

AGILENT TECHNOLOGIES INC
Form 11-K
June 25, 2009
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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

(MARK ONE)

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934.**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008.

OR

**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934.**

FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER: 001-15405

**FULL TITLE OF THE PLAN AND THE ADDRESS OF THE PLAN, IF DIFFERENT
FROM THAT OF THE ISSUER NAMED BELOW:**

**AGILENT TECHNOLOGIES, INC.
401(K) PLAN**

**NAME OF ISSUER OF THE SECURITIES HELD PURSUANT TO THE PLAN AND
THE ADDRESS OF ITS PRINCIPAL EXECUTIVE OFFICE:**

AGILENT TECHNOLOGIES, INC.

5301 STEVENS CREEK BOULEVARD

SANTA CLARA, CALIFORNIA 95051

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AGILENT TECHNOLOGIES, INC.

401(k) PLAN

Financial Statements and Supplemental Schedules

December 31, 2008 and 2007

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants and

Plan Administrator of the

Agilent Technologies, Inc.

401(k) Plan

We have audited the financial statements of the Agilent Technologies, Inc. 401(k) Plan (the Plan) as of December 31, 2008 and 2007, and for the years then ended, as listed in the accompanying table of contents. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. 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 the Plan's management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2008 and 2007, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules, as listed in the accompanying table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Mohler, Nixon & Williams
MOHLER, NIXON & WILLIAMS
Accountancy Corporation

Campbell, California

June 24, 2009

Table of Contents**AGILENT TECHNOLOGIES, INC.****401(k) PLAN****STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS****(in thousands)**

| | 2008 | December 31, | 2007 |
|--|---------------------|--------------|------------------|
| Assets: | | | |
| Investments, at fair value | \$ 1,245,596 | \$ | 1,877,338 |
| Participant loans | 11,549 | | 10,676 |
| Assets held for investment purposes | 1,257,145 | | 1,888,014 |
| Accrued income receivable | 76 | | 98 |
| Receivable from broker for securities sold | 113 | | 184 |
| Total assets | 1,257,334 | | 1,888,296 |
| Liabilities: | | | |
| Accrued fees payable | 171 | | 242 |
| Payable to broker for securities purchased | 305 | | 597 |
| Total liabilities | 476 | | 839 |
| Net assets available for benefits at fair value | 1,256,858 | | 1,887,457 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | 16,613 | | 3,857 |
| Net assets available for benefits | \$ 1,273,471 | \$ | 1,891,314 |

See notes to financial statements.

Table of Contents**AGILENT TECHNOLOGIES, INC.****401(k) PLAN****STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS****(in thousands)**

| | Years ended December 31, | |
|--|-----------------------------|--------------|
| | 2008 | 2007 |
| Additions to net assets attributed to: | | |
| Investment income: | | |
| Dividends and interest | \$ 64,793 | \$ 110,176 |
| Net realized and unrealized appreciation (depreciation) in fair value of investments | (662,960) | 68,792 |
| | (598,167) | 178,968 |
| Contributions: | | |
| Participants | 70,469 | 77,213 |
| Employer s | 25,047 | 26,568 |
| | 95,516 | 103,781 |
| Total additions (subtractions) | (502,651) | 282,749 |
| Deductions from net assets attributed to withdrawals and distributions | 115,192 | 168,098 |
| Net increase (decrease) in net assets | (617,843) | 114,651 |
| Net assets available for benefits: | | |
| Beginning of year | 1,891,314 | 1,776,663 |
| End of year | \$ 1,273,471 | \$ 1,891,314 |

See notes to financial statements.

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AGILENT TECHNOLOGIES, INC.

401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008 AND 2007

NOTE 1 - THE PLAN AND ITS SIGNIFICANT ACCOUNTING POLICIES

General - The following description of the Agilent Technologies, Inc. 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

The Plan is a defined contribution plan that was established in 2000 by Agilent Technologies, Inc. (the Company) to provide benefits to eligible employees, as defined in the Plan document. The Plan administrator believes that the Plan is currently designed and operated in compliance with the applicable requirements of the Internal Revenue Code of 1986, as amended (the Code), and the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Company intends that the Plan be qualified pursuant to Sections 401(a) and 401(k) of the Code.

In June, 2007, the Company acquired Strategene. The Board of Directors of Strategene voted to terminate the Strategene plan effective June 6, 2007 and plan assets were distributed to participants as soon as administratively practical, subject to the provisions of ERISA. Employees retained by the Company became eligible to participate in the Plan effective June 7, 2007.

