AMERISOURCE BERGEN CORP
Form 425
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Filed by AmeriSource Health Corporation pursuant to Rule 425 under the Securities Act of 1933 and deemed filed pursuant to Rule 14a-12 of the Securities Exchange Act of 1934

Subject Company: AmerisourceBergen Corporation
Commission File Number: 333-61440

Forward-Looking Statements

The following communications contain certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may vary materially from the expectations contained in the forward-looking statements. The forward-looking statements herein include statements addressing future financial and operating results of AmeriSource and Bergen Brunswig and the timing, benefits and other aspects of the proposed merger.

The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements: inability to obtain, or meet conditions imposed for, governmental approvals for the transaction; failure of the stockholders of AmeriSource and Bergen Brunswig to approve the merger; the risk that the businesses of AmeriSource and Bergen Brunswig will not be integrated successfully; failure to obtain and retain expected synergies; and other economic, business, competitive and/or regulatory factors affecting the businesses of AmeriSource and Bergen Brunswig generally. More detailed information about these factors is set forth in AmeriSource's and Bergen Brunswig's filings with the Securities and Exchange Commission, including each of their Annual Reports on Form 10-K for fiscal 2000 and their most recent quarterly reports on Form 10-Q. AmeriSource and Bergen Brunswig are under no obligation to (and expressly disclaim any such obligation to) update or alter their forward-looking statements whether as a result of new information, future events or otherwise.

Additional Information

In connection with their proposed merger, AmeriSource and Bergen Brunswig filed a joint proxy statement/prospectus with the Securities and Exchange Commission. INVESTORS AND SECURITY HOLDERS ARE ADVISED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS BECAUSE IT CONTAINS IMPORTANT INFORMATION. Investors and security holders may obtain a free copy of the joint proxy statement/prospectus and other documents filed by AmeriSource and Bergen Brunswig at the SEC's web site at www.sec.gov. The joint proxy statement/prospectus and such other documents may also be obtained for free from AmeriSource or from Bergen Brunswig by directing such request to AmeriSource Health Corporation, General Counsel, 1300 Morris Drive, Suite 100, Chesterbrook, Pennsylvania 19087-5594, telephone: (610) 727-7000; or to Bergen Brunswig Corporation, Attention: Corporate Secretary, 4000 Metropolitan Drive, Orange, California 92868-3510, Telephone: (714)385-4000.

(BW)(PA-AMERISOURCE/BERGEN)(AAS)(BBC) AmeriSourceBergen Prices $500 Million Senior Notes Due 2008

VALLEY FORGE, Pa. & ORANGE, Calif.--(BUSINESS WIRE)-- Aug. 9, 2001--AmeriSource Health Corporation (NYSE:AAS) and Bergen Brunswig Corporation (NYSE:BBC) today jointly announced that AmerisourceBergen Corporation has agreed to sell a new issue of $500 million Senior Notes due 2008.

The proceeds will be held in escrow for up to 90 days, until the completion of the pending combination of AmeriSource and Bergen Brunswig. The notes will have an annual interest rate of 8.125 percent, payable semi-annually.

The notes will be issued in a private placement and are expected to be resold by the initial purchasers to qualified institutional buyers under Rule 144A of the Securities Act of 1933.

The proceeds from the sale of the notes will be used together with proceeds expected from a new credit facility to repay AmeriSource's and Bergen's existing senior secured credit facilities, to pay fees and expenses associated with the merger, to repurchase or repay certain of Bergen"s other indebtedness, and for general corporate purposes.

The notes to be offered have not been registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy such notes in any jurisdiction in which such an offer or sale would be unlawful and is issued pursuant to Rule 135-c under the Securities Act of 1933.

The matters discussed in this press release may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act of 1934. Certain forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "seeks", "approximately", "intends", "plans", "estimates", or "anticipates", or the negative thereof or another comparable terminology, and statements addressing the timing, benefits and other aspects of the proposed merger. The following factors, among others could cause actual results to differ materially from those described in the forward-looking statements: inability to obtain or meet conditions imposed for government approvals for the transaction; failure of stockholders of AmeriSource and Bergen to approve the merger; the risk that the businesses of AmeriSource and Bergen will not be integrated successfully; failure to obtain and retain expected synergies; and other economic, business, competitive and/or regulatory factors affecting the business of AmeriSource and Bergen generally. The inclusion of forward-looking statements in this press release by AmeriSource and Bergen should not be regarded as representations by the companies that the plans of AmeriSource and Bergen or AmerisourceBergen will be achieved. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. AmeriSource and Bergen assume no obligation to update the information contained in this press release.

Additional Information

In connection with their proposed merger, AmeriSource and Bergen Brunswig filed a joint proxy statement/prospectus with the Securities and Exchange Commission. Investors and security holders are advised to read the joint proxy statement/prospectus because it contains important information.

Investors and security holders may obtain a free copy of the joint proxy statement/prospectus and other documents filed by AmeriSource and Bergen Brunswig at the Securities and Exchange Commission's web site at www.sec.gov. The joint proxy statement/prospectus and such other documents may also be obtained for free from AmeriSource or from Bergen Brunswig by directing such request to AmeriSource Health Corporation, General Counsel, 1300 Morris Drive, Suite 100, Chesterbrook, Pennsylvania 19087-5594, Telephone: (610) 727-7000; or to Bergen Brunswig Corporation, Attention: Corporate Secretary, 4000 Metropolitan Drive, Orange, California 92868-3510, Telephone: (714) 385-4000.

Participants in Solicitation

AmeriSource and Bergen Brunswig and their respective directors, executive officers and other members of their management and employees may be deemed to be participants in the solicitation of proxies from

their respective stockholders in connection with the proposed merger.

Information concerning AmeriSource"s participants in the solicitation is set forth in AmeriSource's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 19, 2001, and information concerning Bergen Brunswig's participants in the solicitation is set forth in Bergen Brunswig's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 19, 2001.

