

Agilent Technologies, Inc.
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AGILENT TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended July 31,		Percent Inc/(Dec)
	2014	2013	
Orders	\$ 1,739	\$ 1,600	9%
Net revenue	\$ 1,766	\$ 1,652	7%
Costs and expenses:			
Cost of products and services	852	796	7%
Research and development	177	171	4%
Selling, general and administrative	508	449	13%
Total costs and expenses	<u>1,537</u>	<u>1,416</u>	9%
Income from operations	229	236	(3%)
Interest income	3	2	50%
Interest expense	(28)	(27)	4%
Other income (expense), net	<u>(20)</u>	<u>1</u>	—
Income before taxes	184	212	(13%)
Provision for income taxes	<u>37</u>	<u>44</u>	(16%)
Net income	<u>\$ 147</u>	<u>\$ 168</u>	(13%)
Net income per share:			
Basic	\$ 0.44	\$ 0.50	
Diluted	\$ 0.43	\$ 0.49	
Weighted average shares used in computing net income per share:			
Basic	334	339	
Diluted	338	343	
Cash dividends declared per common share	\$ 0.132	\$ 0.120	

The preliminary income statement is estimated based on our current information.

AGILENT TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(In millions, except per share amounts)
(Unaudited)

	Nine Months Ended		Percent Inc/(Dec)
	July 31,		
	2014	2013	
Orders	\$ 5,229	\$ 4,998	5%
Net revenue	\$ 5,176	\$ 5,064	2%
Costs and expenses:			
Cost of products and services	2,480	2,437	2%
Research and development	530	531	—
Selling, general and administrative	1,509	1,430	6%
Total costs and expenses	<u>4,519</u>	<u>4,398</u>	3%
Income from operations	657	666	(1%)
Interest income	7	5	40%
Interest expense	(87)	(77)	13%
Other income (expense), net	<u>(16)</u>	<u>11</u>	—
Income before taxes	561	605	(7%)
Provision for income taxes	<u>80</u>	<u>92</u>	(13%)
Net income	<u>\$ 481</u>	<u>\$ 513</u>	(6%)
Net income per share:			
Basic	\$ 1.44	\$ 1.49	
Diluted	\$ 1.42	\$ 1.47	
Weighted average shares used in computing net income per share:			
Basic	333	344	
Diluted	338	348	
Cash dividends declared per common share	\$ 0.396	\$ 0.340	

The preliminary income statement is estimated based on our current information.

AGILENT TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(In millions)
(Unaudited)

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2014	2013	2014	2013
Net income	\$ 147	\$ 168	\$ 481	\$ 513
Other comprehensive income (loss), net of tax:				
Unrealized gain on investments	8	4	8	5
Amounts reclassified into earnings related to investments	(1)	—	(1)	—
Unrealized gain (loss) on derivative instruments	2	(4)	1	7
Amounts reclassified into earnings related to derivative instruments	1	(3)	1	(8)
Foreign currency translation	(92)	(32)	(59)	(87)
Net defined benefit pension cost and post retirement plan costs:				
Amortization of actuarial net loss	11	15	36	45
Amortization of net prior service benefit	(8)	(8)	(24)	(24)
Other comprehensive loss	<u>(79)</u>	<u>(28)</u>	<u>(38)</u>	<u>(62)</u>
Total comprehensive income	<u>\$ 68</u>	<u>\$ 140</u>	<u>\$ 443</u>	<u>\$ 451</u>

The preliminary statement of comprehensive income is estimated based on our current information.

AGILENT TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEET
(In millions, except par value and share amounts)
(Unaudited)