Administration - The Board of Directors of the Company has appointed a Benefits Committee (the Committee) with certain authority to manage the policy, design and administration of the Plan. The Company has contracted with Fidelity Management Trust Company (Fidelity) to act as the trustee and an affiliate of Fidelity to process and maintain the records of participant data. Substantially all expenses incurred for administering the Plan are paid by the Company.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Basis of accounting - The financial statements of the Plan are prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

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Investments valuation and income recognition - Investments of the Plan are held by Fidelity, as trustee, and invested based solely upon instructions received from participants.

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 2 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought or sold as well as held during the year.

As described in Financial Accounting Standards Board (FASB) Staff Position, FSP AAG INV-1, *Reporting of Fully Benefit Responsive Investment Contracts Held by Certain Investments Companies Subject to the AICPA Investment Company Guide and Defined-Contribution, Health and Welfare, and Pension Plans* (the FSP), investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount the participants would receive if they were to initiate permitted transactions under the terms of the plan. As required by the FSP, the statements of net assets available for benefits present the fair value of the investment contracts as well as the adjustment to fully benefit-responsive investment contracts from fair value to contract value. The statements of changes in net assets available for benefits are prepared on a contract value basis.

Stable Value Fund - The Plan's Stable Value Fund is comprised primarily of investments in bank collective funds and synthetic investment contracts (synthetic GICs). Since the Stable Value Fund is fully benefit responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the investments included in the Stable Value Fund. Contract value represents contributions made plus interest accrued at the contract rate, less withdrawals. Synthetic GICs consist of various contracts with banks or other institutions which provide for fully benefit-responsive withdrawals and transfers by Plan participants in the Stable Value Fund at contract value.

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As of December 31, 2008 and 2007, the Plan's synthetic GICs consist of the following:

As of December 31, 2008:

| Carrier Name | Major credit ratings | Year-end contract value | Investments at fair value(3) | Investment contracts at fair value | Adjustments to contract value(4) |
|---------------------------------|----------------------|-------------------------|------------------------------|------------------------------------|----------------------------------|
| Synthetic GICs | | | | | |
| Bank of America, N.A. | AA-/Aaa | \$ 32,943,775 | \$ 29,868,510 | \$ 133,492 | \$ 2,941,773 |
| Natixis Financial Products Inc. | AAA/Aaa | 4,764,045 | 4,417,426 | 76,071 | 270,548 |
| Natixis Financial Products Inc. | A+/Aa3 | 59,788,137 | 54,468,858 | 181,087 | 5,138,192 |
| JPMorgan Chase Bank | AA-/Aaa | 32,943,516 | 29,868,437 | 133,491 | 2,941,588 |
| Monumental Life Insurance Co. | AA/Aa3 | 59,782,988 | 54,462,272 | | 5,320,716 |
| Total | | \$ 190,222,461 | \$ 173,085,503 | \$ 524,141 | \$ 16,612,817 |

(1) Note: Total year-end contract value and investments at fair value do not include assets held in cash, which are \$30,179,269 as of December 31, 2008.

(2) Adjustments from fair value to contract value for fully benefit-responsive investment contracts.

As of December 31, 2007:

| Carrier Name | Major credit ratings | Year-end contract value | Investments at fair value(1) | Investment contracts at fair value | Adjustments to contract value(2) |
|---------------------------------|----------------------|-------------------------|------------------------------|------------------------------------|----------------------------------|
| Synthetic GICs | | | | | |
| Bank of America, N.A. | AA+/Aaa | \$ 32,187,045 | \$ 31,742,597 | \$ | \$ 444,448 |
| Natixis Financial Products Inc. | AAA/Aaa | 4,767,522 | 4,588,916 | 31,512 | 147,094 |
| Natixis Financial Products Inc. | AAA/Aaa | 55,516,423 | 54,106,751 | | 1,409,672 |
| JPMorgan Chase Bank | AA/Aaa | 32,187,022 | 31,742,515 | | 444,507 |
| Monumental Life Insurance Co. | AA/Aa3 | 55,510,314 | 54,099,393 | | 1,410,921 |
| Total | | \$ 180,168,326 | \$ 176,280,172 | \$ 31,512 | \$ 3,856,641 |

(3) Note: Total year-end contract value and investments at fair value do not include assets held in cash, which are \$3,238,722 as of December 31, 2007.

(4) Adjustments from fair value to contract value for fully benefit-responsive investment contracts.

