alvarado, Pete McHugh James T Beall Jr Liz Kniss
County Executive Richard Wittenberg

EPA ID: CAT000611400

No annual fees are being charged at this time. Facilities are required to implement the closure plan and close the PBR treatment unit(s) within 90 days of treating the last volume of hazardous waste (CCR 67450.3(c)(11)(D)). You are also required to notify this office 15 days prior to the completion of the closure of any PBR unit or facility (CCR 67450.3(c)(11)(F)). The facility must stay in compliance with all regulations until the certification required by CCR 67450.3(c)(11)(G) is submitted. Additional guidance on closure will be issued from this office upon request.

Since your facility is operating pursuant to Permit by Rule, you are responsible for complying with Section 25200.14 of the Health and Safety Code by completing a preliminary site assessment (Phase I Environmental Assessment). A copy of Form DTSC 1151 (Phase I Assessment checklist) was submitted to this office. Please verify that the form has been submitted to the Department of Toxic Substances Control. Violeta Mislang with the state Department of Toxic Substances Control (DTSC) can be contacted at (714) 484-5387 for questions concerning the Phase I Environmental Assessment/Corrective Action Program.

If you have any questions regarding this letter, or have questions on operating requirements for your facility, please contact Nicole Pullman at (408) 299-8850.

Sincerely,

Gordon McPhaill, R.E.H.S.
Hazardous Materials Program Manager
Hazardous Materials Compliance Division

Enclosure

Cc: Violeta Mislang, Department of Toxic Substances Control

Units authorized to operate at this location

UNDER PERMIT BY RULE: MPU-1, NS-1

UNDER CONDITIONAL AUTHORIZATION

Department of Toxic Substances Control

Edwin F. Lowry, Director
400 P Street, 4th Floor, P.O. Box 806
Sacramento, California 95812-0806

Winston H. Hickox
Secretary for
Environmental
Protection

Gray Davis
Governor

ERWIN
FYI - file
Bw

May 9, 2000

Ms. Rebecca M. Bond, P.E.
Environmental Engineer
Agilent Technologies, Inc.
350 West Trimble Road
San Jose, California 95131

Dear Ms. Bond:

This is in response to your letter dated March 30, 2000, regarding hazardous waste generation and management activities at the Agilent/LumiLeds facility located at 350/370 West Trimble Road, San Jose.

The various issues raised in your March 30, 2000, letter are under review by the Department of Toxic Substances Control (DTSC) in light of the applicable State laws, regulations and policies In order to facilitate our review, please provide us with your proposed agreement with LumiLeds by which Agilent would assume full responsibility associated with all the hazardous waste generation and management activities, including those of LumiLeds, conducted at this facility. We will provide you with a final response once we have reviewed the proposed agreement. Please send the proposed agreement and any additional information to:

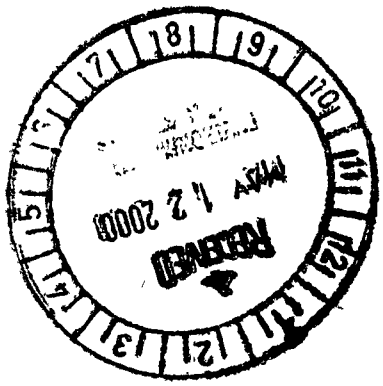
Ms. Peggy Harris, P.E., Chief
State Regulatory Programs Division
Department of Toxic Substances Control
400 P Street, 4th Floor
P O. Box 806
Sacramento, California 95812-0806

If you have any questions, please contact Ms. Peggy Harris at (916) 324-7663.

Very truly yours,

Edwin F. Lowry
Director

cc: See next page.


RECEIVED
MAY 1 2 2000

cc. Mr Chris Elias, Director
Environmental Programs
Silicon Valley Manufacturing Group
226 Airport Parkway, Suite 190
San Jose, California 95110

Mr. Tal Finney
Governor's Office
State Capitol Building
Sacramento, California 95814

Mr. Kip Lipper
Office of Senator Byron Sher
State Capitol Room 2082
Sacramento, California 95814

Mr. Winston H. Hickox
Agency Secretary
California Environmental Protection Agency
555 Capitol Mall, Suite 525
Sacramento, California 95814

Mr. Ben Gale, Director
Santa Clara County
Environmental Resources Agency
Department of Environmental Health
P.O. Box 28070
San Jose, California 95159-0807

Mr Watson Gin, P E
Deputy Director
Hazardous Waste Management Program
Department of Toxic Substances
P.O. Box 806
Sacramento, California 95812-0806

Ms Peggy Harris, P.E., Chief
State Regulatory Programs Division
Hazardous Waste Management Program
Department of Toxic Substances Control
P O. Box 806
Sacramento, California 95812-0806

Agilent Technologies, Inc. www.agilent.com
Semiconductor Products Group
350 West Trimble Road
San Jose, California 95131

RECEIVED BY
ENVIRONMENTAL HEALTH
HMCD

Agilent Technologies
Innovating the HP Way

MAY 33 9 26 AM '00

SENT VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

May 31, 2000

Ms. Nicole Pullman
County of Santa Clara
Department of Environmental Health
Hazardous Materials Compliance Division
P.O. Box 28070
San Jose, CA 95159-8070

Subject: **Agilent's Initial Financial Assurance Submittal**
Agilent Technologies, Inc.
350 West Trimble Road, San Jose, CA
EPA ID# CAT 000 611 400

Agilent Technologies, Inc. (Agilent) will be officially separated from Hewlett-Packard Company on June 2, 2000. The enclosed Financial Assurance information provides the necessary coverage for the Agilent site located at 350 West Trimble Road in San Jose, California.

The enclosed information includes.
1. CFO Letter & Financial Test (DSTC Form 1159)
2. A letter from PriceWaterhouseCoopers verifying the data used in the financial test
3. DTSC Form 1232
4. A copy of the 1999 Annual Report
5. A copy of the 1999 SEC Form 10-K

If you have any questions regarding this submittal, please call me at (408) 435-4151

Sincerely,

Rebecca Bond

Rebecca Maddex Bond
Environmental Engineer

cc: Ms Bonnie Griffith, Cal/EPA, Department of Toxic Substances Control

County of Santa Clara

Environmental Resources Agency
Department of Environmental Health
Hazardous Materials Compliance Division
2220 Moorpark Avenue, East Wing Room 204
San Jose California 95128-2690
(408) 299-6930 FAX 280-6479

Mailing Address
Department of Environmental Health
Hazardous Materials Compliance Division
P O Box 28070
San Jose California 95159-8070

May 17, 2000

BOND, REBECCA
AGILENT TECHNOLOGIES INC
350 W TRIMBLE RD M/S 91 BJ
SAN JOSE CA 95131-1008

EPA ID. CAT000611400
Initial Authorization. 10/28/99
Renewal Date. 5/17/00

Site Address: 350 W TRIMBLE RD SAN JOSE

Dear Onsite Treatment Facility:

The County of Santa Clara Hazardous Materials Compliance Division (HMCD) has received and reviewed your facility's PBR Renewal Notification to ensure it is administratively complete. It has not been reviewed for technical adequacy The technical review will be conducted during a facility inspection by this office A copy of the checklist used by our office for PBR inspections is enclosed.

The treatment unit (s) listed below is / are hereby authorized pursuant to Title 22 of the California Code of Regulations (CCR). **Your authorization continues until you notify this office that you have stopped treating wastes and have fully closed the unit(s) pursuant to all applicable closure requirements of CCR Title 22 and your closure plan.**

Bonnie Griffith with the state Department of Toxic Substances Control (DTSC) can be contacted at (510) 540-3858 for questions concerning the Phase I Environmental Assessment/Corrective Action Program If you have any questions regarding this letter please contact Nicole Pullman at (408) 299-6930

Sincerely,

Gordon McPhaill
Hazardous Materials Program Manager
Hazardous Materials Compliance Division

Enclosure

Units authorized to operate at this location

UNDER PERMIT BY RULE: NS-1

Board of Supervisors Michael M Honda Blanca Alvarado Ron Gonzales James T Beall Jr Dianne McKenna
County Executive Richard Wittenberg

County of Santa Clara

Department of Environmental Health
Hazardous Materials Compliance Division
2220 Moorpark Avenue
P.O. Box 28070
San Jose, CA 95159-8070
(408) 299-6930 Fax (408) 280-6479

waste generator
Tier1 Permit

Program Record ID		SC	Time
312781	2208	01	120
367957	2261	01	120

OFFICIAL NOTICE OF INSPECTION

Facility Name: Agilent Technologies, Inc.			Inspection Date: 6/28/00
Site Address: 350 W. Trimble Rd., San Jose			Work Area:
Contact Person(s): Mitch Cole			Employee No: 4658
Inspection Type:	☐ Hazardous Materials	☐ Cal-Accidental Release Prevention Program	Samples Taken? ☐ Yes, ☒ No
	☒ Hazardous Waste	☐ Medical Waste Storage/Treatment	Photographs Taken? ☐ Yes, ☒ No
	☐ Toxic Gas	☐ Medical Waste Generator	

VIOLATIONS: Codes noted below in the "Violation Code" column represent specific violations of State law and/or local Ordinance. These codes are defined in the attached Violation Codes document(s). Time granted for correction of violations does not preclude any enforcement action by this Department or other agencies. This facility may be subject to reinspection at any time.

Violation Codes	Summary of Violations, Notice to Comply, Observations, and Required Corrective Actions	Corrective Actions Taken
	Haz waste generator inspection, PBR inspection	
	one accumulation start date on a waste drum missing + corrected during inspection.	
	Records reviewed: manifests for 3 years, contingency plan, training records, weekly inspection logs, daily inspection logs, waste analysis plans, waste profiles, financial assurance, closure plans, written instructions for treatment operations, inspection schedules, waste min. certification, PBR notification + authorization. (manifests prior to 11/99 were under Hewlett Packard ownership.) No violations noted.	

All violations must be corrected within 30 days of the inspection date unless noted otherwise, above. Section 25187.8 of the State Health and Safety Code (H&SC) requires that you write a brief description of the corrective actions you have taken to bring this facility into compliance and submit it to this Department within 5 days of achieving compliance, or within 35 days of the inspection date, whichever comes first. ***(Note: Detailed instructions on actions you must take are printed on the reverse side of this page.)*** 7-12-00

Received by: [signature] 6/28/00 Inspected by: Stephanie Christensen Entered by: 10022

Certification: I certify under penalty of perjury that this facility has complied with directives specified in this Notice to Comply.

Signature of Owner/Operator: _____ Title. _____ Date: ___/___/___

FACILITY SENDS YELLOW COPY TO AGENCY, KEEPS PINK COPY.

THE OF IAL NOTICE OF INSPECTION I AINED

This Official Notice of Inspection (Notice of Inspection) describes the findings made during the inspection, including all violations and any actions that must be taken by the facility to correct the violations. All violations must be corrected within 30 days of the inspection date unless noted otherwise by the inspector

Within five working days of achieving compliance, or within 35 days of the inspection, whichever comes first, you must submit a written response which describes the corrective actions you have taken or - for those violations which are impossible to correct within 30 days - propose to take in order to bring your facility into compliance. Where proposed corrective actions are described, you must specify a date by which you expect each violation to be corrected After you have addressed each violation, complete the certification box located at the bottom of page 1 of the Notice of Inspection. Your description of corrective actions taken, along with your signed certification of the Notice of Inspection and any required supporting documents, will serve as your written response to the inspection. Your response must be mailed to the Santa Clara County Hazardous Materials Compliance Division (HMCD) at P.O. Box 28070, San Jose, CA 95159-8070

What Does the Information in Each Column Mean?

Violation Code: Codes listed in this column identify specific violations of laws, regulations, or codes which were observed during this inspection Definitions of Violation Codes are listed on the attached Violation Codes document(s).

Summary of Violations, Notice to Comply, Observations, and Required Corrective Actions: Information noted in this column describes the circumstances of any violations noted in the first column and describes how the violations may be corrected Additionally, the inspector may use this space to note any additional observations resulting from the inspection.

Corrective Actions Taken: This column on the Notice of Inspection has been provided so that you can note how you have corrected or propose to correct each violation. Where proposed corrective actions are described, you must specify a date by which you expect each violation to be corrected. If more space is needed, attach additional pages.

Why Were Two Copies of the Notice of Inspection Given to Me?

You have been given two copies so you will have a copy for your own records after you submit your written response to HMCD. Do not separate the copies until you have described all of your corrective actions and signed the certification box on page 1. The yellow copy of each page must be submitted to HMCD. The pink copy is for your records.

What if I Disagree With a Violation Noted on the Notice of Inspection?

If you disagree with any violation listed in this Notice of Inspection, you must submit a written Notice of Disagreement, within 35 days of the inspection date, to the inspector who cited the violation In your Notice of Disagreement, you must explain in detail why the violation does not exist. If there is sufficient space, you may use the "Corrective Actions Taken" column of this Notice of Inspection to dispute violations

What About Photographs or Samples Taken During the Inspection?

