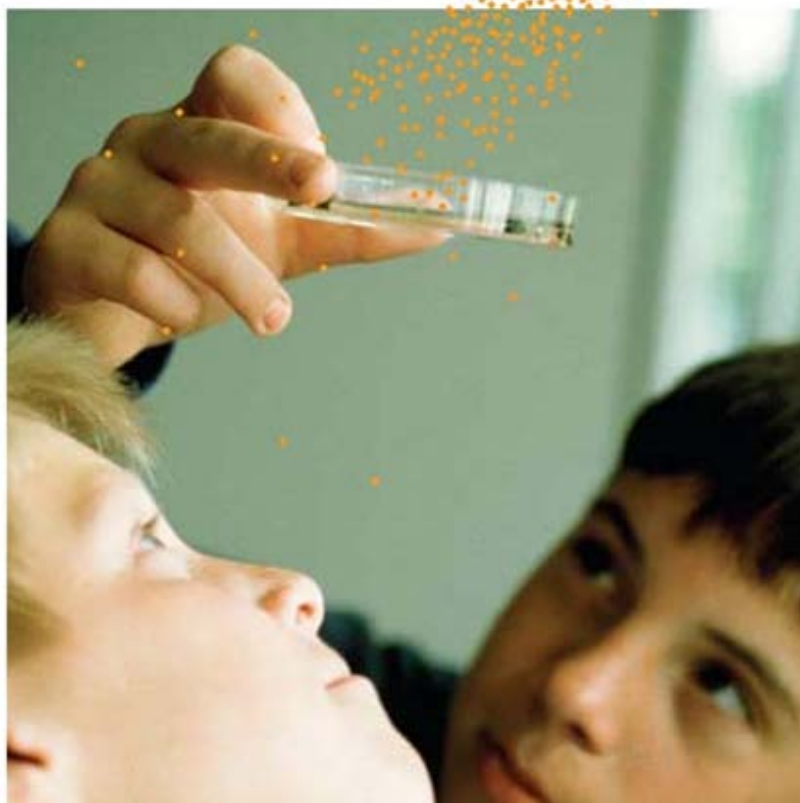




## Agilent Technologies Inc. and Agilent Technologies Foundation 2008

Investing in Our Communities



## Investing in Our Communities

Each year Agilent Technologies, through its businesses, employees and foundation, dedicates thousands of hours and donates millions of dollars to organizations that enrich our communities intellectually and socially. We are champions of science education. The men and women of Agilent collaborate with schools and universities, making a difference by offering their unique skills, expertise and time. Through our grants, we act as a catalyst to improve scientific inquiry and teaching so that knowledge can multiply. Volunteerism and civic engagement are ingrained in our culture. Over many years, we have developed a core belief that connecting people is the richest part of discovery.

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## A Message from Agilent Technologies President and CEO Bill Sullivan

One of Agilent Technologies' core objectives is to be an economic, intellectual and social asset to each nation and community in which we operate. We fulfill this objective through our company values, through the way we conduct business, and through the actions of our employees.

During the past year, our philanthropic efforts – through both Agilent Technologies and the Agilent Technologies Foundation – extended to a wide range of innovative programs. At the pre-university level, we contributed to science education programs. At the university level, we sponsored research grants that fostered innovation. As a global company, we worked collaboratively with local organizations throughout the world to enhance science education and technology research, providing new and exciting tools to educators and university researchers.

Our efforts at a company level were greatly enhanced by the support and dedication of Agilent's 19,000 employees. Agilent people throughout the world devoted thousands of volunteer hours to increasing student interest in science and other community activities. Their volunteer efforts were reinforced by cash donations given through Agilent's annual Employee Giving Campaign.

As we enter 2009, we face an unprecedented economic recession on a global scale. Given this environment, it is even more critical that we continue to serve the communities where we do business. In the coming year we will maintain our commitment to global science education and research, in order to improve the way that people around the world work, live and prepare for the future.