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There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the contract issuer, but it may not be less than zero. Such interest rates are reviewed on a periodic basis for resetting. The relationship of future crediting rates and the adjustment to contract value reported on the statements of net assets available for benefits is provided through the mechanism of the crediting rate formula. The difference between the contract value and the fair market value of the investments of each contract is periodically amortized into each contract's crediting rate. The amortization factor is calculated by dividing the difference between the fair market value of the investment and the contract value of the duration of the bond portfolio covered by the investment contract.

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The average yields on the fund are as follows for the years ended December 31:

| | 2008 | 2007 |
|---|-------|-------|
| Average yields: | | |
| Based on actual earnings | 2.91% | 4.85% |
| Based on interest rate credited to participants | 3.14% | 4.95% |

The key factors that could influence future interest crediting rates include, but are not limited to: (1) the Plan cash flows, (2) changes in interest rates, (3) total return performance of the fair market value bond strategies underlying each synthetic GIC contract, (4) default or credit failures of any of the securities, investment contracts or other investments held in the fund or (5) the initiation of an extended termination of one or more of the synthetic GIC contracts by the contract issuer.

Certain employer initiated events or other external events not initiated by plan participants will limit the ability of the Plan to transact at contract value with the issuer. Such events include but are not limited to, the following: (1) Plan's failure to qualify under the Internal Revenue Code of 1986 as amended, (2) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (3) changes to the Plan's prohibition on competing investment options or establishment of a competing plan by the Plan sponsor, (4) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan or (5) events resulting in a material and adverse financial impact on the contract issuer, including changes in the tax code, laws or regulations. The Plan administrator does not believe that the occurrence of any such value event, which would limit the Plan's ability to transact at contract value with participants, is probable.

The synthetic GICs do not permit the contract issuer to terminate the agreement prior to the scheduled maturity date unless there is a breach in contract which is not corrected within the specified cure period.

Income taxes - The Plan has received a favorable determination letter dated June 11, 2009. The Company believes that the Plan is operated in accordance with, and qualifies under, the applicable requirements of the Code and related state statutes, and that the trust, which forms a part of the Plan, is exempt from federal income and state franchise taxes.

Risks and uncertainties - The Plan provides for various investment options in any combination of investment securities offered by the Plan, including the Company's common stock. Investment securities are exposed to various risks, such as interest rate, market fluctuations and credit risks. Due to the risk associated with certain investment securities, it is at least reasonably possible that changes in market values, interest rates or other factors in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

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NOTE 2 - FAIR VALUE MEASUREMENTS

As of the beginning of calendar year ended December 31, 2008, the Plan adopted Financial Accounting Standards Board Statement No. 157, Fair Value Measurements. FAS 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FAS 157 are described below:

Basis of Fair Value Measurement

Level 1 - Unadjusted quoted prices for identical assets in active markets that the Plan has the ability to access.

Level 2 - Quoted prices for similar assets in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2008 and 2007.

Bank Collective Funds: Investments are stated at value determined as of the close of regular trading. Debt securities are valued by independent pricing services approved by the trustee of the fund. If the pricing services are unable to provide valuations, the securities are valued at the most recent bid quotation or evaluated price, as applicable, obtained from a broker-dealer.

Fixed Income Investments: Valued at replacement cost methodology with a crediting rate reset procedure linked to an industry index.

Wrapper Contracts: Valued at replacement cost methodology.

NOTE 2 - FAIR VALUE MEASUREMENTS

Collective Trust Fund: Valued at fair value based on the underlying investments as traded in an exchange or active market.

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Mutual Funds and Money Market Funds: Valued at the net asset value (NAV) of shares held by the Plan at year end.

Common Stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Employer Stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Participant loans: Valued at amortized cost, which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level within the fair value hierarchy, the Plan's assets at fair value, as of December 31, 2008. As required by FAS 157, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Investment Assets at Fair Value as of December 31, 2008

(in thousands)

| Description | Level 1 | Level 2 | Level 3 | Total |
|--------------------------|-----------|------------|----------|-----------|
| Money Market Funds | \$ 31,462 | | | \$ 31,462 |
| Bank Collective Funds | | \$ 274,011 | | 274,011 |
| Fixed Income Investments | | | \$ 4,417 | 4,417 |
| Wrapper Contracts | | | 524 | 524 |
| Collective Trust Fund | 19,298 | | | 19,298 |
| Mutual Funds | 842,935 | | | 842,935 |
| Common Stocks | 27,628 | | | 27,628 |
| Employer Stock | 45,321 | | | 45,321 |

