

**Agilent Technologies Inc. and  
Agilent Technologies Foundation 2007**  
Investing in Our Communities



**Agilent Technologies**

## 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.

## Contents

A Message from Agilent's President and CEO	1
The Year in Review	2
Pre-University Science Education	4
University Grants	7
Annual Giving Campaign	8
Volunteerism	9
Board of Directors	12
Financial Section	13


## 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 are committed to improving people's lives, not only as a good corporate citizen, but as a social institution that effects positive change. This commitment is demonstrated by our company values, by the way we conduct business, and by the actions of our employees.

Our philanthropic efforts—through both Agilent Technologies and the Agilent Technologies Foundation—extend to a wide range of innovative programs. We focus on science education at the pre-university level, as well as on research grants that foster innovation at the university level. As a global company, we work collaboratively with local organizations throughout the world to enhance science education and technology research, providing new and exciting tools to educators and researchers.

Our efforts at a company level are greatly enhanced by the support and dedication of Agilent's 19,400 employees. Every year, Agilent people throughout the world devote thousands of volunteer hours to increasing student interest in science and other community activities. Their volunteer efforts are reinforced by cash donations given through Agilent's annual Employee Giving Campaign.

We look back on the previous year with a sense of accomplishment at what we have achieved through company, foundation and employee philanthropy. At the same time, we look ahead to the coming year with excitement at what is still possible.



**Bill Sullivan**  
President and CEO,  
Agilent Technologies  
Chairman,  
Agilent Technologies Foundation

## Agilent Technologies Community Investment 2007

### Contributions

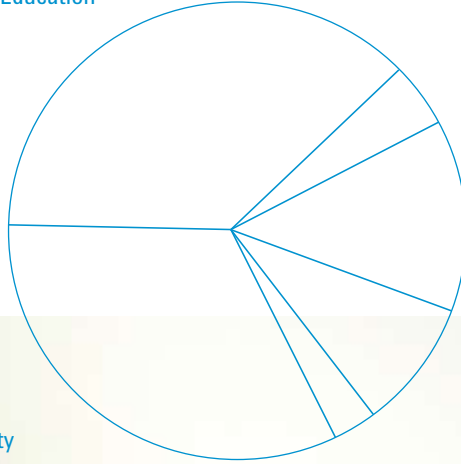
Education	\$ 5,400,000
· Pre-university Science Education	\$ 2,500,000
· University	
- Equipment	\$ 600,000
- Cash	
◦ Research	\$ 2,100,000
◦ Employee match	\$ 200,000
Giving Campaign	\$ 900,000
Community Investment (non-education)	\$ 300,000
<hr/>	
Total Investment	\$ 6,600,000

### Source

Agilent Technologies	\$ 1,500,000
Agilent Technologies Foundation	\$ 5,100,000
<hr/>	
Total Investment	\$ 6,600,000

**Digital learning is a growing part of the teaching environment. A foundation grant to the National Science Teachers Association helps teachers better understand and teach basic scientific principles.**