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/TD> 79 5 99 4 Employer contributions 70 20 78 20 Employee contributions 9 6 Benefits paid (127) (30) (113) (34) Fair value of plan assets at September 30 $ 1,058 $ 59$ 1,036$ 55Funded status of the plans $ (223)$ (24) $ (340) $ (203) Unrecognized net actuarial loss 316 20 387 (50) Unrecognized prior service cost (6) (169) (9) 51 Net amount recognized $ 87$ (173) $ 38$ (202)

The pension benefit obligation as of September 30, 2006 and 2005 includes $16 and $15, respectively for the Company s international plans. The fair value of plan assets as of September 30, 2006 and 2005 includes $7 and $8, respectively, for the Company s international pension plan assets.

The accumulated benefit obligation was $1,263 and $1,356 as of September 30, 2006 and 2005, respectively. Benefits paid reflect all special and normal retiree benefit payments.

In May and June 2006, several changes were made to the postretirement health plan for U.S. represented and management employees. Effective January 1, 2009, the Company will no longer subsidize medical coverage for retired represented employees under the age of 65, regardless of their retirement date. In addition, effective January 1, 2008 and January 1, 2009 for management and represented retirees, respectively, that are age 65 or older, the Company will contribute one hundred dollars per year for each eligible retiree towards the cost of health coverage sponsored by the Company. Effective January 1, 2009, the Company will no longer offer prescription drug coverage to Medicare-eligible represented retirees. These changes are reflected in the September 30, 2006 benefit obligation. These changes decreased the accumulated postretirement benefit obligation by $137.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS(Continued)
(dollars in millions except per share amounts)

In September 2005, several changes were made to the postretirement health plan for U.S. management employees. Effective January 1, 2006, the Company will no longer offer prescription drug coverage to Medicare-eligible management retirees. In addition, effective January 1, 2008, the Company will no longer subsidize medical coverage for retired management employees under the age of 65, regardless of their retirement date. These changes decreased the accumulated postretirement benefit obligation by $30 at September 30, 2005. In September 2005, the Company also changed the postretirement life benefit plan to limit the payout a participants beneficiary could receive to a maximum of fifty thousand dollars. This change is reflected in the September 30, 2005 benefit obligation and decreased the accumulated postretirement benefit obligation by $16.

During fiscal 2006 and 2005, the Company voluntarily contributed $66 and $77, respectively, in cash to the pension plan for represented employees. In addition, $4 and $1 in cash was paid under the non-qualified pension plan in fiscal 2006 and 2005, respectively.

Amounts recognized in the consolidated balance sheets consist of:

	Year Ended September 30,			
	2006		2005	
	Pension Benefits	Postretirement Benefits	Pension Benefits	Postretirement Benefits
Accrued benefit liability	$ (205)	$ (173)	$ (320)	$ (202)
Accumulated other comprehensive loss	292		358	
Net amount recognized	$ 87	$ (173)	$ 38	$ (202)

The Company reassesses its benefit plan assumptions on a regular basis. The actuarial assumptions for the principal pension and postretirement plans for fiscal 2006 and 2005 were as follows:

	Pension Benefits	Postretirement Health Benefits	Postretirement Life Benefits
Fiscal 2006			
Discount rate to determine net periodic benefit before/after curtailment cost	5.50/6.25%	5.50/6.25 %	5.50/6.25%
Discount rate to determine the benefit obligation as of September 30, 2006	5.75%	5.75%	5.75%
Rate of compensation increase	4.00%	N/A	4.00%

(dollars in millions except per share amounts)

Expected average rate of return on plan assets	8.13%	N/A	7.75%
Fiscal 2005			
Discount rate to determine net periodic benefit cost	6.00%	6.00%	6.00%
Discount rate to determine the benefit obligation as of September 30, 2005	5.50%	5.50%	5.50%
Rate of compensation increase	4.00%	N/A	4.00%
Expected average rate of return on plan assets	8.13%	N/A	7.75%

In fiscal 2006, the Company announced additional business resizing activities which triggered curtailment and settlement accounting. This business resizing resulted in a mid-year remeasurement of the pension and postretirement benefit obligations, which used the prevailing interest rate at that time, and incorporated the announced postretirement plan amendments.

For fiscal 2006 and 2005, the healthcare cost-trend assumption has no impact on the total service and interest cost components and on the postretirement benefit obligation since costs under the plans are in excess of the plan's defined maximum contribution which is being enforced by the Company.

The long-term rates of return on assets were based on the asset mix of the portfolios as noted below. The rates used are adjusted for any current or anticipated shifts in the investment mix of the plans. The rates also factor in the historic performance of the plans assets.

	Allocation as of September 30,			
	2006		2005	
	Pension Benefits	Postretirement Benefits	Pension Benefits	Postretirement Benefits
Equity Securities	53%	49%	53%	46%
Debt Securities	47%	51%	47%	54%

As of September 30, 2005, the net assets in the trust for postretirement health benefits had been depleted and future payments will be made from the Company's cash on hand.

The following table reflects the benefit payments, which include expected future service, that the Company expects to pay in the years noted:

	Pension Benefits	Postretirement Benefits
Fiscal 2007	$ 87	$22
Fiscal 2008	$ 84	$19

Fiscal 2009	$ 84	$ 5
Fiscal 2010	$ 84	$ 2
Fiscal 2011	$ 84	$ 2
Fiscal 2012 through fiscal 2016	$429	$10

The Company does not currently plan to make contributions to the pension plans in fiscal 2007.