	July 31, 2014	October 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,391	\$ 2,675
Accounts receivable, net	891	899
Inventory	1,099	1,066
Other current assets	453	343
Total current assets	4,834	4,983
Property, plant and equipment, net	1,142	1,134
Goodwill	3,012	3,047
Other intangible assets, net	758	916
Long-term investments	164	139
Other assets	470	467
Total assets	\$ 10,380	\$ 10,686
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 402	\$ 432
Employee compensation and benefits	365	401
Deferred revenue	447	439
Short-term debt	35	—
Other accrued liabilities	330	330
Total current liabilities	1,579	1,602
Long-term debt	2,181	2,699
Retirement and post-retirement benefits	235	294
Other long-term liabilities	745	802
Total liabilities	4,740	5,397
Total Equity:		
Stockholders' equity:		
Preferred stock; \$0.01 par value; 125 million shares authorized; none issued and outstanding	—	—
Common stock; \$0.01 par value, 2 billion shares authorized; 606 million shares at July 31, 2014 and 602 million shares at October 31, 2013, issued	6	6
Treasury stock at cost; 273 million shares at July 31, 2014 and 269 million shares at October 31, 2013	(9,807)	(9,607)
Additional paid-in-capital	8,898	8,723
Retained earnings	6,487	6,073
Accumulated other comprehensive income	53	91
Total stockholders' equity	5,637	5,286
Non-controlling interest	3	3
Total equity	5,640	5,289
Total liabilities and equity	\$ 10,380	\$ 10,686

The preliminary balance sheet is estimated based on our current information.

AGILENT TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(In millions)
(Unaudited)

	Three Months Ended July 31, 2014	Nine Months Ended July 31, 2014
Cash flows from operating activities:		
Net income	\$ 147	\$ 481
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	98	291
Accelerated amortization of interest rate swap gain (due to early redemption of debt)	(8)	(8)
Share-based compensation	19	77
Excess tax benefit from share-based plans	—	(3)
Excess and obsolete inventory related charges	16	39
Other non-cash expenses, net	(14)	(6)
Changes in assets and liabilities:		
Accounts receivable	3	-
Inventory	(17)	(73)
Accounts payable	(73)	(29)
Employee compensation and benefits	(36)	(32)
Other assets and liabilities	(107)	(190)
Net cash provided by operating activities ^(a)	28	547
Cash flows from investing activities:		
Investments in property, plant and equipment	(64)	(162)
Proceeds from sale of property, plant and equipment	12	14
Payment to acquire equity method investment	(21)	(25)
Change in restricted cash and cash equivalents, net	1	1
Proceeds from divestiture	2	2
Proceeds from sale of investment securities	1	1
Acquisition of businesses and intangible assets, net of cash acquired	(1)	(3)
Net cash used in investing activities	(70)	(172)
Cash flows from financing activities:		
Issuance of common stock under employee stock plans	41	136
Treasury stock repurchases	(50)	(200)
Prepayment of senior notes	(500)	(500)
Payment of dividends	(44)	(132)
Proceeds from short-term borrowings	35	35
Proceeds from revolving credit facility	50	50
Repayment of revolving credit facility	(50)	(50)
Excess tax benefit from share-based plans	—	3
Net cash used in financing activities	(518)	(658)
Effect of exchange rate movements	1	(1)
Net decrease in cash and cash equivalents	(559)	(284)
Cash and cash equivalents at beginning of period	2,950	2,675
Cash and cash equivalents at end of period	\$ 2,391	\$ 2,391
^(a) Cash payments included in operating activities:		
Restructuring payments	5	23
Income tax payments, net	37	71

The preliminary cash flow is estimated based on our current information.

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

(In millions, except margins and ROIC data)

	FY 2014				
	Q1	Q2	Q3	Q4	Total
Orders	\$ 564	\$ 598	\$ 597		\$ 1,759
Net revenue	\$ 591	\$ 577	\$ 592		\$ 1,760
Gross margin %	55.5%	53.2%	53.6%		54.1%
Income from operations	\$ 100	\$ 76	\$ 93		\$ 269
Operating margin %	16.9%	13.1%	15.7%		15.3%
Segment assets	\$ 4,287	\$ 4,306	\$ 4,305		
Return On Invested Capital ^(a) , %	9%	7%	8%		

	FY 2013				
	Q1	Q2	Q3	Q4	Total
Orders	\$ 562	\$ 579	\$ 536	\$ 642	\$ 2,319
Net revenue	\$ 564	\$ 571	\$ 564	\$ 601	\$ 2,300
Gross margin %	54.3%	54.3%	53.6%	55.1%	54.3%
Income from operations	\$ 82	\$ 89	\$ 91	\$ 115	\$ 377
Operating margin %	14.6%	15.5%	16.0%	19.2%	16.4%
Segment assets	\$ 4,233	\$ 4,257	\$ 4,252	\$ 4,291	
Return On Invested Capital ^(a) , %	7%	8%	8%	10%	

