

**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 April 30,		Percent Inc/(Dec)
	2014	2013	
Orders	\$ 1,812	\$ 1,688	7%
Net revenue	\$ 1,731	\$ 1,732	—
Costs and expenses:			
Cost of products and services	832	841	(1%)
Research and development	176	181	(3%)
Selling, general and administrative	513	497	3%
Total costs and expenses	<u>1,521</u>	<u>1,519</u>	—
Income from operations	210	213	(1%)
Interest income	2	1	100%
Interest expense	(30)	(25)	20%
Other income (expense), net	<u>4</u>	<u>9</u>	(56%)
Income before taxes	186	198	(6%)
Provision for income taxes	<u>47</u>	<u>32</u>	47%
Net income	<u>\$ 139</u>	<u>\$ 166</u>	(16%)
Net income per share:			
Basic	\$ 0.42	\$ 0.48	
Diluted	\$ 0.41	\$ 0.48	
Weighted average shares used in computing net income per share:			
Basic	333	345	
Diluted	337	349	
Cash dividends declared per common share	\$ 0.13	\$ -	

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)

	Six Months Ended April 30,		Percent Inc/(Dec)
	2014	2013	
Orders	\$ 3,490	\$ 3,398	3%
Net revenue	\$ 3,410	\$ 3,412	—
Costs and expenses:			
Cost of products and services	1,628	1,641	(1%)
Research and development	353	360	(2%)
Selling, general and administrative	1,001	981	2%
Total costs and expenses	<u>2,982</u>	<u>2,982</u>	—
Income from operations	428	430	—
Interest income	4	3	33%
Interest expense	(59)	(50)	18%
Other income (expense), net	<u>4</u>	<u>10</u>	(60%)
Income before taxes	377	393	(4%)
Provision for income taxes	<u>43</u>	<u>48</u>	(10%)
Net income	<u>\$ 334</u>	<u>\$ 345</u>	—
Net income per share:			
Basic	\$ 1.00	\$ 1.00	
Diluted	\$ 0.99	\$ 0.98	
Weighted average shares used in computing net income per share:			
Basic	333	346	
Diluted	338	351	
Cash dividends declared per common share	\$ 0.26	\$ 0.22	

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 April 30,		Six Months Ended April 30,	
	2014	2013	2014	2013
Net income	\$ 139	\$ 166	\$ 334	\$ 345
Other comprehensive income (loss), net of tax:				
Unrealized gain (loss) on investments	3	(2)	—	1
Unrealized gain (loss) on derivative instruments	1	5	(1)	11
Amounts reclassified into earnings related to derivative instruments	—	(4)	—	(5)
Foreign currency translation	88	(111)	33	(55)
Net defined benefit pension cost and post retirement plan costs:				
Amortization of actuarial net loss	12	16	25	30
Amortization of net prior service benefit	(8)	(8)	(16)	(16)
Other comprehensive income (loss)	<u>96</u>	<u>(104)</u>	<u>41</u>	<u>(34)</u>
Total comprehensive income	<u>\$ 235</u>	<u>\$ 62</u>	<u>\$ 375</u>	<u>\$ 311</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)

	<u>April 30, 2014</u>	<u>October 31, 2013</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,950	\$ 2,675
Accounts receivable, net	903	899
Inventory	1,100	1,066
Other current assets	424	343
Total current assets	<u>5,377</u>	<u>4,983</u>
Property, plant and equipment, net	1,139	1,134
Goodwill	3,067	3,047
Other intangible assets, net	825	916
Long-term investments	133	139
Other assets	485	467
Total assets	<u>\$ 11,026</u>	<u>\$ 10,686</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 481	\$ 432
Employee compensation and benefits	406	401
Deferred revenue	470	439
Other accrued liabilities	362	330
Total current liabilities	<u>1,719</u>	<u>1,602</u>
Long-term debt	2,693	2,699
Retirement and post-retirement benefits	261	294
Other long-term liabilities	724	802
Total liabilities	<u>5,397</u>	<u>5,397</u>
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; 605 million shares at April 30, 2014 and 602 million shares at October 31, 2013, issued	6	6
Treasury stock at cost; 272 million shares at April 30, 2014 and 269 million shares at October 31, 2013	(9,757)	(9,607)
Additional paid-in-capital	8,861	8,723
Retained earnings	6,384	6,073
Accumulated other comprehensive income	132	91
Total stockholders' equity	<u>5,626</u>	<u>5,286</u>
Non-controlling interest	3	3
Total equity	<u>5,629</u>	<u>5,289</u>
Total liabilities and equity	<u>\$ 11,026</u>	<u>\$ 10,686</u>