Since this Notice of Inspection was prepared and given to you at the end of the inspection, any photographs and sampling or laboratory results associated with the inspection were not yet available. A copy of any photographs and/or analytical results from sampling taken during this inspection will be provided to you upon written request Other pertinent information derived from the inspection is attached to this Notice of Inspection. Photographs and sample results may be withheld in the event of a criminal investigation or other ongoing investigation

****

Hazardous Waste Violations

- **Per H&SC, Section 25187.8(g)(1), failure to sign the certification on this Notice of Inspection and return it to this Department is a violation of State law.**
- **Per H&SC, Section 25191, a false statement that compliance has been achieved is a violation of State law punishable by a fine of not less than $2,000 or more than $25,000 and/or imprisonment in the county jail for up to one year.**
- **Per H&SC, Section 25187.8(j), this Department has the right to acquire the submittal of reasonable and necessary documentation in support of any claim of compliance made by your facility.**

PACKARD

Hewlett-Packard Company
350-370 West Trimble Road
San Jose,CA 95131

408 435-7400

Fax Cover Sheet

To: Stephanie Christenberry / Mary Anne Baker
Company: County of Santa Clara
Telephone Number: 1-408-280-6479
Fax Number:

From: Stew Crook
Date: 10/18/99
Number of pages to follow: 5
If you have problems with this fax transmission please contact: 408-435-4161

Message:

Stephanie/Mary Ann

As per my previous letter Dated Oct. 15th. Enclosed Please find Hazardous Waste Generator permit Application for LumiLeds Lighting U.S. LLC plus A change of Information submittal for the Name Change from HP to Agilent. Please call if you have Questions. Thanks Stew Crook

408-435-4161

HEWLETT® PACKARD

Hewlett-Packard Company
350 West Trimble Road
San Jose, California 95131

October 15, 1999

Stephanie Christenberry, R.E.H.S.
Hazardous Materials Specialist
County of Santa Clara
Department of Environmental Health
2220 Moorpark Avenue, Room 204, East Wing
San Jose, California 95128

Hello Stephanie,

Starting November 1st 1999 a Joint Venture Company will be operating at HP/Agilent's San Jose Site located at 350/370 West Trimble Road. The Joint Venture is called LUMILEDS Lighting U.S. LLC, and is equally owned by HP/Agilent and Phillip Lighting B.V. (50/50) The HP/Agilent San Jose Site has two major buildings, Building 90 & 91. Building 91, 370 West Trimble Road in San Jose, will be the headquarters of the expanded Joint Venture. Currently we have an Environmental Health Permit #406876 with the address, 350 West Trimble Road. (See attached copy).
Permit #406876 is set at Hazardous Waste generation level of 250-500 Tons/Year. If we are required to get a separate permit for LUMILEDS, Permit #406876 will have to be changed to show a lower waste generation level due to lower expected hazardous waste generation.
I will be calling you today to determine if we need to initiate the application process for a separate Environmental Health Permit for LUMILEDS Lighting U.S. LLC operations at our facility.

Sincerely,

Stewart Crook, R.E.A.
Environmental Specialist
Hewlett-Packard Company/Agilent Technologies Inc.
Authorized Representative of LUMILEDS LIGHTING U.S. LLC

Hewlett-Packard Compa
350-370 West Trimble Road
San Jose,CA 95131

408 435-7400

HP PACKARD

Fax Cover Sheet

To: Stephanie Christenberry **From:** Stew Crook

Company: County of SC **Date:** 10/15/99

Telephone Number:

Fax Number: 408-280-6479

Number of pages to follow:

If you have problems with this fax transmission please contact:

Message:

Stephanie,

Please see Attached letter.

Best Regards,

Stew Crook

ENVIRONMENTAL HEALTH PERMIT

PERMIT HOLDER IS RESPONSIBLE FOR THIS PERMIT: Renew on or before expiration date. If Permit Holder does not receive renewal notice present this Permit to the address below on or before the expiration date.

PERMIT IS NOT TRANSFERABLE & MAY BE REVOKED FOR CAUSE. Permit is void on change of owner. New owner must apply & pay for permit(s) prior to operation or penalties will be assessed at 25%

CROOK, STEWART

HEWLETT-PACKARD
W TRIMBLE RD 90BJ
SAN JOSE CA 95131-1008

Santa Clara County Department of Environmental Health
2220 Moorpark Avenue, San Jose CA 95128
(408) 299-6060

ENVIRONMENTAL HEALTH PERMIT

REGULATED FACILITY: HEWLETT-PACKARD-TRIMBLE Facility ID #208988
350 W TRIMBLE RD Account #1208988
SAN JOSE, CA 95131-1008
OWNER NAME: HEWLETT PACKARD CO Issued: 03/30/99

Permit # 406876 2209 GENERATES 250 TO 2500 TONS/YR
Prog.# 312781 HEWLETT PACKARD-HW
Valid From 03/01/99 To 02/28/00

Lee Esquibel, Director of Environmental Health
DISPLAY IN PUBLIC VIEW

Hewlett-Packard Company
Components Group
370 West Trimble Road
San Jose, California 95131

HEWLETT PACKARD

RECEIVED BY
ENVIRONMENTAL HEALTH
HMCD
Oct 28 12 47 PM '99

SENT VIA CERTIFIED MAIL

October 25, 1999

Ms. Saroj Dhillon
San Jose/Santa Clara Water Pollution Control Plant
Environmental Enforcement Division
Source Control Section
4245 Zanker Road, Ste. S
San Jose, CA 95134

Subject: Notification of Transfer to Subsidiary and Change of Name of Facility Located at 350/370 West Trimble Road, San Jose, California

Dear Saroj:

The purpose of this letter is to provide notification that, subject to Hewlett-Packard's completion of the necessary paperwork, effective November 1, 1999, the Facility will be owned and operated by a newly formed subsidiary of Hewlett-Packard Company called Agilent Technologies, Inc. ("Agilent"). Also, a business unit operating in building 91 (370 West Trimble Road), formerly known as the Optoelectronics Division (OED), will become a separate company in November 1999, equally owned by Agilent and Philips Lighting Company, to be known as "LumiLeds."

LumiLeds will continue to operate the former OED division in Building 91 in the same manner, for the same purpose and with the same personnel as Hewlett-Packard Company operated it. Similarly, Permit By Rule units MPU-1 (Metals Precipitation System) and SS-1 (Settling System), and Conditionally Authorized NS-2 (Neutralization System), will continue to be operated in the same manner, for the same purpose, and with the same personnel. Agilent will continue to operate the Permit By Rule Settling System, SS-2, and the Conditionally Authorized Neutralization system, NS-1. There will be no change in local discharge requirement monitoring, flow measurement and recording, or the final wastewater discharge point. The types of wastewater streams and process operations remain the same.

If you require any additional information, please do not hesitate to call me at (408) 435-4151.

Sincerely,

Rebecca Bond

Rebecca M Bond, P.E.
Environmental Engineer

CC: Stephanie Christenberry, County of Santa Clara Department of Environmental Health
Mary Ann Baker, County of Santa Clara Department of Environmental Health
Bonnie Griffith, Department of Toxic Substances Control

Printed on recycled paper

Hewlett-Packard Company
350 West Trimble Road
San Jose, California 95131

RECEIVED BY
ENVIRONMENTAL HEALTH
HMCD
Oct 19 3 22 PM '99

HEWLETT® PACKARD

October 15, 1999

Stephanie Christenberry, R.E.H.S.
Hazardous Materials Specialist
County of Santa Clara
Department of Environmental Health
2220 Moorpark Avenue, Room 204, East Wing
San Jose, California 95128

Hello Stephanie,

Starting November 1st 1999 a Joint Venture Company will be operating at HP/Agilent's San Jose Site located at 350/370 West Trimble Road. The Joint Venture is called LUMILEDS Lighting U.S. LLC, and is equally owned by HP/Agilent and Phillip Lighting B.V. (50/50) The HP/Agilent San Jose Site has two major buildings, Building 90 & 91. Building 91, 370 West Trimble Road in San Jose, will be the headquarters of the expanded Joint Venture. Currently we have an Environmental Health Permit #406876 with the address, 350 West Trimble Road. (See attached copy).
Permit #406876 is set at Hazardous Waste generation level of 250-500 Tons/Year. If we are required to get a separate permit for LUMILEDS, Permit #406876 will have to be changed to show a lower waste generation level due to lower expected hazardous waste generation.
I will be calling you today to determine if we need to initiate the application process for a separate Environmental Health Permit for LUMILEDS Lighting U.S. LLC operations at our facility.

Sincerely,

Stewart Crook, R.E.A.
Environmental Specialist
Hewlett-Packard Company/Agilent Technologies Inc.
Authorized Representative of LUMILEDS LIGHTING U.S. LLC

ENVIRONMENTAL HEALTH PERMIT

PERMIT HOLDER IS RESPONSIBLE FOR THIS PERMIT: Renew on or before expiration date. If Permit Holder does not receive renewal notice present this Permit to the address below on or before the expiration date.

PERMIT IS NOT TRANSFERABLE & MAY BE REVOKED FOR CAUSE. Permit is void on change of owner. New owner must apply & pay for permit(s) prior to operation or penalties will be assessed at 25%

CROOK, STEWART

HEWLETT-PACKARD
W TRIMBLE RD 90BJ
SAN JOSE CA 95131-1008

Santa Clara County Department of Environmental Health
2220 Moorpark Avenue, San Jose CA 95128
(408) 299-6060

ENVIRONMENTAL HEALTH PERMIT

REGULATED FACILITY: HEWLETT-PACKARD-TRIMBLE
350 W TRIMBLE RD
SAN JOSE, CA 95131-1008

Facility ID #208988
Account #1208988
Issued: 03/30/99

OWNER NAME: HEWLETT PACKARD CO

Permit # 406876 2209 GENERATES 250 TO <500 TONS/YR
Prog.# 312781 HEWLETT PACKARD-HW
Valid From 03/01/99 To 02/28/00

Lee Esquibel, Director of Environmental Health
DISPLAY IN PUBLIC VIEW

Department of Toxic Substances Control

Edwin F. Lowry, Director
10151 Croydon Way, Suite 3
Sacramento, California 95827-2106

Winston H. Hickox
Secretary for
Environmental
Protection

Gray Davis
Governor

HMCD - HEALTH
NOV 5 4 02 PM '99

November 1, 1999

Edward L. Strohbehn Jr., Esq.
Three Embarcadero Center
San Francisco, California 9411-4067

AGILENT TECHNOLOGIES, INC. AND LUMILEDS LIGHTING U.S., LLC,
SAN JOSE, CALIFORNIA

Dear Mr. Strohbehn:

This is in response to your letter to Ms. Orchid Kwei of the Office of Legal Counsel of the Department of Toxic Substances Control (DTSC), dated October 28, 1999, with regard to the hazardous waste management systems operated by Agilent Technologies, Inc. (Agilent) and LumiLeds Lighting U.S , LLC (LumiLeds), respectively. A copy of your letter is enclosed.

Based on the information you provided to DTSC, DTSC confirms that if Agilent and LumiLeds would comply with all the appropriate tiered permitting notification requirements and would implement the hazardous waste management systems as described in your letter, Agilent and LumiLeds would be in compliance with the requirements of the State Tiered Permitting Program, with regard to the wastewater treatment units operated by Agilent and LumiLeds, respectively.

It is the responsibility of Agilent and LumiLeds to notify DTSC and the local Certified Unified Program Agency (CUPA) if there is any change in the ownership or operation of any of the wastewater treatment units In terms of any future submittals or correspondense to the CUPA, please send a copy of such documents to DTSC simultaneously.

If you have any further questions, please contact Ms. Bonnie Griffith of my staff at (510) 540-3858.

Sincerely,

Charles A. McLaughlin, Chief
Northern California Branch
State Regulatory Programs Division

Enclosure

cc: Mr. Erwin Koehler
Deputy Director, Toxics
Environmental Health Division
Santa Clara County
2220 Moorpark Avenue
San Jose, California 95128-2690

Ms. Mary Ann Baker
Environmental Health Division
Santa Clara County
2220 Moorpark Avenue
San Jose, California 95128-2690

Ms. Bonnie Griffith
State Regulatory Program
Department of Toxic Substances Control
700 Heinz Avenue, Suite 200
Berkeley, California 94710

Ms. Orchid Kwei
Senior Staff Counsel
Office of Legal Counsel
Department of Toxic Substances Control
400 P Street, P.O. Box 806
Sacramento, California 95812-0806

Sorda

McCUTCHEN
McCUTCHEN, DOYLE, BROWN & ENERSEN, LLP

October 28, 1999

Direct (415) 393-2293
estrohbehn@mdbe.com

VIA FACSIMILE

Orchid Kwei, Esq.
Department of Toxic Substances Control
Office of Legal Counsel
P.O. Box 806
Sacramento, CA 95812-0806

Agilent Technologies, Inc./LumiLeds Lighting U.S., LLC
San Jose, California Facility

Dear Orchid:

Thank you for conferring with us over the past several weeks concerning the regulatory status of various hazardous waste management systems located at the Agilent Technologies, Inc. ("Agilent") and LumiLeds Lighting U.S., LLC ("LumiLeds") premises located at 350/370 Trimble Road in San Jose, California (collectively, the "Facility"). As you know, on November 1, 1999 Agilent will lease a portion of the Facility to LumiLeds. On November 1, 1999 LumiLeds also will acquire certain manufacturing, waste management and other equipment presently located at the Facility.

A. Overview

In accordance with our recent discussions, I am enclosing with this letter a description of hazardous waste management systems that will exist at the Facility on November 1, 1999. The enclosed description was prepared by Agilent.

I understand from your October 27 voicemail message that you would prefer a description of the hazardous waste management systems that exist at the Facility as of the date of this letter. For a number of reasons, we do not believe such information would be relevant to Agilent's pending request for confirmation of the regulatory status of various waste management systems For example, LumiLeds will not lease portions of the Facility until November 1, 1999 and will not begin to conduct relevant waste management activities

until that time. In addition, certain engineering changes consistent with the enclosed description of hazardous waste management activities are being finalized in the next two to three days.

Agilent has assured us that the descriptions of hazardous waste management systems set forth in this letter and in the attachment to this letter will be accurate on or before November 1, 1999. If necessary, Agilent would be pleased to provide you with written confirmation on or before November 1, 1999 that all such systems exist and are being operated in a manner consistent with the representations set forth in this letter.

B. Description of Hazardous Waste Management Systems at the Facility (As of November 1, 1999)

On and after November 1, 1999 Agilent and LumiLeds will generate hazardous wastes in connection with their manufacturing activities at the Facility. Agilent and LumiLeds have determined that they will separately manage hazardous wastes which they will generate as summarized below and as more particularly described in the attachment prepared by Agilent

A brief description of the hazardous wastes and the hazardous waste management systems at issue is presented below:

- LumiLeds

  LumiLeds' toxic and certain corrosive wastewaters (generated in Building 91) will be discharged to waste piping systems owned by LumiLeds. The wastewaters will be treated in units owned by LumiLeds using solids settling and metals precipitation, including neutralization.