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 and pre-separation 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 16 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

(In millions, except margins and ROIC data)

	FY 2014				
	Q1	Q2	Q3	Q4	Total
Orders	\$ 415	\$ 432	\$ 420		\$ 1,267
Net revenue	\$ 417	\$ 411	\$ 417		\$ 1,245
Gross margin %	52.1%	52.5%	52.7%		52.5%
Income from operations	\$ 94	\$ 90	\$ 97		\$ 281
Operating margin %	22.6%	22.0%	23.3%		22.6%
Segment assets	\$ 1,757	\$ 1,778	\$ 1,791		
Return On Invested Capital ^(a) , %	21%	20%	21%		
	FY 2013				
	Q1	Q2	Q3	Q4	Total
Orders	\$ 399	\$ 408	\$ 390	\$ 445	\$ 1,642
Net revenue	\$ 394	\$ 401	\$ 387	\$ 412	\$ 1,594
Gross margin %	51.2%	51.4%	51.0%	52.9%	51.7%
Income from operations	\$ 81	\$ 89	\$ 83	\$ 102	\$ 355
Operating margin %	20.6%	22.1%	21.5%	24.7%	22.3%
Segment assets	\$ 1,721	\$ 1,739	\$ 1,732	\$ 1,756	
Return On Invested Capital ^(a) , %	18%	20%	19%	23%	

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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 16 of these tables, along with additional information regarding the use of this non-GAAP measure.

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

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

(In millions, except margins and ROIC data)

	FY 2014				
	Q1	Q2	Q3	Q4	Total
Orders	\$ 699	\$ 782	\$ 722		\$ 2,203
Net revenue	\$ 671	\$ 743	\$ 757		\$ 2,171
Gross margin %	55.6%	56.2%	55.3%		55.7%
Income from operations	\$ 102	\$ 148	\$ 149		\$ 399
Operating margin %	15.2%	19.9%	19.7%		18.4%
Segment assets	\$ 1,929	\$ 1,976	\$ 1,963		
Return On Invested Capital ^(a) , %	24%	35%	35%		

	FY 2013				
	Q1	Q2	Q3	Q4	Total
Orders	\$ 749	\$ 701	\$ 674	\$ 742	\$ 2,866
Net revenue	\$ 722	\$ 760	\$ 701	\$ 705	\$ 2,888
Gross margin %	57.4%	57.1%	56.6%	56.4%	56.9%
Income from operations	\$ 125	\$ 156	\$ 129	\$ 134	\$ 544
Operating margin %	17.3%	20.5%	18.5%	19.0%	18.9%
Segment assets	\$ 1,962	\$ 2,019	\$ 2,008	\$ 1,997	
Return On Invested Capital ^(a) , %	28%	38%	30%	30%	

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 and pre-separation 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 16 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.
LIFE SCIENCES, DIAGNOSTICS AND APPLIED MARKETS (LDA)
(Unaudited)
PRELIMINARY

(In millions, except margins and ROIC data)

	FY 2014				
	Q1	Q2	Q3	Q4	Total
Orders	\$ 979	\$ 1,030	\$ 1,017		\$ 3,026
Net revenue	\$ 1,008	\$ 988	\$ 1,009		\$ 3,005
Gross margin %	54.1%	52.9%	53.2%		53.4%
Income from operations	\$ 194	\$ 166	\$ 190		\$ 550
Operating margin %	19.2%	16.8%	18.8%		18.3%

	FY 2013				
	Q1	Q2	Q3	Q4	Total
Orders	\$ 961	\$ 987	\$ 926	\$ 1,087	\$ 3,961
Net revenue	\$ 958	\$ 972	\$ 951	\$ 1,013	\$ 3,894
Gross margin %	53.1%	53.1%	52.5%	54.2%	53.2%
Income from operations	\$ 163	\$ 178	\$ 174	\$ 217	\$ 732
Operating margin %	17.1%	18.2%	18.3%	21.4%	18.8%

Life Sciences, Diagnostics and Applied Markets (LDA) is not a reportable segment. LDA reflects the combined results of 2 of our reportable segments; Life Sciences and Diagnostics Group (LDG) and Chemical Analysis Group (CAG).

Income from operations reflect the combined 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 and pre-separation 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.