Pre-University  
Science Education  
**38%**



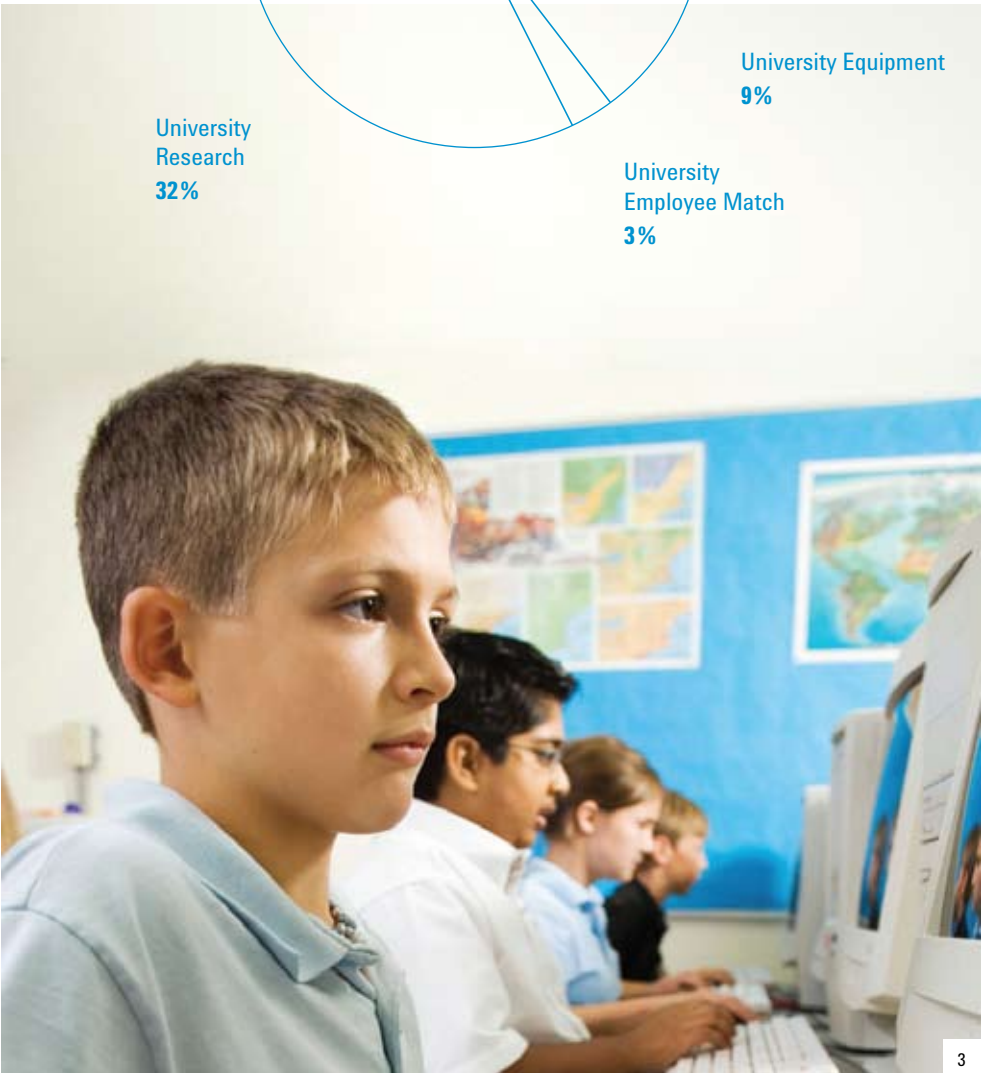
Community Investment  
(non-education)  
**5%**

Giving Campaign  
Employee Match  
**14%**

University Equipment  
**9%**

University  
Research  
**32%**

University  
Employee Match  
**3%**



## 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 2007, Agilent Technologies and its foundation provided \$2.5 million in pre-university science education grants, reaching more than 6,800 educators and 345,000 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.**

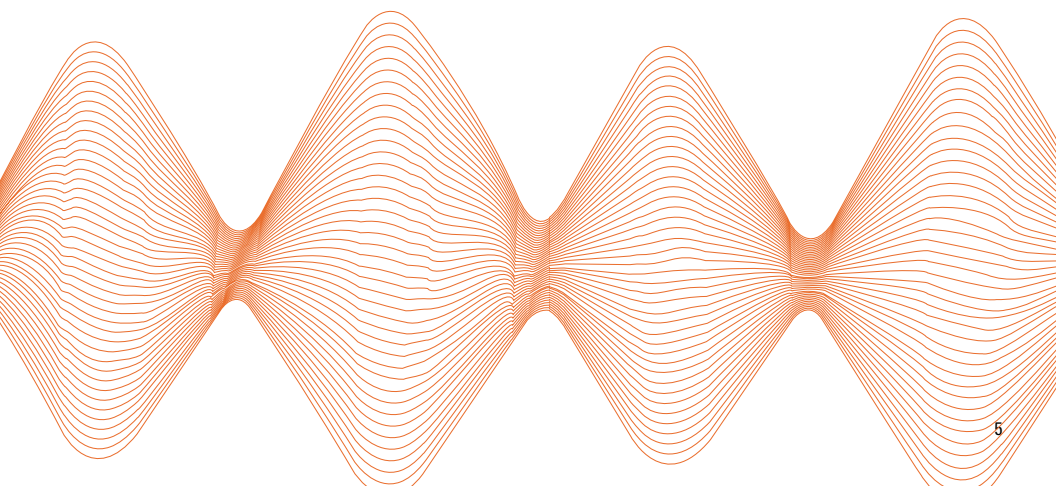


The foundation continued its funding for an environmental curriculum, the **Clean Air Challenge** (CAC), that is expanding teacher instruction in China, India and the United States. In 2007, the grant brought instructional materials, lab supplies and workshops to teachers in China, including local high-school faculty providing classroom training for the Beijing 2008 Olympic Games volunteers.