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

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

	<b>Three Months Ended April 30, 2014</b>	<b>Six Months Ended April 30, 2014</b>
Cash flows from operating activities:		
Net income	\$ 139	\$ 334
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	97	193
Share-based compensation	22	58
Excess tax benefit from share-based plans	—	(3)
Excess and obsolete inventory related charges	12	23
Other non-cash expenses, net	2	8
Changes in assets and liabilities:		
Accounts receivable	(43)	(3)
Inventory	(23)	(56)
Accounts payable	45	44
Employee compensation and benefits	66	4
Other assets and liabilities	8	(83)
Net cash provided by operating activities <sup>(a)</sup>	325	519
Cash flows from investing activities:		
Investments in property, plant and equipment	(53)	(98)
Proceeds from sale of property, plant and equipment	2	2
Loan to Equity method investment	(4)	(4)
Acquisition of businesses and intangible assets, net of cash acquired	—	(2)
Net cash used in investing activities	(55)	(102)
Cash flows from financing activities:		
Issuance of common stock under employee stock plans	22	95
Treasury stock repurchases	(50)	(150)
Payment of dividends	(44)	(88)
Excess tax benefit from share-based plans	—	3
Net cash used in financing activities	(72)	(140)
Effect of exchange rate movements	10	(2)
Net increase in cash and cash equivalents	208	275
Cash and cash equivalents at beginning of period	2,742	2,675
Cash and cash equivalents at end of period	\$ 2,950	\$ 2,950
<sup>(a)</sup> Cash payments included in operating activities:		
Restructuring payments	7	18
Income tax payments, net	8	34

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				Total
	Q1	Q2	Q3	Q4	
Orders	\$ 564	\$ 598			\$ 1,162
Net revenue	\$ 591	\$ 577			\$ 1,168
Gross margin %	55.5%	53.2%			54.4%
Income from operations	\$ 100	\$ 76			\$ 176
Operating margin %	16.9%	13.1%			15.0%
Segment assets	\$ 4,287	\$ 4,306			
Return On Invested Capital <sup>(a)</sup> , %	9%	7%			

	FY 2013				Total
	Q1	Q2	Q3	Q4	
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 <sup>(a)</sup> , %	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			\$ 847
Net revenue	\$ 417	\$ 411			\$ 828
Gross margin %	52.1%	52.5%			52.3%
Income from operations	\$ 94	\$ 90			\$ 184
Operating margin %	22.6%	22.0%			22.3%
Segment assets	\$ 1,757	\$ 1,778			
Return On Invested Capital <sup>(a)</sup> , %	21%	20%			

	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 <sup>(a)</sup> , %	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.

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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			\$ 1,481
Net revenue	\$ 671	\$ 743			\$ 1,414
Gross margin %	55.6%	56.2%			56.0%
Income from operations	\$ 102	\$ 148			\$ 250
Operating margin %	15.2%	19.9%			17.7%
Segment assets	\$ 1,929	\$ 1,976			
Return On Invested Capital <sup>(a)</sup> , %	24%	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 <sup>(a)</sup> , %	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			\$ 2,009
Net revenue	\$ 1,008	\$ 988			\$ 1,996
Gross margin %	54.1%	52.9%			53.5%
Income from operations	\$ 194	\$ 166			\$ 360
Operating margin %	19.2%	16.8%			18.0%

	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 - Q2FY14  
(Unaudited)

M\$	Q1'13	Q2'13	Q3'13	Q4'13	Preliminary		Q2 Y/Y
					Q1'14	Q2'14	
Orders	1,710	1,688	1,600	1,829	1,678	1,812	7%
<b>Net Revenues</b>	<b>1,680</b>	<b>1,732</b>	<b>1,652</b>	<b>1,718</b>	<b>1,679</b>	<b>1,731</b>	0%
<b>Gross Profit %</b>	<b>54.9%</b>	<b>54.8%</b>	<b>54.3%</b>	<b>55.1%</b>	<b>54.7%</b>	<b>54.3%</b>	<b>-0.5 ppt</b>
R&D	177	170	168	172	176	175	3%
% Revenues	10.6%	9.8%	10.2%	10.0%	10.5%	10.1%	0.3 ppt
SG&A	458	445	426	423	447	451	1%
% Revenues	27.2%	25.7%	25.8%	24.6%	26.6%	26.1%	0.4 ppt
<b>Operating Profit</b>	<b>288</b>	<b>334</b>	<b>303</b>	<b>351</b>	<b>296</b>	<b>314</b>	<b>-6%</b>
Operating Margin	17.2%	19.3%	18.3%	20.4%	17.6%	18.2%	-1.1 ppt
Other Income/ (Expense)	(23)	(15)	(25)	(26)	(27)	(24)	60%
<b>Pre-Tax Earnings</b>	<b>265</b>	<b>319</b>	<b>278</b>	<b>323</b>	<b>269</b>	<b>290</b>	<b>-9%</b>
Tax Rate	16%	16%	16%	16%	16%	16%	0 ppt
Income Tax	43	50	45	52	43	46	-8%
<b>Net Earnings</b>	<b>222</b>	<b>269</b>	<b>233</b>	<b>271</b>	<b>226</b>	<b>244</b>	<b>-9%</b>
Net Margin	13.2%	15.5%	14.1%	15.8%	13.5%	14.1%	-1.4 ppt
ROIC	14%	17%	15%	17%	15%	16%	-1 ppt
Regular Headcount	20,466	20,543	20,563	20,600	20,636	20,901	358
<b>Non-GAAP EPS</b>	<b>\$ 0.63</b>	<b>\$ 0.77</b>	<b>\$ 0.68</b>	<b>\$ 0.81</b>	<b>\$ 0.67</b>	<b>\$ 0.72</b>	<b>\$ (0.05)</b>