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.
Non-GAAP Operating Results Q1FY13 - Q3FY14
(Unaudited)

M\$					Preliminary			
	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q3
Orders	1,710	1,688	1,600	1,829	1,678	1,812	1,739	9%
Net Revenues	1,680	1,732	1,652	1,718	1,679	1,731	1,766	7%
Gross Profit %	54.9%	54.8%	54.3%	55.1%	54.7%	54.3%	54.1%	-0.2 ppt
R&D	177	170	168	172	176	175	177	5%
% Revenues	10.6%	9.8%	10.2%	10.0%	10.5%	10.1%	10.0%	-0.2 ppt
SG&A	458	445	426	423	447	451	440	3%
% Revenues	27.2%	25.7%	25.8%	24.6%	26.6%	26.1%	24.9%	-0.9 ppt
Operating Profit	288	334	303	351	296	314	339	12%
Operating Margin	17.2%	19.3%	18.3%	20.4%	17.6%	18.2%	19.2%	0.9 ppt
Other Income/ (Expense)	(23)	(15)	(25)	(28)	(27)	(24)	(26)	4%
Pre-Tax Earnings	265	319	278	323	269	290	313	13%
Tax Rate	16%	16%	16%	16%	16%	16%	16%	0 ppt
Income Tax	43	50	45	52	43	46	51	13%
Net Earnings	222	269	233	271	226	244	262	12%
Net Margin	13.2%	15.5%	14.1%	15.8%	13.5%	14.1%	14.8%	0.7 ppt
ROIC	14%	17%	15%	17%	15%	16%	17%	2 ppt
Regular Headcount	20,466	20,543	20,563	20,600	20,636	20,901	21,201	638
Non-GAAP EPS	\$ 0.63	\$ 0.77	\$ 0.68	\$ 0.81	\$ 0.67	\$ 0.72	\$ 0.78	\$ 0.10

We provide the non-GAAP income statements in order to provide meaningful supplemental information regarding our operational performance and our prospects for the future. These supplemental measures exclude, among other things, charges related to the amortization of intangibles, the impact of restructuring charges, acquisition and integration costs, net loss on debt extinguishment and pre-separation costs. Some of the exclusions, such as impairments, may be beyond the control of management. Further, some may be less predictable than revenue derived from our core businesses (the day to day business of selling our products and services). These reasons provide the basis for management's belief that the measures are useful.

Restructuring costs include incremental expenses incurred in the period associated with publicly announced major restructuring programs, usually aimed at material changes in business and/or cost structure. Such costs may include one-time termination benefits, asset impairments, facility-related costs and contract termination fees.

Asset impairments and write-downs include assets that have been written-down to their fair value.

Transformational initiatives include expenses incurred in the period associated with targeted cost reduction activities such as manufacturing transfers, small site consolidations, reorganizations, insourcing or outsourcing activities. Such costs may include move and relocation costs, one-time termination benefits and other one-time reorganization costs.

Acquisition and Integration costs include all incremental expenses incurred to effect a business combination which have been expensed during the period. Such acquisition costs may include advisory, legal, accounting, valuation, and other professional or consulting fees. Such integration costs may include expenses directly related to integration of business and facility operations, information technology systems and infrastructure and other employee-related costs.

Pre-separation costs include all incremental expenses incurred by Agilent in order to effect the separation, through the planned early November distribution date. They also include the cost of all the new FY14 hires required to operate two separate companies. The intent is to only include in non-GAAP expenses what would not have been incurred if we had no plan to spin-off our Electronic Measurement Group.

Net loss on extinguishment of debt relates to the early redemption of our 2015 senior notes.

Our management uses non-GAAP measures to evaluate the performance of our core businesses, to estimate future core performance and to compensate employees. Since management finds this measure to be useful, we believe that our investors benefit from seeing our results "through the eyes" of management in addition to seeing our GAAP results. This information facilitates our management's internal comparisons to our historical operating results as well as to the operating results of our competitors.

