

Edgar Filing: AGERE SYSTEMS INC - Form SC 13D/A

AGERE SYSTEMS INC
Form SC 13D/A
April 08, 2003

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 13D/A

UNDER THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO. 3)

AGERE SYSTEMS INC.

(Name of Issuer)

CLASS A COMMON STOCK, PAR VALUE \$0.01 PER SHARE
(Title of Class of Securities)

00845V 10 0

(CUSIP Number)

SCOTT A. ARENARE
MANAGING DIRECTOR AND GENERAL COUNSEL
WARBURG PINCUS LLC
466 LEXINGTON AVENUE
NEW YORK, NEW YORK 10017
(212) 878-0600

(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)

WITH A COPY TO:
ANDREW R. BROWNSTEIN
WACHTELL, LIPTON, ROSEN & Katz
51 WEST 52ND STREET
NEW YORK, NEW YORK 10019
(212) 403-1000

APRIL 7, 2003

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ss.ss. 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box: [].

Page 1 of 8 Pages

1 NAME OF REPORTING PERSON
 I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

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WARBURG PINCUS PRIVATE EQUITY VIII, L.P.
I.R.S. IDENTIFICATION NO. 13-4161869

2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a) <input checked="" type="checkbox"/>	(b) <input type="checkbox"/>
<hr/>			
3	SEC USE ONLY	[]	
<hr/>			
4	SOURCE OF FUNDS WC		
<hr/>			
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)	[]	
<hr/>			
6	CITIZENSHIP OR PLACE OF ORGANIZATION DELAWARE		
<hr/>			
7	SOLE VOTING POWER		
NUMBER OF	-0-		
SHARES	<hr/>		
8	SHARED VOTING POWER		
BENEFICIALLY	58,835,185*		
OWNED BY	<hr/>		
9	SOLE DISPOSITIVE POWER		
EACH	-0-		
REPORTING	<hr/>		
10	SHARED DISPOSITIVE POWER		
PERSON WITH	58,835,185*		
<hr/>			
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON		
	58,835,185*		
<hr/>			
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES	[]	
<hr/>			
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)		
	7.6%**		
<hr/>			
14	TYPE OF REPORTING PERSON PN		
<hr/>			

* Assumes the full conversion of the Convertible Subordinated Notes beneficially owned by the Investors in accordance with their terms.

** Represents the percentage of Class A Common Stock beneficially owned by WP VIII as of April 7, 2003 assuming full conversion of the Convertible Subordinated Notes beneficially owned by the Investors in accordance with their terms. Based on the same assumption, as of April 7, 2003, WP VIII beneficially owned 3.5% of the outstanding Class A Common Stock and Class B Common Stock, taken as a whole.

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1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS		
	WARBURG PINCUS & CO. I.R.S. IDENTIFICATION NO. 13-6358475		

2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a)	[X]
		(b)	[]

3	SEC USE ONLY		[]

4	SOURCE OF FUNDS WC		

5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)		[]

6	CITIZENSHIP OR PLACE OF ORGANIZATION NEW YORK		

	7	SOLE VOTING POWER	
NUMBER OF			
		-0-	
SHARES			

	8	SHARED VOTING POWER	
BENEFICIALLY		58,835,185*	
OWNED BY			

	9	SOLE DISPOSITIVE POWER	
EACH		-0-	
REPORTING			

	10	SHARED DISPOSITIVE POWER	
PERSON WITH		58,835,185*	

	11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
		58,835,185*	

	12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES	[]

	13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
		7.6%**	

	14	TYPE OF REPORTING PERSON PN	

* Assumes the full conversion of the Convertible Subordinated Notes beneficially owned by the Investors in accordance with their terms.

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** Represents the percentage of Class A Common Stock beneficially owned by WP as of April 7, 2003 assuming full conversion of the Convertible Subordinated Notes beneficially owned by the Investors in accordance with their terms. Based on the same assumption, as of April 7, 2003, WP beneficially owned 3.5% of the outstanding Class A Common Stock and Class B Common Stock, taken as a whole.

-3-

1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS WARBURG PINCUS LLC I.R.S. IDENTIFICATION NO. 13-3536050

2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [X] (b) []

3	SEC USE ONLY []

4	SOURCE OF FUNDS WC

5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) []

6	CITIZENSHIP OR PLACE OF ORGANIZATION NEW YORK

7	SOLE VOTING POWER
NUMBER OF	-0-
SHARES	-----
8	SHARED VOTING POWER
BENEFICIALLY	58,835,185*
OWNED BY	-----
9	SOLE DISPOSITIVE POWER
EACH	-0-
REPORTING	-----
10	SHARED DISPOSITIVE POWER
PERSON WITH	58,835,185*

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 58,835,185*

12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.6%**

14	TYPE OF REPORTING PERSON

-
- * Assumes the full conversion of the Convertible Subordinated Notes beneficially owned by the Investors in accordance with their terms.
- ** Represents the percentage of Class A Common Stock beneficially owned by WP LLC as of April 7, 2003 assuming full conversion of the Convertible Subordinated Notes beneficially owned by the Investors in accordance with their terms. Based on the same assumption, as of April 7, 2003, WP LLC beneficially owned 3.5% of the outstanding Class A Common Stock and Class B Common Stock, taken as a whole.