11. Investment in Silicon Manufacturing Partners

During fiscal 1998 the Company formed a joint venture, SMP, with Chartered Semiconductor Manufacturing Ltd. (Chartered Semiconductor), a leading manufacturing foundry for integrated circuits. SMP operates a 54,000 square foot integrated circuit manufacturing facility in Singapore. The Company owns a 51% equity interest in this joint venture, and Chartered Semiconductor owns the remaining 49% equity interest. The Companys 51% interest in SMP is accounted for under the equity method as Agere is effectively precluded from taking any significant action in the management of SMP due to Chartered Semiconductors significant participatory rights under the joint venture agreement. Because of Chartered Semiconductors approval rights, the Company can not make any significant decisions regarding SMP without Chartered Semiconductors approval, despite the 51% equity interest. In addition, the General Manager, who is responsible for the day-to-day management of SMP, is appointed by Chartered Semiconductor and Chartered Semiconductor provides the day-to-day operational support to SMP. Under the joint venture agreement, each partner is entitled to the margins from sales to themselves or customers that are directed to SMP by that partner, after deducting their respective share of the overhead costs of SMP. Accordingly, SMPs net income is not shared in the same ratio as equity ownership. In September 2004, the joint venture agreement was amended to allow SMP to pay dividends out of SMPs profits determined on a year to year basis. The Company received dividends of $41 and $61 from SMP in fiscal 2005 and 2004, respectively. No dividends were received in fiscal 2006.

The Company has a take or pay agreement with SMP under which it has agreed to purchase 51% of the managed wafer capacity from SMPs facility. All postive and negative variances associated with Ageres commitment to purchase 51% of SMPs managed wafer capacity are passed to Agere through the pricing of the wafers. If the Company fails to purchase its required commitments, it will be required to pay SMP for the fixed costs associated with any unpurchased wafers. During the first quarter of fiscal 2005, both Agere and Chartered Semiconductor agreed to waive the take or pay agreement for the first quarter, which resulted in a $5 increase to equity loss for Agere. On September 15, 2005, Agere and Chartered Semiconductor agreed to allow SMP to effect a capital reduction and return excess capital to Agere and Chartered Semiconductor in the form of cash distributions. Agere and Chartered Semiconductor also agreed to reduce wafer prices for Agere in the fourth quarter of fiscal 2005. The effect of the wafer price reductions was a $5 increase in the equity loss for Agere. The

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS(Continued)
(dollars in millions except per share amounts)

combined effect of the take or pay waiver and the reduced wafer costs was a $10 increase to equity losses offset by $10 of reduced costs for fiscal 2005. The Companys investment in SMP was $45 and $84 at September 30, 2006 and 2005, respectively, and is recorded in other assets. At September 30, 2006 the $45 investment in SMP is the maximum amount of loss that could be realized as a result of Ageres involvement in SMP. The Company recognized equity losses of $10 and $5 in fiscal 2005 and 2004, respectively recorded in other income net. There were no equity earnings or losses for fiscal 2006. The Company received a return of capital of $39 in fiscal 2006. The Company did not receive any return of capital for fiscal 2005 or 2004.

The Company purchased $95, $110, and $142 of inventory from SMP in fiscal 2006, 2005 and 2004, respectively. At September 30, 2006 and September 30, 2005, the amount of inventory on hand that was purchased from SMP was $5 and $12, respectively. At September 30, 2006 and September 30, 2005, amounts payable to SMP were $20 and $22, respectively. At September 30, 2005, the Company had accounts receivable of $1 from SMP recorded in other current assets. There was no accounts receivable from SMP on September 30, 2006.

The following table shows the condensed balance sheets and statements of operations of SMP:

	September 30, 2006	September 30, 2005
Assets		
Current assets	$ 96	$ 120
Noncurrent assets	27	69
Liabilities		
Current liabilities	$ 28	$ 21

	Year Ended September 30, 2006	2005	2004
Revenue	$ 210	$ 187	$ 353
Gross profit (loss)	41	(20)	66
Net income (loss)	$ 38	$ (24)	$ 48

SMP had entered into interest rate swaps, which had been designated as cash flow hedges, to manage interest rate risk from its floating interest rate debt and had recorded the unrealized gain or loss from these hedges as a separate component of other comprehensive income (loss). The Company had a 51% equity interest in these transactions and, as a result, recorded an unrealized gain of $5 in other comprehensive income (loss) in fiscal 2004. SMP repaid all of its outstanding bank debt in June 2004 and at the same time, settled all outstanding interest rate swap transactions. Upon settlement of SMPs interest rate swaps, the Company recorded a realized gain of $1 in fiscal 2004 related to the termination of the cash flow hedges, which is included in equity loss from SMP.

12. Acquisitions

Modem-Art Ltd.

On March 8, 2005, the Company acquired Modem-Art to accelerate the delivery of advanced third generation (3G) mobile communications products to market, to integrate additional functionality into the Companys existing mobile phone technologies and to leverage the experience of Modem-Arts development team. Modem-Art was a developer of advanced processor technology for 3G mobile phones. The Company acquired Modem-Art for $144 by issuing 7,033,170 shares of common stock, valued at $113 based on a $16.08 share price, and paying $31 cash in exchange for all the outstanding shares of Modem-Art. Of the shares issued, 1,335,995 shares were placed in escrow to satisfy claims, if any, for breaches of representations and warranties under the merger agreement and 508,308 shares were placed in escrow to satisfy potential tax liabilities of some of the selling shareholders in connection with their sale of Modem-Art shares. As of September 30, 2006, all the shares initially deposited in escrow have been released.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS(Continued)
(dollars in millions except per share amounts)

The acquisition of Modem-Art was accounted for under the purchase method of accounting. The purchase price, including acquisition costs, was allocated to the net assets acquired based on their fair market values. The consolidated financial statements include the results of operations for Modem-Art from the date of acquisition. The allocation of the purchase price by major balance sheet item is provided below.