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| | | | | | | | | |
|---------------------------------------|----|---------|----|---------|----|--------|----|-----------|
| Participant loans | | | | 11,549 | | 11,549 | | |
| Total investment assets at fair value | \$ | 966,644 | \$ | 274,011 | \$ | 16,490 | \$ | 1,257,145 |

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Level 3 Investment Assets at Fair Value as of December 31, 2008

| | Fixed income investments | | Wrapper contracts | | Participant loans |
|---|-----------------------------|----|----------------------|----|----------------------|
| Balance, beginning of year | \$ 4,620 | \$ | | \$ | 10,676 |
| Purchases, sales, issuances and settlements (net) | (203) | | 524 | | 873 |
| Balance, end of year | \$ 4,417 | \$ | 524 | \$ | 11,549 |

NOTE 3 - RELATED PARTY TRANSACTIONS

Certain Plan investments are managed by an affiliate of Fidelity, the trustee of the Plan. Any purchases and sales of these funds are performed in the open market at fair value. Such transactions, while considered party-in-interest transactions under ERISA regulations, are permitted under the provisions of the Plan and are specifically exempt from the prohibition of party-in-interest transactions under ERISA.

As allowed by the Plan, participants may elect to invest a portion of their accounts in the Agilent Technologies Stock Fund (the Fund), which is primarily invested in shares of Company common stock. Investments in the Fund are at the direction of the Plan participants. Participants are not permitted to allocate more than 25% of their total contributions, including Company matching contributions, to the Fund and the maximum amount of the participant's account balance that can be allocated to the Fund is limited to 25% of the participant's account. The shares of Company common stock are traded in the open market.

NOTE 4 - PARTICIPATION AND BENEFITS

Eligibility - Employees who are eligible to participate in the Plan include those employees of the Company and its designated domestic subsidiaries who are on the U.S. dollar payroll and who are employed as regular full-time or regular part-time employees of the Company. There is no waiting period for eligibility.

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Participant contributions - Upon initially becoming an eligible employee, a participant is deemed to have elected a 3% deferral effective on the first day of commencement of participation, unless that employee makes a change to that election in the manner prescribed by the Plan. Participating employees can elect to have the Company contribute up to 50% of their eligible pre-tax compensation, not to exceed the amount allowable under the Plan document and current income tax regulations. Participants who elect to have the Company contribute a portion of their compensation to the Plan agree to accept an equivalent reduction in taxable compensation. Contributions withheld are invested in accordance with the participant's direction. The Plan also allows eligible participants to make a catch-up contribution up to the maximum allowed under current income tax regulations.

Participants are also allowed to make rollover contributions of eligible distributions received from other tax-qualified employer-sponsored retirement plans. Such contributions are deposited in the appropriate investment funds in accordance with the participant's direction and the Plan's provisions.

Employer contributions - The Company makes matching contributions as required by the Plan document. In 2008 and 2007, the Company matched 100% of the employee's salary deferral for the first 3% of employee's eligible pre-tax compensation, and 50% of the employee's salary deferral for the next 2% of employee's eligible pre-tax compensation. The Company matching contribution was deposited into the individual employee's Plan account after the end of each pay period. Prior to November 21, 2007, the Plan made matching contributions on a quarterly basis, which were January 31, April 30, July 31 and October 31. To receive the Company match, the participant must be an employee of the Company at these dates, consistent with the terms of the Plan, except for certain retirees and deceased employees who either retired or died during the fiscal quarter.

Both employee deferrals and Company contributions in 2008 and 2007 have been made in cash for all funds; however, Company contributions may be made in either cash or common stock of the Company. No Company contributions have been made in the form of common stock of the Company in 2008 and 2007.

Vesting - Participants are 100% vested in their salary deferrals, rollover contributions, and Company matching contributions, subject to the terms of the Plan.

Participant accounts - Each participant's account is credited with the participant's salary deferrals, Plan earnings or losses and an allocation of the Company's matching contribution. Allocation of the Company's matching contribution is based on participant salary deferrals, as defined in the Plan.

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Participants can transfer their invested funds among the available investment options and/or change the investment of their future contributions as often as desired. These transfers and changes must be made in whole percent increments. Initial contributions for new hires were automatically invested in the retirement age-appropriate Vanguard Target Retirement Fund, the fund designated as the Plan default fund, effective May 30, 2008, until the participant made a change to that investment election. Prior to May 30, 2008, the Fidelity Freedom Fund was the Plan's default fund.

