

KELLY PETER
Form 4
April 04, 2007

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
KELLY PETER

2. Issuer Name and Ticker or Trading Symbol
AGERE SYSTEMS INC [AGR]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1110 AMERICAN PARKWAY NE

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
04/02/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP and CFO

ALLENTOWN, PA 18109

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Price | | | |
| Common Stock | 04/02/2007 | | D | 13,181 (1) | \$ 0 0 | D | |
| Common Stock | 04/02/2007 | | D | 11,146 (2) | \$ 0 0 | I | 401(k) plan |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Am Nu Sha |
| Restricted Stock Unit | \$ 1 ⁽³⁾ | 04/02/2007 | | D | 50,000 | 12/01/2007 12/01/2007 | Common Stock 50 |
| Restricted Stock Unit | \$ 1 ⁽³⁾ | 04/02/2007 | | D | 37,000 | 12/01/2010 ⁽⁵⁾ 12/01/2010 | Common Stock 37 |
| Restricted Stock Unit | \$ 1 ⁽³⁾ | 04/02/2007 | | D | 50,000 | 12/01/2009 ⁽⁶⁾ 12/01/2009 | Common Stock 50 |
| Stock Options (Right to buy) | \$ 9.95 | 04/02/2007 | | D | 75,000 | 11/01/2003 ⁽⁸⁾ 10/31/2009 | Common Stock 75 |
| Stock Options (Right to buy) | \$ 13.315 | 04/02/2007 | | D | 175,000 | 12/01/2006 ⁽⁹⁾ 11/30/2012 | Common Stock 175 |
| Stock Options (Right to buy) | \$ 13.8 | 04/02/2007 | | D | 100,000 | 12/01/2005 ⁽⁹⁾ 11/30/2011 | Common Stock 100 |
| Stock Options (Right to buy) | \$ 19.64 | 04/02/2007 | | D | 75,000 | 12/01/2007 ⁽¹⁰⁾ 11/30/2013 | Common Stock 75 |
| Stock Options (Right to buy) | \$ 35.45 | 04/02/2007 | | D | 100,000 | 12/01/2004 ⁽⁹⁾ 11/30/2010 | Common Stock 100 |
| Stock Options (Right to buy) | \$ 42 | 04/02/2007 | | D | 32,500 | 10/01/2002 ⁽⁸⁾ 10/01/2008 | Common Stock 32 |
| Stock Options (Right to buy) | \$ 55.95 | 04/02/2007 | | D | 8,750 | 08/01/2002 ⁽⁸⁾ 07/31/2008 | Common Stock 8 |

| | | | | | | | | |
|------------------------------|-----------|------------|---|--------|---------------------------|------------|--------------|----|
| Stock Options (Right to buy) | \$ 55.95 | 04/02/2007 | D | 8,750 | 08/01/2002 ⁽⁸⁾ | 07/31/2008 | Common Stock | 8 |
| Stock Options (Right to buy) | \$ 55.95 | 04/02/2007 | D | 2,500 | 08/01/2002 ⁽⁸⁾ | 07/31/2008 | Common Stock | 2 |
| Stock Options (Right to buy) | \$ 60 | 04/02/2007 | D | 25,000 | 03/27/2002 ⁽⁸⁾ | 03/26/2008 | Common Stock | 23 |
| Stock Options (Right to buy) | \$ 155.08 | 04/02/2007 | D | 5,980 | 06/01/2002 ⁽⁸⁾ | 10/31/2010 | Common Stock | 5 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| KELLY PETER 1110 AMERICAN PARKWAY NE ALLENTOWN, PA 18109 | | | EVP and CFO | |

Signatures

Jonathan Gilbert,
Attorney-in-Fact

04/04/2007

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (8) All of this option is currently exercisable.
- (7) Pursuant to the terms of a merger agreement among LSI Logic Corporation, Atlas Acquisition Corp. and Agere Systems Inc., each option to purchase Agere stock was converted into an option to purchase LSI stock.
- (9) 1/4 of this option became exercisable on the date shown; 1/48th of this option becomes exercisable monthly thereafter.
- (5) These restricted stock units will vest on December 1, 2010, but only if the company meets an earnings per share growth test.
- (4) Pursuant to the terms of a merger agreement among LSI Logic Corporation, Atlas Acquisition Corp. and Agere Systems Inc., each Agere RSU award was converted into an LSI RSU award.
- (10) 1/4 of this option becomes exercisable on the date shown; 1/48th of this option becomes exercisable monthly thereafter.
- (1) Pursuant to the terms of a merger agreement among LSI Logic Corporation, Atlas Acquisition Corp. and Agere Systems Inc., shares of Agere common stock were converted into shares of LSI common stock having a value of \$10.44 per share at the effective time of the merger.
- (3) Each restricted stock unit represents the right to receive one share of common stock if and when the restricted stock unit vests.

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- Pursuant to the terms of a merger agreement among LSI Logic Corporation, Atlas Acquisition Corp. and Agere Systems Inc., shares of
- (2) Agere common stock were converted into shares of LSI common stock having a value of \$10.44 per share at the effective time of the merger. The number of securities shown includes securities acquired in transactions exempt from and not required to be reported under Section 16.
 - (6) These restricted stock units vest on December 1, 2009, but only if total stockholder return for Agere exceeds the market capitalization weighted total stockholder return of a peer group.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.