



# AGILENT TECHNOLOGIES

## CREDIT SUISSE ANNUAL TECHNOLOGY CONFERENCE

**RON NERSESIAN**  
EXECUTIVE VICE PRESIDENT  
CHIEF OPERATING OFFICER

**NOVEMBER 30, 2011**  
THE PHOENICIAN  
SCOTTSDALE, AZ

# SAFE HARBOR

This presentation contains forward-looking statements (including, without limitation, information and future guidance on our goals, priorities, revenues, demand, growth opportunities, customer service and innovation plans, new product introductions, financial condition, earnings, the continued strengths and expected growth of the markets we sell into, operations, operating earnings, and tax rates) that involve risks and uncertainties that could cause results of Agilent to differ materially from management's current expectations.

In addition, other risks that the company faces in running its operations include the ability to execute successfully through business cycles; the ability to successfully adapt its cost structures to continuing changes in business conditions; ongoing competitive, pricing and gross margin pressures; the risk that our cost-cutting initiatives will impair our ability to develop products and remain competitive and to operate effectively; the impact of geopolitical uncertainties on our markets and our ability to conduct business; the ability to improve asset performance to adapt to changes in demand; the ability to successfully introduce new products at the right time, price and mix, and other risks detailed in the company's filings with the Securities and Exchange Commission, including our quarterly report on Form 10-Q for the quarter ended July 31, 2011.

The company assumes no obligation to update the information in these presentations. These presentations and the Q&A that follows include non-GAAP numbers. A presentation of the most directly comparable GAAP numbers and the reconciliations between the non-GAAP and GAAP numbers can be found at <http://www.investor.agilent.com> under "Financial Results" and accompany this slide set.

# THE WORLD'S PREMIER MEASUREMENT COMPANY

## Electronic Measurement Group



FY11 Revenue: \$3.3B  
FY11 Operating Margin\* 23%

Guy Séné  
President

## Chemical Analysis Group



FY11 Revenue: \$1.5B  
FY11 Operating Margin\* 21%

Mike McMullen  
President

## Life Sciences Group



FY11 Revenue: \$1.8B  
FY11 Operating Margin\* 13%

Nick Roelofs  
President

FY11 Revenue \$6.6B, +17% organic growth Y/Y, 20% Operating Margin\*  
FY11 Non-GAAP EPS \$2.95\*, up from \$2.00\* in FY10

\*Presented on a non-GAAP basis; reconciliations to closest GAAP equivalent provided

# Q4'11 FINANCIAL HIGHLIGHTS

	Q4 FY11 Actual
Orders	\$1.75B
Order Growth	4%
Revenue*	\$1.73B
Revenue Growth*	9%
Operating Margin*	21.6%
EPS*	\$0.84
ROIC*	27%
Operating Cash Flow	\$510M

## ***Q4 FY11 operating performance best in Agilent's history***

- Revenues in line with guidance on a currency-adjusted basis.
- Record EPS up approximately 30% from Q4 FY10.
- Record Operating Margin up 250 basis points from Q4 FY10.
- Record Operating Cash Flow up \$137M from Q4 FY10.
- Achieved 48% operating profit YoY incremental.

\*Presented on a non-GAAP basis; reconciliations to closest GAAP equivalent provided

# AGILENT'S STRATEGY TO WIN

## Continue to focus on four point strategy

- **Market reach and customer trust**
  - Sales, service, and support reach into over 100 countries
  - #1 customer loyalty ranking in every major product category\*
  - 42% of employees based in Asia
- **Technology leadership**
  - 10% Revenue invested in R&D and ~2600 employees
  - Highest performing Oscilloscopes, Sources & Signal Analyzers, Network Analyzers, Liquid and Gas Chromatographs, and Mass Spectrometers
- **Scale**
  - Among the lowest instrument cost of sales in the industry
  - Purchasing power and infrastructure leverage
- **Team**
  - Top quartile employee satisfaction
  - Well below average industry turnover

**All built on Agilent's operating model**

\*Source: Lieberman Research Worldwide

# AGILENT OPERATING MODEL\*

## SECULAR GROWTH OPERATING MODEL\*\*\*

	Mid-Point FY12 Guidance**	-1 $\sigma$	Mid-Range	+1 $\sigma$
Organic Revenue Growth %	6%	4%	8%	12%
YoY OM Incremental %	31%	20%	36%	43%

\*Presented on a non-GAAP basis

\*\*FY12 guidance as of November 15, 2011

\*\*\*Not company guidance

# AGILENT'S OUTLOOK & GROWTH IN END MARKETS

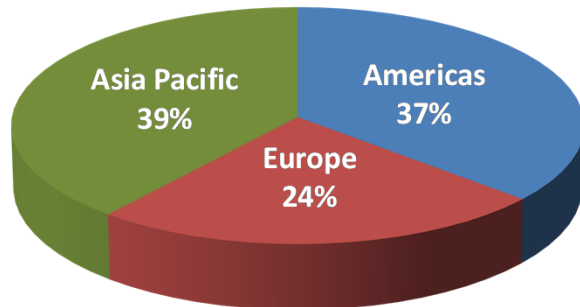
		% of Agilent	% Y/Y	Market Size, Growth Drivers & Outlook
Industrial, Comps & Semi		21%	+11%	<ul style="list-style-type: none"> <li>• Drivers: Emerging markets (China); high speed digital I/O demand driving need for technology refresh</li> <li>• Market Size: \$5B. Market growth: Mid single digits</li> </ul>
Communications		18%	+20%	<ul style="list-style-type: none"> <li>• Drivers: 4G/LTE (Wireless R&amp;D); smartphone explosion; China 3G (Wireless Manufacturing)</li> <li>• Market Size: \$4B. Market Growth: Mid to high single digits</li> </ul>
Pharma & Biotech		14%	+5%	<ul style="list-style-type: none"> <li>• Drivers: Research shift to developing economies; emerging country demand for domestic therapeutics</li> <li>• Market Size: \$9B. Market Growth: Mid single digits</li> </ul>
Chemical & Energy		13%	+15%	<ul style="list-style-type: none"> <li>• Drivers: Positive outlook driven by oil &amp; commodity demand; alternative energy development</li> <li>• Market Size: \$2B. Market Growth: Mid to high single digits</li> </ul>
Aerospace & Defense		10%	+2%	<ul style="list-style-type: none"> <li>• Drivers: Capitalize on shift to non-US Aerospace &amp; Defense (&gt;30% of Agilent's A&amp;D segment); homeland security programs</li> <li>• Market Size: \$3B. Market Growth: Flat to slightly down</li> </ul>
Environmental & Forensics		10%	+2%	<ul style="list-style-type: none"> <li>• Drivers: Increasing global regulations; emerging markets demand</li> <li>• Market Size: \$6B. Market Growth: Low to mid single digits</li> </ul>
Academia & Government		8%	+3%	<ul style="list-style-type: none"> <li>• Drivers: Shift to "omics", synthetic biology, synthetic fuels, food</li> <li>• Market Size: \$10B. Market Growth: Low to mid single digits</li> </ul>
Food		6%	+8%	<ul style="list-style-type: none"> <li>• Drivers: Capitalize on increased global demand from export and domestic public health issues (i.e. China, India, US, Europe)</li> <li>• Market Size: \$2B. Market Growth: Mid to high single digits</li> </ul>

