AGILENT TECHNOLOGIES INC
Form 424B3
September 09, 2009

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Filed pursuant to Rule 424(b)(3)
Registration No. 333-161799

The information in this prospectus supplement is not complete and may be changed. We are not using this preliminary prospectus supplement and accompanying prospectus to offer to sell these securities or to solicit offers to buy these securities in any place where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED SEPTEMBER 9, 2009

PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED SEPTEMBER 9, 2009

$

Agilent Technologies, Inc.

$ % Senior Notes due

Agilent Technologies, Inc. is offering $ aggregate principal amount of its % Senior Notes due (the "notes"). The notes will bear interest at a rate of % per annum and will mature on .

Interest on the notes will be payable semiannually on and of each year and will accrue from , 2009. Agilent Technologies, Inc. may redeem the notes in whole or in part at any time prior to their maturity at the redemption prices described in this prospectus supplement on page S-27. Upon the occurrence of a "change of control repurchase event," Agilent Technologies, Inc. will be required to make an offer to repurchase the notes at a price equal to 101% of their principal amount plus accrued and unpaid interest to, but not including, the date of repurchase.

The notes will be senior unsecured obligations of Agilent Technologies, Inc. and will rank equally with all of its other senior unsecured indebtedness. The notes will not be guaranteed by any of our subsidiaries. The notes are being offered globally for sale in jurisdictions where it is lawful to make such offers and sales. The notes will be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.

See "Risk Factors" beginning on page S-7 for a discussion of certain risks that you should consider in connection with an investment in the notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined that this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

	Price to Public(1)	Underwriting Discounts	Proceeds to Us
Per Note	%	%	%
Total	$	$	$

(1) Plus accrued interest, if any, from , 2009, if settlement occurs after that date.

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.

We expect that delivery of the notes will be made to investors in registered book-entry form only through the facilities of The Depository Trust Company ("DTC"), Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), and Euroclear Bank, S.A./N.V., as operator of the Euroclear System ("Euroclear"), on or about , 2009.

Joint Book-Running Managers

Barclays Capital **Citi** **Credit Suisse**

The date of this prospectus supplement is September , 2009

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In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer of these securities in any state where the offer or sale is not permitted. You should assume that the information provided in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference in this prospectus supplement and in the accompanying prospectus is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying prospectus, which describes more general information, some of which may not apply to this offering. If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement. You should read both this prospectus supplement and the accompanying prospectus, together with the documents identified under the captions "Where You Can Find More Information" and "Incorporation by Reference."

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OFFERING SUMMARY

The following summary highlights selected information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference and may not contain all of the information that is important to you. We encourage you to read this prospectus supplement and the accompanying prospectus, together with the documents identified under the captions "Where You Can Find More Information" and "Incorporation by Reference" in their entirety. You should pay special attention to the "Risk Factors" section of this prospectus supplement and the "Risk Factors" section in the accompanying prospectus.

Unless otherwise indicated, use in this prospectus supplement of the terms:

- *"Agilent," "we," "us," "our" and "our company" refer to Agilent Technologies, Inc., a Delaware corporation, and, unless the context otherwise requires, its consolidated subsidiaries;*
- *"fiscal year" refers to a twelve month period ended October 31; and*
- *"Issuer" refers to Agilent Technologies, Inc. and not any of its subsidiaries.*

Our Company

Agilent Technologies, Inc. is the world's premier measurement company, providing core bio-analytical and electronic measurement solutions to the communications, electronics, life sciences and chemical analysis industries. We currently have three primary businesses: the electronic measurement business, the bio-analytical measurement business and the semiconductor and board test business.