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 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.

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 have been incurred if we had no plan to spin-off Keysight.

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 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**

	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q2'14 Year Over Year Percent Inc/(Dec)
<b>GAAP</b>						
Americas	\$ 621	\$ 586	\$ 611	\$ 562	\$ 556	-10%
Europe	433	421	467	495	465	8%
Asia Pacific	678	645	640	622	710	5%
<b>Revenue</b>	\$ 1,732	\$ 1,652	\$ 1,718	\$ 1,679	\$ 1,731	0%

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 APRIL 30, 2014  
(Unaudited)  
PRELIMINARY

NON-GAAP ADJUSTMENTS

(in millions, except per share amounts)

			GAAP	Intangible Amortization	Transformational Initiatives	Acquisition & Integration Costs	Pre-Separation Costs	Other	Adjustment for Taxes	Non-GAAP	
Orders	Change Year Over Year	7%	\$ 1,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,812	7% Change Year Over Year
Net Revenue	Change Year Over Year	0%	\$ 1,731	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,731	0% Change Year Over Year
Costs and expenses:											
Cost of products and services	Gross Margin	51.9%	832	(34)	(5)	-	(2)	-	-	791	54.3% Gross Margin
Research and development	As a % of Revenue	10.2%	176	-	(1)	-	-	-	-	175	10.1% As a % of Revenue
Selling, general and administrative	As a % of Revenue	29.6%	513	(17)	(2)	(2)	(39)	(2)	-	451	26.1% As a % of Revenue
Total costs and expenses			1,521	(51)	(8)	(2)	(41)	(2)	-	1,417	
Income from operations	Operating Margin	12.1%	210	51	8	2	41	2	-	314	18.2% Operating Margin
Other income(expense), net			(24)	-	-	-	-	-	-	(24)	
Income before taxes			186	51	8	2	41	2	-	290	
Provision for income taxes	Tax Rate	19%	47	-	-	-	-	-	(1)	46	16% Tax Rate
Net income	Net Margin	8.7%	\$ 139	\$ 51	\$ 8	\$ 2	\$ 41	\$ 2	\$ 1	\$ 244	14.1% Net Margin

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

Basic	\$ 0.42	\$ 0.15	\$ 0.02	\$ 0.01	\$ 0.12	\$ 0.01	\$ -	\$ 0.73
Diluted	\$ 0.41	\$ 0.15	\$ 0.02	\$ 0.01	\$ 0.12	\$ 0.01	\$ -	\$ 0.72

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

Basic	333	333	333	333	333	333	333	333
Diluted	337	337	337	337	337	337	337	337

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

SIX MONTHS ENDED APRIL 30, 2014  
(Unaudited)  
PRELIMINARY

NON-GAAP ADJUSTMENTS

(in millions, except per share amounts)