(1) Market size and growth data per Company estimates

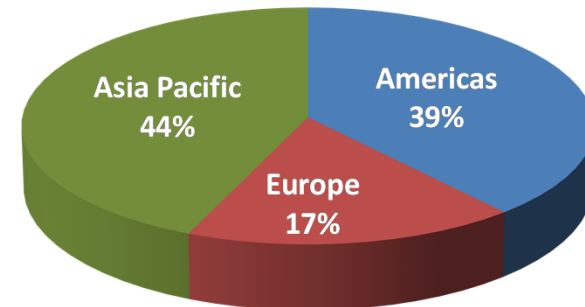
(2) Percentages of Agilent revenue based on last four quarters of revenue: Q1 FY11 – Q4 FY11; Percentages of growth based on year-over-year revenue growth in Q4'11 vs. Q4'10.

# Q4'11 REVENUE DISTRIBUTION BY GEOGRAPHY

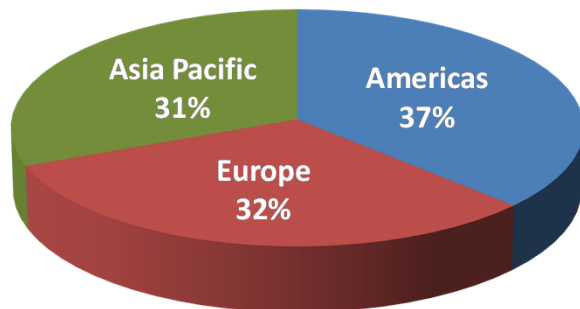
## Agilent



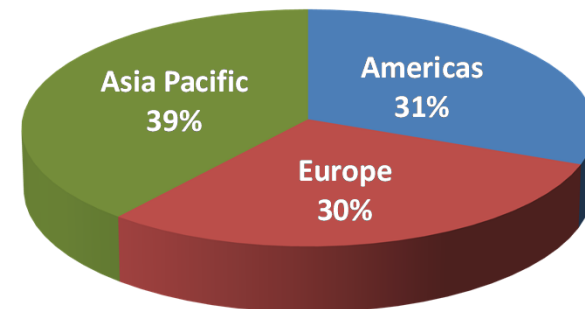
## EMG



## LSG



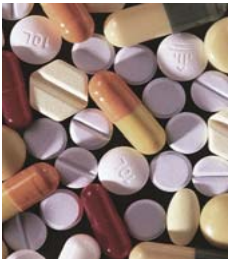
## CAG



- Q4'11 YoY currency-adjusted revenue growth: Americas +6%, Europe -1%, Asia Pacific +12%
- Q4'11 percentage of Agilent revenues: U.S. 29%, China 17%, Japan 11%
- ~75% sales through direct channels, ~25% through indirect channels
- Best in class manufacturing capability with continued focus on manufacturing cost reductions



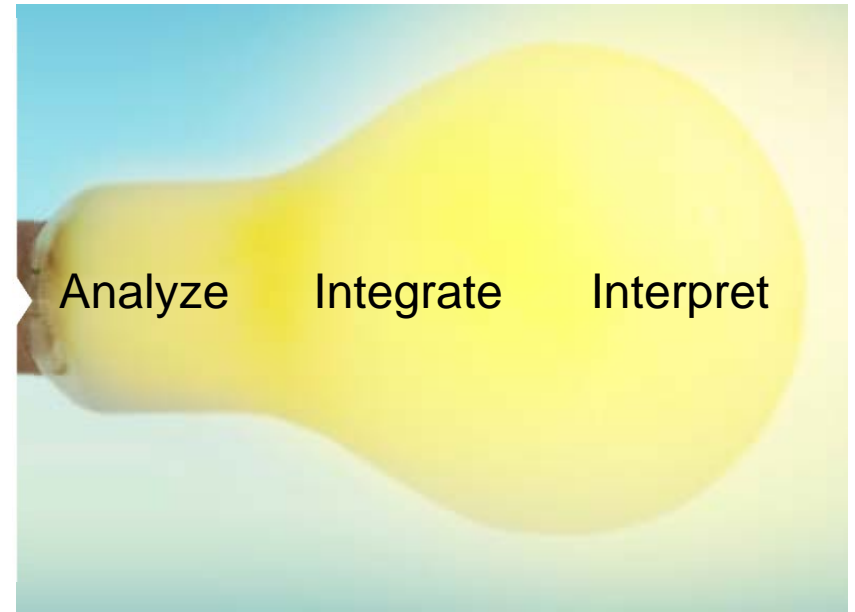
# SIMILAR MEASUREMENT PROCESS ACROSS AGILENT



Detect  
&  
Acquire



Once we convert the parameter into an electrical signal, the rest of the measurement is very similar.