- Our electronic measurement business focuses on the communications and electronics industries and provides standard and customized electronic measurement instruments and systems monitoring, management and optimization tools for communications networks and services, software design tools and related services that are used in the design, development, manufacture, installation, deployment and operation of electronics equipment and communications networks and services, and microscopy products. Related services include start-up assistance, instrument productivity and application services and instrument calibration and repair. We also offer customization, consulting and optimization services throughout the customer's product lifecycle. Our electronic measurement business generated net revenues of approximately $3.2 billion in fiscal 2008 and approximately $1.7 billion in the nine months ended July 31, 2009.
- Our bio-analytical measurement business focuses on the life sciences industry and in the environmental, chemical, food and petrochemical industries and provides application-focused solutions that include instruments, software, consumables and services that enable customers to identify, quantify and analyze the physical and biological properties of substances and products. Our key product categories include gas chromatography, liquid chromatography, mass spectrometry, inductively coupled mass spectrometry, microfluidics, microarrays, PCR (polymerase chain reaction) instrumentation, laboratory automation and robotics, software and informatics, and related bioreagents, consumables and services. Our bio-analytical measurement business generated net revenues of approximately $2.2 billion in fiscal 2008 and approximately $1.5 billion in the nine months ended July 31, 2009.
- Our semiconductor and board test business focuses on semiconductor and printed circuit board assembly industries and provides standard and customized laser interferometer, parametric and manufacturing test and measurement instruments and systems monitoring, management and optimization tools that are used in the design, development, manufacture, installation, deployment and operation of semiconductor and printed circuit assembly fabrication. Related services include start-up assistance, instrument productivity and application services and

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instrument calibration and repair. We also offer customization, consulting and optimization services throughout the customer's product lifecycle. Our semiconductor and board test business generated net revenues of approximately $351 million in fiscal 2008 and approximately $120 million in the nine months ended July 31, 2009.

Agilent Laboratories, our centralized research organization, conducts applied research that creates high-impact technology that can be transferred to our business units, driving market leadership in our core businesses and expanding our measurement footprint into adjacent markets. Agilent Laboratories provides technology integration and synergies across our businesses to create competitive differentiation and customer value.

Our electronic measurement customers include contract manufacturers, handset manufacturers, network equipment manufacturers that design, develop, manufacture and install network equipment, and service providers who implement, maintain and manage communication networks and services. Our bio-analytic customers include pharmaceutical and biotechnology companies, contract research and contract manufacturing organizations, academic and governmental organizations, petro-chemical refiners and bio-agricultural companies. We sell our products primarily through direct sales, as well as through distributors, resellers, manufacturer's representatives, telesales and electronic commerce. Agilent has a highly diversified global customer base and no one customer represented more than 3% of total consolidated net revenues in the nine months ended July 31, 2009.

Of our total net revenue of approximately $3.3 billion for the nine months ended July 31, 2009, we generated 33 percent in the United States and 67 percent outside the United States. As of July 31, 2009, we employed approximately 18,000 people worldwide. Our primary research, development and manufacturing sites are in California, Colorado and Delaware in the U.S. and in China, Germany, Japan, Malaysia, Singapore and the United Kingdom.

Acquisition of Varian, Inc.

On July 26, 2009, we entered into a merger agreement to acquire Varian, Inc. for approximately $1.5 billion in cash (including $52 cash per share of Varian's common stock, the cashing out of stock options and assumed debt). Varian is a supplier of scientific instruments and vacuum technologies for life science, environmental, energy, applied research and other applications. We expect this acquisition will broaden our applications and solutions offerings in life sciences, environmental, and energy and materials. We expect it will also expand our product portfolio into atomic and molecular spectroscopy; provide us with a leading position in nuclear magnetic resonance imaging and vacuum technologies; and strengthen our consumables portfolio.

The consummation of the Varian acquisition is subject to approval by Varian's stockholders, the receipt of antitrust approvals and other customary closing conditions. While we cannot be certain when we will obtain such approvals or satisfy the other conditions to consummation of the acquisition of Varian, if all, we expect to complete the acquisition prior to the calendar year end.

We may finance a portion of the purchase price for the Varian acquisition with the proceeds of this offering. See "*Use of Proceeds*." We also may finance a portion of the purchase price for the Varian acquisition with our existing cash and by expanding the structured financing to which our subsidiary Agilent Technologies World Trade, Inc. ("World Trade") is party.