Current assets (primarily cash)	$ 5
Goodwill	77
In-process research and development	55
Acquired intangible assets	9

(dollars in millions except per share amounts)

Current liabilities	(2)
Total	$ 144

The acquired intangible asset consists of a non-competition agreement restricting eight Modem-Art employees from engaging in non-Agere interests or business in the 3G industry, which is being amortized over the two-year term of the agreement.

Of the $144 purchase price, $55 represents the fair value of acquired in-process research and development which had not yet reached technological feasibility and had no alternative future use at the date of acquisition. Accordingly, this amount was expensed in the statement of operations on the date of acquisition. The in-process research and development projects were a 3G single-mode chipset (Single-Mode), a variant of the Single-Mode chipset, which when combined with Agere s software and advanced second generation (2.5G) chipsets incorporating General Packet Radio Service and Enhanced Global Rates for Global Evolution technologies can fulfill the requirements of dual-mode 2.5G and 3G (Dual-Mode) and the development of High Speed Downlink Packet Access (HSDPA) technology, which will be integrated in a chipset that supports high speed data transmission from base stations to mobile phones. The fair values of these projects were determined using the excess earnings method of the income approach. This method employs a discounted cash flow analysis using the present value of the estimated after-tax cash flows expected to be generated by the purchased in-process research and development. The Company used the following discount rates, which reflect the development stage of the technology and risks associated with attaining full technological and commercial feasibility.

Project	**Discount rate**
Single-Mode	30%
Dual-Mode	35%
HSDPA	40%

The goodwill of $77 includes future technology beyond the in-process technologies, such as the second release of HSDPA, a knowledgeable and experienced workforce, and a time-to-market or defensive strategy. The goodwill has been assigned to the Consumer segment and is deductible for tax purposes.

TeraBlaze, Inc.

On December 31, 2003, the Company acquired TeraBlaze, a developer of gigabit Ethernet switching solutions, for $21. The Company issued 692,119 shares of common stock in exchange for all the outstanding shares of TeraBlaze, of which 69,212 shares were placed into escrow to satisfy potential liabilities, if any, resulting from claims for breaches of representations and warranties under the merger agreement. As of September 30, 2006, all the shares initially deposited in the escrow have been released.

The acquisition of TeraBlaze was accounted for under the purchase method of accounting. The purchase price, including acquisition costs, was allocated to the net assets acquired based on the relative fair market values. The consolidated financial statements include the results of operations for TeraBlaze from the date of acquisition. The allocation of the purchase price by major balance sheet line item is provided below.

Goodwill	$ 10
In-process research and development	13
Current liabilities	(2)
Total	$ 21

The only acquired intangible asset apart from goodwill was in-process research and development. The goodwill has been assigned to the Networking segment and is not deductible for tax purposes.

Approximately $13 of the purchase price represents the fair value of acquired in-process research and development which had not yet reached technological feasibility and had no alternative future use at the date of acquisition. Accordingly, this amount was expensed in the statement of operations on the date of acquisition. The in-process research and development consisted of one project, the development of gigabit Ethernet switching technology. The fair value of this project was determined using the excess earnings method of the income approach. A discount rate of 40% was used, which reflected the development stage of the technology and risks associated with attaining full technological and commercial feasibility.

13. Intangible Assets

The Company has goodwill and acquired intangible assets resulting from acquisitions. Intangible assets with finite lives are amortized over their useful lives and goodwill is tested for impairment at least annually. The following table reflects the Company's goodwill by reportable segment:

	September 30, 2006	September 30, 2005
Unamortized intangible assets:		
Goodwill:		
Consumer segment (1)	$ 152	$ 152
Networking segment	44	44
Goodwill	$ 196	$ 196

(1) During fiscal 2005, Consumer segment goodwill increased by $77 due to the acquisition of Modem-Art.

The following table reflects the other acquired intangible assets by major class and the related accumulated amortization. These other acquired intangible assets are assigned to the Consumer segment.

	September 30, 2006			September 30, 2005		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Amortized intangible assets:						
Existing Technology (1)	$11	$ 3	$ 8	$34	$32	$2
Non-competition agreements (2)	9	7	2	9	2	7
Acquired intangible assets	$20	$10	$10	$43	$34	$9

(1) During fiscal 2006, the Company recorded $7 for the acquisition of a patent in the Networking segment. This intangible asset is being amortized over a five-year period. Existing technology of $8 and $2 as of September 30, 2006 and 2005, respectively, relates to the Networking segment.

(2) During fiscal 2005 the Company recorded $9 for a non-competition agreement in the Consumer segment in connection with the acquisition of Modem-Art Ltd. This agreement is being amortized over the two-year term of the agreement. Non-competition agreements of $2 and $7 as of September 30, 2006 and 2005, respectively, relate to the Consumer segment.

Intangible asset amortization expense for fiscal 2006, 2005 and 2004 was $6, $6, and $7 respectively. During fiscal 2006, $1 was included in costs. The Company does not have any intangible assets with indefinite lives other than goodwill. The amortization expense for future fiscal years is estimated to be $4 for fiscal 2007, and $2 in each of fiscal 2008, 2009 and 2010.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS(Continued)
(dollars in millions except per share amounts)

14. Debt

Long-term debt of $362 and $372 as of September 30, 2006 and 2005, respectively, consists entirely of 6.5% Convertible Subordinated Notes due December 15, 2009 (the Notes). The Company issued $410 of the Notes in 2002 and received proceeds of $396 in connection with this offering, net of $14 in underwriting fees and other expenses, which have been deferred and are amortized to interest expense over the term of the Notes.

Interest on the Notes accrues at the rate of 6.5% per annum and is payable semi-annually on June 15 and December 15 of each year. The Notes can be converted into shares of common stock at an initial price of $33.08 per share, subject to adjustment in certain events, at any time prior to maturity, unless previously redeemed or repurchased by the Company. The Company may redeem the Notes in whole or in part at any time on or after June 20, 2007. In addition, the Company may be required to repurchase the Notes at a price equal to 100% of the principal amount of the Notes plus any accrued and unpaid interest if its stock is no longer approved for public trading, its stockholders approve a liquidation or if a specified change in control occurs. The Notes are unsecured subordinated obligations and are subordinated in right of payment to all the Companys existing and future senior debt.