Funding initiated in 2006 for **Teachers Without Borders** continued, following a successful pilot program in China's Sichuan Province. Building on the foundation's commitment to inquiry-based science, the program focuses on building the knowledge and skills of science teachers in this region of China, where many of the poorest schools are located.

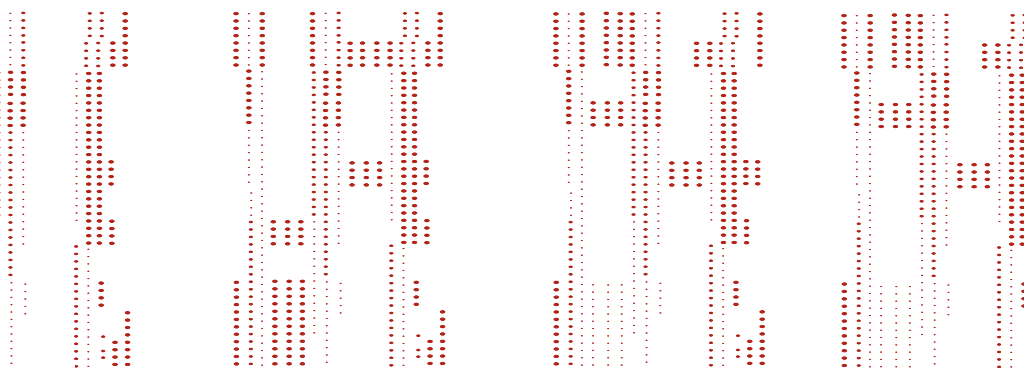
Developed through foundation grants to **Agastya**, a public charitable trust, two programs are delivering inquiry-based science and environmental programs to children, teachers and other adults in the resource-poor areas of rural India. All foundation programs in India are aligned with the Indian government's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

The **National Science Teachers Association** (NSTA) is producing a collection of free, online resources that expand U.S. science teachers' knowledge of the subjects they teach. With backing from the Agilent Technologies Foundation, NSTA has developed new life-sciences online lessons for this initiative. The two **Science Objects** – **Cells: the Basis of Life** and **Molecular Machinery of Life** – help teachers enter the microscopic world to understand and convey to students the structure and function of living cells.



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 seventh consecutive year of participation, the foundation supported teacher workshops during the 2007 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.

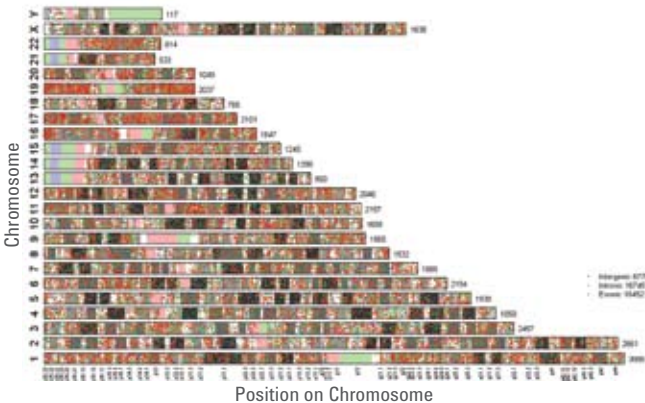


## University Grants

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 2007, Agilent Technologies and its foundation provided \$2.9 million in cash and equipment grants and fellowships to advance research and education programs at 145 universities worldwide. The foundation also provided diversity grants that supported 356 women and students from underrepresented populations studying math, science and engineering at nine universities across China, 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.

Another foundation grant funded researchers peering into the electronic properties of biomaterials with an ingenious **near-field microwave probe**. Through an innovative combination of atomic-force microscopy, microwave measurement and advanced imaging techniques, the probe has revealed new details that challenge scientists to develop new interpretations of the discoveries they make at the frontiers of science.