Address and Telephone Number

Our principal executive offices are located at 5301 Stevens Creek Boulevard, Santa Clara, California 95051. Our telephone number at that location is (408) 553-2424. Our home page on the Internet is *www.agilent.com*. Other than the information expressly set forth in this prospectus, the

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information contained, or referred to, on our website is not part of this prospectus or any accompanying prospectus supplement.

Risk Factors

Our business is subject to uncertainties and risks. You should carefully consider and evaluate all of the information included and incorporated by reference in this prospectus supplement, including the risk factors discussed more fully in the section entitled "Risk Factors" immediately following this summary. It is possible that our business, financial condition, liquidity or results of operations could be adversely affected by any of these risks.

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The Offering

Issuer	Agilent Technologies, Inc., a Delaware corporation.
Securities	$ in aggregate principal amount of % Senior Notes due .
Maturity	, .
Interest	Interest on the notes will accrue at an annual rate of %. Interest will be paid semi-annually in arrears on and of each year, commencing on , . Interest will be computed on the basis of a 360-day year of twelve 30-day months.
Guarantees	None.
Denominations	$2,000 initially and multiples of $1,000 thereafter.
Ranking	The notes will be unsecured senior obligations of the Issuer and will rank equally with other unsecured and unsubordinated obligations of the Issuer. See "Description of Notes Ranking" in this prospectus supplement.
Change of Control Repurchase Event	Upon the occurrence of a "change of control repurchase event," as defined under "Description of Notes Purchase of Notes upon a Change of Control Repurchase Event" in this prospectus supplement, the Issuer will be required to make an offer to repurchase the notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest to, but not including, the date of repurchase.
Optional Redemption	The Issuer may redeem some or all of the notes at any time or from time to time, as a whole or in part, at its option, at the redemption prices described in this prospectus supplement. See "Description of Notes Optional Redemption" in this prospectus supplement.
Certain Covenants	The indenture relating to the notes, among other things, limits the Issuer's ability and the ability of certain of the Issuer's subsidiaries to create or assume certain liens or enter into sale and leaseback transactions, and the Issuer's ability to engage in mergers or consolidations and transfer or lease all or substantially all of our assets. See "Description of Debt Securities Certain Covenants" in the accompanying prospectus.
Use of Proceeds	We intend to use the proceeds from this offering for general corporate purposes, which may include our acquisition of Varian and acquisition related expenses. See "Use of Proceeds" in this prospectus supplement.
No Listing	We do not intend to apply for the listing of the notes on any securities exchange or for the quotation of the notes in any dealer quotation system.

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Book-Entry	The notes will be delivered in book-entry form only through The Depository Trust Company for the accounts of its participants, including Clearstream Banking, société anonyme, Luxembourg and/or Euroclear Bank S.A./N.V.
Risk Factors	An investment in the notes involves certain risks that an investor should carefully evaluate prior to making an investment in the notes. You should carefully read the "Risk Factors" section beginning on page S-7 of this prospectus supplement.
Further Issuances	We may create and issue additional notes having the same terms as, and ranking equally and ratably with either or each series of notes, as applicable, initially offered in this offering and otherwise similar in certain respects. These additional notes could be part of the same applicable series of the notes initially offered in this offering. There is no limit on the amount of notes that can be issued under the indenture governing the notes.
Trustee and Paying and Transfer Agent	U.S. Bank National Association.
Governing Law	New York.

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Summary Consolidated Financial Data

The following table sets forth summary consolidated financial information from our unaudited consolidated financial statements as of and for the nine months ended July 31, 2009 and 2008 and our audited consolidated financial statements as of and for the fiscal years ended October 31, 2008, 2007 and 2006. The unaudited consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements, and, in the opinion of our management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information set forth therein. The summary consolidated financial data presented below should be read in conjunction with our financial statements and the accompanying notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Quarterly Report on Form 10-Q for the quarter ended July 31, 2009 and Current Report on Form 8-K, filed with the Securities and Exchange Commission ("SEC") on September 4, 2009 and September 8, 2009, respectively, which are incorporated by reference in this prospectus supplement.

Our financial information may not be indicative of our future performance and our results of operations for the nine months ended July 31, 2009 are not necessarily indicative of results for the full fiscal year.