Our management recognizes that items such as amortization of intangibles, net loss on debt extinguishment and restructuring charges can have a material impact on our cash flows and/or our net income. Our GAAP financial statements including our statement of cash flows portray those effects. Although we believe it is useful for investors to see core performance free of special items, investors should understand that the excluded items are actual expenses that may impact the cash available to us for other uses. To gain a complete picture of all effects on the company's profit and loss from any and all events, management does (and investors should) rely upon the GAAP income statement. The non-GAAP numbers focus instead upon the core business of the company, which is only a subset, albeit a critical one, of the company's performance.

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.

For reconciliations of the non-GAAP financial information to the most directly comparable GAAP information, please see the non-GAAP reconciliations for all prior periods provided at the Investor's page of our website.

AGILENT TECHNOLOGIES, INC.
REVENUE BY REGION
(in millions)
(Unaudited)
PRELIMINARY

	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q3'14 Year Over Year Percent Inc/(Dec)
GAAP						
Americas	\$ 586	\$ 611	\$ 562	\$ 556	\$ 626	7%
Europe	421	467	495	465	466	11%
Asia Pacific	645	640	622	710	674	4%
Revenue	\$ 1,652	\$ 1,718	\$ 1,679	\$ 1,731	\$ 1,766	7%

Management believes that this measure provides 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.

The preliminary reconciliation of revenue by region is based on our current information.

AGILENT TECHNOLOGIES, INC.
RECONCILIATION FROM GAAP TO NON-GAAP

THREE MONTHS ENDED JULY 31, 2014
(Unaudited)
PRELIMINARY

NON-GAAP ADJUSTMENTS

(in millions, except per share amounts)

			GAAP	Intangible Amortization	Transformational Initiatives	Acquisition & Integration Costs	Pre-Separation Costs	Net Loss on Extinguishment of Debt	Other	Adjustment for Taxes	Non-GAAP	
Orders	Change Year Over Year	9%	\$ 1,739	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,739	9% Change Year Over Year
Net Revenue	Change Year Over Year	7%	\$ 1,766	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,766	7% Change Year Over Year
Costs and expenses:												
Cost of products and services	Gross Margin	51.8%	852	(31)	(5)	(1)	(4)	-	(1)	-	810	54.1% Gross Margin
Research and development	As a % of Revenue	10.0%	177	-	-	(1)	1	-	-	-	177	10.0% As a % of Revenue
Selling, general and administrative	As a % of Revenue	28.8%	508	(19)	(2)	-	(59)	-	12	-	440	24.9% As a % of Revenue
Total costs and expenses			1,537	(50)	(7)	(2)	(62)	-	11	-	1,427	
Income from operations	Operating Margin	13.0%	229	50	7	2	62	-	(11)	-	339	19.2% Operating Margin
Other income(expense), net			(45)	-	-	-	-	21	(2)	-	(26)	
Income before taxes			184	50	7	2	62	21	(13)	-	313	
Provision for income taxes	Tax Rate	20%	37	-	-	-	-	-	-	14	51	16% Tax Rate
Net income	Net Margin	8.3%	\$ 147	\$ 50	\$ 7	\$ 2	\$ 62	\$ 21	\$ (13)	\$ (14)	\$ 262	14.8% Net Margin

Net income (loss) per share - Basic and Diluted:

Basic	\$ 0.44	\$ 0.15	\$ 0.02	\$ 0.01	\$ 0.19	\$ 0.06	\$ (0.04)	\$ (0.05)	\$ 0.78
Diluted	\$ 0.43	\$ 0.15	\$ 0.02	\$ 0.01	\$ 0.19	\$ 0.06	\$ (0.04)	\$ (0.04)	\$ 0.78

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

Basic	334	334	334	334	334	334	334	334	334
Diluted	338	338	338	338	338	338	338	338	338