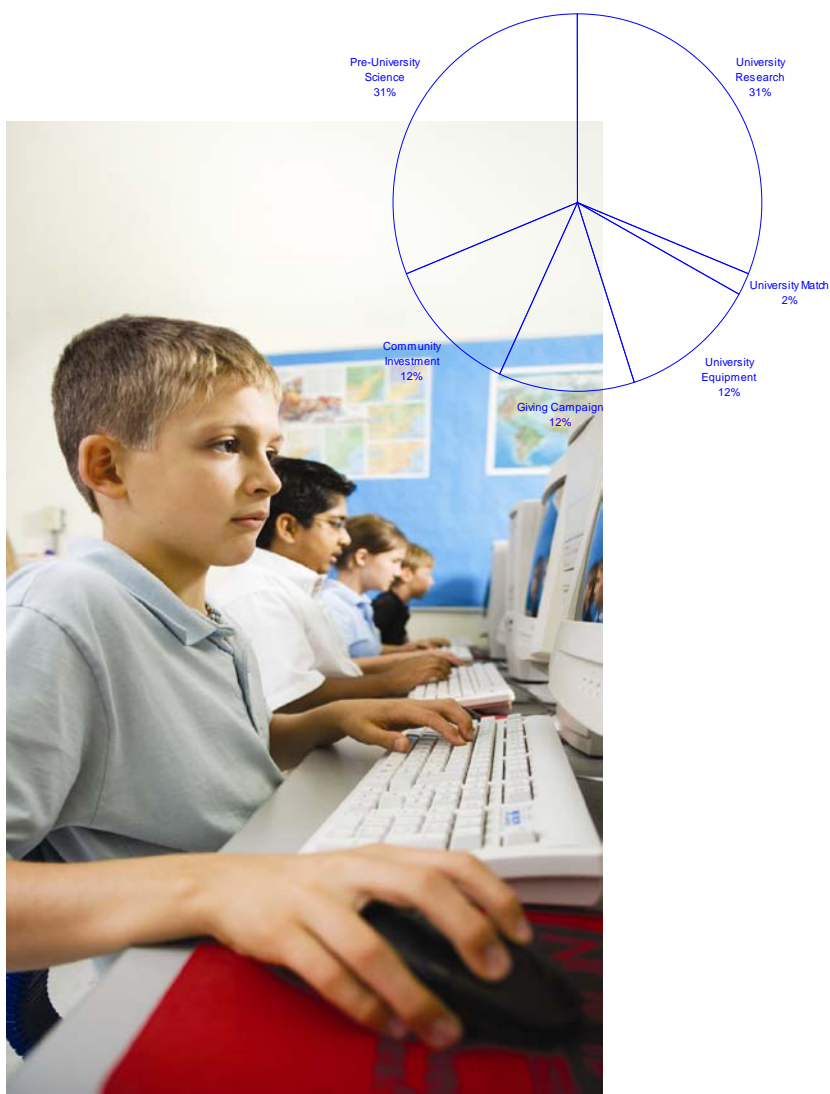
Bill Sullivan  
President and CEO,  
Agilent Technologies

Chairman,  
Agilent Technologies Foundation

Agilent Technologies Community Investment 2008

<b>Contributions</b>	
Education	\$ 5,244,000
·Pre-university Science Education	\$ 2,111,000
·University	
- Equipment	\$ 829,000
- Cash	
·Research	\$ 2,144,000
· Employee match	\$ 160,000
Giving Campaign	\$ 812,000
Community Investment (non-education)	\$ 828,000
<hr/>	
Total Investment	\$ 6,884,000
<b>Source</b>	
Agilent Technologies	\$ 1,990,000
Agilent Technologies Foundation	\$ 4,894,000
<hr/>	
Total Investment	\$ 6,884,000

Disaster Relief support including equipment and cash for the China earthquake is included in the Community Investment and Pre-university Science Education categories for a total of over \$700,000.