	Nine Months Ended July 31,		Year Ended October 31,		
	2009	2008	2008	2007	2006
			(in millions)		
Consolidated Statements of Operations Data					
Net revenues:					
Products	$2,636	$3,570	$4,804	$4,505	$4,125
Services and others	678	723	970	915	848
Total net revenue	3,314	4,293	5,774	5,420	4,973
Cost and expenses:					
Cost of products	1,284	1,518	2,030	1,928	1,799
Cost of services and other	372	409	548	523	516
Total costs	1,656	1,927	2,578	2,451	2,315
Research and development	492	534	704	685	655
Selling, general and administrative	1,190	1,289	1,697	1,700	1,660
Gain on sale of Palo Alto and San Jose sites					(121)
Total costs and expenses	3,338	3,750	4,979	4,836	4,509
Income (loss) from operations	(24)	543	795	584	464
Interest income	25	89	113	172	178
Interest expense	(67)	(90)	(123)	(91)	(69)
Other income (expense), net	(6)	16	30	5	54
Income (losses) from continuing operations before taxes and equity income	(72)	558	815	670	627
Provision (benefit) for income taxes	(16)	96	122	32	91
Equity in net income of unconsolidated affiliate Lumileds					901
Income (losses) from continuing operations	$ (56)	$ 462	$ 693	$ 638	$1,437

	As of July 31, 2009	As of October 31, 2008	2007
	(in millions)		
Consolidated Balance Sheet Data			
Cash, cash equivalents and short-term investments(1)	$ 1,499	$1,429	$1,826
Total assets	6,573	7,007	7,554

Total liabilities	4,084	4,448	4,320
Total stockholders' equity	2,489	2,559	3,234

(1) Does not include approximately $1.6 billion of restricted cash and cash equivalents, the majority of which is associated with our World Trade structured financing.

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RISK FACTORS

You should carefully consider each of the following risks and all of the other information set forth in this prospectus supplement and the accompanying prospectus, or incorporated by reference herein and therein, before making an investment in the notes. Based on the information currently known to us, we believe that the following information identifies the material risk factors affecting our company. However, additional risks and uncertainties not currently known to us or that we currently believe to be immaterial may also adversely affect our business.

Risks Relating to Our Business

Risks, Uncertainties and Other Factors That May Affect Future Results

Declining general economic conditions and uncertainties in the global credit and equity markets may adversely affect our operating results and financial condition.

Our business is sensitive to changes in general economic conditions, both inside and outside the U.S. Worldwide financial markets have experienced extreme disruption in recent months, including, among other things, extreme volatility in security prices, severely diminished liquidity and credit availability, rating downgrades and declining valuations of investments. These disruptions are likely to have an ongoing adverse effect on the world economy. We are unable to predict how long the economic downturn will last. A continuing economic downturn and continuing financial market disruptions may adversely impact our business resulting in:

- Reduced demand for our products realized by diminished new orders and increases in order cancellations;
- Increased risk of excess and obsolete inventories;
- Increased pressure on the prices for our products and services;
- Greater difficulty in collecting accounts receivable;
- Reduced access to the credit markets to meet short term cash needs in the U.S.; and
- Greater risk of impairment to the value, and a detriment to the liquidity, of our investment portfolio.

Our operating results and financial condition could be harmed if the markets into which we sell our products decline or do not grow as anticipated.

Visibility into our markets is limited. Our quarterly sales and operating results are highly dependent on the volume and timing of orders received during the fiscal quarter, which are difficult to forecast. In addition, our revenues and earnings forecasts for future fiscal quarters are often based on the expected seasonality or cyclicality of our markets. However, the markets we serve do not always experience the seasonality or cyclicality that we expect. Any decline in our customers' markets or in general economic conditions, including declines related to the current market disruptions described above, would likely result in a reduction in demand for our products and services. For example, we experienced weakness in almost all sectors during the fiscal third quarter due to declines in market activity caused largely by the global economic downturn. The broader semiconductor market is one of the drivers for our electronic measurement business, and therefore, a decrease in the semiconductor market could harm our electronic measurement business. Also, if our customers' markets decline, we may not be able to collect on outstanding amounts due to us. Such declines could harm our consolidated financial position, results of operations, cash flows and stock price, and could limit our ability to sustain profitability. Also, in such an environment, pricing pressures could intensify. Since a significant portion of our operating expenses is relatively fixed in nature due to sales, research and development and manufacturing costs, if we were unable to respond quickly enough these pricing pressures could further reduce our gross margins.