Payment of benefits - Upon termination of employment, the participants or beneficiaries may elect to leave their account balance in the Plan, or receive their total benefits in a lump sum amount equal to the value of the participant's interest in their account in the form of rollovers or payments in cash and stock. The Plan allows for automatic lump sum distribution of participant account balances that do not exceed \$1,000.

Loans to participants - The Plan allows participants to borrow not less than \$1,000 and up to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the participant's balance. Such loans bear interest at a rate fixed at the time of the loan at the prime rate plus one-half percent and must be repaid to the Plan between one year and four years. Generally, loans are repaid semi-monthly via automatic payroll deduction. The Plan allows terminated participants to electronically continue to repay their loan after termination of employment. The specific terms and conditions of such loans are established by the Committee. Outstanding loans at December 31, 2008 carry interest rates ranging from 4.5% to 7.75%.

NOTE 5 - INVESTMENTS

The number of shares of the Company common stock in the Fund was 2,899,600 and 3,136,707 as of December 31, 2008 and 2007, respectively. The fair value of the Company common stock included in the Fund was approximately \$45,321,000 and \$115,243,000 at December 31, 2008 and 2007, respectively. The Fund assigns units of participation to those participants with account balances in the Fund. The total number of units in the Fund at December 31, 2008 and 2007 was 3,920,545 and 4,257,670 respectively, and the net unit value was \$11.68 and \$27.20 respectively, at these dates. The Fund is comprised primarily of Company common stock purchased on the open market. The Fund also includes a minor investment in the Fidelity Institutional Money Market Fund.

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The following table is a summary of the fair values of investments and investment funds that represent 5% or more of the Plan's net assets at December 31 (in thousands):

| | 2008 | 2007 |
|--|------------|------------|
| Pyramid Intermediate Fixed Income Fund | \$ 108,931 | \$ 108,206 |
| Fidelity Contrafund | 171,751 | 294,034 |
| Fidelity Magellan Fund | 104,882 | 220,723 |
| Fidelity Low-Priced Stock Fund | 73,836 | 131,545 |
| Spartan U.S. Equity Index Advantage Class Fund | 119,049 | 204,161 |
| Templeton Foreign Fund A | 70,356 | 138,483 |
| PIMCO Total Return Fund | 114,776 | 93,168 |
| Agilent Technologies, Inc. common stock | 45,321 | 115,243 |

The Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows for the years ended December 31 (in thousands):

| | 2008 | 2007 |
|------------------------|--------------|-----------|
| Common stock | \$ (81,208) | \$ 8,748 |
| Bank Collective Funds | (39,671) | 11,083 |
| Collective Trust Funds | (20,936) | (3,729) |
| Mutual funds | (521,145) | 52,690 |
| | \$ (662,960) | \$ 68,792 |

NOTE 6 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 (in thousands):

| | December 31, | |
|--|--------------|--------------|
| | 2008 | 2007 |
| Net assets available for benefits per the financial statements | \$ 1,273,471 | \$ 1,891,314 |
| Adjustment from contract value to fair value for fully benefit-responsive investment contracts | (16,613) | (3,857) |
| Net assets available for benefits at fair value per the Form 5500 | \$ 1,256,858 | \$ 1,887,457 |

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As described in Note 1, fully benefit-responsive investment contracts are reported at fair value in the Form 5500 and are reported at contract value in the financial statements.

The following is a reconciliation of the affected components of the changes in net assets available for benefits per the financial statements to the Form 5500 (in thousands) for the year ended December 31, 2008:

| | Year ended December 31, 2008 | | |
|--|---|-----------------------------|-----------------------------|
| | Amount per the financial statements | Adjustment to fair value | Amount per the Form 5500 |
| Unrealized appreciation (depreciation) of assets | \$ (662,960) | \$ (12,756) | \$ (675,716) |

NOTE 7 - PLAN TERMINATION OR MODIFICATION

The Company intends to continue the Plan indefinitely for the benefit of its participants; however, it reserves the right to terminate or modify the Plan at any time by resolution of its Board of Directors and subject to the provisions of ERISA.

NOTE 8 - SUBSEQUENT EVENT

Effective July 1, 2009, the Company will allow employees to make after-tax contributions in the form of Roth contributions into the Plan.

