

KKR and Silver Lake to Acquire Agilent's Semiconductor Unit for \$2.66 Billion

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NEW YORK & MENLO PARK, Calif. - (BUSINESS WIRE) - Aug. 15, 2005 - Kohlberg Kravis Roberts & Co. (KKR) and Silver Lake Partners announced today that they have signed an agreement with Agilent Technologies, Inc. (NYSE: A) to acquire Agilent's Semiconductor Products Group (SPG) for \$2.66 billion, which will create the largest privately-held independent semiconductor company in the world.

SPG is a leading supplier of advanced semiconductor components, modules and subsystems for consumer and commercial electronics applications with approximately 6,600 employees worldwide.

Dick Chang, current president of SPG, who will become president and chief executive officer of the New SPG, said, "This transaction provides an exciting platform for SPG to grow and thrive as a stand-alone enterprise. The New SPG will build on the strength of its existing business platform and take advantage of strategic growth opportunities around the world. We will be better positioned to focus on developing new products, increasing market share, and securing our role among the technology leaders in the semiconductor industry."

Dr. Chang continued, "This is good news for our customers and employees, as this transaction is a strong endorsement of our business model and financial strength. We are looking forward to a constructive partnership with KKR and Silver Lake, two of the world's most accomplished private equity firms."

KKR and Silver Lake are equal partners in the transaction. Both firms are known for taking a long-term view toward the businesses in which they invest and for their focus on working in partnership with management.

James H. Greene, Jr., a partner at KKR, said, "We see this as an excellent opportunity to invest in a world-class, highly diversified semiconductor company with excellent cash flow, dedicated management, a unique culture, and strong prospects for future growth on a global basis."

John R. Joyce, a managing director of Silver Lake, said, "SPG has an impressive reputation for industry leading technology and deep customer relationships. Its strong position in the markets it serves is a testament to the dedication of all 6,600 SPG employees worldwide. We are excited about the opportunity to work with the SPG team to build upon its already strong foundation of intellectual property, great people and unmatched commitment to meeting customers needs."

William Sullivan, president and chief executive officer of Agilent, said, "We believe that SPG can best realize its full potential as an independent company. As we re-focus Agilent on its core measurement businesses, we are pleased to have found enthusiastic, experienced, and supportive owners for SPG in the alliance of KKR and Silver Lake.

Their long-term investing horizon, technology experience, and focus on growth make a compelling partnership that will serve all SPG's constituents well."

The transaction is currently targeted to be completed by the end of Agilent's fiscal year, Oct. 31, 2005, subject to closing conditions, including governmental and regulatory approvals. Citigroup and Lehman Brothers acted as the exclusive financial advisors to KKR and Silver Lake on the transaction. Latham & Watkins served as legal advisor.

About Agilent's SPG

Agilent's SPG, which had revenue of \$2 billion in fiscal year 2004, is a leading supplier of advanced semiconductor components to the mobile phone, enterprise storage and networking, and broad optoelectronic markets. Products include fiber optic transceivers; radio frequency and microwave components; storage application-specific standard products (ASSPs); storage, computing, networking and imaging application-specific integrated circuits (ASICs); infrared transceivers and remote control/IRFM software; CMOS imaging solution; light emitting diodes (LEDs); illumination and color management solutions; optical mouse sensors; optocouplers; and motion control devices. Information about Agilent's SPG is available on the Web at www.agilent.com.

About KKR

KKR is one of the world's oldest and most experienced private equity firms specializing in management buyouts, with offices in New York, Menlo Park, California and London, England. Over the past twenty-nine years, KKR has invested in more than 130 transactions with a total value of US\$158 billion. For more information, please visit www.kkr.com.

About Silver Lake Partners

Silver Lake Partners is the leading private equity firm focused exclusively on large-scale investing in technology and related growth industries. Silver Lake seeks to achieve superior returns by investing with the strategic insight of an experienced industry participant, the operating skill of a world-class manager, and the financial expertise of a disciplined private equity investor. Specifically, Silver Lake's mission is to function as a value-added partner to the management teams of the world's leading technology franchises. Its portfolio companies include technology industry leaders such as Ameritrade, Business Objects, Flextronics, Gartner, Nasdaq, Network General, Seagate Technology, SunGard Data Systems, Thomson and UGS. For more information: www.silverlake.com.

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