# EM MARKET SEGMENTS AND AGILENT POSITION



Electronic Measurement Market

## Aerospace Defense

**\$3B**  
market  
Secular  
growth:  
3-6%

#1 in market

Customers include: US Department of Defense, Raytheon, Lockheed Martin

## Industrial, Computers, Semiconductors

**\$5B**  
market  
Secular  
growth:  
3-6%

#1 in market

Customers include: Intel, Foxconn, Flextronics, IBM, HP, universities

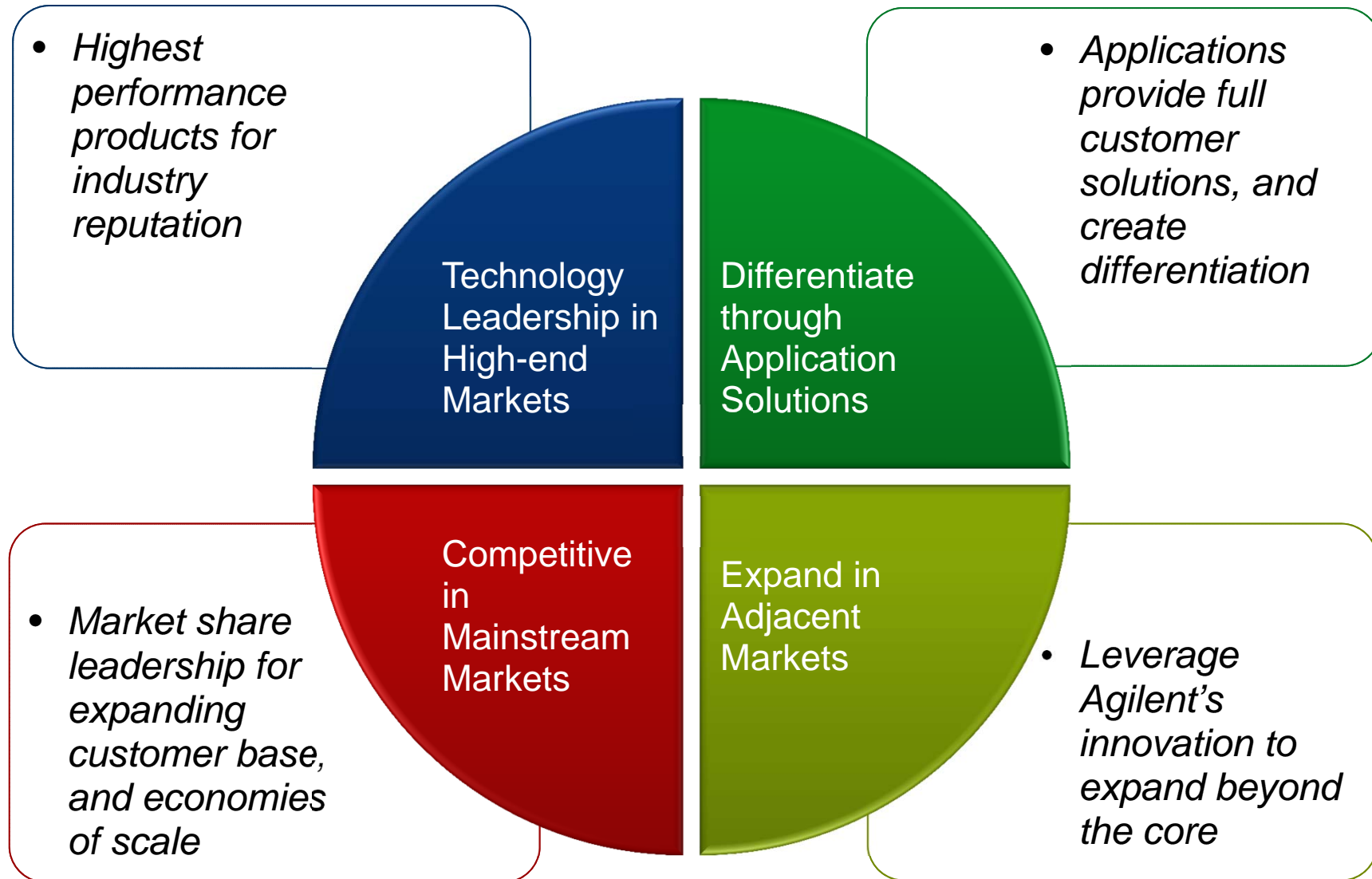
## Communications

**\$4B**  
market  
Secular  
growth:  
3-6%

#1 in market

Customers include: Nokia, Ericsson, Samsung, RIM, Cisco, Alcatel

# EMG'S STRATEGY TO DIFFERENTIATE AND WIN



# EMG FY11 RESULTS

EMG had record Revenue growth, Operating Profit, and Operating Margin in the last decade (FY01-FY11)

	FY11	Growth vs. FY10
Orders	\$3,305M	+10%
Revenue	\$3,316M	+19%
Gross Margin	58.4%	unchanged
Operating Profit	\$760M	+\$322M
Operating Margin	22.9%	+7.2 points

\*Presented on a non-GAAP basis; reconciliations to closest GAAP equivalent provided

# EMG DELIVERS RECORD Q4'11 PERFORMANCE

***EMG's 24.4% operating profit is a new EMG record***

	Q4'11
Orders	\$822M
Revenue	\$855M
Gross Margin	58.4%
Operating Profit	\$209M
Operating Margin	24.4%
ROIC	45%

- 12% revenue growth YoY (10% currency-adjusted)
- Record Operating Profit and Operating Margin
- Key product platforms grew YoY, led by oscilloscopes
- Communications and Industrial markets driving growth

\*Presented on a non-GAAP basis; reconciliations to closest GAAP equivalent provided



# APPENDIX

# Q1'12 AND FY 2012 GUIDANCE\*

	Q1'12	FY12
Revenue	\$1.65B - \$1.67B	\$6.85B - \$7.15B
Organic Revenue Growth (mid-point)	9%	6%
Operating Margin	18.6%	20.4%
EPS	\$0.67 - \$0.69	\$3.00 - \$3.35
EPS Growth (mid-point)	13%	8%
OM Incremental		31%

\*Presented on a non-GAAP basis; guidance as of November 15, 2011.

# AGILENT OPERATING MODEL\*

## SECULAR GROWTH OPERATING MODEL\*\*\*

		- 1 $\sigma$	Mid-Range	+1 $\sigma$
<b>EMG</b>	Organic Rev. Growth %	2%	6%	11%
	Operating Margin %	19%	21%	23%
	YoY OM Incremental %	-11%	40%	48%
<b>CAG</b>	Organic Rev. Growth %	5%	8%	11%
	Operating Margin %	22%	23%	24%
	YoY OM Incremental %	30%	40%	44%
<b>LSG</b>	Organic Rev. Growth %	8%	10%	13%
	Operating Margin %	15%	15%	16%
	YoY OM Incremental %	28%	30%	36%