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

NINE MONTHS ENDED JULY 31, 2014
(Unaudited)
PRELIMINARY

NON-GAAP ADJUSTMENTS

		NON-GAAP ADJUSTMENTS											
		GAAP	Restructuring and Other Related Costs	Intangible Amortization	Transformational Initiatives	Acquisition & Integration Costs	Pre-Separation Costs	Net Loss on Extinguishment of Debt	Other	Adjustment for Taxes	Non-GAAP		
(in millions, except per share amounts)													
Orders	Change Year Over Year	5%	\$ 5,229	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,229	5% Change Year Over Year	
Net Revenue	Change Year Over Year	2%	\$ 5,176	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,176	2% Change Year Over Year	
Costs and expenses:													
Cost of products and services	Gross Margin	52.1%	2,480	2	(98)	(13)	(2)	(6)	-	(2)	2,361	54.4% Gross Margin	
Research and development	As a % of Revenue	10.2%	530	1	-	(1)	(2)	-	-	-	528	10.2% As a % of Revenue	
Selling, general and administrative	As a % of Revenue	29.2%	1,509	1	(54)	(4)	(7)	(117)	-	10	1,338	25.9% As a % of Revenue	
Total costs and expenses			4,519	4	(152)	(18)	(11)	(123)	-	8	4,227		
Income from operations	Operating Margin	12.7%	657	(4)	152	18	11	123	-	(8)	949	18.3% Operating Margin	
Other income(expense), net			(96)	-	-	-	-	-	21	(2)	(77)		
Income before taxes			561	(4)	152	18	11	123	21	(10)	872		
Provision for income taxes	Tax Rate	14%	80	-	-	-	-	-	-	-	60	16% Tax Rate	
Net income	Net Margin	9.3%	\$ 481	\$ (4)	\$ 152	\$ 18	\$ 11	\$ 123	\$ 21	\$ (10)	\$ (60)	14.1% Net Margin	

Net income (loss) per share - Basic and Diluted:

Basic	\$ 1.44	\$ (0.01)	\$ 0.46	\$ 0.05	\$ 0.03	\$ 0.37	\$ 0.06	\$ (0.03)	\$ (0.17)	\$ 2.20
Diluted	\$ 1.42	\$ (0.01)	\$ 0.45	\$ 0.05	\$ 0.03	\$ 0.36	\$ 0.06	\$ (0.02)	\$ (0.17)	\$ 2.17

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

Basic	333	333	333	333	333	333	333	333	333	333
Diluted	338	338	338	338	338	338	338	338	338	338

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

AGILENT TECHNOLOGIES, INC.
RECONCILIATIONS OF REVENUE BY SEGMENT AND
REVENUE BY REGION EXCLUDING THE IMPACT OF CURRENCY ADJUSTMENTS (CORE)
(in millions)
(Unaudited)
PRELIMINARY

Revenue by Segment	Year-over-Year							
	GAAP			Currency Adjustments ^(a)		Currency-Adjusted		
	Q3'14	Q3'13	Year-over-Year % Change	Q3'14	Q3'14	Q3'13	Year-over-Year % Change	
Life Sciences and Diagnostics	\$ 592	\$ 564	5%	\$ 7	\$ 585	\$ 564	4%	
Chemical Analysis	417	387	8%	3	\$ 414	387	7%	
Life Sciences, Diagnostics and Applied Markets (LDA)	1,009	951	6%	10	999	951	5%	
Electronic Measurement	757	701	8%	1	\$ 756	701	8%	
Agilent	<u>\$ 1,766</u>	<u>\$ 1,652</u>	7%	<u>\$ 11</u>	<u>\$ 1,755</u>	<u>\$ 1,652</u>	6%	

Revenue by Region	Year-over-Year							
	GAAP			Currency Adjustments ^(a)		Currency-Adjusted		
	Q3'14	Q3'13	Year-over-Year % Change	Q3'14	Q3'14	Q3'13	Year-over-Year % Change	
Revenue	\$ 1,766	\$ 1,652	7%	\$ 11	\$ 1,755	\$ 1,652	6%	
Americas	626	586	7%	(2)	628	586	7%	
Europe	466	421	11%	17	449	421	7%	
Japan	124	139	-10%	(3)	127	139	-8%	
Other Asia Pacific	550	506	8%	(1)	551	506	9%	
Total Revenue	<u>\$ 1,766</u>	<u>\$ 1,652</u>	7%	<u>\$ 11</u>	<u>\$ 1,755</u>	<u>\$ 1,652</u>	6%	
Asia Pacific	\$ 674	\$ 645	4%	(4)	\$ 678	\$ 645	5%	

^(a) 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 GAAP revenue adjusted for the impact of currency is estimated based on our current information

AGILENT TECHNOLOGIES, INC.
NON-GAAP NET INCOME AND DILUTED EPS RECONCILIATIONS
(In millions, except per share amounts)
(Unaudited)
PRELIMINARY