The actions that we are taking to reduce costs could have long-term adverse effects on our business.

Since December 2008, we have announced significant restructuring activities in our global infrastructure organization and our semiconductor and board test segment and electronic measurement segment. This restructuring program and regular ongoing evaluations of our cost structure, could have the effect of reducing our talent pool and available resources and, consequently, could have long-term effects on our business by decreasing or slowing improvements in our products, affecting our ability to respond to customers, limiting our ability to increase production quickly if and when the demand for our products increases and limiting our ability to hire and retain key personnel. These circumstances could harm our consolidated financial position, results of operations, cash flows, and stock price, and could limit our ability to sustain profitability.

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

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

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

Dependence on contract manufacturing and outsourcing other portions of our supply chain may adversely affect our ability to bring products to market and damage our reputation. Dependence on outsourced information technology and other administrative functions may impair our ability to operate effectively.

As part of our efforts to streamline operations and to cut costs, we have been outsourcing aspects of our manufacturing processes and other functions and will continue to evaluate additional outsourcing. If our contract manufacturers or other outsourcers fail to perform their obligations in a timely manner or at satisfactory quality levels, our ability to bring products to market and our reputation could suffer. For example, during a market upturn, our contract manufacturers may be unable to meet our demand requirements, which may preclude us from fulfilling our customers' orders on a timely basis. The ability of these manufacturers to perform is largely outside of our control. In addition, we outsource significant portions of our information technology ("IT") function and other administrative functions. Since IT is critical to our operations, any failure to perform on the part of the IT providers could impair our ability to operate effectively. In addition to the risks outlined above,

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problems with manufacturing or IT outsourcing could result in lower revenues, unexecuted efficiencies, and impact our results of operations and our stock price. Much of our outsourcing takes place in developing countries and, as a result, may be subject to geopolitical uncertainty.

Failure to adjust our purchases due to changing market conditions or failure to estimate our customers' demand could adversely affect our income.

Our income could be harmed if we are unable to adjust our purchases to market fluctuations, including those caused by the seasonal or cyclical nature of the markets in which we operate. The sale of our products and services are dependent, to a large degree, on customers whose industries are subject to seasonal or cyclical trends in the demand for their products. For example, the consumer electronics market is particularly volatile, making demand difficult to anticipate. During a market upturn, we may not be able to purchase sufficient supplies or components to meet increasing product demand, which could materially affect our results. In addition, some of the parts that require custom design are not readily available from alternate suppliers due to their unique design or the length of time necessary for design work. Should a supplier cease manufacturing such a component, we would be forced to reengineer our product. In addition to discontinuing parts, suppliers may also extend lead times, limit supplies or increase prices due to capacity constraints or other factors. In order to secure components for the production of products, we may continue to enter into noncancelable purchase commitments with vendors, or at times make advance payments to suppliers, which could impact our ability to adjust our inventory to declining market demands. Prior commitments of this type have resulted in an excess of parts when demand for our communications and electronics products has decreased. If demand for our products is less than we expect, we may experience additional excess and obsolete inventories and be forced to incur additional charges.

Our income may suffer if our manufacturing capacity does not match the demand for our products.

Because we cannot immediately adapt our production capacity and related cost structures to rapidly changing market conditions, when demand does not meet our expectations, our manufacturing capacity will likely exceed our production requirements. If, during a general market upturn or an upturn in one of our segments, we cannot increase our manufacturing capacity to meet product demand, we will not be able to fulfill orders in a timely manner. This inability could materially and adversely limit our ability to improve our results. By contrast, if during an economic downturn we had excess manufacturing capacity, then our fixed costs associated with excess manufacturing capacity would adversely affect our income.