\*Presented on a non-GAAP basis

\*\*Not company guidance



# HOW TO MANAGE IN AN UNCERTAIN ENVIRONMENT?

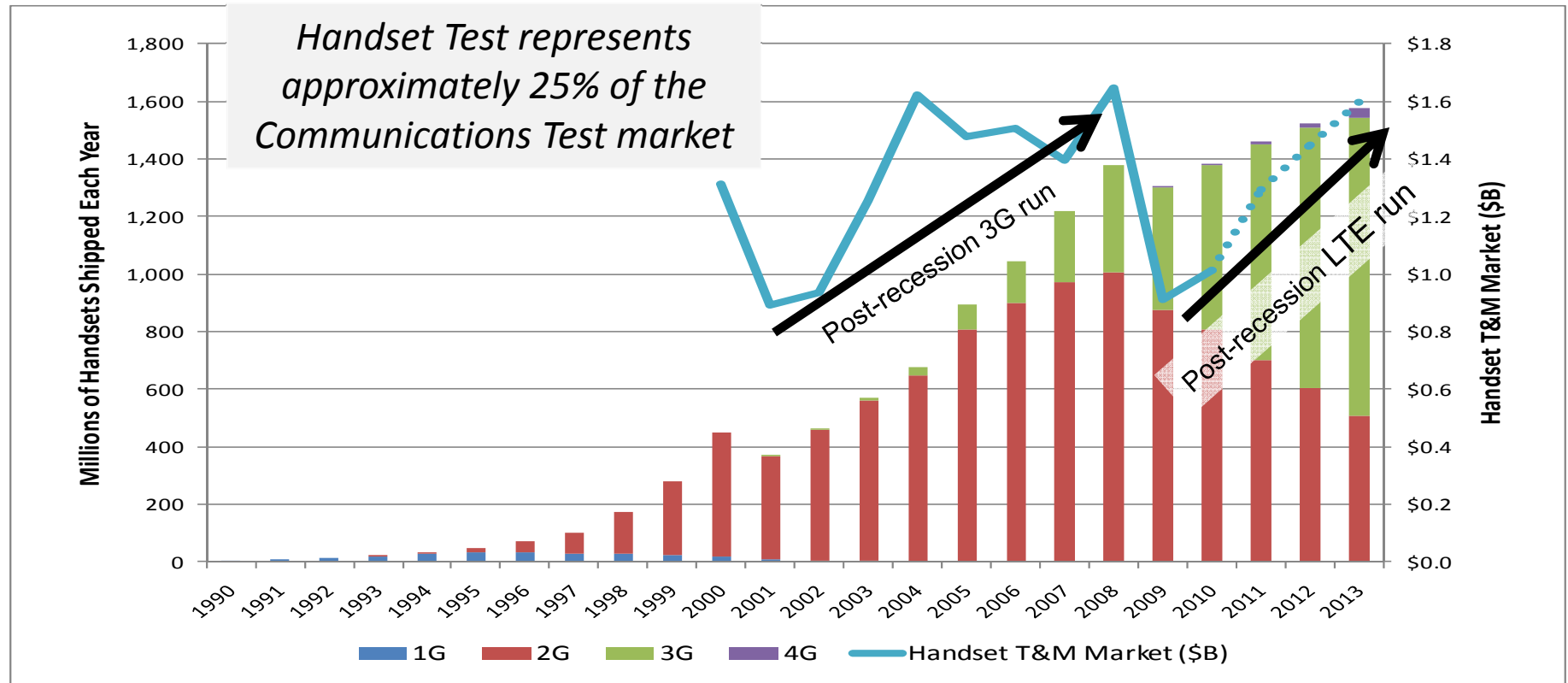
- Grow expenses slower than targeted organic revenue growth

	Mid-Range Secular Growth	Maximum Expense Growth	Resulting Incremental Operating Margin
<b>EMG</b>	6%	3.6%	40%
<b>CAG</b>	8%	5.6%	40%
<b>LSG</b>	10%	7.0%	30%
<b>Agilent</b>	8%	4.8%	36%
<b>GIO*</b>		2.5%	

- Default rule: productivity offsets inflation, no incremental spend
- Any additional spend must create value
- If revenue upside, deliver higher incremental operating margin
- Maintain a high % of variable / flexible expenses

\*Global Infrastructure Organization: IT, Workplace Services, Labs, Finance, Corporate Development, HR, Legal

# POST-RECESSION WIRELESS OPPORTUNITY WITH LTE

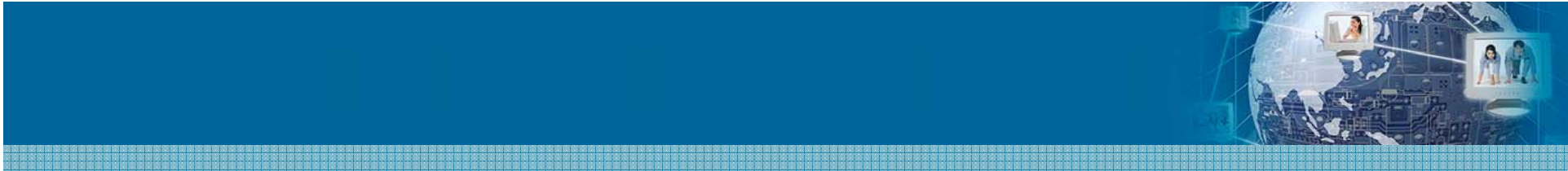


- LTE requires recapitalization of Test and Measurement (T&M) equipment
- Foresee wireless handset T&M equipment growth from \$1B to \$1.6B from 2010 - 2013
- Agilent's 4G position stronger than previous 3G position

# CASH AND CAPITAL STRUCTURE UPDATE

- Net cash & short term investments of \$1.4B\* as of October 31, 2011. Most cash held outside of the United States.
- Priority use of cash: Reserve for organic, inorganic investments meeting strategic & return criteria.
- Use available cash in the U.S. for anti-dilutive share buyback program.
- No plans to borrow to repurchase stock.

\*Presented on a non-GAAP basis; reconciliations to closest GAAP equivalent provided



# RECONCILIATIONS

**AGILENT TECHNOLOGIES, INC.**  
**ELECTRONIC MEASUREMENT SEGMENT**  
**(Unaudited)**  
**PRELIMINARY**

<u>(In millions, except margins and ROIC data)</u>	<u>FY 2011</u>				
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
Orders	\$ 797	\$ 844	\$ 842	\$ 822	\$ 3,305
Net revenue	\$ 771	\$ 834	\$ 856	\$ 855	\$ 3,316
Gross margin %	58.1%	59.5%	57.7%	58.4%	58.4%
Income from operations	\$ 156	\$ 191	\$ 204	\$ 209	\$ 760
Operating margin %	20.3%	22.9%	23.8%	24.4%	22.9%
Segment Assets	\$ 2,092	\$ 2,171	2,167	2,156	
Return On Invested Capital <sup>(a)</sup> , %	34%	42%	44%	45%	
	<u>FY 2010</u>				
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
Orders	\$ 642	\$ 784	\$ 750	\$ 818	\$ 2,994
Net revenue	\$ 629	\$ 699	\$ 692	\$ 764	\$ 2,784
Gross margin %	57.3%	58.8%	58.8%	58.7%	58.4%
Income from operations	\$ 58	\$ 100	\$ 127	\$ 153	\$ 438
Operating margin %	9.3%	14.2%	18.3%	20.0%	15.7%
Segment Assets	\$ 2,243	\$ 2,284	\$ 2,191	\$ 2,245	
Return On Invested Capital <sup>(a)</sup> , %	13%	20%	25%	32%	

Income from operations reflect the results of our reportable segments under Agilent's management reporting system which are not necessarily in conformity with GAAP financial measures. Income from operations of our reporting segments exclude, among other things, charges related to the amortization of intangibles, the impact of restructuring charges, acquisition and integration costs.