	Q3 2013		Q4 2013		Q1 2014		Q2 2014		Q3 2014		Nine Months Ended July 31, 2014		Nine Months Ended July 31, 2013	
	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS
GAAP Net income	\$ 168	\$ 0.49	\$ 211	\$ 0.63	\$ 195	\$ 0.58	\$ 139	\$ 0.41	\$ 147	\$ 0.43	\$ 481	\$ 1.42	\$ 513	\$ 1.47
Non-GAAP adjustments:														
Restructuring and other related costs	1	—	(3)	(0.01)	(4)	(0.01)	—	—	—	—	(4)	(0.01)	56	0.16
Asset impairments and write-downs	1	—	—	—	—	—	—	—	—	—	—	—	3	0.01
Acceleration of share-based compensation expense related to workforce reduction	—	—	3	0.01	—	—	—	—	—	—	—	—	—	—
Intangible amortization	48	0.14	48	0.15	51	0.15	51	0.15	50	0.15	152	0.45	151	0.43
Transformational initiatives	8	0.02	5	0.01	3	0.01	8	0.02	7	0.02	18	0.05	14	0.04
Acquisition and integration costs	6	0.02	7	0.02	7	0.02	2	0.01	2	0.01	11	0.03	22	0.06
Pre-separation costs	—	—	5	0.01	20	0.06	41	0.12	62	0.19	123	0.36	—	—
Net loss on extinguishment of debt	—	—	—	—	—	—	—	—	21	0.06	21	0.06	—	—
Other	2	0.01	4	0.01	1	—	2	0.01	(13)	(0.04)	(10)	(0.02)	11	0.03
Adjustment for taxes ^(a)	(1)	—	(9)	(0.02)	(47)	(0.14)	1	—	(14)	(0.04)	(60)	(0.17)	(46)	(0.12)
Non-GAAP Net income	<u>\$ 233</u>	<u>\$ 0.68</u>	<u>\$ 271</u>	<u>\$ 0.81</u>	<u>\$ 226</u>	<u>\$ 0.67</u>	<u>\$ 244</u>	<u>\$ 0.72</u>	<u>\$ 262</u>	<u>\$ 0.78</u>	<u>\$ 732</u>	<u>\$ 2.17</u>	<u>\$ 724</u>	<u>\$ 2.08</u>

^(a) The adjustment for taxes excludes tax benefits that management believes are not directly related to ongoing operations and which are either isolated or cannot be expected to occur again with any regularity or predictability. For Q3 FY 2014 and Q3 FY 2013, management uses a non-GAAP effective tax rate of 16%, that we believe to be indicative of on-going operations.

Historical amounts are reclassified to conform with current presentation.

We provide non-GAAP net income and non-GAAP net income per share amounts in order to provide meaningful supplemental information regarding our operational performance and our prospects for the future. These supplemental measures exclude, among other things, charges related to the amortization of intangibles, the impact of restructuring charges, acquisition and integration costs, net loss on debt extinguishment and pre-separation costs. Some of the exclusions, such as impairments, may be beyond the control of management. Further, some may be less predictable than revenue derived from our core businesses (the day to day business of selling our products and services). These reasons provide the basis for management's belief that the measures are useful.

Restructuring costs include incremental expenses incurred in the period associated with publicly announced major restructuring programs, usually aimed at material changes in business and/or cost structure. Such costs may include one-time termination benefits, asset impairments, facility-related costs and contract termination fees.

Asset impairments and write-downs include assets that have been written-down to their fair value.

Transformational initiatives include expenses incurred in the period associated with targeted cost reduction activities such as manufacturing transfers, small site consolidations, reorganizations, insourcing or outsourcing of activities. Such costs may include move and relocation costs, one-time termination benefits and other one-time reorganization costs.

Acquisition and Integration costs include all incremental expenses incurred to effect a business combination which have been expensed during the period. Such acquisition costs may include advisory, legal, accounting, valuation, and other professional or consulting fees. Such integration costs may include expenses directly related to integration of business and facility operations, information technology systems and infrastructure and other employee-related costs.

Pre-separation costs include all incremental expenses incurred by Agilent in order to effect the separation, through the planned early November distribution date. They also include the cost of all the new FY14 hires required to operate two separate companies. The intent is to only include in non-GAAP expenses what would not have been incurred if we had no plan to spin-off our Electronic Measurement Group.