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AGILENT TECHNOLOGIES, INC.
401(k) PLAN

EIN: 77-0518772
PLAN #003

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2008

| Identity of issue, borrower, lessor or similar party | Description of investment including maturity date, rate of interest, collateral, par or maturity value | Current value |
|--|---|------------------|
| Stable Value Fund Holdings: | | |
| * Money Market | Money market | \$ 30,179,269 |
| Pyramid Intermediate Fixed Income Fund | Bank Collective Fund | 108,931,129 |
| Pyramid Short Managed Maturing Fund | Bank Collective Fund | 24,387,105 |
| Pyramid Intermediate Managed Maturing Fund | Bank Collective Fund | 35,349,843 |
| Total bank collective funds | | 168,668,077 |
| Natixix BRIC Contract | | |
| Thornburg Mortgage Securities Trust | Fixed Income Investments | 1,258,371 |
| GS Mortgage Securities Corporation II | Fixed Income Investments | 1,400,596 |
| Master Asset Backed Securities Trust | Fixed Income Investments | 680,315 |
| Saxon Asset Securities Trust | Fixed Income Investments | 1,078,144 |
| Total fixed income investments | | 4,417,426 |
| Natixix Financial Products Inc. (formerly IXIS/CDC) | | |
| Natixix Financial Products Inc. | Wrapper Contracts | 76,071 |
| JP Morgan Chase Bank | Wrapper Contracts | 181,087 |
| Bank of America, N.A. | Wrapper Contracts | 133,491 |
| Total investment contracts at fair value | | 524,141 |
| Total fair value of underlying assets of Stable Value Fund | | 203,788,913 |
| Barclays Global Investors US Debt Index T | Bank Collective Fund | 19,721,488 |
| Barclays Global Investors EAFE Equity Index T | Bank Collective Fund | 49,586,864 |
| State Street Global Advisors TIPS Fund | Bank Collective Fund | 36,033,971 |
| Harbor Capital Appreciation Fund | Mutual Fund | 18,622,577 |
| Templeton Foreign Fund A | Mutual Fund | 70,356,299 |
| PIMCO Total Return Fund | Mutual Fund | 114,776,068 |
| Domini Social Equity Fund | Mutual Fund | 3,819,337 |
| Goldman Sachs US Small Cap Value Equity Fund | Mutual Fund | 21,830,129 |
| Copper Rock Small Cap Growth Collective Trust Fund | Collective Trust Fund | 19,298,471 |
| * Fidelity Institutional Money Market Fund | Money Market | 448,096 |
| * Agilent Technologies, Inc. common stock | Common Stock | 45,320,748 |
| * Fidelity Magellan Fund | Mutual Fund | 104,881,558 |

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| | | | |
|---|--|-------------|-------------|
| * | Fidelity Contrafund | Mutual Fund | 171,751,084 |
| * | Fidelity Low-Priced Stock Fund | Mutual Fund | 73,835,816 |
| * | Spartan Extended Market Index | Mutual Fund | 38,985,088 |
| | Spartan U.S. Equity Index Advantage | | |
| * | Class Fund | Mutual Fund | 119,049,393 |
| | Vanguard Target Retirement Income Fund | Mutual Fund | 3,694,124 |
| | Vanguard Target Retirement 2005 Fund | Mutual Fund | 3,329,112 |
| | Vanguard Target Retirement 2010 Fund | Mutual Fund | 13,730,490 |
| | Vanguard Target Retirement 2015 Fund | Mutual Fund | 16,980,127 |
| | Vanguard Target Retirement 2020 Fund | Mutual Fund | 23,628,470 |
| | Vanguard Target Retirement 2025 Fund | Mutual Fund | 19,814,655 |
| | Vanguard Target Retirement 2030 Fund | Mutual Fund | 8,779,979 |
| | Vanguard Target Retirement 2035 Fund | Mutual Fund | 6,619,809 |
| | Vanguard Target Retirement 2040 Fund | Mutual Fund | 5,917,942 |
| | Vanguard Target Retirement 2045 Fund | Mutual Fund | 1,124,728 |
| | Vanguard Target Retirement 2050 Fund | Mutual Fund | 1,408,024 |
| | | Mutual Fund | |