		GAAP	Restructuring and Other Related Costs	Intangible Amortization	Transformational Initiatives	Acquisition & Integration Costs	Pre-Separation Costs	Other	Adjustment for Taxes	Non-GAAP		
Orders	Change Year Over Year	3%	\$ 3,490	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,490	3% Change Year Over Year	
Net Revenue	Change Year Over Year	0%	\$ 3,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,410	0% Change Year Over Year	
Costs and expenses:												
Cost of products and services	Gross Margin	52.3%	1,628	2	(67)	(8)	(1)	(2)	(1)	1,551	54.5% Gross Margin	
Research and development	As a % of Revenue	10.4%	353	1	-	(1)	(1)	(1)	-	351	10.3% As a % of Revenue	
Selling, general and administrative	As a % of Revenue	29.4%	1,001	1	(35)	(2)	(7)	(58)	(2)	898	26.3% As a % of Revenue	
Total costs and expenses			2,982	4	(102)	(11)	(9)	(61)	(3)	2,800		
Income from operations	Operating Margin	12.6%	428	(4)	102	11	9	61	3	610	17.9% Operating Margin	
Other income/(expense), net			(51)	-	-	-	-	-	-	(51)		
Income before taxes			377	(4)	102	11	9	61	3	559		
Provision for income taxes	Tax Rate	8%	43	-	-	-	-	-	46	89	16% Tax Rate	
Net income	Net Margin	10.1%	\$ 334	\$ (4)	\$ 102	\$ 11	\$ 9	\$ 61	\$ 3	\$ (46)	\$ 470	13.8% Net Margin
<b>Net income (loss) per share - Basic and Diluted:</b>												
			\$ 1.00	\$ (0.01)	\$ 0.30	\$ 0.03	\$ 0.03	\$ 0.18	\$ 0.01	\$ (0.13)	\$ 1.41	
			\$ 0.99	\$ (0.01)	\$ 0.30	\$ 0.03	\$ 0.03	\$ 0.18	\$ 0.01	\$ (0.14)	\$ 1.39	
Weighted average shares used in computing net income (loss) per share												
			333	333	333	333	333	333	333	333	333	
			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**  
(in millions)  
(Unaudited)  
**PRELIMINARY**

<b>Revenue by Segment</b>	Year-over-Year							
	GAAP			Currency Adjustments <sup>(a)</sup>		Currency-Adjusted		
	Q2'14	Q2'13	Year-over-Year % Change	Q2'14	Q2'14	Q2'13	Year-over-Year % Change	
Life Sciences and Diagnostics	\$ 577	\$ 571	1%	\$ (3)	\$ 580	\$ 571	1%	
Chemical Analysis	411	401	3%	(3)	\$ 414	401	3%	
Life Sciences, Diagnostics and Applied Markets (LDA)	988	972	2%	(6)	994	972	2%	
Electronic Measurement	743	760	-2%	(8)	\$ 751	760	-1%	
Agilent	<u>\$ 1,731</u>	<u>\$ 1,732</u>	0%	<u>\$ (14)</u>	<u>\$ 1,745</u>	<u>\$ 1,732</u>	1%	

  

<b>Revenue by Region</b>	Year-over-Year							
	GAAP			Currency Adjustments <sup>(a)</sup>		Currency-Adjusted		
	Q2'14	Q2'13	Year-over-Year % Change	Q2'14	Q2'14	Q2'13	Year-over-Year % Change	
Revenue	\$ 1,731	\$ 1,732	0%	\$ (14)	\$ 1,745	\$ 1,732	1%	
Americas	556	621	-10%	(5)	561	621	-10%	
Europe	465	433	8%	15	450	433	4%	
Japan	174	174	-1%	(17)	191	174	10%	
Other Asia Pacific	536	504	6%	(7)	543	504	8%	
Total Revenue	<u>\$ 1,731</u>	<u>\$ 1,732</u>	0%	<u>\$ (14)</u>	<u>\$ 1,745</u>	<u>\$ 1,732</u>	1%	
Asia Pacific	\$ 710	\$ 678	5%	\$ (24)	\$ 734	\$ 678	8%	

<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 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**

	Q2 2013		Q3 2013		Q4 2013		Q1 2014		Q2 2014		Six Months Ended April 30, 2014		Six Months Ended April 30, 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	\$ 166	\$ 0.48	\$ 168	\$ 0.49	\$ 211	\$ 0.63	\$ 195	\$ 0.58	\$ 139	\$ 0.41	\$ 334	\$ 0.99	\$ 345	\$ 0.98
Non-GAAP adjustments:														
Restructuring and other related costs	55	0.16	1	—	(3)	(0.01)	(4)	(0.01)	—	—	(4)	(0.01)	55	0.16
Asset impairments and write-downs	1	—	1	—	—	—	—	—	—	—	—	—	2	0.01
Acceleration of share-based compensation expense related to workforce reduction	—	—	—	—	3	0.01	—	—	—	—	—	—	—	—
Intangible amortization	51	0.15	48	0.14	48	0.15	51	0.15	51	0.15	102	0.30	103	0.29
Transformational initiatives	3	0.01	8	0.02	5	0.01	3	0.01	8	0.02	11	0.03	6	0.02
Acquisition and integration costs	6	0.02	6	0.02	7	0.02	7	0.02	2	0.01	9	0.03	16	0.05
Pre-separation costs	—	—	—	—	5	0.01	20	0.06	41	0.12	61	0.18	—	—
Other	5	0.01	2	0.01	4	0.01	1	—	2	0.01	3	0.01	9	0.03
Adjustment for taxes <sup>(a)</sup>	(18)	(0.06)	(1)	—	(9)	(0.02)	(47)	(0.14)	1	—	(46)	(0.14)	(45)	(0.14)
Non-GAAP Net income	<u>\$ 269</u>	<u>\$ 0.77</u>	<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>\$ 470</u>	<u>\$ 1.39</u>	<u>\$ 491</u>	<u>\$ 1.40</u>