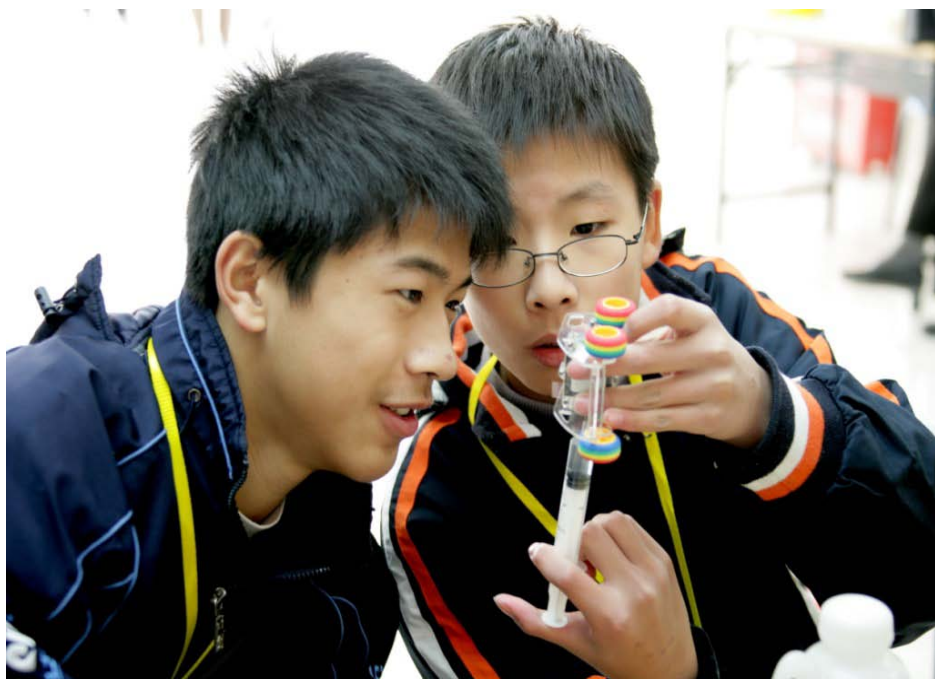


Online learning is a growing part of the teaching environment. Foundation grants help teachers and students understand scientific principles.

## Pre-University Science Education

Pre-university grants develop the leadership capabilities of classroom science teachers, using inquiry-based science to improve student engagement and learning. With this focus, foundation grants help students develop the creativity and clear thinking essential for tomorrow's jobs. Concentrated in countries where Agilent has a presence, the grants promote science education programs that are coordinated with local and national initiatives. In 2008, Agilent Technologies and its foundation provided \$2.1 million in pre-university science education grants, reaching more than 4,900 educators and 283,000 students worldwide. Our grants align with our commitment to extend the knowledge, reach and effectiveness of science teachers around the world.

**Students construct a hydrogen fuel cell during  
the Clean Air Challenge in Shanghai**



The Foundation continued its funding for an environmental curriculum, the **Clean Air Challenge** (CAC), that is expanding teacher instruction in China, India and the United States. Since 2003, CAC has engaged more than 200,000 students and trained more than 1,900 teachers.

The partnership initiated in 2006 with Teachers Without Borders continued, building on successful inquiry-based science programs in China's Sichuan Province to create a sustainable and replicable model for secondary science teacher professional development. While the focus of this partnership shifted to address immediate needs of our Chinese education partners following the destructive earthquake in May, progress continues on this leading edge model for China.

Developed through foundation grants to **Agastya**, a public charitable trust, two programs are delivering inquiry-based science programs to children and teachers in the resource-poor areas of rural India. Foundation programs in India are aligned with the Indian government's "Learning for All" initiative.

Joining forces with the National Science Teachers Association (NSTA) to address the high attrition rate among new science teachers, the Agilent Foundation funded the participation of ten science teachers across the U.S. as Agilent Foundation-NSTA Fellows. The one-year long program, intended for secondary science educators entering their second or third year of teaching, is designed to promote quality science teaching, enhance teacher confidence and classroom excellence and improve teacher content knowledge.

Agilent Technologies has a strong history with the **Intel International Science and Engineering Fair** (ISEF), the world's largest "celebration of science," in which 2,500 of the world's top student scientists compete. Agilent brings a global team of employees to judge the students' projects and awards top competitors with paid summer internships at Agilent sites around the world. In its eighth consecutive year of participation, the foundation supported teacher workshops during the 2008 competition, and again hosted an international panel of scientists and technologists that included several Nobel laureates.

In Europe, the foundation funded grants in Scotland and Germany. The **"Engineering the Future"** initiative is a government-backed pilot program in Scotland to promote engineering as a career. A key aspect of the program is collaboration between secondary schools and universities. Another foundation grant provided training modules for science teachers through Germany's **Science House**, operated by Förderverein Science und Technologie e.V. under the country's education minister.