In general, recorded orders represent firm purchase commitments from our customers with established terms and conditions for products and services that will be delivered within six months.

(a) Return On Invested Capital (ROIC) is a non-GAAP measure and is defined as income from operations less other (income) expense and taxes, annualized, divided by the average of the two most recent quarter-end balances of assets less net current liabilities. The reconciliation of ROIC can be found on page 13 of these tables, along with additional information regarding the use of this non-GAAP measure.

Readers are reminded that non-GAAP numbers are merely a supplement to, and not a replacement for, GAAP financial measures. They should be read in conjunction with the GAAP financial measures. It should be noted as well that our non-GAAP information may be different from the non-GAAP information provided by other companies.

The preliminary segment information is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**CHEMICAL ANALYSIS SEGMENT**  
**(Unaudited)**  
**PRELIMINARY**

<u>(In millions, except margins and ROIC data)</u>	<u>FY 2011</u>				
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
Orders	\$ 388	\$ 380	\$ 400	\$ 421	\$ 1,589
Net revenue	\$ 349	\$ 381	\$ 383	\$ 405	\$ 1,518
Gross margin %	51.1%	50.3%	50.7%	52.4%	51.1%
Income from operations	\$ 65	\$ 72	\$ 79	\$ 97	\$ 313
Operating margin %	18.7%	18.9%	20.6%	24.0%	20.6%
Segment Assets	\$ 1,716	\$ 1,756	\$ 1,748	\$ 1,772	
Return On Invested Capital <sup>(a)</sup> , %	15%	16%	18%	22%	
	<u>FY 2010</u>				
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
Orders	\$ 242	\$ 231	\$ 350	\$ 401	\$ 1,224
Net revenue	\$ 244	\$ 238	\$ 329	\$ 389	\$ 1,200
Gross margin %	55.1%	54.5%	52.7%	52.5%	53.5%
Income from operations	\$ 67	\$ 57	\$ 69	\$ 86	\$ 279
Operating margin %	27.5%	23.9%	21.0%	22.1%	23.3%
Segment Assets	\$ 529	\$ 527	\$ 1,592	\$ 1,635	
Return On Invested Capital <sup>(a)</sup> , %	60%	48%	17%	20%	

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The preliminary segment information is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**LIFE SCIENCES SEGMENT**  
**(Unaudited)**  
**PRELIMINARY**

**(In millions, except margins and ROIC data)**

	<b>FY 2011</b>				
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
Orders	\$ 442	\$ 479	\$ 445	\$ 509	\$ 1,875
Net revenue	\$ 404	\$ 464	\$ 453	\$ 471	\$ 1,792
Gross margin %	53.3%	52.2%	51.3%	51.4%	52.0%
Income from operations	\$ 48	\$ 61	\$ 60	\$ 68	\$ 237
Operating margin %	11.8%	13.2%	13.2%	14.4%	13.2%
Segment Assets	\$ 1,707	\$ 1,852	\$ 1,855	\$ 1,837	
Return On Invested Capital <sup>(a)</sup> , %	12%	15%	14%	15%	

	<b>FY 2010</b>				
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
Orders	\$ 336	\$ 331	\$ 391	\$ 468	\$ 1,526
Net revenue	\$ 340	\$ 334	\$ 374	\$ 431	\$ 1,479
Gross margin %	54.4%	55.0%	53.8%	51.2%	53.5%
Income from operations	\$ 55	\$ 48	\$ 56	\$ 62	\$ 221
Operating margin %	16.3%	14.2%	14.9%	14.5%	15.0%
Segment Assets	\$ 1,162	\$ 1,107	\$ 1,493	\$ 1,564	
Return On Invested Capital <sup>(a)</sup> , %	21%	18%	15%	17%	

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The preliminary segment information is estimated based on our current information.

AGILENT TECHNOLOGIES, INC  
RECONCILIATION FROM GAAP TO NON-GAAP

TWELVE MONTHS ENDED October 31, 2010  
(Unaudited)

		Non-GAAP Adjustments															
			Restructuring and Other Related Costs - FY 2009 Plan	Asset Impairments	Intangible Amortization	Transformational Restructuring	Litigation Settlement	Business Divestitures	Varian Acquisition & Integration Costs	Varian Acquisition Related Fair Value Adjustments	Acceleration of Share-Based Compensation Expense Related to Worforce Reduction	Tax Sharing Settlement	Other	Adjustment for Taxes	Non-GAAP		
(In millions, except per share amounts)		GAAP															
Orders	Year	28%	\$ 5,744	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,744	28% Year
Net revenue	Year	21%	\$ 5,444	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,463	22% Year
Costs and expenses:																	
Cost of products and services	Gross Margin	53.8%	2,514	(8)	(5)	(49)	(15)	-	-	(1)	(32)	-	-	(1)	2,403	56.0% Gross Margin	
Research and development	As a % of Revenue	11.2%	612	(3)	-	-	(7)	-	-	-	-	-	-	(1)	601	11.0% As a % of Revenue	
Selling, general and administrative	As a % of Revenue	32.2%	1,752	(53)	(14)	(28)	(17)	-	(13)	(101)	-	(1)	-	(2)	1,523	27.9% As a % of Revenue	
Total costs and expenses			4,878	(64)	(19)	(77)	(39)	-	(13)	(102)	(32)	(1)	-	(4)	4,527		
Income from operations	Operating Margin	10.4%	566	64	19	77	39	-	13	102	51	1	-	4	936	17.1% Operating Margin	
Other income (expense), net			126	-	-	-	-	(8)	(129)	-	-	-	(54)	1	(64)		
Income before taxes			692	64	19	77	39	(8)	(116)	102	51	1	(54)	5	872		
Provision for taxes	Tax rate (incl. Valuation Allowance)	1%	8	-	-	-	-	-	-	-	-	-	-	-	158	166	Tax rate (incl. 19% Valuation Allowance)
Net income	Net Margin	12.6%	\$ 684	\$ 64	\$ 19	\$ 77	\$ 39	\$ (8)	\$ (116)	\$ 102	\$ 51	\$ 1	\$ (54)	\$ 5	\$ (158)	\$ 706	12.9% Net Margin