  LumiLeds' other corrosive wastewaters (generated in Building 91) will be discharged to wastewater piping systems owned by LumiLeds. The corrosive wastewaters will be treated in a neutralization unit owned by LumiLeds

  The LumiLeds wastewater treatment units will be operated pursuant to authorizations issued in accordance with California's "tiered permitting program."

- Agilent

  Agilent's toxic wastewaters (generated in Building 91) will be collected in a satellite accumulation unit (i.e., will not be discharged to the Facility's existing piping system in Building 91 and will not be commingled with any hazardous wastes generated by LumiLeds). Agilent will arrange for the offsite transport of these wastewaters to appropriately permitted hazardous waste facilities for further management.

  Agilent's corrosive wastewaters (generated in Building 91) will be collected in satellite accumulation units (i.e., will not be discharged to the Facility's existing piping system in Building 91 and will not be commingled with any hazardous wastes generated by LumiLeds). Agilent will either (1) arrange for the offsite transport of these wastewaters to appropriately permitted hazardous waste facilities for further management, or (2) manually transfer these wastewaters to a neutralization system owned by Agilent for treatment. Agilent's wastewater treatment unit will be operated pursuant to authorizations issued in accordance with California's "tiered permitting program."

  Agilent's corrosive wastewaters (generated in Building 90) will be discharged to wastewater piping systems owned by Agilent. These wastewaters will be treated in a neutralization system owned by Agilent. Agilent's wastewater treatment unit will be operated pursuant to authorizations issued in accordance with California's "tiered permitting program."

A more detailed description prepared by Agilent of relevant hazardous wastes and hazardous waste management systems is enclosed for your review.

Please note that in the course of conducting activities at the Facility Agilent and LumiLeds may generate hazardous wastes other than those described above and in the enclosure to this letter. Each party will separately accumulate and manage such wastes. Each party will make arrangements for the transport of its wastes to appropriately permitted offsite hazardous waste facilities. The parties will not commingle such wastes.

C. Request for Regulatory Confirmation

Agilent requests that DTSC confirm in writing that the hazardous waste treatment systems summarized in this letter and described in detail in the attachment prepared

by Agilent comply with the requirements of California's "tiered permitting program" and may be implemented at the Facility.

As you know, it is of critical importance for the parties to obtain assurances on or before November 1, 1999 that the described hazardous waste management systems are acceptable to DTSC. Accordingly, we respectfully request your prompt attention to this matter.

Thank you for the responsive and thoughtful guidance that you have provided over the past several weeks.

Please contact me if you have any questions or concerns regarding this matter.

Sincerely,

Edward L. Strohbehn Jr.

Enclosure

cc: Bonnie Griffith
CalEPA, Department of
Toxics Substance Control

Mary Ann Baker
Santa Clara County, Department of
Environmental Health

Roy West
Hewlett-Packard Company

Hewlett-Packard Company
350/370 West Trimble Rd.
San Jose, CA 95131-1008

Agilent Technologies, Inc./LumiLeds Lighting U.S., LLC
San Jose, California Facility

On November 1, 1999 LumiLeds Lighting U.S., LLC ("LumiLeds") will lease portions of the facility located at 350/370 Trimble Road in San Jose, California (the "Facility") owned by Agilent Technologies. Inc. ("Agilent"). Agilent will conduct manufacturing and other activities at those portions of the Facility not leased to LumiLeds.

On November 1, 1999 LumiLeds also will acquire certain manufacturing, waste management and other equipment presently located at the Facility

The following provides a description of various hazardous wastewaters that will be generated and managed on and after November 1, 1999.

A. LumiLeds' Toxic Slurry Wastewaters

In leased portions of Building 91 LumiLeds will generate a slurry wastewater that contains arsenic and that will be deemed to be a hazardous waste due to its toxicity. (22 Cal. Code Reg. § 66261.24; EPA Hazardous Waste Code Number D004) LumiLeds will discharge this waste through slurry waste piping systems which it will own. This waste will be treated in the existing Solids Settling System 1 ("SS-1"). Treated effluent discharged from SS-1 will be hazardous. The treated effluent will be transferred via pipes (owned by LumiLeds) to the existing Metals Precipitation Unit 1 ("MPU-1") for batch treatment.

In leased portions of Building 91 LumiLeds will also generate a hydrogen fluoride and arsenic containing wastewater that will be deemed a hazardous waste due to its corrosivity and toxicity. (22 Cal. Code Reg. §§ 66264 22 & 66264.24; EPA Hazardous Waste Code Numbers D002 & D004) LumiLeds will discharge this waste through waste piping systems which it will own. This waste will be treated in the existing MPU-1 (which includes neutralization) for batch treatment.

Treated effluent from MPU-1 will be non-hazardous. Following batch treatment, wastes in MPU-1 will be sampled (in accordance with waste sampling protocols) to confirm that the effluent to be discharged is nonhazardous This nonhazardous effluent will be transferred via piping systems to the existing Building 90 Neutralization System ("NS-1"). (See Section D.1 for additional information concerning NS-1.) Nonhazardous effluent from NS-1 will be discharged to the publicly owned treatment works pursuant to Industrial Waste Discharge Permit No.
SJ-003A, currently issued by the San Jose/Santa Clara Water Pollution Control Plant ("Plant") to Hewlett-Packard Company ("Hewlett-Packard"). The Plant has been informed that Hewlett-Packard is transferring ownership to Agilent and the Plant will amend the permit to make Agilent the permittee in accordance with the Plant's procedures

SS-1 and MPU-1 will be located on portions of the Facility leased by LumiLeds. SS-1 and MPU-1 will be owned by LumiLeds. SS-1 and MPU-1 will be operated in accordance with

"permit by rule" authorizations. Confirmation from the Santa Clara County Environmental Health Department ("CUPA") that existing authorizations to operate for SS-1 and MPU-1 will be transferred to LumiLeds will be obtained on or before November 1, 1999. LumiLeds, through a contract or services agreement, will manage any hazardous waste generated as a result of treatment activities conducted at SS-1 and MPU-1. Management activities will include arranging for the transport of hazardous treatment residues to appropriately permitted offsite hazardous waste facilities for further management

B. Agilent's Toxic Slurry Wastewaters

In portions of Building 91 retained by Agilent for its use (i.e. not leased to LumiLeds) Agilent will generate a slurry wastewater that contains arsenic and that will be deemed to be a hazardous waste due to its toxicity. (22 Cal. Code Reg. § 66261.24; EPA Hazardous Waste Code Number D004) Agilent will manage this waste in a satellite accumulation area located within Building 91. Agilent will not discharge this waste to the Building 91 piping systems and will not commingle this waste with any hazardous wastes generated by LumiLeds. Agilent will not manage this waste in any equipment (including waste treatment units) that will be owned by LumiLeds. Agilent will arrange for the transport of this waste to appropriately permitted offsite hazardous waste facilities for further management.

C. LumiLed's Corrosive Wastewaters

In leased portions of Building 91 LumiLeds will generate wastewaters that will be deemed to be hazardous due to their corrosivity. (22 Cal. Code Reg. § 66261.22, EPA Hazardous Waste Code Number D002) This waste will be discharged to existing acid wastewater piping systems which it will own. This waste will be neutralized in a new treatment unit ("NS-2") which will be installed and operated in the existing Building 91 Acid Waste Transfer Tank ("Building 91 AW Transfer Tank") on or before November 1, 1999 ("NS-2"). Nonhazardous wastestreams generated by Agilent and LumiLeds (e.g. wastewaters from the existing Building 91 air pollution control equipment) also will be managed in the Building 91 NS-2. Treated effluent from NS-2 will be evaluated using continuous pH monitors, operated in accordance with a waste sampling protocol.

Nonhazardous effluent from NS-2 subsequently will be commingled in NS-1 with other nonhazardous waste streams generated by Agilent and LumiLeds (e.g. wastewaters from the existing Building 90 air pollution control equipment and nonhazardous effluent from MPU-1). Nonhazardous effluent from NS-1 will be discharged to the publicly owned treatment works pursuant to Industrial Waste Discharge Permit No. SJ-003A, currently issued by the San Jose/Santa Clara Water Pollution Control Plant to Hewlett-Packard See discussion in Section A regarding transfer of permit to Agilent.

NS-2 will be located on portions of the Facility leased by LumiLeds. NS-2 will be owned by LumiLeds. Confirmation from the CUPA that an authorization to operate NS-2 (as a "conditionally authorized" unit) will be issued to Agilent will be obtained on or before November 1, 1999

D. Agilent's Corrosive Wastewaters

In Building 90 and in portions of Building 91 retained by Agilent for its use (i.e. not leased to LumiLeds) Agilent will generate hazardous wastewaters. The following provides a description of these wastes and the systems that will be used to manage them.

1. **Building 90 Corrosive Wastewaters**

In Building 90 Agilent will generate wastewaters that will be deemed to be hazardous due to their corrosivity. (22 Cal. Code Reg. § 66261 22; EPA Hazardous Waste Code Number D002). This waste will be treated in existing NS-1. Treated effluent from NS-1 will be monitored using an existing continuous pH monitor, operated in accordance with an existing waste sampling protocol. Nonhazardous effluent from NS-1 will be discharged to the publicly owned treatment works pursuant to Industrial Waste Discharge Permit No. SJ-003A, currently issued by the San Jose/Santa Clara Water Pollution Control Plant to Hewlett-Packard. See discussion in Section A regarding transfer of permit to Agilent

NS-1 will be owned by Agilent. Confirmation from the CUPA that the existing authorization to operate NS-1 (as a "permit by rule" unit) will be transferred to Agilent will be obtained on or before November 1, 1999

2. **Building 91 Corrosive Wastewaters**

In portions of Building 91 retained by Agilent for use, Agilent will generate wastewaters that will be deemed to be hazardous due to their corrosivity. (22 Cal. Code Reg. § 66261.22; EPA Hazardous Waste Code Number D002) Agilent will accumulate this waste in satellite accumulation areas located within Building 91. Agilent will not discharge this waste to the Building 91 piping systems and will not commingle this waste with any hazardous wastes generated by LumiLeds. Agilent will not manage this waste in any equipment (including waste treatment units) that will be owned by LumiLeds.

Agilent will manage this wastes using one of two strategies. Agilent may arrange for the transport of this waste to appropriately permitted offsite hazardous waste facilities for further management. Alternatively, Agilent may manually transfer this waste to NS-1 for treatment. (See Section D.1 for a description of NS-1)

County of Santa Clara

Environmental Resources Agency
Department of Environmental Health

Hazardous Materials Compliance Division
2220 Moorpark Avenue East Wing, Room 204
San Jose California 95128-2690
(408) 299-6930 FAX 280-6479

Mailing Address
Department of Environmental Health
Hazardous Materials Compliance Division
P O Box 28070
San Jose California 95159-8070

COPY

October 28, 1999

EPA ID: CAT000611400

Agilent Technologies, Inc.
Rebecca Bond
350 West Trimble Road, mailstop 90 BJ
San Jose, CA 95131-1008

For facility located at

350 West Trimble Road
San Jose, CA 95131-1008

Authorization Date October 28, 1999

Dear Permit by Rule Facility:

AUTHORIZATION TO OPERATE A FIXED TREATMENT UNIT PURSUANT TO PERMIT BY RULE

Santa Clara County Hazardous Materials Compliance Division has received your facility specific amended notification forms. They are administratively complete, but have not been reviewed for technical adequacy. A technical review of your notifications will be conducted when an inspection is performed. At any time, you may be inspected and could be subject to penalty if violations of laws or regulations are found.

Pursuant to Title 22, California Code of Regulations (CCR), Section 67450.2(b), you are hereby authorized to operate the fixed treatment Unit(s) listed on the last page of this letter under permit by rule. Your authorization to operate under permit by rule expires one year after the authorization date shown above unless this office changes your period of authorization in writing pursuant to Title 22, CCR, Section 67450.3(c)(1).

You must notify this office annually under the current Permit by Rule regulations either by March 1 or when requested by this office to re-notify Renewal packages will be sent to all operators of permit by rule units on or about February 1 of each subsequent year

You must notify this office 60 days before first treating hazardous wastes in any new unit. You must also notify this office whenever any of the information you provided in these notification changes. To revise information, mail a cover letter to the above address explaining the changes, attach only the pages of your notification package that have changed, and re-sign and date at the signature space on page 3 of form 1772 or on Facility page of Unified Program Consolidated Form (UPCF). As set forth in Title 22, CCR section 67450.9(d), this authorization is contingent upon the accuracy of information submitted by you in the notifications mentioned above.

No annual fees are being charged at this time Facilities are required to implement the closure plan and close the PBR treatment unit(s) within 90 days of treating the last volume of hazardous waste (CCR 67450.3(c)(11)(D)) You are also required to notify this office 15 days prior to the completion of the closure of any PBR unit or facility (CCR 67450 3(c)(11)(F)) The facility must stay in compliance with all regulations until the certification required by CCR 67450.3(c)(11)(G) is submitted. Additional guidance on closure will be issued from this office upon request.

Board of Supervisors Donald F Gage Blanca Alvarado Pete McHugh James T Beall Jr . S Joseph Simitian
County Executive Richard Wittenberg

6-006

EPA ID: CAT000611400

If you have any questions regarding this letter, or have questions on operating requirements for your facility, please contact this office at the letterhead address or phone number.