## University Grants

University grants fund science and technology research by supporting professors and students working at the forefront of electronic measurement and bio-analysis technologies – areas critical to the future of the high-technology industry. In 2008, Agilent Technologies and its foundation provided \$2.97 million in cash and equipment grants and fellowships to advance research and education programs at 58 universities worldwide. The foundation also provided diversity grants that supported 192 women and underrepresented populations studying math, science and engineering at six universities across China, India, Malaysia and the United States. We collaborate with academic researchers to bring about breakthroughs and open new fields in the sciences and technology.

Every second, trillions of pieces of information move across the Internet. Measuring this data presents a host of challenges because of the sheer number of parameters – from the volume, size and type of information to the who, what, when, where and how of each packet sender. A grant from the Agilent Technologies Foundation helped university researchers advance the development of **field-programmable gate array (FPGA) technology** – reconfigurable hardware that allows high-speed Internet service providers to make complete measurements, optimize performance on their networks and offer new services such as higher-resolution video streaming.

Common to all diseases is the need for accurate detection before or at an early stage of progression. High-performance analysis at the molecular level is yielding important data. Another university research grant funds a Population Proteomics investigation focusing on cardiovascular diseases. Population Proteomics studies stand to benefit the scientific community by furthering the general understanding of protein behavior. The research results will find increased use in large population biomarker discovery and validation efforts and ultimately in diagnostic and therapeutic applications.



Researchers studying prenatal diagnoses at Chinese University of Hong Kong are mapping and analyzing DNA sequences using Agilent microarray technology.



## Annual Giving Campaign

The annual Agilent Employee Giving Campaign provides employees with an opportunity to support people in need in the communities where they live and work. In 2008, the Agilent Technologies Foundation matched over \$800,000 in employee contributions providing support for hundreds of essential health and human care programs that deliver respect, hope and solutions to people struggling to get by.



Agilent employee volunteers in Singapore distribute food parcels in the Marsiling neighborhood.

## Volunteerism

The cornerstone of our citizenship efforts is volunteerism. Agilent employees may use up to four hours of paid time each month or up to six days per year to work on community activities supported by the company. Company-supported programs focus on increasing student interest and achievement in science education; improving the environment; and addressing health and human-services issues. In 2008, more than 25 percent of Agilent's employees volunteered, donating more than 50,000 hours to our communities.

Scores of health and human-care agencies were aided in 2008 by Agilent volunteers during community service events. In the United States, more than 1,000 employees contributed their talents and labor on **Make A Difference Day** and **United Way's Day of Caring**. Employees in Singapore, Malaysia and India took part in food and clothing drives to assist thousands of low-income families in nearby neighborhoods.

**Agilent After School** teams our employees with children ages nine to 13, helping them explore and learn science concepts by providing specially designed, hands-on experiment kits. Annually, the program reaches more than 60,000 students worldwide. In the United States, Girl Scouts who live near Agilent sites can now earn an Agilent Science patch for the kits they complete.

To inspire young women's interest in science careers – part of Agilent's long-standing commitment to the annual **Engineers Week** programs – we joined forces with other corporations to sponsor "Introduce a Girl to Engineering" which includes the Global Marathon For, By and About Women in Engineering, a series of 24-hour Internet and teleconference sessions in which thousands of girls across the world interact directly with female engineers. Agilent women engineers worldwide took part in these programs.

The Agilent Foundation focuses its support on inquiry-based science to improve student engagement and learning.



## Agilent Technologies Board of Directors

### **James G. Cullen**

Non-executive Chairman Agilent Technologies Inc., Former President and Chief Operating Officer Bell Atlantic

### **William P. Sullivan**

President and Chief Executive Officer, Director Agilent Technologies Inc.