Net income per share - Basic and Diluted:

Basic	\$ 1.97	\$ 0.18	\$ 0.05	\$ 0.22	\$ 0.11	\$ (0.02)	\$ (0.33)	\$ 0.29	\$ 0.15	\$ -	\$ (0.16)	\$ 0.01	\$ (0.44)	\$ 2.03
Diluted	\$ 1.94	\$ 0.18	\$ 0.05	\$ 0.22	\$ 0.11	\$ (0.02)	\$ (0.33)	\$ 0.29	\$ 0.14	\$ -	\$ (0.15)	\$ 0.01	\$ (0.44)	\$ 2.00

Weighted average shares used in computing net income per share:

Basic	347	347	347	347	347	347	347	347	347	347	347	347	347	347
Diluted	353	353	353	353	353	353	353	353	353	353	353	353	353	353

The preliminary reconciliation from GAAP to Non-GAAP net income is estimated based on our current information.



AGILENT TECHNOLOGIES, INC  
RECONCILIATION FROM GAAP TO NON-GAAP

YEAR ENDED October 31, 2011  
(Unaudited)  
PRELIMINARY

		NON-GAAP ADJUSTMENTS												
		GAAP	Restructuring and Other Related Costs- FY 2009 Plan	Asset Impairments	Intangible Amortization	Transformation Initiatives	Acquisition & Integration Costs	Varian Acquisition Fair Value Adjustments	Agilent Foundation Donation	Other	Adjustment for Taxes	Non-GAAP		
(In millions, except per share amounts)														
Orders	Change Year Over Year	18%	\$ 6,769	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,769	18% Change Year Over Year	
Net revenue	Change Year Over Year	22%	\$ 6,615	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11	\$ -	\$ -	\$ 6,626	21% Change Year Over Year	
Costs and expenses:														
Cost of products and services	Gross Margin	53.3%	3,086	-	(4)	(71)	(25)	(9)	2	-	2	-	2,981	55.0% Gross Margin
Research and development	As a % of Revenue	9.8%	649	-	-	-	(2)	(2)	-	-	-	-	645	9.7% As a % of Revenue
Selling, general and administrative	As a % of Revenue	27.3%	1,809	(2)	(5)	(42)	(24)	(43)	-	(6)	3	-	1,690	25.5% As a % of Revenue
Total costs and expenses			5,544	(2)	(9)	(113)	(51)	(54)	2	(6)	5	-	5,316	
Income from operations	Operating Margin	16.2%	1,071	2	9	113	51	54	9	6	(5)	-	1,310	19.8% Operating Margin
Other income (expense), net			(39)	-	-	-	-	1	-	-	(13)	-	(51)	
Income before taxes			1,032	2	9	113	51	55	9	6	(18)	-	1,259	
Provision for taxes	Tax rate (incl. Valuation Allowance)	2%	20	-	-	-	-	-	-	-	-	194	214	Tax rate (incl. Valuation Allowance) 17%
Net income	Net Margin	15.3%	\$ 1,012	\$ 2	\$ 9	\$ 113	\$ 51	\$ 55	\$ 9	\$ 6	\$ (18)	\$ (194)	\$ 1,045	15.8% Net Margin

Net income per share - Basic and Diluted:

Basic	\$ 2.92	\$ 0.01	\$ 0.02	\$ 0.32	\$ 0.15	\$ 0.16	\$ 0.03	\$ 0.01	\$ (0.05)	\$ (0.56)	\$ 3.01
Diluted	\$ 2.85	\$ 0.01	\$ 0.02	\$ 0.32	\$ 0.14	\$ 0.16	\$ 0.03	\$ 0.01	\$ (0.04)	\$ (0.55)	\$ 2.95

Weighted average shares used in computing net income (loss) per share:

Basic	347	347	347	347	347	347	347	347	347	347	347
Diluted	355	355	355	355	355	355	355	355	355	355	355

The preliminary reconciliation from GAAP to Non-GAAP net income is estimated based on our current information.

AGILENT TECHNOLOGIES, INC  
RECONCILIATION FROM GAAP TO NON-GAAP

THREE MONTHS ENDED October 31, 2010  
(Unaudited)

		Non-GAAP Adjustments													
		GAAP	Restructuring and Other Related Costs - FY 2009 Plan	Asset Impairments	Intangible Amortization	Transformational Restructuring	Business Divestitures	Varian Acquisition & Integration Costs	Varian Acquisition Related Fair Value Adjustments	Tax Sharing Settlement	Other	Adjustment for Taxes	Non-GAAP		
(In millions, except per share amounts)															
Orders	Year	32%	\$ 1,687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,687	32% Year
Net revenue	Year	35%	\$ 1,576	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8	\$ -	\$ -	\$ -	\$ 1,584	36% Year
Costs and expenses:															
Cost of products and services	Gross Margin	52.9%	742	(1)	-	(17)	(3)	-	(1)	(10)	-	(1)	-	709	55.3% Gross Margin
Research and development	As a % of Revenue	10.1%	159	(1)	-	-	(2)	-	-	-	-	1	-	157	9.9% As a % of Revenue
Selling, general and administrative	As a % of Revenue	29.9%	472	(6)	(5)	(13)	(5)	(2)	(24)	-	-	(2)	-	415	26.2% As a % of Revenue
Total costs and expenses			1,373	(8)	(5)	(30)	(10)	(2)	(25)	(10)	-	(2)	-	1,281	
Income from operations	Operating Margin	12.9%	203	8	5	30	10	2	25	18	-	2	-	303	19.1% Operating Margin
Other income (expense), net			40	-	-	-	-	(4)	-	-	(54)	(4)	-	(22)	
Income before taxes			243	8	5	30	10	(2)	25	18	(54)	(2)	-	281	
Provision for taxes	Tax rate (incl. Valuation Allowance)	5%	11	-	-	-	-	-	-	-	-	-	42	53	Tax rate (incl. 19% Valuation Allowance)
Net income	Net Margin	14.7%	\$ 232	\$ 8	\$ 5	\$ 30	\$ 10	\$ (2)	\$ 25	\$ 18	\$ (54)	\$ (2)	\$ (42)	\$ 228	14.4% Net Margin

Net income per share - Basic and Diluted:

Basic	\$ 0.67	\$ 0.02	\$ 0.01	\$ 0.09	\$ 0.03	\$ (0.01)	\$ 0.07	\$ 0.05	\$ (0.16)	\$ (0.01)	\$ (0.10)	\$ 0.66
Diluted	\$ 0.66	\$ 0.02	\$ 0.01	\$ 0.09	\$ 0.03	\$ (0.01)	\$ 0.07	\$ 0.05	\$ (0.15)	\$ (0.01)	\$ (0.11)	\$ 0.65

Weighted average shares used in computing net income per share:

Basic	346	346	346	346	346	346	346	346	346	346	346	346
Diluted	352	352	352	352	352	352	352	352	352	352	352	352

The preliminary reconciliation from GAAP to Non-GAAP net income is estimated based on our current information.