During fiscal 2006 and fiscal 2005, the Company repurchased and retired $10 and $38, respectively, of the convertible subordinated notes.

15. Cumulative Effect of Accounting Change

Effective September 30, 2006, the Company adopted FASB Interpretation No. 47 *Accounting for Conditional Asset Retirement Obligations,* (FIN 47), which clarified that the term conditional asset retirement obligation as used in SFAS No. 143 *Accounting for Asset Retirement Obligations* refers to a legal obligation to perform an asset retirement activity in which the timing or method of settlement are conditional on a future event that may or may not be within the control of the entity. The adoption of FIN 47 resulted in capitalizing a net long-lived asset of $0, recording an associated liability of $1 and a cumulative loss of $1. The cumulative loss represents the depreciation and other operating expenses that would have been recorded previously if FIN 47 had been in effect in prior years.

16. Discontinued Operations

During fiscal 2003, the Company exited its optoelectronic components business. The financial statements presented reflect this business as discontinued operations. During fiscal 2006, a reserve of $4 related to the optoelectronic business was deemed no longer necessary and therefore was reversed. Income from discontinued operations net of income taxes was $4 for fiscal 2006.

17. Segment Information

The Company is organized into three operating segments: Storage, Mobility and Networking. The Storage and Mobility operating segments represent one reportable segment, Consumer. The Networking segment is the other reportable segment. Storage provides integrated circuit solutions for hard disk drives used in computing and consumer electronics products. Mobility provides integrated circuit solutions for end-user applications such as mobile phones and satellite radio. Networking provides semiconductor solutions for communications networks, storage area networks, as well as personal computer based consumer communications applications. The segments each include revenue from the licensing of intellectual property related to that segment. There were no intersegment sales.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS(Continued)
(dollars in millions except per share amounts)

Under SFAS 131, two or more operating segments may be aggregated into a single segment for financial reporting purposes if aggregation is consistent with the objective and basic principles of SFAS 131, if the segments have similar economic characteristics, and if the segments are similar in each of the following areas:

- the nature of products and services;
- the nature of the production processes;
- the type or class of customer for their products and services; and
- the methods used to distribute their products or provide their services.

The Consumer segment meets each of the aggregation criteria for the following reasons:

- the sale of integrated circuits and the licensing of intellectual property are the only sources of revenue for both of the operating segments;
- the integrated circuits sold by both operating segments use the same manufacturing process;
- the customers of both operating segments incorporate the latest integrated circuit technology in their consumer electronics equipment.

Because the Company meets each of the criteria set forth above and both operating segments have similar economic characteristics, the Company aggregates the results of operations of the Storage and Mobility operating segments into one reportable segment.

The Company generates revenues from the sale of one product, integrated circuits. Integrated circuits are made using semiconductor wafers imprinted with a network of electronic components. They are designed to perform various functions such as processing electronic signals, controlling electronic system functions and processing and storing data.

Each segment is managed separately. Disclosure of segment information is on the same basis used internally for evaluating segment performance and allocating resources. Performance measurement and resource allocation for the segments are based on many factors. The primary financial measure used is gross margin, exclusive of restructuring related charges and stock-based compensation included in costs.

The Company does not identify or allocate assets by operating segment. The Company's primary segment financial measure excludes operating expenses, interest income or expense, other income or expense, and income taxes. Management does not evaluate segments based on these criteria.

Reportable Segments

	Year Ended September 30,		
	2006	**2005**	**2004**
Revenue			
Consumer:			
Storage	$ 625	$ 620	$ 635
Mobility	394	430	548
Consumer	1,019	1,050	1,183
Networking	551	626	729

Total	$ 1,570	$ 1,676	$ 1,912
Gross margin (excluding restructuring related charges and stock-based compensation expense included in costs)			
Consumer	$ 422	$ 431	$ 453
Networking	351	372	420
Total	$ 773	$ 803	$ 873

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(dollars in millions except per share amounts)

Reconciling Items

A reconciliation of reportable segment gross margin to gross margin reported in the consolidated statements of operations is shown below:

	Year Ended September 30,		
	2006	**2005**	**2004**
Reportable segment gross margin	$ 773	$ 803	$ 873
Deduct: Restructuring related charges included in costs	5	139	7
Stock-based compensation expense	6	—	—
Total gross margin	$ 762	$ 664	$ 866

Geographic Information

	Revenue (1)			Long-lived Assets (2)		
	Year Ended September 30,			September 30,		
	2006	**2005**	**2004**	**2006**	**2005**	**2004**
U.S	$ 274	$ 286	$ 331	$ 248	$ 275	$ 527
Foreign Regions						
Asia/Pacific & Pacific Rim (3) (4)	1,167	1,256	1,425	140	135	146
Europe, Middle East & Africa	104	116	119	14	9	8
Caribbean, Canada, Mexico & Latin America	25	18	37	—	1	1
Totals	$ 1,570	$ 1,676	$ 1,912	$ 402	$ 420	$ 682

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(1) Revenue is attributed to geographic areas based on the customer’s shipped-to location, except for intellectual property license revenue which is attributed to the U.S. operations.

(2) Represents property, plant and equipment-net.

(3) Individual countries from which the Company generated greater than 10% of its revenues were China, Korea, Singapore and Japan. China accounted for $404, $295 and $215 of revenue in fiscal 2006, 2005 and 2004, respectively. Korea accounted for $270, $250 and $202 of revenue in fiscal 2006, 2005 and 2004, respectively.