Sincerely,

Gordon McPhaill, R.E.H.S.
Hazardous Materials Program Manager
Hazardous Materials Compliance Division

Units authorized to operate at this location

UNDER PERMIT BY RULE

1

UNDER CONDITIONAL AUTHORIZATION

County of Santa Clara

Department of Environmental Health
Hazardous Materials Compliance Division
2220 Moorpark Avenue
P.O. Box 28070
San Jose, CA 95159-8070
(408) 299-6930 Fax (408) 280-6479

waste generator
Tiered Permit

FYI
keeping

Program Record ID	[redacted]	SC	Time
312781	2208	01	
367957	2261	01	

OFFICIAL NOTICE OF INSPECTION

Facility Name: Agilent Technologies, Inc.			Inspection Date: 6/28/00
Site Address: 350 W. Trimble Rd., San Jose			Work Area:
Contact Person(s): Mitch Cole			Employee No.: 4658
Inspection Type:	☐ Hazardous Materials	☐ Cal-Accidental Release Prevention Program	Samples Taken? ☐ Yes, ☒ No
	☒ Hazardous Waste	☐ Medical Waste Storage/Treatment	Photographs Taken? ☐ Yes, ☒ No
	☐ Toxic Gas	☐ Medical Waste Generator	

VIOLATIONS: Codes noted below in the "Violation Code" column represent specific violations of State law and/or local Ordinance. These codes are defined in the attached Violation Codes document(s). Time granted for correction of violations does not preclude any enforcement action by this Department or other agencies. This facility may be subject to reinspection at any time.

Violation Codes	Summary of Violations, Notice to Comply, Observations, and Required Corrective Actions	Corrective Actions Taken
	Has waste generator inspection, PBR inspection	
	one accumulation start date on a waste drum missing + corrected during inspection.	
	Records reviewed: manifests for 3 years, contingency plan, training records, weekly inspection logs, daily inspection logs, waste analysis plans, waste profiles, financial assurance, closure plans, written instructions for treatment operations, inspection schedules, waste min. certification, PBR notification + authorization. (manifests prior to 11/99 were under Hewlett Packard ownership.) No violations noted.	
	Fl salts are minimal + do not ppt. out also below 180 ppm Fl (28 ppm)	

All violations must be corrected within 30 days of the inspection date unless noted otherwise, above. Section 25187.8 of the State Health and Safety Code (H&SC) requires that you write a brief description of the corrective actions you have taken to bring this facility into compliance and submit it to this Department within 5 days of achieving compliance, or within 35 days of the inspection date, whichever comes first. ***(Note: Detailed instructions on actions you must take are printed on the reverse side of this page.)***

Received by: [signature] 6/28/00 Inspected by. Stephanie Christensen Entered by: _____

Certification: I certify under penalty of perjury that this facility has complied with directives specified in this Notice to Comply.

Signature of Owner/Operator: _____ Title: _____ Date: ___/___/___

FACILITY SENDS YELLOW COPY TO AGENCY, KEEPS PINK COPY.

County of Santa Clara

Environmental Resources Agency
Department of Environmental Health

Hazardous Materials Compliance Division
2220 Moorpark Avenue, East Wing Room 204
San Jose California 95128-2690
(408) 299-6930 FAX 280-6479

Mailing Address
Department of Environmental Health
Hazardous Materials Compliance Division
P O Box 28070
San Jose California 95159-8070

October 28, 1999

EPA ID. CAT000611400

Agilent Technologies, Inc
Rebecca Bond
350 West Trimble Road, mailstop 90 BJ
San Jose, CA 95131-1008

For facility located at

350 West Trimble Road
San Jose, CA 95131-1008

Authorization Date October 28, 1999

Dear Permit by Rule Facility:

AUTHORIZATION TO OPERATE A FIXED TREATMENT UNIT PURSUANT TO PERMIT BY RULE

Santa Clara County Hazardous Materials Compliance Division has received your facility specific amended notification forms. They are administratively complete, but have not been reviewed for technical adequacy. A technical review of your notifications will be conducted when an inspection is performed. At any time, you may be inspected and could be subject to penalty if violations of laws or regulations are found

Pursuant to Title 22, California Code of Regulations (CCR), Section 67450.2(b), you are hereby authorized to operate the fixed treatment Unit(s) listed on the last page of this letter under permit by rule. Your authorization to operate under permit by rule expires one year after the authorization date shown above unless this office changes your period of authorization in writing pursuant to Title 22, CCR, Section 67450 3(c)(1)

You must notify this office annually under the current Permit by Rule regulations either by March 1 or when requested by this office to re-notify Renewal packages will be sent to all operators of permit by rule units on or about February 1 of each subsequent year

You must notify this office 60 days before first treating hazardous wastes in any new unit. You must also notify this office whenever any of the information you provided in these notification changes To revise information, mail a cover letter to the above address explaining the changes, attach only the pages of your notification package that have changed, and re-sign and date at the signature space on page 3 of form 1772 or on Facility page of Unified Program Consolidated Form (UPCF) As set forth in Title 22, CCR section 67450 9(d), this authorization is contingent upon the accuracy of information submitted by you in the notifications mentioned above

No annual fees are being charged at this time Facilities are required to implement the closure plan and close the PBR treatment unit(s) within 90 days of treating the last volume of hazardous waste (CCR 67450.3(c)(11)(D)). You are also required to notify this office 15 days prior to the completion of the closure of any PBR unit or facility (CCR 67450 3(c)(11)(F)) The facility must stay in compliance with all regulations until the certification required by CCR 67450.3(c)(11)(G) is submitted. Additional guidance on closure will be issued from this office upon request

Board of Supervisors Donald F Gage Blanca Alvarado Pete McHugh James T Beall Jr , S Joseph Simitian
County Executive Richard Wittenberg

EPA ID: CAT000611400

If you have any questions regarding this letter, or have questions on operating requirements for your facility, please contact this office at the letterhead address or phone number.

Sincerely,

Gordon McPhaill, R.E.H.S.
Hazardous Materials Program Manager
Hazardous Materials Compliance Division

Units authorized to operate at this location

UNDER PERMIT BY RULE

1

UNDER CONDITIONAL AUTHORIZATION

350 West Trimble Road
San Jose, California 95131
Phone 408-435-4151
Fax. 408-435-4155

Hewlett-Packard

Fax

To:	Nicole Pullman	**From:**	Rebecca M. Bond
Fax:	408-280-6479	**Date:**	October 27, 1999
Phone:	408-299-6930	**Pages:**	1
Re:	EPA ID # for Agilent	**CC:**	

☑ **Urgent** ☑ **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

•Comments:

Hi Nicole,

We are going to use the old HP EPA ID# for Agilent Technologies, Inc. at the San Jose site. The EPA wants to retain the same numbers for facilities in order to keep track of the history of the site. The number is: CAT 000 611 400. Please find attached a copy of the facility page with this number included.

Please call me at (408) 435-4151 if you have any questions regarding this information.

Sincerely,

Rebecca

UNIFIED PROGRAM CONSOLIDATED FORM

FACILITY INFORMATION

BUSINESS ACTIVITIES

I. FACILITY IDENTIFICATION

FACILITY ID # [1]

EPA ID # (Hazardous Waste Only) CAT 000 611 400

BUSINESS NAME (Same as Facility Name of DBA-Doing Business As) [3]

Agilent Technologies, Inc.

II. ACTIVITIES DECLARATION

NOTE: If you check YES to any part of this list, please submit the Business Owner/Operator Identification page (OES Form 2730).

Does your facility..	If Yes, please complete these pages of the UPCF ..	
A. HAZARDOUS MATERIALS		
Have on site (for any purpose) hazardous materials at or above 55 gallons for liquids, 500 pounds for solids, or 200 cubic feet for compressed gases (include liquids in ASTs and USTs); or the applicable Federal threshold quantity for an extremely hazardous substance specified in 40 CFR Part 355, Appendix A or B; or handle radiological materials in quantities for which an emergency plan is required pursuant to 10 CFR Parts 30, 40 or 70?	☒ YES ☐ NO 4	HAZARDOUS MATERIALS INVENTORY – CHEMICAL DESCRIPTION (OES 2731)
B. UNDERGROUND STORAGE TANKS (USTs)		
1. Own or operate underground storage tanks?	☒ YES ☐ NO 5	UST FACILITY (Formerly SWRCB Form A) UST TANK (one page per tank) (Formerly Form B)
2. Intend to upgrade existing or install new USTs?	☐ YES ☒ NO 6	UST FACILITY UST TANK (one per tank) UST INSTALLATION - CERTIFICATE OF COMPLIANCE (one page per tank) (Formerly Form C)
3. Need to report closing a UST?	☐ YES ☒ NO 7	UST TANK (closure portion -one page per tank)
C. ABOVE GROUND PETROLEUM STORAGE TANKS (ASTs)		
Own or operate ASTs above these thresholds: ---any tank capacity is greater than 660 gallons, or ---the total capacity for the facility is greater than 1,320 gallons?	☐ YES ☒ NO 8	NO FORM REQUIRED TO CUPAs
D. HAZARDOUS WASTE		
1. Generate hazardous waste?	☒ YES ☐ NO 9	EPA ID NUMBER - provide at the top of this page
2. Recycle more than 100 kg/month of excluded or exempted recyclable materials (per HSC 25143.2)?	☐ YES ☒ NO 10	RECYCLABLE MATERIALS REPORT (one per recycler)
3. Treat hazardous waste on site?	☒ YES ☐ NO 11	ONSITE HAZARDOUS WASTE TREATMENT – FACILITY (Formerly DTSC Forms 1772) ONSITE HAZARDOUS WASTE TREATMENT – UNIT (one page per unit) (Formerly DTSC Forms 1772 A,B C,D and L)
4. Treatment subject to financial assurance requirements (for Permit by Rule and Conditional Authorization)?	☒ YES ☐ NO 12	CERTIFICATION OF FINANCIAL ASSURANCE (Formerly DTSC Form 1232)
5. Consolidate hazardous waste generated at a remote site?	☐ YES ☒ NO 13	REMOTE WASTE / CONSOLIDATION SITE ANNUAL NOTIFICATION (Formerly DTSC Form 1196)
6. Need to report the closure/removal of a tank that was classified as hazardous waste and cleaned onsite?	☐ YES ☒ NO 14	HAZARDOUS WASTE TANK CLOSURE CERTIFICATION (Formerly DTSC Form 1249)

E. LOCAL REQUIREMENTS [15]

(You may also be required to provide additional information by your CUPA or local agency.)

Clinical :

Original file to :

(1) Lumileds
ORIG FILE 370 W. Trimble, SJ

Copy of letter file to.

(2) Agilent
COPY FILE 350 W. Trimble, SJ

Thx. MD

Hewlett-Packard Company
350/370 West Trimble Rd.
San Jose, CA 95131-1008

FILE (filed permit

VIA FACSIMILE

October 27, 1999

Ms. Bonnie Griffith
Cal/EPA, Department of Toxic
Substances Control
700 Heinz Avenue, #200
Substances Control
Berkeley, CA 94710

Ms. Mary Ann Baker
County of Santa Clara
Department of Environmental Health
2220 Moorpark Avenue
Room 204, East Wing
San Jose, California 95128

Subject: LumiLeds Treatment Unit Upset Response Procedures

Dear Ms. Griffith and Ms. Baker

This letter is in response to your request for our procedures on managing upsets with the LumiLeds Treatment Units (MPU-1 and NS-2) which may result in the discharge of hazardous LumiLeds wastewaters to the Agilent Neutralization Treatment Unit (NS-1).

MPU-1 – (LumiLeds Slurry Waste Waters D004)
Procedure to prevent the discharge of hazardous D004 waste waters from LumiLeds MPU-1 treatment unit to Agilent's NS-1 treatment unit.

Chemical precipitation occurs in batches. Each batch is sampled and held in the treatment tank until the Arsenic content is verified on the Inductively Coupled Plasma Mass Spectrometer (ICP) that is maintained in the Environmental Lab in Bldg. 90. (The performance of this analytical equipment is verified on a monthly basis by comparing split sampling results from the ICP against those performed by a state certified environmental lab.) If the concentration of arsenic is between 0.0 –1.0 ppm, then the decant water from the treated batch is pumped over to the NS-1 and the final effluent discharge point. The local POTW discharge limit is 1.0 ppm at the final discharge point. If the concentration of the treated batch is above 1.0 ppm, the batch treatment is repeated and re-sampled until the arsenic concentration is in the 0.0-1.0 ppm range. If it is not possible to bring the treatment below an arsenic concentration of 5.0 ppm (the hazardous waste limit, D004), the treatment batch is pumped to a sludge holding tank and will be picked up by the waste service company as a hazardous waste. An emergency service contract is in place with our waste service company so that pickups can be made within hours for emergencies such as these. This has never happened in the past, but is easily done if necessary. The batch treatments are done about once or twice a day and there are two holding tanks available.

NS-2 – (LumiLeds Acid Waste Waters D002)
Procedure to prevent the discharge of hazardous D002 waste waters from LumiLeds NS-2 treatment unit to Agilent's NS-1 treatment unit:

Based on historical monitoring data, the pH at the NS-2 treatment tank drops below pH of 2 for only about twice a month. A pH controller is being installed to add caustic to the tank to bring the pH above 2 on these occasions. Starting November 1, 1999, a Security Guard will be in place 24 hours a day to watch the pH of the acid waste transfer tank and notify wastewater treatment technicians and/or require LumiLeds opeations to stop dumping chemicals to the acid waste drains. As soon as possible, we will install an automated paging system so that if there is a potential or actual failure of the pH control system, Security and the waste treatment technicians will be paged with enough notice to respond prior to the pH dropping below 2. The Security staff is located at the Security Response Center, which is staffed seven days a week and twenty-four hours a day. Security can communicate to LumiLeds operations to stop the discharge of waste acids to NS-2. The waste treatment technicians will respond to repair the system, or if necessary, perform manual caustic addition to adjust the pH.

Sincerely,

Rebecca M. Bond, P.E.
Environmental Engineer

350 West Trimble Road
San Jose, California 95131
Phone 408-435-4151
Fax 408-435-4155

Hewlett-Packard

Fax

To:	Mary Ann Baker	**From:**	Rebecca M Bond
Fax:	408-280-6479	**Date:**	October 27, 1999
Phone:	408-299-6930	**Pages:**	1
Re:	LumiLeds Treatment Unit Upset Response Procedures	**CC:**	

☑ **Urgent** ☑ **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

•Comments:

Please find attached a letter regarding the backup procedures to verify that LumiLeds wastewater treatment systems will not discharge hazardous wastewater to the Agilent neutralization system.