### **Paul N. Clark**

Former Chairman, President and Chief Executive Officer ICOS Corporation

### **Heidi Kunz**

Executive Vice President and Chief Financial Officer Blue Shield of California

### **Robert J. Herbold**

Retired Executive Vice President Microsoft Corporation

### **Robert L. Joss**

Dean, Graduate School of Business Stanford University

### **David M. Lawrence, M.D.**

Former Chairman Emeritus Kaiser Foundation Health Plan Inc. Kaiser Foundation Hospitals

### **Koh Boon Hwee**

Chairman DBS Group Holdings

### **A. Barry Rand**

Former Chairman and Chief Executive Officer Equitant

## Foundation Board of Directors

### **William P. Sullivan**

Chairman of the Board and First Vice President

### **Adrian T. Dillon**

Vice President and Treasurer

### **D. Craig Nordlund**

Vice President and Secretary

### **Cynthia Johnson**

Vice President

## Agilent Technologies Foundation

The Agilent Technologies Foundation focuses on advancing pre-university science education around the world by creating and supporting strategic initiatives linked to change and improvement in student learning and engagement. At the university level, the foundation funds research at the frontiers of measurement in electronics, chemical and biological sciences. The foundation match of employee giving strengthens the communities where Agilent has a presence.

### Statement of Financial Position

October 31, 2008

#### Assets

Cash	\$	206,679
Cash equivalent- Schwab Value Advantage Money Fund		6,326,912
Grant receivable from Agilent Corporation		6,700,000

Total current assets	13,233,591
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Fixed Assets- archive display cases	19,581
Less: accumulated depreciation	(4,196)

Collection- Agilent Company Archives	3,326,000
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Total non-current assets	3,341,385
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<b>Total assets</b>	<b>\$16,574,976</b>
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#### Liabilities & Net Assets

##### Liabilities

##### Current liabilities

Accounts payable	\$	136,173
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Grants payable	938,290
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Total current liabilities	1,074,463
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##### Long term liabilities

Grants payable, net	145,500
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Total liabilities	1,219,963
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##### Net Assets

Unrestricted net assets	15,355,013
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<b>Total liabilities and net assets</b>	<b>16,574,976</b>
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## Statement of Activities

For the year ended October 31, 2008

### Unrestricted Support and Revenue

Interest Income	\$	14,443
Donation from Agilent Technologies, Inc.		335,000
Dividend income		225,303
Total restricted support and revenue		574,746

### Expenses

Grants		
Grant payments made		4,894,424
Prior year grant payments returned, unspent		(49,215)
Increase in grants authorized but unpaid		146,040
Total grant expense		4,991,249

### Support Services

Office expenses		1,874
Administrative services		517,304
Depreciation expense		2,797
Travel, conferences, and other expenses		10,679
Professional services		16,869
Dues, subscriptions, and memberships		109,700
Federal excise taxes		3,650
Filing fees		25
Total expenses		5,654,147
Decrease in unrestricted net assets		(5,079,401)
Unrestricted net assets, November 1, 2007		20,434,414
<b>Unrestricted net assets, October 31, 2008</b>	<b>\$</b>	<b>15,355,013</b>

## Statement of Cash Flows

*For the year ended October 31, 2008*

Cash flows from operating activities:		
Decrease in net assets	\$	(5,079,401)
Adjustment to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation expense		2,797
Changes in assets & liabilities:		
Decrease in grant receivable		6,365,000
Decrease in accounts payable		(43,869)
Increase in grants payable		146,040
Net cash provided by operating activities		1,390,567
Net cash from investing activities		-
Net cash from financing activities		-
Net increase in cash		1,390,567
Cash and cash equivalents, November 1, 2007		5,143,024
<b>Cash and cash equivalents, October 31, 2008</b>	<b>\$</b>	<b>6,533,591</b>

## Notes To Financial Statements

October 31, 2008

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

**Organization** – Agilent Technologies Foundation ("Foundation"), is a non-profit California corporation incorporated in September 1999. The Foundation was formed for the purpose of supporting various philanthropic organizations and activities. Resources for the Foundation's activities are provided by donations from Agilent Technologies, Inc. and income earned from cash and cash equivalents.

**Basis of Presentation** – The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The financial statements of the Foundation are prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

**Contributions** – Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. In addition, pledges and unconditional promises to give are reported as temporarily restricted support upon date of notification and are then released from restrictions upon satisfaction of the time or use requirements. If a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as unrestricted.

**Donations** – All donations are considered to be available for unrestricted use unless specifically restricted by the donor. Donated materials, services, equipment, and supplies are reflected as contributions in the accompanying statements at their estimated value at date of notification. The Foundation receives from Agilent Technologies, Inc. the use of facilities, miscellaneous supplies, and support services at no charge. The value of these items has not been determined. For the year ended October 31, 2008, no material amounts of services meeting the measurement requirements of SFAS No. 116

were contributed.