(dollars in millions except per share amounts)

Singapore accounted for $213, $269 and $299 of revenue in fiscal 2006, 2005 and 2004, respectively. Japan accounted for $193 of revenue in fiscal 2004.

(4) Long-lived assets in Thailand were $104, $89 and $75 as of September 30, 2006, 2005 and 2004, respectively, which was greater than 10% of the Company's long lived assets.

Concentrations

The Company's business depends in large part on demand for personal computers and associated equipment, wireless communications equipment such as wireless handsets and communications infrastructure equipment. The Company's revenues can be affected by changes in demand for these types of products. These markets are competitive and rapidly changing and significant technological changes, new customer requirements, changes in customer buying behavior or the emergence of competitive products with new capabilities or technologies could adversely affect revenues and operating results. Also, portions of the Company's revenues are derived from customers that individually accounted for greater than 10% of the Company's revenues for the years presented. Sales to Seagate Technology Inc. in fiscal 2006, 2005 and 2004 represented 24%, 15% and 12%, respectively, of revenue. Sales to Samsung Electronics Company in fiscal 2006 and 2005 represented 18% and 14%, respectively, of revenue. Sales to Maxtor Corporation in fiscal 2005 and 2004 represented 15% and 16%, respectively, of revenue.

18. Financial Guarantees

The Company generally indemnifies its customers from third party intellectual property infringement litigation claims related to its products. No liability recognition is required as of September 30, 2006 for indemnification clauses and no estimate of potential future payments is provided because the reliability of any measurement cannot be verified independently.

The Company's product warranty accrual includes specific accruals for known product issues and an accrual for an estimate of incurred but unidentified product issues based on historical activity. The warranty accrual is recorded within other current liabilities. The table below presents a reconciliation of the changes in the Company's aggregate product warranty liability for continuing operations for the years ended September 30, 2006 and 2005:

	Year Ended September 30, 2006	Year Ended September 30, 2005
Balance as of beginning of period	$ 2	$ 3
Accruals for new and pre-existing warranties - net (including changes in estimates)	—	3
Settlements made (in cash or in kind) during the period	(1)	(4)
Balance as of end of period	$ 1	$ 2

19. Financial Instruments

Fair Values

The carrying values and estimated fair values of cash and cash equivalents, investments, receivables, payables and debt maturing within one year contained in the consolidated balance sheets approximate fair value.

The carrying value and the fair value of the Notes at September 30, 2006 were $362 and $363, respectively. The carrying value and the fair value of the Notes at September 30, 2005 were $372 and $373, respectively. The fair values of the Notes were determined using quoted market rates.

Credit and Market Risk

By their nature, all financial instruments involve risk, including credit risk for non-performance by counterparties. The Company seeks to reduce credit risk on financial instruments by dealing only with financially secure counterparties and establishes reserves for losses when deemed necessary. The Company seeks to limit its exposure to credit risks in any single country or region. All financial instruments inherently expose the holders to market risk, including changes in currency and interest rates. Agere manages its exposure to these market risks through its regular operating and financing activities and when appropriate, through the use of derivative financial instruments.

Letters of Credit

The Company is a party to letters of credit that represent purchased guarantees ensuring the Company's performance or payment to third parties in accordance with specified terms and conditions which amounted to approximately $7 and $8 as of September 30, 2006 and 2005, respectively. The estimated fair value of these letters of credit was $0 as of September 30, 2006 and 2005, which is based on fees paid to obtain the obligations.

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20. Commitments and Contingencies

In the normal course of business, the Company is involved in proceedings, lawsuits and other claims, including proceedings under laws and government regulations related to environmental, tax and other matters. The semiconductor industry is characterized by substantial litigation concerning patents and other intellectual property rights. From time to time, the Company may be party to inquiries or claims in connection with these rights. In addition, from time to time the Company is involved in legal proceedings arising in the ordinary course of business, including unfair labor charges filed by its unions with the National Labor Relations Board, claims before the U.S. Equal Employment Opportunity Commission and other employee grievances. These matters are subject to many uncertainties, and outcomes are not predictable with assurance. Consequently, the ultimate aggregate amount of monetary liability or financial impact with respect to these matters at September 30, 2006 cannot be ascertained. While these matters could affect the operating results of any one quarter when resolved in future periods and while there can be no assurance with respect thereto, management believes that after final disposition, any monetary liability or financial impact to the Company beyond that provided for at September 30, 2006, would not be material to the annual consolidated financial statements.

The Company has a take or pay agreement with SMP under which it has agreed to purchase 51% of the managed wafer capacity from SMP's integrated circuit manufacturing facility and Chartered Semiconductor agreed to purchase the remaining 49% of the managed wafer capacity. SMP determines its managed wafer capacity each year based on forecasts provided by Agere and Chartered Semiconductor. If the Company fails to purchase its required commitments, it will be required to pay SMP for the fixed costs associated with the unpurchased wafers. Chartered Semiconductor is similarly obligated with respect to the wafers allotted to it. For the first quarter of fiscal 2005 Agere and Chartered Semiconductor agreed to waive the take or pay agreement. The agreement may be terminated by either party upon two years written notice. The agreement may also be terminated for material breach, bankruptcy or insolvency.

Leases

The Company leases land, buildings and equipment under agreements that expire in various years through 2013. Rental expense under operating leases was $31, $50, and $72 for fiscal 2006, 2005 and 2004, respectively. Rental expense under operating leases is net of sublease rentals of $3 in fiscal 2006 and 2005. The table below shows the future minimum lease payments due under non-cancelable leases as of September 30, 2006. Such payments total $78 for operating leases and have not been reduced by minimum sublease rentals of $10 due in the future under noncancelable subleases.