Please call me at (408) 435-4151 if you have any questions regarding this information

Sincerely,

Rebecca

February 22, 1999

RE: Hewlett-Packard San Jose; Account#1208988, Facility ID#208988

Mohammad A. Janjua, R.E.A., MS
County of Santa Clara
Department of environmental Health
2220 Moorpark Avenue, Room 204, East Wing
San Jose, California 95128-2690

Dear Mohammad A. Janjua, R.E.A., MS:

This letter is to inform you that the Hewlett-Packard facility located at 350/370 West Trimble Road in San Jose generated less than 250 tons of hazardous waste in 1998. HP San Jose has a Hazardous Waste Source Reduction Committee and this Committee has been successful in reducing the total pounds of hazardous waste generated at this facility. The work of the hazardous waste reduction committee is continuing and we anticipate future reductions. Although production levels may increase in 1999, we believe that we will be successful at keeping our hazardous waste volume below 250 tons next year. Please call me at 408-435-4161 or e-mail me at: stewart_crook@hp.com if you need information or actions from me to correct the account statement and bill; invoice # 748923.

Sincerely,

Stewart Crook

Note to File.

I spoke to Mr. Crook Regarding the Payment of HW Fee, he told me HP will pay Fee for 250 tons or more but next year he want his fee schedule revised and reduced to 50 to 250 tons/yr instead of 250 to 500 tons/yr.

M.J. 3/15/99

Paradise Realty

Anthony

975-9922

798K

7/4 AM

778-0583

Hewlett-Packard Company
350/370 West trimble Road
San Jose, California 95131

415/435-7400

HEWLETT® PACKARD

RECEIVED BY
ENVIRONMENTAL HEALTH
HMCD

OCT 22 2 29 PM '98

October 19, 1998

Mr. Michael L. Murtiff
Hazardous Materials Inspector
City of San Jose Fire Dept.
4 N. Second Street, suite 1100
San Jose, CA, 95113-1305

RE: 9/8/98 Incident in Building 91 HF Drain Line.

Dear Mr. Murtiff:

Attached is a copy of a release notification letter to the San Jose/Santa Clara Water Pollution Control Plant about the above referenced incident. The following actions have been initiated to prevent this type of incident from reoccurring.

1.) The floor sump drain in the B91 GaAs slurry room will be plumbed directly to the HF holding tank instead of the B91 HF drain line.

2.) Concentrated acid baths will be emptied into the HF drain with water to lower the bath concentration as it enters the waste pipe.

Please call me at 408-435-4161 if you have any questions.

Best Regards,

Plean file.
MJ

Stewart Crook
Environmental Specialist
HP Components Group

cc: Mohammad A. Janjua, County of Santa Clara
Department of Environmental Health

Hewlett-Packard Company
Components Group
370 West Trimble Road
San Jose California 95131

HEWLETT PACKARD

Ms. Saroj Dhillon
San Jose/Santa Clara Water Pollution Control Plant
Source Control Section
4245 Zanker Road, STE S,
San Jose, CA 95134

OCTOBER 15, 1998
Project: 981009

Re: Incident in Building 91 HF Drain Line

Dear Ms. Dhillon:

On Tuesday September 8, 1998 at about 9:45 p m. an incident occurred in Building 91 (B91) at Hewlett-Packard Company's San Jose site involving the discharge of a small quantity of arsenic containing wastewater to the city sanitary sewer A copy of the incident report is attached along with a time line on the notification to the agencies involved. The material was removed, the area cleaned and the systems repaired and brought back on line. The incident was investigated and the root cause determined. Corrective actions are underway to prevent this type of incident from reoccurring

If you have any questions regarding this report, please contact me at (408) 435-4188.

Sincerely,

Gary Lapp P.E.
Environmental Engineer

cc w/o att:
Gail Brownell
Jerry Thorne

A:\981009

HEWLETT PACKARD

Hewlett-Packard
Components Group Regional rations
Security Department - Incident Report

REPORT DATE: 9-14-98

TYPE OF INCIDENT
#01 Alarm - Environmental

DATE AND TIME OCCURRED - DAY	DATE AND TIME REPORTED	DATE AND TIME RETURNED TO OPERATIONS	LOCATION OF OCCURRENCE
9/8/98 2245hrs Tuesday	9/8/98 2245hrs		B-91 Basement 1BM7

VICTIM'S NAME LAST FIRST MI (FIRM IF BUSINESS)
Hewlett Packard

OCCUPATION	SHIFT	SEX	EMPLOYEE NO	BUSINESS ADDRESS	BUSINESS PHONE EXT
				350/370 W Trimble Rd San Jose	435-7400

SUPERVISOR	SHIFT	BLDG #	BUSINESS PHONE EXT

OTHER PERSONS INVOLVED (LIST BELOW)

NAME LAST FIRST MI: Ledesma, Anthony — CODE: RP

OCCUPATION	SHIFT	SEX	EMPLOYEE NO	BUSINESS ADDRESS	BUSINESS PHONE EXT
I C	S	M	207119	350/370 W Trimble Rd San Jose	435-4251

NAME LAST FIRST MI: Gerami, Afsi — CODE: AN

OCCUPATION	SHIFT	SEX	EMPLOYEE NO	BUSINESS ADDRESS	BUSINESS PHONE EXT
Safety	D	F	229531	350/370 W Trimble Rd San Jose	989-6663

NARRATIVE

Details On Tuesday September 8,1998 at 2145hrs I received an alarm stating 91 Acid Waste Drain South. I paged Paul Bolm the on call D I and he stated that he had never heard of that alarm before. S/S Sue Joronen responded to the basement to find that it was a tracetek alarm I then paged the on call electrician, and Jon Brasil responded, stating that he would come in and check it out I received a call from Anthony Ledesma reporting that there was acid leaking from the ceiling in the basement of 91 Sue met with Anthony in the basement at column 1BM7, and asked me to page ERT and MERT to security, and have them to meet in auditorium A & B I also paged Afsi Gerami the on call Safety, and Anthony asked her to be on stand by The on call plumber Ronny Van Velthuysen was paged, and asked me to have a bucket placed underneath it. I placed him on hold to talk to Asfi, and the phone was disconnected He never called back to say if he would

SUSPECT VEHICLE (Y OR N)	LICENSE NO	ID NO	YEAR	MAKE	MODEL	COLORS (OR OTHER IDENTIFYING CHARACTERISTICS)

SUSPECT #1 (LAST FIRST MI)	RACE - SEX	AGE	HEIGHT	WEIGHT	HAIR	EYES	ID NO OR DOB	EMPLOYEE (Y OR N)

ADDRESS CLOTHING AND OTHER IDENTIFYING MARKS OR CHARACTERISTICS

SUSPECT #2 (LAST FIRST MI)	RACE - SEX	AGE	HEIGHT	WEIGHT	HAIR	EYES	ID NO OR DOB	EMPLOYEE (Y OR N)

ADDRESS CLOTHING AND OTHER IDENTIFYING MARKS OR CHARACTERISTICS

REPORTING OFFICER	SIGNATURE	POST	SHIFT SUPERVISOR LEAD
Jennifer Sebastian	[signature]	console	C Fletcher/N Loftus

THIS AREA FOR SUPERVISORS ONLY

COPIES TO

- [ ] SECURITY MANAGER
- [ ] SITE SERVICES MANAGER
- [X] FACILITIES MANAGER
- [X] ENVIRONMENTAL ENGINEERING
- [ ] LEGAL
- [X] SAFETY HEALTH SERVICES
- [ ] OTHER _____

REVIEWED BY

SUPERVISOR (Signature)	DATE
[signature]	9-9-98
SECURITY MANAGER (Signature)	DATE

FURTHER ACTION [X] NO [ ] YES _____

HEWLETT PACKARD

Hewlett-Packard
Components Group Regional (rations
Security Department - Supplemental ncident Report

REPORT NUMBER: 9-14-96
PAGE NUMBER: Two of ~~Two~~ 3

TYPE OF INCIDENT	DATE AND TIME OCCURRED - DAY
#01 Alarm - Environmental	9/8/98 2145hrs Tuesday

VICTIM'S NAME - LAST, FIRST MI (FIRM IF BUSINESS)	BUSINESS ADDRESS	BUSINESS PHONE EXT
Hewlett Packard	350/370 W Trimble Rd. San Jose	435-7400

NARRATIVE

Cont: be coming in. The ERT and MERT met in the basement and are currently cleaning up the spill. The basement where the leak was, is taped off and off limits to all personel.

Disposition: Open

Other people involved:

Ronny Van Velthuysen: Plumber - 005145- ext#4315
Jon Brasil - Electrician- 14554 - ext#4317

REPORTING OFFICER	SIGNATURE	SHIFT SUPERVISOR/LEAD	SECURITY MANAGER (Signature)
Jennifer Sebastian	Jennifer Sebastian	Charles Fletcher	

HEWLETT PACKARD

Hewlett-Packard
Components Group Regional Operations
curity Department - Supplement: cident Report

9-14-98

TYPE OF INCIDENT	DATE AND TIME OCCURRED - DAY
#01 Alarm-Enviromental	09-08-98 2245 Hours Tuesday

VICTIM'S NAME - LAST FIRST MI (FIRM IF BUSINESS)	BUSINESS ADDRESS	BUSINESS PHONE EXT
Hewlett-Packard	350-370 W Trimble Road	435-7400

NARRATIVE

Continue...

On 09-08-98, when I arrived in the SRC at 2300 hours, I received a Passdown about an Acid Leak in Building 91, Basement. Safety, the electrician, and the ERT members have been notified. S/S Paul Arevalos has also responded to the situation to assist the ERT team. Ronny was contacted and advised of the situation. Ronny arrived on site at 0100 hours to respond to the situation. Advised the I.C. Anthony to neutralize the H.F with Lime. After applying the Lime to the H.F. Anthony was advised by Ronny to secure the area, and wait till the decon team could come in and clean up the spill in the morning. All chemical sinks have been put out of service until further notice. Anthony came to the conclusion that the pipe had burst, due to a volatile mixture of chemicals. Also, the 91 Basement has been closed. At approximately 0630 hours Sharron Mason and Ronny had decided to evacuate the EPI and the Waffer Fabs for health reasons All personnel is currently being sent home until further notice

Other person's involved:
Ronny Van Velthuysen Ext. 4315
Sharron Masson Ext. 6810

Dispositon: Closed

REPORTING OFFICER	SIGNATURE	SHIFT SUPERVISOR LEAD	SECURITY MANAGER (Signature)
Antoinette Indalecio		P Arevalos	

REGULATORY REPORTING DOCUMENTATION for
B91 HF Drain Rupture Incident
September 8th, 1998

(aprox. 5:30 am, Sept. 9th) Mitch Cole, acting as the Environmental on-call responder contacts AETS and requests an emergency response clean-up service. Mitch Cole calls the San Jose Site environmental representative (Stewart Crook) and confirms that he is on his way in.

(aprox. 8:00 am, Sept. 9th) Stewart Crook assumes environmental responsibilities at the incident. During Stewart's initial inspection of the spill area, he discovers that the incident had involved a release of Arsenic/acid wastewater to the sanitary sewer through the floor drain in the RF generator room of B91 Basement.

(9:50 am, Sept. 9th) Stewart called Michael L. Murtiff at the City of San Jose Hazardous Materials unit of the Fire Department and notified him of the hazardous waste release to sanitary sewer. Michael instructed Stewart to write a letter to him explaining what happened and what was done to mitigate the incident. No deadline for the letter was given.

(9:57 am, Sept. 9th) Stewart called John Regar with the SJ/SC wastewater treatment plant (POTW) and left a message on his voice mail notifying him of the release of hazardous waste to the sewer system. (no details were given)

(11:50 am, Sept. 9th) Stewart called the POTW again and talked with Kort Jackson and explained that there was a flow of aprox. 2 gpm of waste liquid to the floor drain when he first saw the spill at 8:00am. Facilities shut off the DI water supply and stopped the flow at aprox. 9:30 am. . I also told him that the spill started at aprox. 10:00 pm on Tuesday evening September 8th. I explained that the City of San Jose HazMat Department was notifyed of the incident. Kort said that he would pass the notification information to our inspector (Saroj).

(11:10 a, Sept. 10th) Stewart called the County of Santa Clara, Department of Env. Health and left a voicemail with Mohammad Janjua. I notfied him of the release of hazardous waste to the sanitary sewer and stated that I would CC him on the letter that the City of San Jose had requested about the incident.

County of Santa Clara
Department of Environmental Health
Hazardous Materials Compliance Division
2220 Moorpark Avenue
P O Box 28070
San Jose, CA 95159-8070
(408) 299-6930 Fax (408) 280-6479

Program Record ID		SC	Time
3/2781	2208	01	300

OFFICIAL NOTICE OF INSPECTION

Facility Name	Hewlett Packard - Trimble	Inspection Date	8/4/98
Site Address	350 E. Trimble Rd. San Jose CA. 95131	Work Area	607
Contact Person(s)	Steward Croom	Employee No	4681
Inspection Type	☐ Hazardous Materials ☒ Hazardous Waste ☐ Toxic Gas ☐ Cal-Accidental Release Prevention Program ☐ Medical Waste Storage/Treatment ☐ Medical Waste Generator	Samples Taken? ☐ Yes, ☒ No Photographs Taken? ☐ Yes, ☒ No	

VIOLATIONS: Codes noted below in the "Violation Code" column represent specific violations of State law and/or local Ordinance. These codes are defined in the attached Violation Codes document(s). Time granted for correction of violations does not preclude any enforcement action by this Department or other agencies. This facility may be subject to reinspection at any time.