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

## Annual Giving Campaign

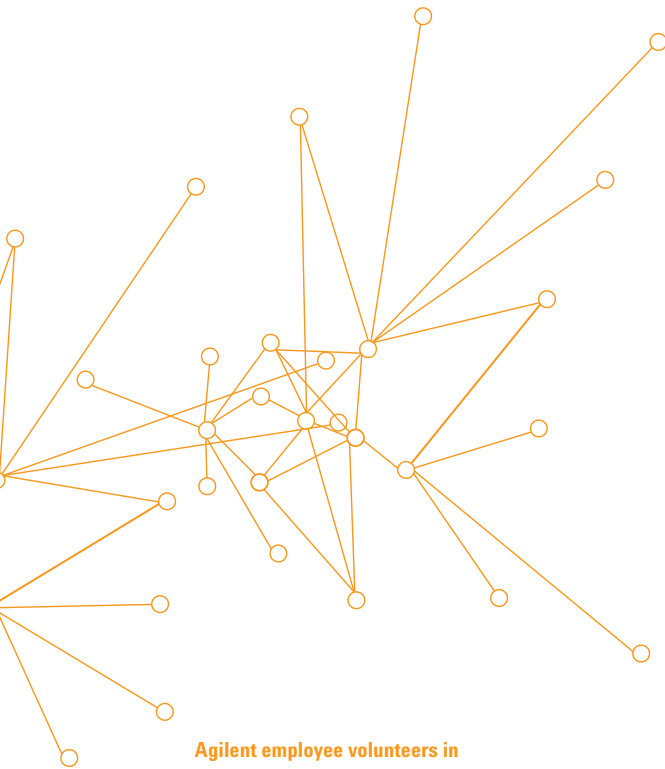
The annual Agilent Employee Giving Campaign provides employees in the United States, Canada, the United Kingdom and Japan with an opportunity to support people in need in the communities where they live and work. Contributions to health and human-care organizations are matched by the Agilent Technologies Foundation. In 2007, Agilent employee donations combined with matching funds from the foundation totaled \$2.2 million, funding hundreds of essential programs that deliver respect, hope and solutions to people struggling to get by.



## Volunteerism

The cornerstone of our citizenship efforts is volunteerism. Agilent employees may use up to four hours of paid time each month 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 2007, more than 25 percent of Agilent's employees volunteered, donating more than 50,000 hours to our communities.

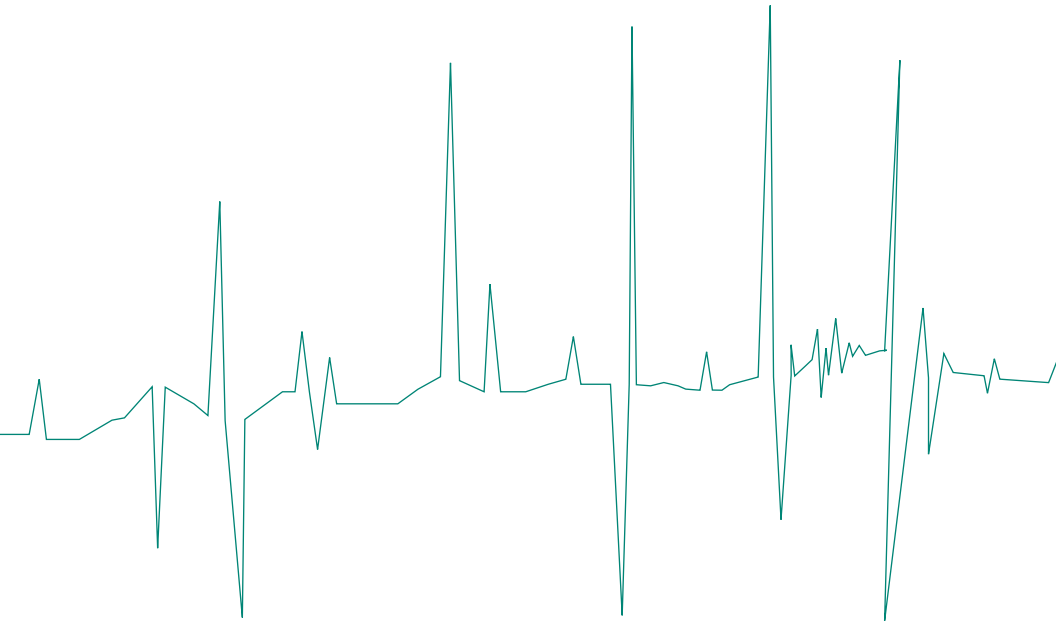
Scores of health and human-care agencies were aided in 2007 by Agilent volunteers during community service events. In the United States, more than 1,000 employees contributed their talents and labor on **Make A Difference Day** and **United Way's Day of Caring**. Employees in Singapore, Malaysia and India took part in food and clothing drives to assist thousands of low-income families in nearby neighborhoods.