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| Identity of issue, borrower, lessor or similar party | Description of investment including maturity date, rate of interest, collateral, par or maturity value | Current value |
|--|---|------------------|
| * AllianceBernstein US Value Equities Portfolio: Fidelity Institutional Money Market Fund | Money Market | 834,351 |
| | Covidien Limited | 32,616 |
| | ACE Limited | 317,520 |
| | AT&T Incorporated | 1,194,150 |
| | AU Optronics Spon ADR | 149,760 |
| | Abbot Laboratories | 32,022 |
| | Allstate Corporation | 285,012 |
| | Altria Group Incorporated | 180,720 |
| | American Electric Power Corporation | 269,568 |
| | American International Group, Incorporated | 35,639 |
| | Ameriprise Financial Incorporated | 81,760 |
| | Amgen Incorporated | 144,375 |
| | Apache Corporation | 305,573 |
| | Apple Incorporated | 93,885 |
| | Archer Daniels Midland Company | 106,671 |
| | Atmos Energy Corporation | 130,350 |
| | Autoliv Incorporated | 98,716 |
| | Autonation Incorporated | 111,644 |
| | BP PLC Spon ADR | 299,136 |
| | Bank of America Corporation | 471,680 |
| | Bemis Incorporated | 146,816 |
| | Black & Decker Corporation | 150,516 |
| | Bristol-Myers Squibb Company | 130,200 |
| | CBS Corporation | 227,682 |
| | CMS Energy Corporation | 23,230 |
| | Cardinal Health Incorporated | 193,032 |
| | Caterpillar Incorporated | 93,807 |
| | Centex Corporation | 35,112 |
| | Chevron Corporation | 902,434 |
| | Chubb Corporation | 387,600 |
| | Cisco Systems Incorporated | 104,320 |
| | Citigroup Incorporated | 216,733 |
| | Coca Cola Company | 86,013 |
| | Coca Cola Enterprises Incorporated | 143,157 |
| | Comcast Corporation | 43,888 |
| | Conoco Phillips | 652,680 |
| | Corning Incorporated | 140,091 |
| | Crane Company | 18,964 |
| | XL Capital Limited | 31,080 |
| | Dean Foods Company | 147,354 |
| | Dell Incorporated | 87,040 |
| | Devon Energy Corporation | 354,834 |
| | Disney (Walt) Company | 329,005 |
| | Discover Finance Services | 60,992 |
| | Everest Reinsurance Group | 19,035 |
| | Dominion Resources Incorporated | 182,784 |
| | Partnerre Limited | 242,556 |
| | Eastman Chemical Company | 123,669 |
| | Bunge Limited | 191,549 |
| | Deutsche Bank AG (USA) | 154,622 |

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| Identity of issue, borrower, lessor or similar party | Description of investment including maturity date, rate of interest, collateral, par or maturity value | Current value |
|---|---|------------------|
| Ericsson (LM) Telephone Company | Common Stock | 188,221 |
| Exxon Mobil Corporation | Common Stock | 1,684,413 |
| Fifth Third Bancorp | Common Stock | 128,030 |
| Gannett Incorporated | Common Stock | 68,000 |
| GAP Incorporated | Common Stock | 249,054 |
| General Electric Company | Common Stock | 706,320 |
| Genworth Financial Incorporated | Common Stock | 38,771 |
| GlaxoSmithKline PLC Spons | Common Stock | 208,712 |
| Goldman Sachs Group Incorporated | Common Stock | 278,487 |
| Hartford Financial Services Group | Common Stock | 82,100 |
| Hess Corporation | Common Stock | 187,740 |
| Hewlett-Packard Company | Common Stock | 101,612 |
| Home Depot Incorporated | Common Stock | 435,078 |
| Hubbell Incorporated | Common Stock | 49,020 |
| Intel Corporation | Common Stock | 105,552 |
| International Business Machines Incorporated | Common Stock | 336,640 |
| J P Morgan Chase & Company | Common Stock | 822,933 |
| Johnson & Johnson | Common Stock | 634,198 |
| Jones Apparel Group Incorporated | Common Stock | 58,014 |
| KB Home | Common Stock | 73,548 |
| Kellogg Company | Common Stock | 17,540 |
| Kraft Foods Incorporated | Common Stock | 51,015 |
| Kroger Company | Common Stock | 335,407 |
| Lexmark International Incorporated | Common Stock | 156,020 |
| Lowe's Companies Incorporated | Common Stock | 137,728 |
| Macys Incorporated | Common Stock | 124,200 |
| Magna International (USD) | Common Stock | 95,776 |
| McDonalds Corporation | Common Stock | 31,095 |
| McKesson Corporation | Common Stock | 96,825 |
| Merck & Company Incorporated | Common Stock | 465,120 |
| MetLife Incorporated | Common Stock | 447,080 |
| Microsoft Corporation | Common Stock | 252,720 |
| Morgan Stanley | Common Stock | 190,876 |
| Motorola Incorporated | Common Stock | 295,481 |
| News Corporation Limited | Common Stock | 152,712 |
| Nokia Corporation Spon ADR | Common Stock | 79,560 |
| Nvidia Corporation | Common Stock | 169,470 |
| Occidental Petroleum Corporation | Common Stock | 263,956 |
| Oracle Corporation | Common Stock | 33,687 |
| Owens Illinois Incorporated | Common Stock | 109,320 |
| J C Penney Company Incorporated | Common Stock | 92,590 |
| Pepsi Bottling Group Incorporated | Common Stock | 168,825 |
| Pepsico Incorporated | Common Stock | 169,787 |
| Pfizer Incorporated | Common Stock | 915,607 |
| Philip Morris International Incorporated | Common Stock | 443,802 |
| Procter & Gamble Company | Common Stock | 833,581 |
| Reliant Energy Incorporated | Common Stock | 79,186 |
| Rowan Companies Incorporated | Common Stock | 54,060 |
| Royal Dutch Shell | Common Stock | 179,996 |
| Safeway Incorporated | Common Stock | 130,735 |
| Sanofi Aventis Spon ADR | Common Stock | 202,545 |
| Sara Lee Corporation | Common Stock | 134,123 |