AGILENT TECHNOLOGIES, INC  
RECONCILIATION FROM GAAP TO NON-GAAP

THREE MONTHS ENDED October 31, 2011  
(Unaudited)

PRELIMINARY

NON-GAAP ADJUSTMENTS

(In millions, except per share amounts)

			GAAP	Restructuring and Other Related Costs- FY 2009 Plan	Asset Impairments	Intangible Amortization	Transformation Initiatives	Acquisition & Integration Costs	Varian Acquisition Fair Value Adjustments	Agilent Foundation Donation	Other	Adjustment for Taxes	Non-GAAP	
Orders	Change Year Over Year	4%	\$ 1,752	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,752	4% Change Year Over Year
Net revenue	Change Year Over Year	10%	\$ 1,728	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ -	\$ -	\$ -	\$ 1,731	9% Change Year Over Year
Costs and expenses:														
Cost of products and services	Gross Margin	53.3%	807	-	-	(17)	(11)	(3)	2	-	-	-	778	55.1% Gross Margin
Research and development	As a % of Revenue	9.4%	163	-	-	(1)	(1)	(1)	-	-	-	-	161	9.3% As a % of Revenue
Selling, general and administrative	As a % of Revenue	25.8%	445	-	-	(11)	(6)	(11)	-	-	1	-	418	24.1% As a % of Revenue
Total costs and expenses			1,415	-	-	(28)	(18)	(15)	2	-	1	-	1,357	
Income from operations	Operating Margin	18.1%	313	-	-	28	18	15	1	-	(1)	-	374	21.6% Operating Margin
Other income (expense), net			(20)	-	-	-	-	-	-	-	3	-	(17)	
Income before taxes			293	-	-	28	18	15	1	-	2	-	357	
Provision for taxes	Tax rate (incl. Valuation Allowance)	1%	4	-	-	-	-	-	-	-	-	57	61	Tax rate (incl. Valuation 17% Allowance)
Net income	Net Margin	16.7%	\$ 289	\$ -	\$ -	\$ 28	\$ 18	\$ 15	\$ 1	\$ -	\$ 2	\$ (57)	\$ 296	17.1% Net Margin

Net income per share - Basic and Diluted:

Basic	\$ 0.83	\$ -	\$ -	\$ 0.08	\$ 0.05	\$ 0.04	\$ -	\$ -	\$ 0.01	\$ (0.16)	\$ 0.85
Diluted	\$ 0.82	\$ -	\$ -	\$ 0.08	\$ 0.05	\$ 0.04	\$ -	\$ -	\$ 0.01	\$ (0.16)	\$ 0.84

Weighted average shares used in computing net income (loss) per share:

Basic	347	347	347	347	347	347	347	347	347	347	347
Diluted	351	351	351	351	351	351	351	351	351	351	351

The preliminary reconciliation from GAAP to Non-GAAP net income is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**RECONCILIATION OF ROIC**  
(In millions)  
(Unaudited)  
**PRELIMINARY**

	LSG Q4'11	CAG Q4'11	EMG Q4'11	Agilent Q4'11	LSG Q4'10	CAG Q4'10	EMG Q4'10	Agilent Q4'10	LSG Q3'11	CAG Q3'11	EMG Q3'11	Agilent Q3'11
<b>Numerator:</b>												
Non-GAAP income from operations	\$ 68	\$ 97	\$ 209	\$ 373	\$ 62	\$ 86	\$ 153	\$ 303	\$ 60	\$ 79	\$ 204	\$ 342
Less:												
Taxes and Other (income)/expense	11	16	35	60	10	17	27	57	9	12	32	52
Segment return	57	81	174	313 <sup>(a)</sup>	52	69	126	246 <sup>(a)</sup>	51	67	172	290 <sup>(a)</sup>
Segment return annualized	\$ 228	\$ 324	\$ 696	\$ 1,252	\$ 208	\$ 276	\$ 504	\$ 984	\$ 204	\$ 268	\$ 688	\$ 1,158
<b>Denominator:</b>												
Segment assets <sup>(b)</sup>	\$ 1,837	\$ 1,772	\$ 2,156	\$ 5,767	\$ 1,564	\$ 1,635	\$ 2,245	\$ 5,442	\$ 1,855	\$ 1,748	\$ 2,167	\$ 5,772
Less:												
Net current liabilities <sup>(c)</sup>	365	262	616	1,243	327	262	660	1,250	348	248	593	1,188
Invested capital	\$ 1,472	\$ 1,510	\$ 1,540	\$ 4,524	\$ 1,237	\$ 1,373	\$ 1,585	\$ 4,192	\$ 1,507	\$ 1,500	\$ 1,574	\$ 4,584
Average invested capital	\$ 1,490	\$ 1,505	\$ 1,557	\$ 4,554	\$ 1,220	\$ 1,363	\$ 1,600	\$ 4,182	\$ 1,492	\$ 1,492	\$ 1,557	\$ 4,543
ROIC	15%	22%	45%	27%	17%	20%	32%	24%	14%	18%	44%	25%

ROIC calculation:(annualized current quarter segment return)/(average of the two most recent quarter-end balances of Segment Invested Capital)

<sup>(a)</sup> Agilent return is equal to non-GAAP net income of \$296 million plus net interest expense after tax of \$17 million for Q4'11, and \$228 million plus net interest expense after tax of \$18 million for Q4'10 and \$276 million plus net interest expense after tax of \$14 million for Q3'11. Please see "Non-GAAP Net Income and Diluted EPS Reconciliations" for a reconciliation of non-GAAP net income to GAAP net income.

<sup>(b)</sup> Segment assets consist of inventory, accounts receivable, property plant and equipment, gross goodwill and other intangibles, deferred taxes and allocated corporate assets.

<sup>(c)</sup> Includes accounts payable, employee compensation and benefits, deferred revenue, other accrued liabilities and allocated corporate liabilities.