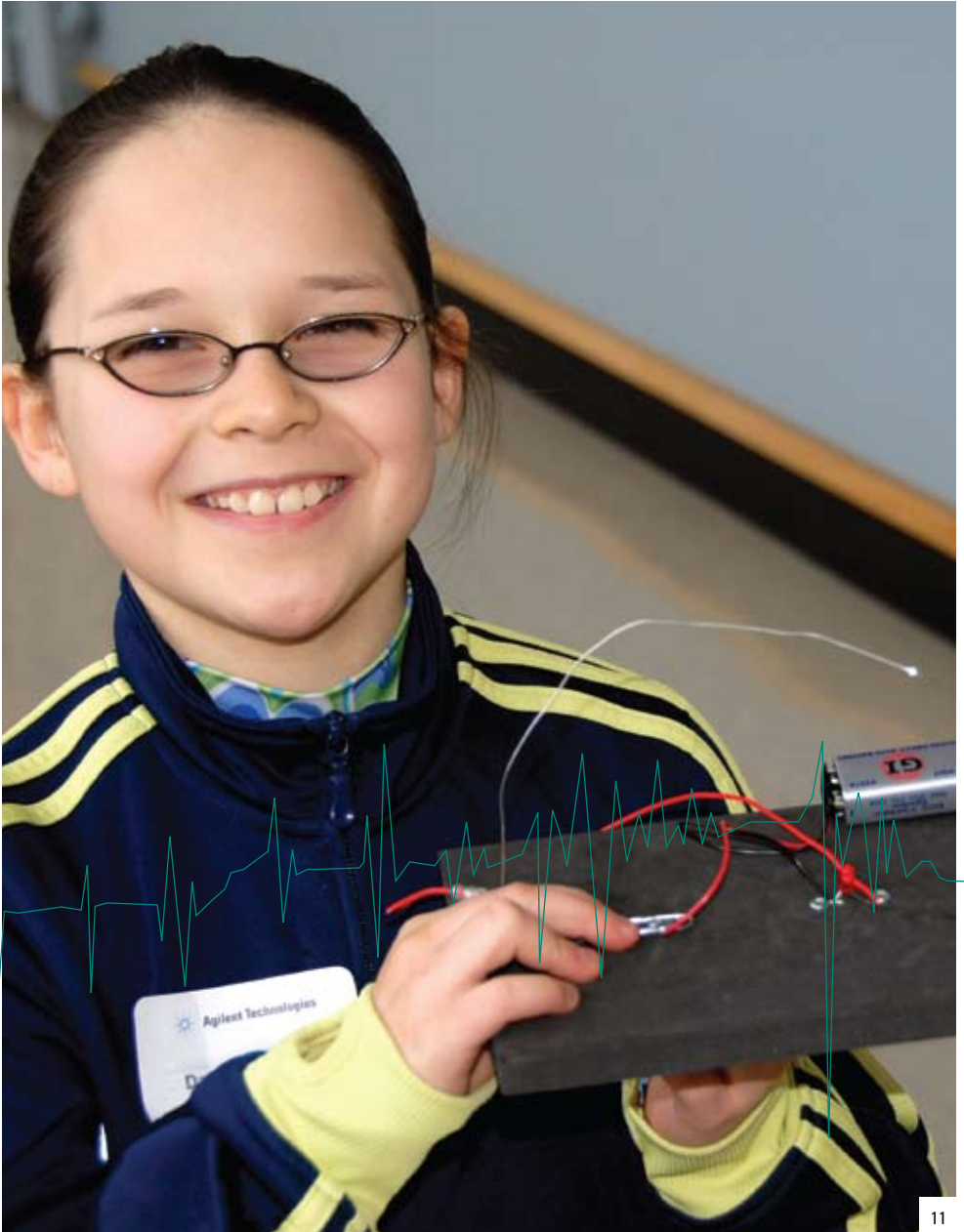
**Agilent employee volunteers in Singapore distribute food parcels in the Marsiling neighborhood.**

**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. In 2007, our volunteers engaged some 80,000 students in 15 countries. Agilent employees in China were featured instructing children using the kits on China Education TV's *Colorful Planet* program, a series broadcast to an estimated 4 million students from large cities to rural areas across the country. 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** – we joined forces with other corporations to sponsor 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 from Canada, China, Germany, the United Kingdom and the United States took part in these sessions, also serving as organizers, presenters and role models.