-4-

AMENDMENT NO. 3 TO

SCHEDULE 13D

Reference is made to the statement on Schedule 13D filed on June 21, 2002, Amendment No. 1 thereto filed July 29, 2002 and Amendment No. 2 thereto filed October 17, 2002 (as so amended, the "Schedule 13D") on behalf Warburg Pincus Private Equity VIII, L.P., a limited partnership organized under the laws of Delaware ("WP VIII"), Warburg Pincus & Co., a general partnership organized under the laws of New York ("WP"), and Warburg Pincus LLC, a limited liability company organized under the laws of New York ("WP LLC", and together with WP VIII and WP, the "Reporting Persons"). All capitalized terms used without definition herein have the meanings ascribed thereto in the Schedule 13D. This Amendment No. 3 to the Schedule 13D amends the Schedule 13D as follows.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

Item 5 of the Schedule 13D is amended and restated to read as follows:

- (a) The Reporting Persons beneficially own shares of Class A Common Stock by virtue of the Investors' beneficial ownership of shares of Class A Common Stock and of the Issuer's 6.5% Convertible Subordinated Notes due 2009 (the "Convertible Subordinated Notes"), which are convertible at the option of the holder into 330.75 shares of Class A Common Stock per \$1,000 principal amount of Convertible Subordinated Notes, subject to adjustment in certain circumstances. As of April 7, 2003, the Reporting Persons beneficially owned an aggregate of 58,835,185 shares of Class A Common Stock, representing 33,650,000 shares of Class A Common Stock beneficially owned by the Investors and 25,185,185 shares of Class A Common Stock that may be acquired by the Investors upon full conversion of the Convertible Subordinated Notes beneficially owned by the Investors. Of the aggregate of 58,835,185 shares of Class A Common Stock beneficially owned by WP and WP LLC, approximately 1,770,939 shares represent shares of Class A Common Stock beneficially owned by WPNPE VIII I, WPNPE VIII II and WPGPE VIII. By reason of WP's and WP LLC's respective relationships with the Investors, under Rule 13d-3 of the Exchange Act, WP and WP LLC may be deemed to beneficially own all of the shares of Class A Common Stock that are beneficially owned by the Investors.

Assuming full conversion of the Convertible Subordinated Notes

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beneficially owned by the Investors, as of April 7, 2003, the 58,835,185 shares of Class A Common Stock beneficially owned by each Reporting Person represented approximately 7.6% of the outstanding shares of Class A Common Stock, and 3.5% of the Issuer's outstanding shares of Class A Common Stock and Class B Common Stock, par value \$0.01 per share (the "Class B Common Stock"), taken as a whole, in each case, after giving effect to the issuance of the Class A Common Stock upon full conversion of the Convertible Subordinated Notes beneficially owned by the Investors (based on 744,288,076 shares of Class A Common Stock and 907,995,677 shares of Class B Common Stock outstanding as of January 31, 2003, as set forth in the Issuer's Form 10-Q for the quarterly period ended December 31, 2002).

-5-

- (b) As described in paragraph (a) above, the Group Members have beneficial ownership over an aggregate of 58,835,185 shares of Class A Common Stock. Of this aggregate of 58,835,185 shares of Class A Common Stock, 33,650,000 shares are represented by the shares of Class A Common Stock beneficially owned by the Investors and 25,185,185 are represented by shares of Class A Common Stock that are issuable to the Investors upon full conversion of the Convertible Subordinated Notes beneficially owned by the Investors. Each of the Investors shares voting power and dispositive power over the shares of Class A Common Stock that such Investor beneficially owns with WP LLC and WP.
- (c) The Investors disposed of Convertible Subordinated Notes with an aggregate principal amount of \$34,900,000 in brokered transactions as described below:

Date	Aggregate Principal Amount	Price (% of Principal Amount)	Gross Proceed accrued
-----	-----	-----	-----
3/3/03	\$2,000,000	91.50%	\$1,
3/6/03	\$500,000	91.50%	\$
3/7/03	\$1,000,000	91.50%	\$
3/14/03	\$7,000,000	91.50%	\$6,
3/17/03	\$2,500,000	91.50%	\$2,
3/18/03	\$2,000,000	91.50%	\$1,
3/21/03	\$500,000	92.50%	\$
3/25/03	\$3,500,000	92.79%	\$3,
3/26/03	\$3,500,000	93.25%	\$3,
3/28/03	\$5,000,000	93.00%	\$4,
4/7/03	\$7,400,000	93.85%	\$6,

Except as described herein, during the last sixty days there were no transactions in shares of Class A Common Stock effected by the Reporting Persons or, to the best of their knowledge, by any of the persons set forth on Schedule I.

- (d) Except as set forth in this Item 5, no person other than each respective record owner referred to herein of the shares of Class A Common Stock is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such shares of Class A Common Stock.
- (e) Not applicable.

SIGNATURES

After reasonable inquiry and to the best of our knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated: April 7, 2003

WARBURG PINCUS PRIVATE EQUITY VIII, L.P.

By: Warburg Pincus & Co.,
General Partner

By:/s/ Scott A. Arenare

Name: Scott A. Arenare
Title: Partner

WARBURG PINCUS & CO.

By:/s/ Scott A. Arenare

Name: Scott A. Arenare
Title: Partner

WARBURG PINCUS LLC

By:/s/ Scott A. Arenare

Name: Scott A. Arenare
Title: Member

WARBURG PINCUS NETHERLANDS PRIVATE
EQUITY VIII C.V. I

By: Warburg Pincus & Co.,
General Partner

By:/s/ Scott A. Arenare

Name: Scott A. Arenare
Title: Partner

WARBURG PINCUS NETHERLANDS PRIVATE
EQUITY VIII C.V. II

By: Warburg Pincus & Co.,
General Partner

By:/s/ Scott A. Arenare

Name: Scott A. Arenare
Title: Partner

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WARBURG PINCUS GERMANY PRIVATE EQUITY VIII KG

By: Warburg Pincus & Co.,
General Partner

By:/s/ Scott A. Arenare

Name: Scott A. Arenare

Title: Partner

-8-