Return on Invested Capital (ROIC) is a non-GAAP measure that management believes provides useful supplemental information for management and the investor. ROIC is a tool by which we track how much value we are creating for our shareholders. Management uses ROIC as a performance measure for our businesses, and our senior managers' compensation is linked to ROIC improvements as well as other performance criteria. We believe that ROIC provides our management with a means to analyze and improve their business, measuring segment profitability in relation to net asset investments. We acknowledge that ROIC may not be calculated the same way by every company. We compensate for this limitation by monitoring and providing to the reader a full GAAP income statement and balance sheet.

Readers are reminded that non-GAAP numbers are merely a supplement to, and not a replacement for, GAAP financial measures. They should be read in conjunction with the GAAP financial measures. It should be noted as well that our non-GAAP information may be different from the non-GAAP information provided by other companies.

The preliminary reconciliation of ROIC is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**RECONCILIATION OF ORGANIC REVENUE**  
**(IN MILLIONS)**  
**PRELIMINARY**

	Years Ended		Percent Inc/(Dec)
	2011	2,010	
<b>GAAP Revenue</b>	\$ 6,615	\$ 5,444	22%
Varian acquisition fair value adjustments	11	19	
<b>Non-GAAP Revenue</b>	\$ 6,626	\$ 5,463	21%
Less revenue from acquisition and divestitures included in segment results	(355)	(88)	
<b>Organic Non-GAAP Revenue</b>	\$ 6,271	\$ 5,375	17%

Non-GAAP revenue is defined as revenue excluding the fair value adjustment of the deferred revenue balances related to the Varian acquisition. Organic Non-GAAP revenue is defined as Non-GAAP revenue excluding the impact of acquisitions that have closed within the past year. Due to the close date of the Varian acquisition which occurred on May 14, 2010, we have excluded revenue related to Varian for the period beginning November 1, 2010 thru May 14, 2011 in our revenue adjustment from acquisitions for the year ended 2011. For the year ended 2010, we have excluded revenue related to the NSD and Hycor divestitures.

Management believes that these measures provide useful information to investors by reflecting an additional way of viewing aspects of Agilent's operations that, when reconciled to the corresponding GAAP measures, help our investors to better identify underlying growth trends in our business and facilitate easier comparisons of our revenue performance with prior and future periods and to our peers. We excluded the effect of the Varian and other recent acquisitions and divestitures because the nature, size and number of these can vary dramatically from period to period and between us and our peers, which we believe may obscure underlying business trends and make comparisons of long-term performance difficult.

The preliminary reconciliation of GAAP to Organic Non-GAAP revenue is based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**RECONCILIATION OF INCREMENTAL REVENUE DOLLAR TO BOTTOM LINE**  
**(IN MILLIONS)**  
**PRELIMINARY**

	<u>Q4'11</u>	<u>Q4'10</u>	<u>\$ Change</u>	<u>Year over Year Incremental</u>
<b>AGILENT GAAP</b>				
Revenue	\$ 1,728	\$ 1,576	\$ 152	
Income from Operations	\$ 313	\$ 203	\$ 110	<b>73%</b>
<b>AGILENT Non-GAAP</b>				
Revenue	\$ 1,731	\$ 1,584	\$ 147	
Income from Operations	\$ 374	\$ 303	\$ 71	<b>48%</b>

The preliminary reconciliation of incremental change is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**RECONCILIATIONS OF NON-GAAP REVENUE BY SEGMENT AND**  
**NON-GAAP REVENUE BY REGION EXCLUDING THE IMPACT OF CURRENCY ADJUSTMENTS**  
**(IN MILLIONS)**  
**(Unaudited)**  
**PRELIMINARY**

<u>Non-GAAP Revenue by Segment</u>	Year-over-Year							
	NON-GAAP			Currency	Currency-Adjusted			
	Q4'11	Q4'10	Year-over-Year % Change	Adjustments <sup>(a)</sup> Q4'11	Q4'11	Q4'10	Year-over-Year % Change	
LIFE SCIENCES	\$ 471	\$ 431	9%	\$ 14	\$ 457	\$ 431	6%	
CHEMICAL ANALYSIS	\$ 405	\$ 389	4%	\$ 13	\$ 392	\$ 389	1%	
ELECTRONIC MEASUREMENT	\$ 855	\$ 764	12%	\$ 14	\$ 841	\$ 764	10%	
AGILENT	\$ 1,731	\$ 1,584	9%	\$ 41	\$ 1,690	\$ 1,584	7%	

<u>Non-GAAP Revenue by Region</u>	Year-over-Year							
	NON-GAAP			Currency	Currency-Adjusted			
	Q4'11	Q4'10	Year-over-Year % Change	Adjustments <sup>(a)</sup> Q4'11	Q4'11	Q4'10	Year-over-Year % Change	
Non-GAAP Revenue	\$ 1,731	\$ 1,584	9%	\$ 41	\$ 1,690	\$ 1,584	7%	
Americas	632	592	7%	2	630	592	6%	
Europe	419	404	4%	19	400	404	-1%	
Japan	185	157	18%	14	171	157	9%	
Other Asia Pacific	495	431	15%	6	489	431	13%	
Total Non-GAAP Revenue	\$ 1,731	\$ 1,584	9%	\$ 41	\$ 1,690	\$ 1,584	7%	
Asia Pacific	\$ 680	\$ 588	16%	\$ 20	\$ 660	\$ 588	12%	

<sup>(a)</sup>We compare the year-over-year change in revenue excluding the effect of foreign currency rate fluctuations to assess the performance of our underlying business. To determine the impact of currency fluctuations, current period results for entities reporting in currencies other than United States dollars are converted into United States dollars at the actual exchange rate in effect during the respective prior periods.

The preliminary reconciliation of non-GAAP revenue adjusted for the impact of currency is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**NET CASH**  
(In millions)  
(Unaudited)  
**PRELIMINARY**

	<u>Q4'11</u>	<u>Q4'10</u>
Cash and cash equivalents	\$ 3,527	\$ 2,649
Restricted cash and cash equivalents	—	1,550
Short-term debt, par value	(250)	(1,501)
Senior notes, par value	(1,850)	(2,100)
<b>Total Net Cash</b>	<u>\$ 1,427</u>	<u>\$ 598</u>

The preliminary reconciliation of net cash is estimated based on our current information.

Management believes this metric provides useful information to investors about the Company's overall liquidity and financial position. Net Cash is a measure at a point in time and does not reflect the Company's future financial prospects or liquidity.