Violation Codes	Summary of Violations, Notice to Comply, Observations, and Required Corrective Actions	Corrective Actions Taken
	Job description of hazardous waste handling employee be revised.	
	Labels and Storage area for haz. waste - OK	
*	No Violations observed during the inspection	
	The hazardous waste generated in 1997 exceed 250 Tons/yr. (Total = 256 Tons)	
	Notes: Weekly inspection log ⇒ OK	
	Arrangement with local hospital OK	
	Biennial Report / Emergency Equipement log ok.	
	Manifest records OK, Profiling / current.	
	Hazwoper 8 hr Refresher 5/98	
	Contigency plan OK	

All violations must be corrected within 30 days of the inspection date unless noted otherwise, above. Section 25187.8 of the State Health and Safety Code (H&SC) requires that you write a brief description of the corrective actions you have taken to bring this facility into compliance and submit it to this Department within 5 days of achieving compliance, or within 35 days of the inspection date, whichever comes first. ***(Note: Detailed instructions on actions you must take are printed on the reverse side of this page.)***

Received by Steven Croom Inspected by [signature] Entered by 111 8-5-98

Certification: I certify under penalty of perjury that this facility has complied with directives specified in this Notice to Comply.

Signature of Owner/Operator [signature] Title ENV. SPECIALIST Date 8/4/98

FACILITY SENDS YELLOW COPY TO AGENCY, KEEPS PINK COPY.

THE OF IAL NOTICE OF INSPECTION E LAINED

This Official Notice of Inspection (Notice of Inspection) describes the findings made during the inspection, including all violations and any actions that must be taken by the facility to correct the violations All violations must be corrected within 30 days of the inspection date unless noted otherwise by the inspector

Within five working days of achieving compliance, or within 35 days of the inspection, whichever comes first, you must submit a written response which describes the corrective actions you have taken or - for those violations which are impossible to correct within 30 days - propose to take in order to bring your facility into compliance Where proposed corrective actions are described, you must specify a date by which you expect each violation to be corrected After you have addressed each violation, complete the certification box located at the bottom of page 1 of the Notice of Inspection Your description of corrective actions taken, along with your signed certification of the Notice of Inspection and any required supporting documents, will serve as your written response to the inspection Your response must be mailed to the Santa Clara County Hazardous Materials Compliance Division (HMCD) at P O Box 28070, San Jose, CA 95159-8070

What Does the Information in Each Column Mean?

Violation Code: Codes listed in this column identify specific violations of laws, regulations, or codes which were observed during this inspection Definitions of Violation Codes are listed on the attached Violation Codes document(s)

Summary of Violations, Notice to Comply, Observations, and Required Corrective Actions: Information noted in this column describes the circumstances of any violations noted in the first column and describes how the violations may be corrected Additionally, the inspector may use this space to note any additional observations resulting from the inspection

Corrective Actions Taken: This column on the Notice of Inspection has been provided so that you can note how you have corrected or propose to correct each violation Where proposed corrective actions are described, you must specify a date by which you expect each violation to be corrected If more space is needed, attach additional pages

Why Were Two Copies of the Notice of Inspection Given to Me?

You have been given two copies so you will have a copy for your own records after you submit your written response to HMCD Do not separate the copies until you have described all of your corrective actions and signed the certification box on page 1 The yellow copy of each page must be submitted to HMCD The pink copy is for your records

What if I Disagree With a Violation Noted on the Notice of Inspection?

If you disagree with any violation listed in this Notice of Inspection, you must submit a written Notice of Disagreement, within 35 days of the inspection date, to the inspector who cited the violation In your Notice of Disagreement, you must explain in detail why the violation does not exist If there is sufficient space, you may use the "Corrective Actions Taken" column of this Notice of Inspection to dispute violations

What About Photographs or Samples Taken During the Inspection?

Since this Notice of Inspection was prepared and given to you at the end of the inspection, any photographs and sampling or laboratory results associated with the inspection were not yet available A copy of any photographs and/or analytical results from sampling taken during this inspection will be provided to you upon written request Other pertinent information derived from the inspection is attached to this Notice of Inspection Photographs and sample results may be withheld in the event of a criminal investigation or other ongoing investigation

****

Hazardous Waste Violations

- **Per H&SC, Section 25187.8(g)(1), failure to sign the certification on this Notice of Inspection and return it to this Department is a violation of State law.**
- **Per H&SC, Section 25191, a false statement that compliance has been achieved is a violation of State law punishable by a fine of not less than $2,000 or more than $25,000 and/or imprisonment in the county jail for up to one year.**
- **Per H&SC, Section 25187.8(j), this Department has the right to acquire the submittal of reasonable and necessary documentation in support of any claim of compliance made by your facility.**

County of Santa Clara

Environmental Resources Agency
Department of Environmental Health

Hazardous Materials Compliance Division
2220 Moorpark, Avenue, East Wing Room 204
San Jose California 95128-2690
(408) 299-6930 FAX 280-6479

CERTIFICATION OF COMPLIANCE

BUSINESS NAME Hewlett packard - Trimble INSPECTOR Mohammad Tanjua

COUNTY I.D. NO 501151 DATE OF INSP. 12/2/96

SITE ADDRESS: 350 W. Trimble Rd. S.J.

I certify under penalty of law that:

This Business has corrected all violations marked on the official notice of inspection.

I have personally examined any documentation attached to this certification to establish that the violations have been corrected

Based on my examination of the attached documentation and inquiry of the individuals who prepared or obtained it, I believe that the information is true, accurate, and complete.

I am authorized to file this certification for the Business.

I am aware that there are significant penalties for submitting false information.

Signed: [signature]

Printed or Typed Name: STEWART CROOK

Title: ENVIRONMENTAL REPRESENTATIVE Date: 1/2/97

Mail To: Deputy Director
Hazardous Materials Compliance Division
P.O. Box 28070
San Jose, CA 95159-8070

Reviewed By [signature]

Date 1/13/97

Board of Supervisors Michael M Honda, Zoe Lofgren Ron Gonzales, Rod Diridon Dianne McKenna

B 006

County of Santa Clara

Environmental Resources Agency
Department of Environmental Health
Hazardous Materials Compliance Division
2220 Moorpark, Avenue, East Wing, Room 204
San Jose, California 95128-2690
(408) 299-6930 FAX 280-6479

ENTERED JAN 28 1997

PR3127811 | 2208

HAZARDOUS WASTE GENERATOR OFFICIAL NOTICE OF INSPECTION

DBA/NAME	Hewlett Packard - Trimble	EPA # CAT000611400				COMPUTER # 501151	
ADDRESS	350 W. Trimble Rd. SJ					DATE 12/23/96	SC 01
CONTACT PERSON	STEWART CROOK					HOURS 180	WORK AREA 607
COMPANY PRESIDENT/OWNER ETC	Hewlett Packard Co.					EMP # 681	DAYS GIVEN 30
COMPANY MAILING ADDRESS	350-370 W. TRIMBLE RD. SAN JOSE, CA	1	2	3	4	ENTERED	BY

VIOLATIONS: Item(s) checked below represent a violation of referenced sections of Title 22 of Calif Code of Regulations, and/or Chapter 6 5 of the Health & Safety Code for which there are civil and criminal penalties in addition to fines ranging from $2,000 to $250,000 per day per violation Time granted for correction of violations does not preclude any enforcement action by this department or other agencies

(01) HAZARDOUS WASTE DETERMINATION

☐ 66262.11 Hazardous waste determination not made

(02) DISPOSAL

☐ 25189.5 Disposal of hazardous waste and/or extremely hazardous waste to trash/dumpster/ground
☐ 25189.5 Disposal of hazardous waste and/or extremely hazardous waste to storm drain
☐ 25189.5 Disposal of hazardous waste and/or extremely hazardous waste to sewer/septic system without permit
☐ 25189.5 Disposal of hazardous waste and/or extremely hazardous waste to an unpermitted facility

(03) EPA NUMBER/PERMITS

☐ 66262.12 Waste generator operating without EPA ID No.
☐ 66270.1 On-site waste treatment/disposal without permit
☐ 67430.1 Handling/disposal of extremely hazardous waste without permit

(04) ACCUMULATION TIME AND MANAGEMENT OF CONTAINERS/TANKS

☐ 66262.34(c) Waste accumulated on site greater than 90 days without an extension from Dept. of Health Services
☐ 66262.34(f) Accumulation start date on waste container not marked/legible
☐ 66262.34(f) Description of contents/hazardous property of waste/generator name and address not marked on container
☐ 66265.171 Hazardous waste container not in good condition
☐ 66265.172 Waste incompatible with container
☐ 66265 173 Waste containers not closed/sealed during storage
☐ 66265.177(c) Waste containers not handled/stored/segregated to minimize waste release/reaction
☒ 66265.174 Container storage area not inspected weekly need some changes.
☐ 66266.130 Improper management of used oil filters

☐ 66262.34(f) "HAZARDOUS WASTE" not clearly marked on containers/tank
☐ 66262.34(d) Tank greater than 5000 gallons of hazardous waste without permit
☐ 66256.194(3) Open tank less than 2 ft freeboard without double containment
☐ 66265 199 Incompatibles in same tank
☐ 66265.195 Tank and tank equipment not inspected daily/not documented in operating record of the facility

(05) RECORDKEEPING AND REPORTING

☐ 66262.11 Waste analysis/test records not kept for at least 3 years
☐ 66262 41 Biennial Report not sent to Dept of Health Services
☐ 66262.41 Biennial Report incomplete/incorrect
☐ 66262.40 Biennial Report copy/Exception Report not retained

Received by: _____ Inspected by: _____

5184

(06) TRAINING

- ☐ 66265.16 Training Program not provi
- ☐ 66265.16(b) Personnel untrained and unsupervised
- ☐ 66265.16(b) Hazardous waste personnel not trained within 6 months of hire date
- ☐ 66265.16(d) Training records not kept on site
- ☐ 66265.16(1) Training records missing job title/names of hazardous waste employees
- ☐ 66265.16(2) Training records missing description of position
- ☐ 66265.16(e) Training records not maintained until closure of facility or at least 3 years (for former employees)

(07) CONTINGENCY PLAN/BUSINESS PLAN

- ☐ 66265.53(b) Contingency/Business Plan not submitted/made
- ☐ 66265.52(a) Plan does not describe personnel response in emergencies
- ☒ 66265.52(b) Plan missing agreements with local emergency response agencies/hospitals
- ☐ 66265.52(d) Plan missing names/addresses/phone numbers of emergency coordinators
- ☐ 66265.52(e) Plan missing list of emergency equipment/locations
- ☐ 66265.52(f) Plan does not contain evacuation procedures/routes
- ☐ 66265.53 Copy of Plan not maintained on site
- ☐ 66265.54 Plan not amended as necessary
- ☐ 66265.55 Emergency coordinator not familiar with facility/Contingency Plan

(08) PREPAREDNESS AND PREVENTION

- ☐ 66265.32(a) Internal communications or alarm system not provided
- ☐ 66265.32 A device capable of calling outside emergency help not provided
- ☐ 66265.34 No access to communication/alarm system during waste handling
- ☐ 66265.32(c) No fire/spill control or decontamination system
- ☐ 66265.33 Emergency equipment not tested/maintained SCBA
- ☐ 66265.35 Required aisle space not maintained

(09) MANIFEST/RECEIPTS

- ☐ 66262.20 Waste shipped without a manifest
- ☐ 66263.42 Modified manifest/receipt not kept/not available/incomplete
- ☐ 25250.8 Waste oil modified manifest/receipt not kept/not available/incomplete
- ☐ 66262.23 Manifest copies not sent to DOHS within 30 days
- ☐ 66262.23 Applicable sections of manifest not properly filed out
- ☐ 66262 23 Manifest missing GENERATOR information
- ☐ 66262.20 Manifest missing TRANSPORTER information
- ☐ 66262.23 Manifest missing TSDF information
- ☐ 66262.23 Manifest missing waste description/quantity
- ☐ 66262.23 Manifest unsigned/undated by GENERATOR
- ☐ 66262.23 Manifest unsigned/undated by TRANSPORTER
- ☐ 66262.42 No attempt to determine status of waste when no TSDF manifest copy received within 35 days of shipment
- ☐ 66262.42 Exception Report not sent to DOHS within 45 days
- ☐ 66262.40 Manifest copy not kept for 3 years from shipment

(10) TRANSPORT

- ☐ 66262 12 Waste offered to transporter without EPA ID No.
- ☐ 66262 12 Waste offered to TSD facility without EPA ID No.
- ☐ 66263.17 Waste transported by unregistered hauler

(11) EMERGENCY PROCEDURES

- ☐ 66265.56 Character/source/extent of emergency not determined
- ☐ 66265 56 Proper agencies not notified of health/environmental hazards
- ☐ 66265.56 Emergency data not logged/submitted to DTSC and Santa Clara County within 15 days of accident
- ☐ 66265.56 Released waste/contaminated equipment improperly treated, handled, stored, or disposed

(12) OTHER

- ☐ _____
- ☐ _____

DBA/NAME Hewlett Packard - Trimble Address 350 W. Trimble Rd. SJ

Received by: _____ Inspected by: _____

5184-A REV 5/92

County of Santa Clara
Environmental Resources Agency
Department of Environmental Health
2220 Moorpark Avenue
San Jose, California 95128
(408) 299-6930
FAX (408) 280-6479

☐ **HAZARDOUS MATERIALS STORAGE**
☒ **HAZARDOUS WASTE GENERATOR**
OFFICIAL NOTICE OF INSPECTION

DATE 12/2/86

DBA/NAME Hewlett Packard _ Trimble

Comments (see marked violations on page 1)

66 265. 174 Weekly inspection checklist did not include the following items:-

1- Hazardous waste labels
2- Aisle space
3- All Containers free of spillage on the container top.

66 265.52 (b) Contingency plan did not include a written agreement from the local hospital. (A written acknowledgement is required.

The violations noted above should be corrected within 30 days and reported in writing.