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

Because we sell our products worldwide, our business is subject to risks associated with doing business internationally. We anticipate that revenue from international operations will continue to represent a majority of our total revenue. In addition, many of our employees, contract manufacturers, suppliers, job functions and manufacturing facilities are increasingly located outside the U.S. Accordingly, our future results could be harmed by a variety of factors, including:

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

- difficulty in staffing and managing widespread operations;
- differing labor regulations;
- differing protection of intellectual property;
- unexpected changes in regulatory requirements; and
- geopolitical turmoil, including terrorism and war.

We centralized most of our accounting processes to two locations: India and Malaysia. These processes include general accounting, cost accounting, accounts payable and accounts receivables functions. If conditions change in those countries, it may adversely affect operations, including impairing our ability to pay our suppliers and collect our receivables. Our results of operations, as well as our liquidity, may be adversely affected and possible delays may occur in reporting financial results.

In addition, although the majority of our products are priced and paid for in U.S. dollars, a significant amount of certain types of expenses, such as payroll, utilities, tax, and marketing expenses, are paid in local currencies. Our hedging programs reduce, but do not always entirely eliminate, within any given twelve month period, the impact of currency exchange rate movements, and therefore fluctuations in exchange rates, including those caused by currency controls, could unfavorably impact our business operating results and financial condition by resulting in lower revenue or increased expenses. For expenses beyond that twelve month period, our hedging strategy does not mitigate our exposure. In addition, our currency hedging programs involve third party financial institutions as counterparties. These financial institutions, generally, have experienced and continue to experience significant adverse effects on their business from the current decline in general economic conditions and uncertainties in the global credit and equity markets. The weakening or failure of financial institution counterparties may adversely affect our hedging programs and our financial condition through, among other things, a reduction in available counterparties, increasingly unfavorable terms, and the failure of the counterparties to perform under hedging contracts.

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

Our future success depends partly on the continued service of our key research, engineering, sales, marketing, manufacturing, executive and administrative personnel. If we fail to retain and hire a sufficient number of these personnel, we will not be able to maintain or expand our business. The markets in which we operate are very dynamic, and our businesses continue to respond with reorganizations, workforce reductions and site closures. We believe our pay levels are very competitive within the regions that we operate. However, there is also intense competition for certain highly technical specialties in geographic areas where we continue to recruit, and it may become more difficult to retain our key employees, especially in light of our ongoing restructuring efforts.

The impact of consolidation of competitors in the test and measurement market is difficult to predict and may harm our business.

The test and measurement industry is intensely competitive and has been subject to increasing consolidation. For instance, in November 2007, Danaher Corporation, one of our competitors, completed the acquisition of Tektronix, Inc., another of our competitors. Consolidation in the test and measurement industry could result in existing competitors increasing their market share through business combinations, which could have a material adverse effect on our business, financial condition and results of operations. We may not be able to compete successfully in an increasingly consolidated industry and cannot predict with certainty how industry consolidation will affect our competitors or us.

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

In the normal course of business, we frequently engage in discussions with third parties relating to possible acquisitions, strategic alliances, joint ventures and divestitures, and generally expect to complete several transactions per year. For example, in fiscal 2008 we completed a number of acquisitions, including the acquisition of Velocity11 in our first fiscal quarter that year. In addition, in July 2009, we agreed to acquire Varian, Inc., which we expect to complete by calendar year-end. As a result of such transactions, our financial results may differ from our own or the investment community's expectations in a given fiscal quarter, or over the long term. Such transactions often have post-closing arrangements including but not limited to post-closing adjustments, transition services, escrows or indemnifications, the financial results of which can be difficult to predict. In addition, acquisitions, including the Varian acquisition, and strategic alliances may require us to integrate a different company culture, management team and business infrastructure. We may have difficulty developing, manufacturing and marketing the products of a newly acquired company in a way that enhances the performance of our combined businesses or product lines to realize the value from expected synergies. Depending on the size and complexity of an acquisition, our successful integration of the entity depends on a variety of factors, including:

the retent