**Cash and Cash Equivalents** – For purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of these instruments.

**Grants Receivable** – Grants receivable are written off when they are deemed uncollectible. This method is not in accordance with generally accepted accounting principles, however, the Foundation's experience with collections indicates that the direct write off method approximates the allowance method.

**Income Taxes** – The Foundation is exempt from Federal income taxes under Internal Revenue Code ("Code") Section 501(c)(3), from California income taxes under Section 23701(d) of the California Bank and Corporation Tax Law, and has been determined to be an organization that is a private foundation. As a private foundation, the Code imposes an excise tax of 2% (reduced to 1% if certain conditions are met) on net taxable investment income of the Foundation.

**Depreciation** – Fixed assets consist of display cases for the collection, are reported at cost, and depreciated using the straight-line method over the estimated useful life of the asset, seven years. The Foundation's policy is to capitalize expenditures of this nature equal to or in excess of \$1,000. Fixed asset additions for the year ended October 31, 2008 totaled \$0 and depreciation expense for the year ended October 31, 2008 was \$2,797.

**Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**2. GRANTS RECEIVABLE:** The carrying amount for grant receivable reported in the statement of financial position approximates fair value, as the amount is due within ninety days.



### 3. COLLECTION:

The Foundation has capitalized collections since its inception. The Collection consists of printed materials and equipment detailing the legacy of Agilent Technologies, Inc.'s former parent company, Hewlett-Packard, and more specifically the history of David Packard and William Hewlett. The materials include publications, news clippings, photographs, laboratory notebooks, manuscripts, and other historical records. The Collection is stated at the estimated fair market value at the time of donation, based on an independent appraisal. Gains and losses on the deaccession of donated collection items are classified in the statement of activities based on the absence or existence and nature of donor restrictions placed on the item at the time of donation.

### 4. RELATED PARTY TRANSACTIONS and ACCRUED COMPENSATION:

The Foundation reimburses Agilent Technologies, Inc. for the actual salary cost incurred by individuals performing services for the Foundation plus an additional 28% for benefits. Agilent Technologies, Inc. employees accrue 15 to 30 days of flexible time off (FTO), depending upon length of service, up to a maximum accrual of 22½ to 45 days. The FTO hours may be used for vacation, sick leave, holidays, family emergencies, religious observances, preventive health or dental care, and personal time. Upon termination, employees are compensated for unused FTO hours. Benefited part-time employees receive the FTO benefits on a pro-rated basis. For the year ended October 31, 2008, the Foundation paid a total of \$557,783 for reimbursement of services performed by Agilent Technologies, Inc. employees.

### 5. GRANTS PAYABLE:

Grants payable represents all unconditional grants that have been authorized prior to year-end, but remain unpaid as of October 31, 2008. Conditional grants are expensed and considered payable in the period the conditions are substantially met. There were no conditional grants at October 31, 2008. The carrying amounts for current grants payable reported in the statement of financial position approximate fair value as all amounts are due within one year. The carrying amount for long term grants payable are reported net of an unamortized discount of \$4,500, based on

risk-free interest rate of 3%.

### 6. CONCENTRATIONS AND CONTINGENCIES:

At times during the fiscal year ended October 31, 2008, the Foundation maintained balances in excess of insured limits at one financial institution.

The Foundation, during the normal course of operating its business, may be subject to various lawsuits, licensing reviews, and government audits. Management believes that losses resulting from these matters, if any, would either be covered under the Foundation's insurance policy or is immeasurable. Management further believes the losses, if any, would not have a material effect on the financial position of the Foundation.

## Independent Auditors' Report

Agilent Technologies Foundation

We have audited the accompanying statement of financial position of Agilent Technologies Foundation (a California non-profit corporation) as of October 31, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Agilent Technologies Foundation as of October 31, 2008, and the changes in its cash flows and net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Agilent Technologies Foundation. The accompanying schedule of grants payable for the year ended October 31, 2008, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information contained in this schedule has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

November 20, 2008

*NICHOLS RICK & COMPANY*