	Year Ended September 30,					
	2007	2008	2009	2010	2011	Later Years
Operating leases	$21	$18	$15	$11	$5	$8

21. Quarterly Information (Unaudited)

	Fiscal Quarters				
	First	Second	Third	Fourth	Total
YEAR ENDED SEPTEMBER 30, 2006					
Revenue	$ 403	$ 397	$ 382	$ 388	$ 1,570
Gross profit	193	189	194	186	762
Net income (loss)	$ (19)	$ (21)	$ 47	$ 13	$ 20
Basic income (loss) per share	$ (0.11)	$ (0.11)	$ 0.28	$ 0.08	$ 0.12
Diluted income (loss) per share	$ (0.11)	$ (0.11)	$ 0.27	$ 0.08	$ 0.12
Weighted average shares outstanding basic (in thousands) (1)	180,780	177,609	171,176	168,567	174,525
Weighted average shares outstanding diluted (in thousands) (1)	180,780	177,609	172,391	169,992	175,432
YEAR ENDED SEPTEMBER 30, 2005					
Revenue	$ 410	$ 417	$ 433	$ 416	$ 1,676
Gross profit	136	154	185	189	664
Net income (loss)	$ (67)	$ (68)	$ 120	$ 7	$ (8)
Basic income (loss) per share	$ (0.39)	$ (0.38)	$ 0.66	$ 0.04	$ (0.04)
Diluted income (loss) per share	$ (0.39)	$ (0.38)	$ 0.65	$ 0.04	$ (0.04)
Weighted average shares outstanding basic (in thousands)	173,057	175,382	181,114	181,530	177,775
Weighted average shares outstanding diluted (in thousands)	173,057	175,382	193,169	181,692	177,775

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(1) During fiscal 2006, the Company repurchased 17,681,198 shares of its common stock.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure, Controls and Procedures

With the participation of our Chief Executive Officer and Chief Financial Officer, management has carried out an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule13a-15(e) under the Securities Exchange Act of 1934). Based on that evaluation, the Chief Executive Officer and Chief Financial

Officer concluded that our disclosure controls and procedures were effective as of September 30, 2006.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of our financial statements in accordance with generally accepted accounting principles in the United States of America, and that our receipts and expenditures are being made only

in accordance with authorizations of our management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of September 30, 2006. PricewaterhouseCoopers LLP, the independent registered public accounting firm that has audited our consolidated financial statements, has issued its attestation report on our management's assessment, as stated in their report which is included under Item 8 herein.

No changes occurred during the three months ended September 30, 2006 in our internal control over financial reporting that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

We have a code of conduct that applies to all Directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer. You can find our code of conduct on our website by going to the following address: http://www.agere.com/governance, and clicking on the link for our code of conduct. We will post any amendments to the code of conduct, as well as any waivers that are required to be disclosed by the rules of either the Securities and Exchange Commission or the New York Stock Exchange, on our website.

Our Board of Directors has adopted Corporate Governance Guidelines and charters for the Audit, Compensation and Nominating/Corporate Governance Committees of the Board of Directors. You can find these documents on our website by going to the following address: http://www.agere.com/governance, and clicking on the appropriate link.

You can also obtain a printed copy of any of the materials referred to above by contacting us at the following address:

Agere Systems Inc.
1110 American Parkway NE
Room 10A-301C
Allentown, PA 18109
Attn: Response Center
Telephone: 1-800-372-2447

The Audit Committee of our Board of Directors is an “audit committee” for purposes of Section 3(a)(58) of the Securities Exchange Act of 1934. The members of that committee are: Thomas P. Salice (Chair), Richard S. Hill and Harold A. Wagner.

Apart from certain information concerning our executive officers which is set forth in Part I of this report, the other information required by this Item is incorporated herein by reference to the applicable information in the proxy statement for our 2007 annual meeting, including the information set forth under the captions “Election of Directors,” “Section 16(a) Beneficial Ownership Reporting Compliance” and “Governance of the Company — Audit Committee — Audit Committee Financial Expert.”

Item 11. Executive Compensation

The information required by this Item is incorporated herein by reference to the applicable information in the proxy statement for our 2007 annual meeting, including the information set forth under the captions “Executive Compensation,” “Compensation of Directors” and “Compensation Committee Interlocks and Insider Participation.”

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item is incorporated by reference to the applicable information in the proxy statement for our 2007 annual meeting, including the information set forth under the caption “Beneficial Ownership of Agere Systems Common Stock” and “Proposal to Re-Approve Our Short Term Incentive Plan.”

Item 13. Certain Relationships and Related Transactions

The information required by this Item is incorporated by reference to the applicable information in the proxy statement for our 2007 annual meeting, including the information set forth under the caption “Other Arrangements with Executives.”

Item 14. Principal Accountant Fees and Services

The information required by this Item is incorporated by reference to the applicable information in the proxy statement for our 2007 annual meeting, including the information set forth under the caption “Our Relationship with Our Independent Auditors.”

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)(1) Financial Statements

The information required by this Item is included in Item 8 of Part II of this report.

(a)(2) Financial Statement Schedule

The information required by this Item is included in Item 8 of Part II of this report.

(a)(3) Exhibits

See Item 15(b) below.

(b) Exhibits:

2	Separation and Distribution Agreement (incorporated by reference to Exhibit 2 to our Registration Statement on Form S-1, File No. 333-51594)
3.1	Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1.4 to our Current Report on Form 8-K, filed June 1, 2005)
3.2	By-laws of Agere Systems Inc. (incorporated by reference to Exhibit 3.2 to our Current Report on Form 8-K, filed June 1, 2005)
4.1	Specimen Common Stock certificate (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K, filed June 1, 2005)
4.2	Certificate of Incorporation (filed as Exhibit 3.1 hereto)
4.3	By-laws of Agere Systems Inc. (filed as Exhibit 3.2 hereto)
4.4	Amended and Restated Rights Agreement between Agere Systems Inc. and Computershare Investor Services, LLC, as Rights Agent (incorporated by reference to Exhibit 4.4 to our Current Report on Form 8-K, filed June 1, 2005)
4.5	Form of Rights Certificate (attached as Exhibit B to the Amended and Restated Rights Agreement filed as Exhibit 4.4 hereto)
4.6	Indenture for our 6.5% Convertible Subordinated Notes (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q, filed August 9, 2002)
4.7	Supplemental Indenture No. 1 (incorporated by reference to Exhibit 4.5 to our Current Report on Form 8-K, filed June 1, 2005)
10.1	Separation and Distribution Agreement (filed as Exhibit 2 hereto)
10.2	Tax Sharing Agreement (incorporated by reference to Exhibit 10.4 to our Registration Statement on Form S-1, File No. 333-51594)
10.3	Letter Agreement amending the Tax Sharing Agreement (incorporated by reference to Exhibit 10.29 to our Registration Statement on Form S-1, File No. 333-81632, filed March 11, 2002)
10.4	Patent and Technology License Agreement (incorporated by reference to Exhibit 10.13 to our Registration Statement on Form S-1, File No. 333-51594)
10.5	Technology Assignment and Joint Ownership Agreement (incorporated by reference to Exhibit 10.14 to our Registration Statement on Form S-1, File No. 333-51594)
10.6	Joint Venture Agreement with Chartered Semiconductor Manufacturing Ltd. (incorporated by reference to Exhibit 10.19 to our Registration Statement on Form S-1, File No. 333-51594)
10.7	Amendment to Joint Venture Agreement with Chartered Semiconductor Manufacturing Ltd. (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed September 23, 2004)

10.8

	Agreement of Sale with AG Semi-Conductor Limited, Maxim/Dallas Direct, Inc. and Texas Instruments Incorporated (incorporated by reference to Exhibit 10 to our Current Report on Form 8-K, filed September 19, 2005)
10.9	Agere Systems Inc. Short Term Incentive Plan *□
10.10	Agere Systems Inc. 2001 Long Term Incentive Plan (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q, filed May 5, 2006)
10.11	Form of Agere Systems Inc. 2001 Long Term Incentive Plan Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.7 to our Registration Statement on Form S-1, File No. 333- 51594)
10.12	Form of Performance-vested RSU Award Agreement □ Total Stockholder Return (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K/A, filed November 3, 2005)
10.13	Form of Performance-vested RSU Award Agreement □ Earnings per share *□
10.14	Form of Agere Systems Inc. 2001 Long Term Incentive Plan Nonstatutory Stock Option Agreement (incorporated by reference to Exhibit 10.8 to our Registration Statement on Form S-1, File No. 333- 51594)
10.15	Agere Systems Inc. Non-Employee Director Stock Plan (incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q, filed May 5, 2006)
10.16	Agere Systems Inc. 2001 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.21 to our Registration Statement on Form S-1, File No. 333-51594)
10.17	Agere Systems Inc. Supplemental Pension Plan (incorporated by reference to Exhibit 10.10 to our Registration Statement on Form S-1, File No. 333-51594)
10.18	Agere Systems Inc. Officer Severance Policy (incorporated by reference to Exhibit 10.26 to our Annual Report on Form 10-K, filed December 12, 2002)
10.19	1996 Lucent Long Term Incentive Program For Agere Employees (incorporated by reference to Exhibit 10.28 to our Annual Report on Form 10-K, filed December 12, 2002)
10.20	1997 Lucent Long Term Incentive Plan For Agere Employees (incorporated by reference to Exhibit 10.29 to our Annual Report on Form 10-K, filed December 12, 2002)
10.21	1998 Global Stock Option Plan For Agere Employees (incorporated by reference to Exhibit 10.30 to our Annual Report on Form 10-K, filed December 12, 2002)
10.22	Founders Grant Stock Option Plan For Agere Employees (incorporated by reference to Exhibit 10.31 to our Annual Report on Form 10-K, filed December 12, 2002)
10.23	Employment Agreement with Richard L. Clemmer (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed November 3, 2005)
10.24	Employment Agreement with Ruediger Stroh (incorporated by reference to Exhibit 10.27 to our Annual Report on Form 10-K, filed December 12, 2005)
10.25	Separation Agreement with John T. Dickson (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed November 10, 2005)
10.26	Separation Agreement with Sohail A. Khan (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K, filed November 10, 2005)
10.27	Separation Agreement with Ahmed Nawaz (incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K, filed November 10, 2005)
10.28	Separation Agreement with Kevin Pennington (incorporated by reference to Exhibit 10.31 to our Annual Report on Form 10-K, filed December 12, 2005)
10.29	Housing letter with Kevin Pennington (incorporated by reference to Exhibit 10.32 to our Annual Report on Form 10-K, filed December 12, 2005)
12	Computation of Ratio of Earnings to Fixed Charges*
21	List of Subsidiaries of Agere Systems Inc.*
23	Consent of PricewaterhouseCoopers LLP*

24	Powers of Attorney*
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)*

32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350*
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350*

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 Exhibit represents a management contract or compensatory plan or arrangement.

* Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this report has been signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Allentown, Commonwealth of Pennsylvania, on the 30th day of November, 2006.

AGERE SYSTEMS INC.

By: /s/ Peter Kelly
Peter Kelly
Executive Vice President and
Chief Financial Officer

Date: November 30, 2006

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Richard L. Clemmer Richard L. Clemmer	President, Chief Executive Officer and Director (Principal Executive Officer)	November 30, 2006
/s/ Peter Kelly Peter Kelly	Executive Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	November 30, 2006
* Richard S. Hill	Director	
* Michael J. Mancuso	Director	
* Arun Netravali	Director	
* Thomas P. Salice	Director	

* Rae F. Sedel	Director	
* Harold A. Wagner	Chairman of the Board	
* Kari-Pekka Wilska	Director	

* By: /s/ Peter Kelly
(Attorney in Fact)
November 30, 2006