Received by:

Inspected by:

Hazardous Materials Compliance Division

Samples taken? Yes (No)

Photos taken? Yes (No)

HAZARDOUS WASTE GENERATOR OFFICIAL NOTICE OF INSPECTION

DBA/NAME	Hewlett Packard - Tr Lic	EPA# CAT [illegible]				COMPUTER#	Sensi
ADDRESS	350 W. Trimble Rd SJ					DATE 12/17/91	SC 01
CONTACT PERSON	STEWART CROCK					HOURS 180	WORK AREA 607
COMPANY PRESIDENT/OWNER ETC	Hewlett Packard Co.					EMP# 1 1	DAYS GIVEN 30
COMPANY MAILING ADDRESS	350-370 W. TRIMBLE RD. SAN JOSE, CA	1	2	3	4	ENTERED	BY

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Received by _____ Inspected by: _____ Page 1 of 3

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DBA/NAME _____ Address _____

Received by: _____ Inspected by: _____ Page 2 of _____

Please file
Generator MT

RECEIVED BY
ENVIRONMENTAL HEALTH
JAN 6 3 31 PM '97

HEWLETT PACKARD

Hewlett-Packard Company
350/370 West Trimble Road
San Jose, California 95131-1008

January 2, 1997

Mr Mohammad A Janjua, R E A
Hazardous Materials Specialist
County of Santa Clara Environmental Resources Agency
Hazardous Materials Compliance Division
2220 Moorpark Avenue, Room 204E, East Wing
San Jose, California 95128-2690

RE: Hewlett Packard Company EPA Generator I.D. No. CAT000611400, County I.D. No. 501151

Dear Mr Janjua

This letter is written to document our response to the items noted during your inspection of our facility on December 2, 1996 The two items noted on the Official Notice of Inspection and our response are as follows:

1) Item 66265 174 Weekly inspection checklist did not include the following items
   1- Hazardous Waste Labels
   2- Aisle space
   3- All containers free of spillage on the container top

Response. 66265.174 states that *the generator shall inspect areas used for container storage or transfer, at least weekly, looking for leaking containers and for deterioration of containers and the containment system caused by corrosion or other factors* Our weekly inspection checklist does include, *looking for leaking containers and for deterioration of containers and containment systems* as required by 66265 174

The three items you noted during your inspection are considered "Best Management Practices", recommended but not required by law Therefore, we are **not** in violation of this section

2) Item 66265 52 (c) Contingency Plan did not include a written agreement from the local hospital (A written acknowledgment is required)

Response: 66265 52 (c) states that *The plan shall describe arrangements agreed to by local police departments, fire departments, hospitals, contractors, and State and Local emergency response teams to coordinate emergency services, pursuant to section 66265.37* Section 66265 37 states that *the generator shall attempt to make the following arrangements, as appropriate, arrangements to familiarize local hospitals with properties of hazardous waste handled at the facility and the types of injuries or illnesses which could result from fires, explosions, or releases at the facility*

The latest version of our Contingency Plan, dated February 1996, describes arrangements we have made with the local hospital that meet the requirements of 66265 52 (c) and 66265 37 Enclosed please find a copy of page 6 of our Contingency Plan which contains the required information Enclosed please find a copy of the return acknowledgment from the hospital confirming their receipt of the document Therefore, we are **not** in violation of this section

Also enclosed please find a Certification of Compliance with respect to the above signed by Hewlett-Packard Should you have any questions regarding the above, please feel free to contact me at (408) 435-4161.

Regards,

Stewart Crook, R E A
Environmental Representative

Reviewed By _____

Date 1/7/97

County of Santa Clara

Environmental Resources Agency
Department of Environmental Health

Hazardous Materials Compliance Division
2220 Moorpark, Avenue, East Wing, Room 204
San Jose California 95128-2690
(408) 299-6930 FAX 280-6479

HAZARDOUS WASTE GENERATOR OFFICIAL NOTICE OF INSPECTION

DBA/NAME	Hewlett Packard - Trimble	EPA # CAT000611400					
ADDRESS	350 W. Trimble Rd SJ						
CONTACT PERSON	STEWART CROOK						
COMPANY PRESIDENT/OWNER ETC	Hewlett Packard Co.						
COMPANY MAILING ADDRESS	350-370 W. TRIMBLE RD. SAN JOSE, CA	1	2	3	4		

COMPUTER # 501151
DATE 12/2/96 SC 01
HOURS _____ WORK AREA 607
EMP # 681 DAYS GIVEN _____
ENTERED _____ BY _____

VIOLATIONS: Item(s) checked below represent a violation of referenced sections of Title 22 of Calif Code of Regulations, and/or Chapter 6 5 of the Health & Safety Code for which there are civil and criminal penalties in addition to fines ranging from $2,000 to $250,000 per day per violation Time granted for correction of violations does not preclude any enforcement action by this department or other agencies

(01) HAZARDOUS WASTE DETERMINATION

☐ 66262 11 Hazardous waste determination not made

(02) DISPOSAL

☐ 25189 5 Disposal of hazardous waste and/or extremely hazardous waste to trash/dumpster/ground
☐ 25189 5 Disposal of hazardous waste and/or extremely hazardous waste to storm drain
☐ 25189 5 Disposal of hazardous waste and/or extremely hazardous waste to sewer/septic system without permit
☐ 25189 5 Disposal of hazardous waste and/or extremely hazardous waste to an unpermitted facility

(03) EPA NUMBER/PERMITS

☐ 66262 12 Waste generator operating without EPA ID No.
☐ 66270.1 On-site waste treatment/disposal without permit
☐ 67430 1 Handling/disposal of extremely hazardous waste without permit

(04) ACCUMULATION TIME AND MANAGEMENT OF CONTAINERS/TANKS

☐ 66262 34(c) Waste accumulated on site greater than 90 days without an extension from Dept. of Health Services
☐ 66262.34(f) Accumulation start date on waste container not marked/legible
☐ 66262 34(f) Description of contents/hazardous property of waste/generator name and address not marked on container
☐ 66265.171 Hazardous waste container not in good condition
☐ 66265.172 Waste incompatible with container
☐ 66265.173 Waste containers not closed/sealed during storage
☐ 66265 177(c) Waste containers not handled/stored/segregated to minimize waste release/reaction
☒ 66265 174 Container storage area not inspected weekly → recd time change.
☐ 66266 130 Improper management of used oil filters

☐ 66262 34(f) "HAZARDOUS WASTE" not clearly marked on containers/tank
☐ 66262 34(d) Tank greater than 5000 gallons of hazardous waste without permit
☐ 66256 194(3) Open tank less than 2 ft. freeboard without double containment
☐ 66265 199 Incompatibles in same tank
☐ 66265.195 Tank and tank equipment not inspected daily/not documented in operating record of the facility

(05) RECORDKEEPING AND REPORTING

☐ 66262.11 Waste analysis/test records not kept for at least 3 years
☐ 66262.41 Biennial Report not sent to Dept. of Health Services
☐ 66262 41 Biennial Report incomplete/incorrect
☐ 66262.40 Biennial Report copy/Exception Report not retained

Received by: _____ Inspected by: _____

5184

(06) TRAINING

- ☐ 66265.16 Training Program not prc ed ✓
- ☐ 66265.16(b) Personnel untrained and unsupervised ✓ Ok
- ☐ 66265.16(b) Hazardous waste personnel not trained within 6 months of hire date
- ☐ 66265.16(d) Training records not kept on site
- ☐ 66265.16(1) Training records missing job title/names of hazardous waste employees
- ☐ 66265.16(2) Training records missing description of position
- ☐ 66265.16(e) Training records not maintained until closure of facility or at least 3 years (for former employees)

(07) CONTINGENCY PLAN/BUSINESS PLAN

- ☐ 66265.53(b) Contingency/Business Plan not submitted/made ✓
- ☐ 66265.52(a) Plan does not describe personnel response in emergencies ✓
- ☒ 66265.52(b) Plan missing agreements with local emergency response agencies/hospitals
- ☐ 66265.52(d) Plan missing names/addresses/phone numbers of emergency coordinators
- ☐ 66265.52(e) Plan missing list of emergency equipment/locations ✓
- ☐ 66265.52(f) Plan does not contain evacuation procedures/routes ✓
- ☐ 66265.53 Copy of Plan not maintained on site ✓
- ☐ 66265.54 Plan not amended as necessary ✓
- ☐ 66265.55 Emergency coordinator not familiar with facility/Contingency Plan ✓

(08) PREPAREDNESS AND PREVENTION

- ☐ 66265.32(a) Internal communications or alarm system not provided ✓
- ☐ 66265.32 A device capable of calling outside emergency help not provided ✓
- ☐ 66265.34 No access to communication/alarm system during waste handling ✓
- ☐ 66265.32(c) No fire/spill control or decontamination system
- ☐ 66265.33 Emergency equipment not tested/maintained ✓ SCBA Ok
- ☐ 66265.35 Required aisle space not maintained ✓

(09) MANIFEST/RECEIPTS

- ☐ 66262.20 Waste shipped without a manifest ✓
- ☐ 66263.42 Modified manifest/receipt not kept/not available/incomplete ✓
- ☐ 25250.8 Waste oil modified manifest/receipt not kept/not available/incomplete
- ☐ 66262.23 Manifest copies not sent to DOHS within 30 days ✓
- ☐ 66262 23 Applicable sections of manifest not properly filed out
- ☐ 66262.23 Manifest missing GENERATOR information
- ☐ 66262.20 Manifest missing TRANSPORTER information ✓
- ☐ 66262.23 Manifest missing TSDF information
- ☐ 66262.23 Manifest missing waste description/quantity
- ☐ 66262.23 Manifest unsigned/undated by GENERATOR
- ☐ 66262.23 Manifest unsigned/undated by TRANSPORTER ✓
- ☐ 66262.42 No attempt to determine status of waste when no TSDF manifest copy received within 35 days of shipment
- ☐ 66262.42 Exception Report not sent to DOHS within 45 days
- ☐ 66262.40 Manifest copy not kept for 3 years from shipment

(10) TRANSPORT

- ☐ 66262.12 Waste offered to transporter without EPA ID No ✓
- ☐ 66262.12 Waste offered to TSD facility without EPA ID No ✓
- ☐ 66263.17 Waste transported by unregistered hauler

(11) EMERGENCY PROCEDURES

- ☐ 66265 56 Character/source/extent of emergency not determined
- ☐ 66265 56 Proper agencies not notified of health/environmental hazards
- ☐ 66265.56 Emergency data not logged/submitted to DTSC and Santa Clara County within 15 days of accident
- ☐ 66265.56 Released waste/contaminated equipment improperly treated, handled, stored, or disposed

(12) OTHER

- ☐ Sha Cruda
- ☐ _____

DBA/NAME Hewlett Packard - Trimble Address 350 W. Trimble Rd. SJ

Received by: Sha Cruda Inspected by: _____ Page 2 of 3

County of Santa Clara
Environmental Resources Agency
Department of Environmental Health
2220 Moorpark Avenue
San Jose, California 95128
(408) 299-6930
FAX (408) 280-6479

☐ **HAZARDOUS MATERIALS STORAGE**
☒ **HAZARDOUS WASTE GENERATOR**
OFFICIAL NOTICE OF INSPECTION

DATE 12/2/96

DBA/NAME Hewlett Packard - Trimble

Comments (see marked violations on page 1)

66265.174 Weekly inspection checklist did not include the following items:

1- Hazardous waste labels.
2- Aisle space
3- All Containers free of spillage on the Container top.

66265.52(b) Contingency plan did not include a written agreement from the local hospital. (A written acknowledgement is required.

The violations noted above should be corrected within 30 days and reported in writing

Received by: John Cook

Samples taken? Yes No

Photos taken? Yes No

Inspected by:

Hazardous Materials Compliance Division

VI. ARRANGEMENTS WITH LOCAL AUTHORITIES [66265.52 (c)]

Members of the local fire stations have participated in ERT drills at the Components Group sites, as well as toured the sites to become familiar with the locations of hazardous materials. Annually, the hazardous materials inspectors in the Fire Departments perform a wall to wall inspection for hazardous materials management at each of the Components Group sites. These inspections and drills give Fire personnel familiarity with Components Group sites and enable them to better respond to all types of emergencies

The Components Group Health Services Department works with nearby hospitals and emergency services to keep them familiar with the types of chemicals used at the Components Group Sites. They have made the arrangements described below to ensure adequate emergency treatment for Hewlett-Packard employees in the event of a chemical or physical accident. Treatment protocols for hazardous chemicals used at the Components Group sites have been reviewed with community emergency response agencies In addition, HP Components Group sites retain a physician/consultant who approves protocols (Dr Jeffrey Dunham, 408-988-6868).

A. The following emergency response procedures will be followed in the event of chemical exposure.

1. Decontaminate victims by the HP emergency response team
2. Provide emergency treatment and life support by HP emergency response team and nurses
3. Activate emergency medical service (call 911)
4. Contact Poison Control 408-299-5112 Dr. Gary Eberson, director, Edith Studer-Rondeau, poison center specialist.
5 Transport victim to hospital
6. Notify emergency room of victim arrival and exposure

In addition to submitting a copy of the Contingency Plan to the local authorities listed in section V of the Contingency Plan, Hewlett-Packard's Hazardous Materials Management Plans have been submitted to the corresponding Fire Departments in compliance with the San Jose, Santa Clara, and Newark Hazardous Materials Storage Ordinances This information allows these authorities to prepare for the potential need for their services

• Microwave Semiconductor Division
• Optical Communic Division
• Optoelectronics Div
370 West Trimble Road
San Jose California 95131

January 29, 1991
Up-date

San Jose Hospital
Attn: Jean Parrish, Head Nurse, Emergency
675 East Santa Clara Street
San Jose, CA 95112

RE: Hazardous Waste Contingency Plan for response to emergencies
FOR: Hewlett Packard San Jose Site
350/370 West Trimble Road
San Jose, CA 95131-1008

This attached information is sent to comply with California Department of Health Services regulations*, and to allow for preplanning by your agency. The information refers only to the hazardous waste accumulation areas of the Hewlett Packard Site unless noted otherwise. The information familiarizes you with the layout of our manufacturing site and the layout of the hazardous waste accumulation areas which support the semiconductor manufacturing operations. Information is included on the properties of hazardous waste handled, associated hazards, places where personnel would normally be working, entrances, roads, and possible evacuation routes. The attached plan is a Hazardous Waste Contingency Plan for response to emergencies which create a release or fire related to hazardous waste at Hewlett Packard San Jose Site.