<sup>(a)</sup> 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 Q2 FY 2014 and Q2 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 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.

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 have been incurred if we had no plan to spin-off Keysight.

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 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 Q2'14	CAG Q2'14	EMG Q2'14	AGILENT Q2'14	LDG Q2'13	CAG Q2'13	EMG Q2'13	AGILENT Q2'13	LDG Q1'14	CAG Q1'14	EMG Q1'14	AGILENT Q1'14
<b>Numerator:</b>												
Non-GAAP income from operations	\$ 76	\$ 90	\$ 148	\$ 314	\$ 89	\$ 89	\$ 156	\$ 334	\$ 100	\$ 94	\$ 102	\$ 296
Less:												
Taxes and Other (income)/expense	11	14	23	48	12	13	22	47	16	15	16	47
Segment return	65	76	125	266 <sup>(a)</sup>	77	76	134	287 <sup>(a)</sup>	84	79	86	249 <sup>(a)</sup>
Segment return annualized	\$ 260	\$ 304	\$ 500	\$ 1,064	\$ 308	\$ 304	\$ 536	\$ 1,148	\$ 336	\$ 316	\$ 344	\$ 996
<b>Denominator:</b>												
Segment assets <sup>(b)</sup>	\$ 4,306	\$ 1,778	\$ 1,976	\$ 8,060	\$ 4,257	\$ 1,739	\$ 2,019	\$ 8,015	\$ 4,287	\$ 1,757	\$ 1,929	\$ 7,973
Less:												
Net current liabilities <sup>(c)</sup>	462	281	573	1,308	426	253	572	1,250	413	249	508	1,172
Invested capital	\$ 3,844	\$ 1,497	\$ 1,403	\$ 6,752	\$ 3,831	\$ 1,486	\$ 1,447	\$ 6,765	\$ 3,874	\$ 1,508	\$ 1,421	\$ 6,801
Average invested capital	\$ 3,859	\$ 1,503	\$ 1,412	\$ 6,777	\$ 3,834	\$ 1,484	\$ 1,430	\$ 6,752	\$ 3,864	\$ 1,503	\$ 1,441	\$ 6,804
ROIC	7%	20%	35%	16%	8%	20%	38%	17%	9%	21%	24%	15%

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 \$244 million plus net interest expense after tax of \$22 million for Q2'14, net income of \$269 million plus net interest expense after tax of \$18 million for Q2'13 and \$226 million plus net interest expense after tax of \$23 million for Q1'14. 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.**  
**RECONCILIATION OF OPERATING FREE CASH FLOW**  
**(In millions)**  
**(Unaudited)**  
**PRELIMINARY**

	<u>Q2'14</u>
Net cash provided by operating activities	\$ 325
Less: Investments in property, plant and equipment	<u>(53)</u>
Operating free cash flow	<u>\$ 272</u>

Operating free cash flow is a non-GAAP measure which management believes provides useful information to management and investors about the amount of cash generated by the business after the acquisition of property and equipment, which can then be used for strategic opportunities including investing in the Company's business and making strategic acquisitions. Our management uses this measure which is a common one in our industry to compare ourselves to our competitors and to measure our own performance. A limitation of operating free cash flow is that it does not represent the total increase or decrease in the cash balance for the period. Our management compensates for this limitation by monitoring and providing the reader with a complete GAAP statement of cash flows which includes net cash provided by operating activities.

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 operating free cash flow is estimated based on our current information.

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

	<u>Q2'14</u>	<u>Q2'13</u>	<u>Q1'14</u>
Cash and cash equivalents	\$ 2,950	\$ 2,519	\$ 2,742
Short-term debt, par value	—	(250)	—
Senior notes, par value	(2,600)	(2,000)	(2,600)
Other debt	(47)	(44)	(45)
<b>Total Net Cash</b>	<u>\$ 303</u>	<u>\$ 225</u>	<u>\$ 97</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.