**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  
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  
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, 2007

#### Assets

Cash	\$ 141,415
Cash equivalent - Schwab Value Advantage Money Fund	5,001,609
Grant receivable from Agilent Corporation	6,700,000
<b>Total current assets</b>	<b>11,843,024</b>
Grant receivable from Agilent Corporation	6,365,000
Fixed Assets - archive display cases	19,581
Less: accumulated depreciation	(1,399)
Collection - Agilent Company Archives	3,326,000
<b>Total non-current assets</b>	<b>9,709,182</b>
<b>Total assets</b>	<b>\$ 21,552,206</b>

#### Liabilities & Net Assets

##### Liabilities:

Current liabilities	
Accounts payable	\$ 180,042
Grants payable	937,750
<b>Total current liabilities</b>	<b>1,117,792</b>
Long term liabilities	
Grants payable	-
<b>Total liabilities</b>	<b>1,117,792</b>

##### Net Assets:

Unrestricted net assets	20,434,414
<b>Total liabilities and net assets</b>	<b>\$ 21,552,206</b>

## Statement of Activities

For the year ended October 31, 2007

### Unrestricted Support and Revenue

Interest income	\$ 13,187
Donation from Agilent Technologies, Inc.	19,665,000
Dividend income	295,193
<b>Total unrestricted support and revenue</b>	<b>19,973,380</b>

### Expenses

#### Grants

Grant payments made	5,105,797
Prior year grant payment returned, unspent	(50,000)
Increase in grants authorized but unpaid	32,041
<b>Total grant expense</b>	<b>5,087,838</b>

#### Support services

Office expenses	986
Administrative services	545,087
Depreciation expense	1,399
Travel, conferences, and other expenses	19,710
Professional services	54,713
Dues, subscriptions, and memberships	106,615
Federal excise taxes	2,500
Filing fees	85
<b>Total expenses</b>	<b>5,818,933</b>

Increase in unrestricted net assets	14,154,447
Unrestricted net assets, November 1, 2006, as restated	6,279,967

**Unrestricted net assets, October 31, 2007** **\$ 20,434,414**

## Statement of Cash Flows

*For the year ended October 31, 2007*

Cash flows from operating activities:

Increase in net assets	\$ 14,154,447
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation expense	1,399
Changes in assets & liabilities:	
Increase in grant receivable	(13,065,000)
Increase in accounts payable	59,094
Increase in grants payable	32,041
Net cash provided by operating activities	1,181,981
Fixed asset purchases	(19,581)
Net cash used by investing activities:	(19,581)
Net cash from financing activities:	-
Net increase in cash	1,162,400
Cash and cash equivalents, November 1, 2006	3,980,624
<b>Cash and cash equivalents, October 31, 2007</b>	<b>\$ 5,143,024</b>

# Notes To Financial Statements

October 31, 2007

## 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, 2007, 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, 2007 totaled \$19,581 and depreciation expense for the year ended October 31, 2007 was \$1,399.

**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:

Grants receivable are reported net of an unamortized discount of \$335,000, based on a risk-free interest rate of 5%. Estimated annual collections on grants receivable, net of discount, are as follows:

Less than one year	\$ 6,700,000
One to five years	6,365,000
Total	\$ 13,065,000

## 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 29% 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, 2007, the Foundation paid a total of \$487,711 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, 2007. Conditional grants are

expensed and considered payable in the period the conditions are substantially met. There were no conditional grants at October 31, 2007. The carrying amounts for grants payable reported in the statement of financial position approximate fair values as all amounts are due within one year.

#### 6. PRIOR YEAR RESTATEMENT:

As of and for the year ended October 31, 2006, grants payable was increased by \$839,474 and unrestricted net assets was decreased by \$839,474 for a grant authorized prior to November 1, 2006.

#### 7. CONCENTRATIONS AND CONTINGENCIES:

At times during the fiscal year ended October 31, 2007, 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, 2007, 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, 2007, 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, 2007, 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.

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