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| Identity of issue, borrower, lessor or similar party | Description of investment including maturity date, rate of interest, collateral, par or maturity value | Current value |
|---|---|------------------|
| Schering Plough Corporation | Common Stock | 51,090 |
| J M Smucher Company | Common Stock | 15,263 |
| Sonoco Products Company | Common Stock | 138,960 |
| Sovereign Bancorp Incorporated | Common Stock | 36,058 |
| Sprint Nextel Corporation | Common Stock | 116,571 |
| Sunoco Incorporated | Common Stock | 95,612 |
| Sun Trust Banks Incorporated | Common Stock | 82,712 |
| Supervalu Incorporated | Common Stock | 91,980 |
| Symantec Corporation | Common Stock | 124,384 |
| 3M Company | Common Stock | 132,342 |
| Time Warner Incorporated | Common Stock | 509,036 |
| Torchmark Corporation | Common Stock | 232,440 |
| Toyota Motor Corporation ADR 2 | Common Stock | 170,144 |
| Travelers Companies Incorporated | Common Stock | 361,600 |
| Tyson Foods Incorporated | Common Stock | 63,072 |
| United Airlines Corporation | Common Stock | 57,304 |
| United Parcel Services | Common Stock | 26,201 |
| Unum Group | Common Stock | 262,260 |
| Valero Energy Corporation | Common Stock | 134,168 |
| Verizon Communications Incorporated | Common Stock | 305,100 |
| Viacom Incorporated | Common Stock | 165,822 |
| Vodafone Group PLC Spon | Common Stock | 155,344 |
| Wal Mart Stores Incorporated | Common Stock | 381,208 |
| Wells Fargo & Company | Common Stock | 297,748 |
| Western Digital Corporation | Common Stock | 35,495 |
| Wyeth | Common Stock | 277,574 |
| Total fair value of common stock | | 27,627,947 |
| Total fair value of underlying assets of AllianceBernstein US Value Equities | | 28,462,298 |
| * | Participant loans | 11,548,852 |
| Interest rates ranging from 4.5% to 7.75% | | |
| Total | | \$ 1,257,144,510 |

* Party-in-interest

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AGILENT TECHNOLOGIES, INC.
401(k) PLAN

EIN: 77-0518772
PLAN #003

SCHEDULE H, LINE 4a - SCHEDULE OF NONEXEMPT TRANSACTIONS

YEAR ENDED DECEMBER 31, 2008

| Identity of party involved | Relationship | Description | Amount |
|----------------------------|--------------|---|-----------|
| Agilent Technologies, Inc. | Plan Sponsor | Delayed contributions and loan repayments posting due to payroll transition to new vendor. This has been corrected according to EPCRS Guidelines. | \$ 93,174 |
| Total | | | \$ 93,174 |

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SIGNATURE

Pursuant to the requirements 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.

Dated: June 24, 2009

By:

/s/ HILLIARD C. TERRY, III
Hilliard C. Terry, III
Vice President, Treasurer

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EXHIBIT INDEX

| Exhibit Number | Description |
|---------------------------|---|
| 23.1 | Consent of Mohler, Nixon & Williams Accountancy Corporation |