In addition to this plan, the Hewlett Packard San Jose Site has submitted a Hazardous Materials Management Plan (HMMP) to the San Jose Fire Department Hazardous Materials Division. The HMMP contains information on chemical and waste storage at the HP San Jose Site, as well as details on the Site Emergency Response Procedures for chemical and waste spills . The attached Contingency Plan deals only with the actions necessary when a hazardous waste is released to soil, water, or air.

It is our understanding that you are the primary police emergency authority for the Hewlett Packard San Jose Site, and we will continue to send you information as required until we hear otherwise from you.

Please contact me if you wish to make any additional advance planning arrangements based on this Contingency Plan, or if you have any questions. My phone is 408-435-4183.

Regards,

Gail D Brownell

Gail D. Brownell, Environmental Manager
Hewlett Packard San Jose Site
350/370 West Trimble Road, 91BC
San Jose, Ca 95131

*California Administrative Code, Title 22, Division 4,
Section 67142

SENDER Complete items 1 and 2 when additional services are desired, and complete items 3 and 4

Put your address in the "RETURN TO" Space on the reverse side Failure to do this will prevent this card from being returned to you The return receipt fee will provide you the name of the person delivered to and the date of delivery For additional fees the following services are available Consult postmaster for fees and check box(es) for additional service(s) requested

1. ☐ Show to whom delivered, date, and addressee's address *(Extra charge)*
2. ☐ Restricted Delivery *(Extra charge)*

3 Article Addressed to
SAN JOSE HOSPITAL
JEAN PARRISH, HEAD NURSE, EMER.
675 EAST SANTA CLARA STREET
SAN JOSE, CA 95112

4 Article Number
P 946-349-766

Type of Service.
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED

5 Signature — Addressee
X

6 Signature — Agent
X

7 Date of Delivery
2/7/91

8 Addressee's Address *(ONLY if requested and fee paid)*

PS Form 3811, Apr 1989 ★U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

P 946 349 766

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to SAN JOSE HOSPITAL JEAN PARRISH, HEAD NURSE, EMER	
Street and No. 675 EAST SANTA CLARA ST	
P.O. State and ZIP Code SAN JOSE, CA 95112	
Postage	$ 1.44
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	1.00
Return Receipt showing to whom Date and Address of Delivery	
TOTAL Postage and Fees	$ 3.44
Postmark or Date	FEB 6 1991 SAN JOSE CA

PS Form 3800, June 1985

County of Santa Clara

Environmental Resources Agency
Department of Environmental Health

Hazardous Materials Compliance Division
2220 Moorpark, Avenue East Wing Room 204
San Jose, California 95128-2690
(408) 299-6930 FAX 280-6479

CERTIFICATION OF COMPLIANCE

BUSINESS NAME: Hewlett packard - Trimble INSPECTOR Mohammad Janjua

COUNTY I.D. NO. 501151 DATE OF INSP. 12/2/96

SITE ADDRESS: 350 W. Trimble Rd. S.J.

I certify under penalty of law that:

This Business has corrected all violations marked on the official notice of inspection.

I have personally examined any documentation attached to this certification to establish that the violations have been corrected.

Based on my examination of the attached documentation and inquiry of the individuals who prepared or obtained it, I believe that the information is true, accurate, and complete.

I am authorized to file this certification for the Business.

I am aware that there are significant penalties for submitting false information.

Signed: [signature]

Printed or Typed Name: STEWART CROOK

Title: ENVIRONMENTAL REPRESENTATIVE Date: 1/2/97

Mail To: Deputy Director
Hazardous Materials Compliance Division
P.O. Box 28070
San Jose, CA 95159-8070

Board of Supervisors Michael M Honda Zoe Lofgren Ron Gonzales Rod Diridon Dianne McKenna

RECEIVED BY
ENVIRONMENTAL HEALTH
HMCD

HEWLETT PACKARD

Hewlett-Packard Company
350/370 West Trimble Road
San Jose, California 95131-1008

MAY 22 3 52 PM '95

May 18, 1995

Ms. Nicole Pullman, R.E.H.S.
Hazardous Materials Specialist
County of Santa Clara Environmental Resources Agency
Hazardous Materials Compliance Division
2220 Moorpark Avenue, Room 204E, East Wing
San Jose, California 95128-2690

RE: Hewlett Packard Company EPA Generator I.D. No. CAT000611400, County I.D. No. 501151

Dear Ms. Pullman,

As requested, this letter is written to document our response to the items noted during your inspection of our facility on April 20, 1995. The two items noted on the notice of inspection and the action we have taken to address them are as follows:

1) Item Hazardous waste label missing from 1 cubic yard bag attached to the filter press during operation of the filter press. The bag is attached to the filter press to collect wastewater treatment sludge which is generated from operation of the facility's wastewater treatment system.

Action: Because the standard labels will not properly adhere to the bags, we are stenciling the bags with the required information before attaching them to the filter press. See photographs attached.

2) Item. Hazardous property not listed on label for two lab pack containers: 1 gallon container of film removal waste and 1 gallon container of chromium trioxide waste.

Action. This information has been entered on the labels for these containers.

Also enclosed please find a Certification of Compliance with respect to the above signed by Hewlett-Packard. We appreciate your courtesy during your inspection. Should you have any questions regarding the above, please feel free to contact me at (408) 435-4161.

Very truly yours,

Stewart Crook, R E A.
Environmental Representative

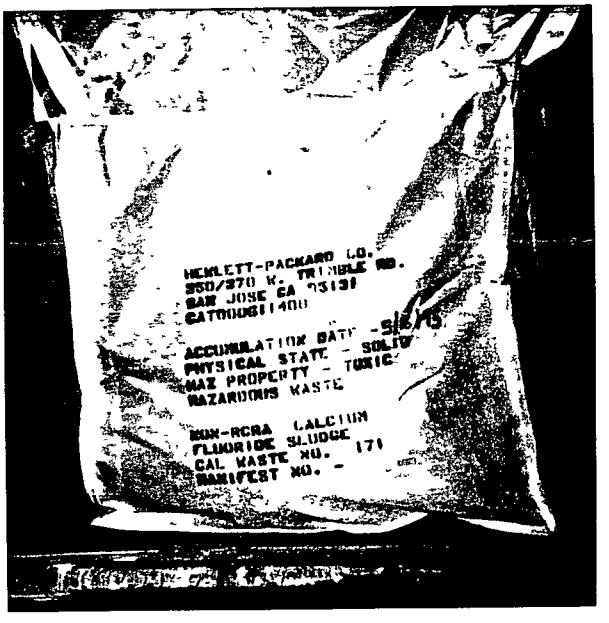
Reviewed By N.P.

Date 6/8/95

Hewlett-Packard Company
Components Group
370 West Trimble Road
San Jose California 95131

HEWLETT PACKARD

Ste Crook 5/18/95



Ste Crook 5/18/95

County of Santa Cl a
Environmental Resources Agency
Department of Environmental Health
Hazardous Materials Compliance Division
2220 Moorpark, Avenue East Wing Room 204
San Jose, California 95128-2690
(408) 299-6930 FAX 280-6479

ENVIRO MENTAL HEALTH
HMCD
MAY 22 3 52 PM '95

CERTIFICATION OF COMPLIANCE

BUSINESS NAME: Hewlett-Packard INSPECTOR Nicole Pullman

COUNTY I.D. NO. 501151 DATE OF INSP. 4/20/95

SITE ADDRESS: 350 W. Trimble Rd S.J.

I certify under penalty of law that.

This Business has corrected all violations marked on the official notice of inspection.

I have personally examined any documentation attached to this certification to establish that the violations have been corrected.

Based on my examination of the attached documentation and inquiry of the individuals who prepared or obtained it, I believe that the information is true, accurate, and complete.

I am authorized to file this certification for the Business.

I am aware that there are significant penalties for submitting false information.

Signed: Stewart Crook

Printed or Typed Name: STEWART CROOK

Title: ENVIRONMENTAL REP. Date: 5/18/95

Mail To: Deputy Director
Hazardous Materials Compliance Division
P.O. Box 28070
San Jose, CA 95159-8070

Board of Supervisors Michael M Honda Zoe Lofgren Ron Gonzales Rod Diridon Dianne McKenna

Hewlett-Packard Company
Components Group
370 West Trimble Road
San Jose, California 95131

HEWLETT PACKARD

SAN JOSE

CERTIFIED MAIL

U.S. POSTAGE 2.52

CALIF 6045568

RETURN RECEIPT REQUESTED

Ms. Nicole Pullman, R.E.H.S.
Hazardous Materials Specialist
County of SC Environ Resources Agency
2220 Moorpark Avenue, Room 204E, E. Wi
San Jose, CA 95128-2690

Printed on recycled paper

95128-2690

County of Santa Clara

Environmental Resources Agency
Department of Environmental Health

Hazardous Materials Compliance Division
2220 Moorpark, Avenue, East Wing, Room 204
San Jose, California 95128-2690
(408) 299-6930 FAX 280-6479

HAZARDOUS WASTE GENERATOR OFFICIAL NOTICE OF INSPECTION

DBA/NAME Hewlett Packard - Trimble	EPA # CAT 000611400					COMPUTER # 501151
ADDRESS 350/370 N. Trimble Rd, San Jose						DATE 4/20/95 SC 01
CONTACT PERSON Stewart Crook						HOURS 3.0 WORK AREA 607
COMPANY PRESIDENT/OWNER ETC						EMP # 652 DAYS GIVEN 30
COMPANY MAILING ADDRESS	1	2	3	4		ENTERED 5-9-95 BY MT

VIOLATIONS: Item(s) checked below represent a violation of referenced sections of Title 22 of Calif Code of Regulations, and/or Chapter 6 5 of the Health & Safety Code for which there are civil and criminal penalties in addition to fines ranging from $2,000 to $250,000 per day per violation Time granted for correction of violations does not preclude any enforcement action by this department or other agencies

(01) HAZARDOUS WASTE DETERMINATION

☐ 66262.11 Hazardous waste determination not made

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Received by GARY LAPP Inspected by: Nicole Pullman Page 1 of 3

5184

(06) TRAINING

☐ 66265.16 Training Program not provided
☐ 66265 16(b) Personnel untrained and unsupervised
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☐ 66265.16(d) Training records not kept on site
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☐ 66265.56 Released waste/contaminated equipment improperly treated, handled, stored, or disposed

(12) OTHER

☐ _____
☐ _____

DBA/NAME Hewlett Packard - Trimble Address 350/370 W. Trimble Rd, S. J.

Received by: GARY LAGE Inspected by: Nicole Pellman Page 2 of 3

5184-A REV 5/92

County of Santa Clara
Environmental Resources Agency
Department of Environmental Health
2220 Moorpark Avenue
San Jose, California 95128
(408) 299-6930
FAX (408) 280-6479

☐ **HAZARDOUS MATERIALS STORAGE**
☒ **HAZARDOUS WASTE GENERATOR**
OFFICIAL NOTICE OF INSPECTION

DATE 4/20/95

DBA/NAME Hewlett Packard - Trimble

Comments (see marked violations on page 1)

Item 3 from Tier verification report -

(3) 66 262.34 (1) "Hazardous Waste" label missing for container (1 cubic yard) with waste filter cake. Hazardous property missing on label of some lab pack containers (1 gal film removal & 1 gal chromium trioxide). Provide required label and information

Correct violation and within 30 days return certificate of compliance with written response.

Reports reviewed:
1994 Haz. Waste Fee to State Board of Equalization
Last BI annual report
Training plan
Contingency plan
All manifest since last insp of 7/94

Received by:
GARY LAPP

Inspected by:
Nicole Pullman
Hazardous Materials Compliance Division

Samples taken? Yes (No)

Photos taken? Yes (No)

RECEIVED BY
ENVIRONMENTAL HEALTH
HMCD
AUG
JUL 84 3 57 PM '94

HEWLETT PACKARD

Hewlett-Packard Company
350/370 West Trimble Road
San Jose, California 95131-1008

August 2, 1994

Mr. Mohammad A. Janjua, R E.A.
Hazardous Materials Specialist
County of Santa Clara Environmental Resources Agency
Hazardous Materials Compliance Division
2220 Moorpark Avenue, Room 204, East Wing
San Jose, California 95128-2690

Dear Mr. Janjua:

This letter is written in response to your inspection of our facility on July 5, 1994. Two violations were documented during your visit The following is a list of the noted violations:

66262.34(f) One 55 gallon drum of waste had an illegible accumulation start date marked on the hazardous waste label.

66262.52(b) A copy of a written agreement with our local hospital wasn't in our Contingency Plan.

The above violations have been corrected. Detailed below are descriptions of the action taken to correct the violations.

66262.34(f) We have computerized our hazardous waste label procedure in-order to reduce the chances of this type of non-compliance in the future. A photograph of the offending drum, with its new label, is enclosed for your review

66265.52(b) The written arrangements agreed to by the local hospital and Hewlett Packard San Jose are enclosed for your review and have been included with the Site Contingency Plan Document.

Enclosed please also find the "CERTIFICATION OF COMPLIANCE" form certifying that HP San Jose has corrected all violations marked on the official notice of inspection. Please contact me at 408-435-4161, if you have questions or need more information to correct these issues.

Sincerely,

Stan Crook

Stewart Crook, R.E.A.
Environmental Representative

Reviewed By _____

Date 8/8/94