Net loss on extinguishment of debt relates to the early redemption of our 2015 senior notes.

Our management uses non-GAAP measures to evaluate the performance of our core businesses, to estimate future core performance and to compensate employees. Since management finds this measure to be useful, we believe that our investors benefit from seeing our results "through the eyes" of management in addition to seeing our GAAP results. This information facilitates our management's internal comparisons to our historical operating results as well as to the operating results of our competitors.

Our management recognizes that items such as amortization of intangibles, net loss on debt extinguishment and restructuring charges can have a material impact on our cash flows and/or our net income. Our GAAP financial statements including our statement of cash flows portray those effects. Although we believe it is useful for investors to see core performance free of special items, investors should understand that the excluded items are actual expenses that may impact the cash available to us for other uses. To gain a complete picture of all effects on the company's profit and loss from any and all events, management does (and investors should) rely upon the GAAP income statement. The non-GAAP numbers focus instead upon the core business of the company, which is only a subset, albeit a critical one, of the company's performance.

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 non-GAAP net income and diluted EPS reconciliation is estimated based on our current information.

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

	LDG Q3'14	CAG Q3'14	EMG Q3'14	AGILENT Q3'14	LDG Q3'13	CAG Q3'13	EMG Q3'13	AGILENT Q3'13	LDG Q2'14	CAG Q2'14	EMG Q2'14	AGILENT Q2'14
Numerator:												
Non-GAAP income from operations	\$ 93	\$ 97	\$ 149	\$ 339	\$ 91	\$ 83	\$ 129	\$ 303	\$ 76	\$ 90	\$ 148	\$ 314
Less:												
Taxes and Other (income)/expense	15	15	23	54	16	13	20	49	11	14	23	48
Segment return	78	82	126	285 ^(a)	75	70	109	254 ^(a)	65	76	125	266 ^(a)
Segment return annualized	\$ 312	\$ 328	\$ 504	\$ 1,140	\$ 300	\$ 280	\$ 436	\$ 1,016	\$ 260	\$ 304	\$ 500	\$ 1,064
Denominator:												
Segment assets ^(b)	\$ 4,305	\$ 1,791	\$ 1,963	\$ 8,059	\$ 4,252	\$ 1,732	\$ 2,008	\$ 7,994	\$ 4,306	\$ 1,778	\$ 1,976	\$ 8,060
Less:												
Net current liabilities ^(c)	416	249	503	1,169	411	235	522	1,167	462	281	573	1,308
Invested capital	\$ 3,889	\$ 1,542	\$ 1,460	\$ 6,890	\$ 3,841	\$ 1,497	\$ 1,486	\$ 6,827	\$ 3,844	\$ 1,497	\$ 1,403	\$ 6,752
Average invested capital	\$ 3,866	\$ 1,520	\$ 1,431	\$ 6,821	\$ 3,836	\$ 1,491	\$ 1,467	\$ 6,796	\$ 3,859	\$ 1,503	\$ 1,412	\$ 6,777
ROIC	8%	21%	35%	17%	8%	19%	30%	15%	7%	20%	35%	16%

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

(a) Agilent return is equal to non-GAAP net income of \$262 million plus net interest expense after tax of \$23 million for Q3'14, net income of \$233 million plus net interest expense after tax of \$21 million for Q3'13 and \$244 million plus net interest expense after tax of \$22 million for Q2'14. Please see "Non-GAAP Net Income and Diluted EPS Reconciliations" for a reconciliation of non-GAAP net income to GAAP net income.

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

(c) Includes accounts payable, employee compensation and benefits, deferred revenue, certain 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. When we complete a major acquisition, we may adjust invested capital for the relevant segment in the quarter when the acquisition occurred. 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 based on our current information.

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

	<u>Q3'14</u>	<u>Q3'13</u>	<u>Q2'14</u>
Cash and cash equivalents	\$ 2,391	\$ 2,330	\$ 2,950
Short-term debt, par value	\$ (35)	—	—
Senior notes, par value	(2,100)	(2,600)	(2,600)
Other debt	(45)	(45)	(47)
Total Net Cash (Debt)	<u>\$ 211</u>	<u>\$ (315)</u>	<u>\$ 303</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.